

ING BANK A.Ş. - CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT – 2013

1- Corporate Governance Principles Compliance Statement

In spite of the fact that our bank's shares are not open to public, the provisions in the legislations have been complied with in maximum, being aware of the importance of corporate governance practices. In this respect, utmost attention has been paid to comply with nearly all of the principles specified in the legislation without giving rise to any conflict of interests.

SECTION I – SHAREHOLDERS

2- Shareholders Relations Department

Since our Bank's shares are not open to public, there is no "Shareholders Relations Department". The transactions about public offering of the bank bonds are carried out by Financial Institutions, Syndication and Debt Capital Markets Group. All kinds of information and explanation, except for the special requests for information by our investors, are given under the menus Relations with Investors and Corporate Governance on our Bank's web site. These information and explanations are kept up-to-date at all times.

3- The Use of Shareholders Rights to Obtain Information

In case of emergence or getting informed of the developments influencing the decision of our investors, they are announced via Public Disclosure Platform. There are documents including various information disclosed to the public under Relations with Investors and Corporate Governance menus on our Bank's website, presented both in Turkish and English.

During the activity period, a number of meetings were held with investor groups both in Turkey and abroad and all the requests for information were responded. All information requests of our shareholders are responded provided that they are not commercial secrets or undisclosed information.

In the articles of association of our bank there is no regulation about the request of assigning a private auditor. No request has been received by our Bank about assigning a private auditor during the term.

4- Information on Shareholders' Meeting

Shareholders of the Bank held an Ordinary General Assembly meeting on 28.03.2013, which was within the fiscal year of 2013. Within scope of Turkish Commercial Code Article 416, the General Assembly was attended by all the shareholders without being called. The notification about the meeting was made to the shareholders two weeks before the meeting in written form as is required by Articles of Association.

Since all the nominative shareholders of our Bank are registered in the Share Ledger, no duration was allotted for registration in the Share Ledger to ensure them to participate in the General Assembly Meeting. In this General Assembly, the shareholders did not use their right to ask question. There is no provision in the Articles of Association stipulating that important decisions should be taken by general assembly. In this respect, the legislation in force is implemented.

Minutes of General Assembly are announced in Turkish Trade Registry Gazette within scope of the legislations. Pursuant to the provisions of “Regulation on the Web Sites to Be Opened by Capital Companies” put in effect in May 2013, the minutes of General Assembly shall be published on the website of the Bank following the General Assembly from now onwards, which is open for review by all the shareholders, in the Head Office.

5- Voting Rights and Minority Rights

There is no privilege applied on the voting right of our Bank’s shareholders. The companies in reciprocal shareholding did not participate in the voting in general assembly. There’s no minority share represented in management. The Bank does not implement cumulative voting.

6- Dividend Policy and Deadline for Dividend Distribution

There is no privilege granted in participation in the Bank’s decisions. Except for the arrangement made under Article 31 “Detection of Net Profit”, Article 32 “Allocation and Distribution of Net Profit” and Article 33 “Capital Reserves” in Articles of Association of the Bank, there is no other profit distribution policy disclosed to the public. Within the scope of related legislations, decisions for profit distribution are taken and necessary actions are realized in parallel with this.

7. Transfer of Shares

There is no provision limiting the transfer of shares in the Articles of Association except for the provision “Transfer of shares or stock certificates representing the shares or registered stock certificates inure to the Bank provided that it is in compliance with the Banking Law no 5411, registered in the Share Register based on the positive decision of Board of Directors” in article 9 with title “Transfer of Stock Certificates”

SECTION II – PUBLIC DISCLOSURE AND TRANSPARENCY

8- Bank Information Disclosure Policy

Disclosure Policy of our Bank is updated and published on the website of our Bank both in Turkish and English as is required by the legislations we are subjected to. Within the scope of disclosure policy, it is disclosed to the public by “Investor Relations and Corporate Governance” and “Statutory Reporting” departments within the knowledge and approval of our Bank’s Board of Directors and Head Office. The disclosures are reported in Corporate Governance Committee.

The main purpose of the Disclosure Policy is to ensure that required information, other than confidential business information, is disclosed to the public, investors, employees, customers, creditors and other relevant parties in a timely, accurate, complete, understandable, convenient and affordable manner, on equal footing.

All kinds of financial information, explanations and disclosures required in line with the Banking Law and the relevant regulations, Capital Markets Board (CMB) Legislation, Turkish Commercial Code, Borsa Istanbul (BI) Legislation and other relevant legislation, are provided by also taking into consideration the generally accepted accounting principles and the Corporate Governance Policies of the CMB.

ING Bank A.Ş. ("Bank") Disclosure Policy has been created based on the "Communiqué, Serial: VIII, No: 54 on the Principles Governing Public Disclosure of Material Circumstances" issued by the CMB.

The Disclosure Policy has been established by the Bank's Board of Directors. The Board of Directors has the right and the responsibility to disclose information to the public, and to monitor, supervise, and develop the disclosure policy. Coordination of the disclosure function is the responsibility of the Financial Control Executive Vice Presidency and the Legislation Department. The officials of the aforesaid departments fulfill these responsibilities in close coordination with the Senior Management.

The financial statements prepared quarterly on solo and consolidated basis in accordance with the legislation issued by the Banking Regulation and Supervision Agency (BRSA), footnotes and remarks regarding the relevant financial statements, the independent audit report and the interim report are submitted to the BI within the prescribed legal period and published on the Bank's website and the websites of the BRSA and the Banks Association of Turkey. At year-ends, the financial statements prepared on solo and consolidated basis in accordance with the legislation issued by the Banking Regulation and Supervision Agency (BRSA), footnotes and remarks regarding the relevant financial statements, and the independent audit report are submitted to the BI within the prescribed legal period and published on the Bank's website and the websites of the BRSA and the Banks Association of Turkey. The relevant financial statements are attested and signed by the Chairman of the Bank's Board of Directors, members of the Audit Committee, CEO, Executive Vice President in charge of financial reporting, and Vice President of the relevant unit. The interim reports prepared quarterly provide information on the Bank's market position, general financial performance and other important matters.

The annual report, prepared in accordance with the legislation issued by the BRSA, is submitted to the BI within the prescribed legal period and published on the Bank's website. The relevant financial statements are attested and signed by the Chairman of the Bank's Board of Directors, members of the Audit Committee, CEO, Executive Vice President in charge of financial reporting, and the Vice President of the relevant unit.

The year-end activity report provides information on the Bank's market position, general financial performance and other important matters.

The Bank's Board of Directors has the right and the responsibility to develop and to follow up the implementation of the Disclosure Policy. The effectiveness and reliability of the public disclosure process within the scope of the Disclosure Policy are under the supervision and control of the Bank's Board of Directors. The Bank's Board of Directors has the right to amend the policy. The amendments are disclosed to the public and published on the internet website within one week following the amendment.

The implementation of the Disclosure Policy is under the responsibility of the Bank's Senior Management.

9- Disclosure of Material Events

Pursuant to "Communiqué on the Principles Governing Public Disclosure of Material Events", disclosure of 32 material events were made by our Bank in 2013. No additional explanations have been demanded by CMB and Borsa Istanbul for the disclosures made.

Since the shares of our Bank are not listed on the foreign stock exchanges, no notification has been made to foreign stock exchanges.

Executive Vice President Alp Sivriođlu, Executive Vice President Gökhan Yurtçu, Financial Reporting Senior Vice President Özden Serpek, Statutory Reporting Vice President İsmail Yıldız and Management Office Vice President Canan Sicimođlu are authorized to disclose the material events of our Bank.

Material events disclosures are available on our website. No additional explanation has been demanded by Borsa Istanbul Presidency about the material events disclosures. There is no sanction implemented by the Capital Market Board due to incompliance with Disclosure of Material Events.

10- Bank's Website and Its Content

There are disclosures for the public, especially for our investors under the menus "Relations with Investors" and "Corporate Governance" on the website of our Bank. Our disclosures are provided both in Turkish and English.

ING Bank A.Ş.'s Website (www.ingbank.com.tr) is frequently used for informing the public and for disclosure. The website of the Bank includes the information and data required by the legislations. It is paid attention to keep the website up-to-date.

11- Disclosure of the Bank's Ultimate Controlling Individual Shareholder/Shareholders (Beneficial Ownership)

There is no real person ultimate controlling shareholder at our Bank. Partnership structure of our Bank is published on our website and in the activity report.

12- Disclosure On Insiders

In order to ensure confidentiality of the information which can affect the value of the capital market instrument and the investment decision of the investor not disclosed to the public yet, it is under the responsibility of the Bank's Board of Directors to take all necessary measures and to apply them.

A list of employees who are able to obtain insider information is prepared by the Bank. Responsibilities of the people enlisted and their responsibilities are specified explicitly. The list is kept up-to-date.

Necessary measures are taken to ensure that lawyers, independent auditors, tax consultants and other people in similar positions who are able to access insider information while executing business and transactions on the name of the Bank to keep the information they have obtained confidential, both legally and within the frame of special contractual provisions.

In determining people with administrative responsibilities and other people closely related with them the legislations of CMB is based upon. In addition, while determining the people with administrative responsibilities, their role in the Bank's organization and the content accessed by such people are also considered. Within this scope, besides the top management of the Bank, a number of managers at Head Office who have access to the information about the whole Bank, have the authority to take decisions that may affect asset-liability structure of the bank, profit-loss, cash flow, strategic targets,

etc. in macro level have also been determined as people with administrative responsibility. Necessary updates are realized in organizational changes.

SECTION III - STAKEHOLDERS

13- Informing Stakeholders

Stakeholders are informed by our Bank on the issues relating to themselves via general assembly meeting minutes, material circumstances disclosures, press releases, meetings, electronic mail and website. There is the corporate intranet for informing the employees.

14- Participation of the Stakeholders in the Management

The employees are always encouraged to participate in the management and their suggestions for improving the business are taken in consideration and rewarded. Customers of the Bank communicate their request, complaints via branches, website (www.ingbank.com.tr) and Customer Contact Center (0850 222 0 600) and such requests/complaints assessed by the Bank's Management as is needed. Procedures Conflict of Information and Interest in the Markets approved by our Bank's Board of Directors includes the definition of how the requests, recommendations and complaints of the employees and third parties should be assessed. It is aimed to encourage the change and improvement as well as increasing motivation by assessing and rewarding them.

For all the recommendations found to be appropriate, a working plan is drawn by the relevant units and necessary system developments are carried out. The bank is regularly informed about the recommendations studied and put in effect.

15- Human Resources Policy

Human Resources Management has adopted fair and lean systems that make the employees feel that they are distinguished and that develop and support the employees with a Banking approach empowered by the employees.

ING Bank always desires to continue its activities as a preferred and encouraging employer. Everybody who joins ING Bank is informed of "ING Bank Business Principles" during the orientation program. These principles are integrity, straightforwardness, transparency, respectfulness of human rights and each other, contribution to sustainable growth by providing an above-the average revenue and they are to be implemented in ING countries.

In line with the budget transformed according to the priorities of Human Resources and shaped according to the Bank's strategies, the recruitments are realized within the limits of norm staff. The job applications are made via web site of the Bank and contracted human resources portals and the vacant positions are announced via these channels. Consultancy firms are also used where necessary.

Our Bank cares that new graduates are acquired by our Bank and by the sector. Within this context, new graduates are employed to be trained; recruiting Sales Trainees to be assigned in Retail, SME and Mid-Corporate Banking sales positions and Assistant Internal Controllers, Assistant Auditors and Management Trainees to be assigned in various units in Head Office.

Regardless of age, sex and other differences, everybody is offered equal career opportunities. While forming various teams within ING business lines and feeding the internal culture, we focus on diversity, consciously. Key points in this approach are:

- Influencing best people and reaching the largest talent pool that can be formed, recruiting people with various backgrounds,
- Developing case by case plans for the business line to create different teams,
- Encouraging the students from various backgrounds to do internship in the Bank
- Being an attractive employer for the students who have been educated in diverse areas.

The Practica Camp has been organized for 4 years which is a Young Talents Platform where the university students can express themselves. The event is organized to contribute to recognition and preferableness level of the bank and support recruitments. It is an important organization where young people can reveal their creativity and improve themselves in a fun tournament as well as sharing their point of view with each other.

ING Bank cares developing the performances, weak and strong points, tendencies and desires of the people meticulously and offering them the positions where they can reveal such features in the best possible way.

To this end, ING Bank guides them to construct their future as well as observing them with many tools and methods. Within this context, ING Bank engages and develops Career Path Programs to invest more in professional and personal development and career plans of the employees, support the transitions between the business lines with –concrete and measurable indicators, offer an opportunity environment for the employees, and first create resources from internal resources. ING Bank International Talent Program (IITP) is aimed to train senior managers for the Bank in the long term. Within the scope of the program, new graduates are selected every year in each of ING countries and they are trained in the business line they choose, as part of a program. After a total of 4 year period involving the training programs in Amsterdam, the capital city of the Netherlands where the Head Quarters of ING Group are situated, the young talents go on to their careers by benefiting from the opportunities offered globally.

For ING Bank, international assignments are important due to the experiences offered. These assignments offer the employees the opportunity to benefit from international job opportunities. Short or Long term assignments aim to ensure that right people work at the right place in the right time.

International job policies act as perpetuation of the policies adopted globally by ING Group and in such policies the success of both ING Group and employees are considered and the focus is to satisfy both parties.

ING Bank believes that the employees should have measurable goals and are determined to have a shared success culture by clamping together to attain the goals will contribute to profitability and growth. In this respect, Success@ING and Başarı Vitriini, the performance management systems of ING Bank, have been constructed to evaluate all the personnel under the headings of competencies and business results and to support development of the employees according to the results obtained. The results of the evaluations have been prepared to be used as data in career

opportunities, talent programs, training programs, compensation and benefits practices about the employees.

The promotion process in the Bank has been arranged to make an employee who has the necessary qualities for promotion such as high performing behaviors, professional knowledge and skills, sufficient education level and sense of responsibility can be promoted to a higher position within the scope of vacancies in order to make use of the qualified human resources adequately.

The employees of the Bank are supported with trainings continuously, starting at their first day at ING Bank. The career trainings planned for increasing the knowledge and skills of the employees in their current positions or for transition between positions, are diversified with on-the-job trainings or e-trainings, which contributes to performance of the Bank. In addition, with boutique trainings arranged in connection with Bank's strategies and based on the projects, the employees can be supported to quickly adapt to the processes. It is aimed with the career trainings, attained by the employees as part of their career plans, to help the employees improve in technical and personal competencies and become competent in their jobs.

Prioritized working areas have been defined in October 2011 among 22 standards determined within the scope of Top Employer Program started by ING Global. These areas are "Career Management", "Performance Management", "Working Environment/Well-being" and "ING Bank Corporate Values". In 2013 the priorities such as "Performance Management", "Training and Development", "Working in Efficient and Effective Cooperation" have been determined to act together in all the countries within the scope of Top Employer Program. ING Bank Turkey focuses on developing all these priorities determined in 2011 and 2013 for ING Bank Turkey Top Employer projects.

16- Information on Relations with the Clients and Suppliers

Our customers can convey information, applications and complaints if any about our products and services to our Bank via branches, website (www.ingbank.com.tr) and call center (0850 222 0 600).

It is provided in detail in the Human Resources Regulations, Ethical Principles of Our Bank and Corporate Governance Policy of our Bank in detail how the relations with the third parties and customers should be like in order to ensure customer satisfaction.

With its innovative practices in telephone banking, ING Bank aims to provide services for the customers in the quickest and most accurate manner and to reinforce customer loyalty continuously. ING Bank started to offer telephone banking services through number 0850 222 0 600 as of the last quarter of 2012. There are advantages such as lower costs and being dialed more easily from abroad with the new telephone line. Quickly responding to Customers' demands and complaints by solving the problems with quick intervention, thereby making a difference in the sector, ING Bank Customer Solution Center has proved to be successful in the customer satisfaction index on the website www.sikayetvar.com. For ING Bank, investment in technology means investment in the quality of the services. Technology investments and projects will be continued for reducing call and transaction costs and increasing efficiency in Telephone Banking, one of the distribution channels other than branch. ING Bank Call Center has preserved its objective to maintain a service quality in the capacity of responding the customers' needs fully, with the technology investments made. These investments

allow that necessary infrastructure equipments are improved continuously besides increasing efficiency of service quality.

17- Social Responsibility

ING Group prioritizes environmental sensitivity and human rights in all ING countries and in the business relationships established. In financial decisions and transactions mediated, ING policies created with the awareness of responsibility towards the society must be complied as well as national and international laws and regulations.

Our Environmental and Social Risk Policies created for guiding our activities in the light of our social, ethical and environmental vision has become a dispensable part of credit risk management at ING. In other words, all potential social and environmental side effects (destruction of forests, air pollution, child employment, controversial weapons) of our activities are reviewed in depth.

Our policies are continuously improved and updated through cooperation with our employees, customers, shareholders and organizations specialized in the issues such as human rights, climate changes, etc.

ING Group is one of the 10 international banks having acknowledged Equator principles voluntarily in June 2003 which are agreed upon to be applied in financing all the projects costing 10 million \$ or more, based on environmental and social responsibility policies of International Finance Corporation. In project finance, these standards are taken in consideration for social responsibility and environmental risk management.

ING Group carries out activities to create awareness on saving with the financial literacy projects and voluntary training programs focused on savings and has been cooperating with UNICEF since 2005. Within the scope of "ING Chances for Children" program, approximately 800 children have been supported for their education and future up until today. To this end, more than 23 Million Euro of fund has been created. The fund raised with the contribution of employees and customers only in 2012 has reached 3 Million Euro.

ING Bank Turkey is included in the study group for Sustainable Banking established by Istanbul Stock Exchange and UN Global Compact Turkey. The experiences and accumulation of knowledge in this area both in international and national markets are shared with other participant banks.

As a requirement of our role as a Savings Bank, we have been determining saving tendencies, changes and saving potentials of urban population with the Research on Turkey's Saving Tendencies carried out since October 2011. The results generated in the research have been respected and considered a resource by academicians, journalists and governmental bodies. The research was also granted "Best Communication Research" award in the category "Communication Research" in International Public Relations Association (IPRA) 2013 Golden Globe Awards. We won bronze award ranking third among 225 projects in "Communication Program of the Year or Public Relations Campaign" category in "International Stevie Awards" accepted as one of the most prestigious awards of international business world.

The last but not the least, we have focused on children and the young people who will be the most significant figures on the savings picture of the future, with the aim of meeting our responsibilities

towards our society. To create awareness for saving in the future generations of Turkey, we officially launched “Orange Drop” program in April 2013 aiming at changing consumption and saving behaviors. Within the scope of the program put in effect under auspices of Istanbul Provincial Directorate of National Education, in coordination with Koç University, REC Turkey and PSI Consultancy, 3rd and 4th graders in Elementary Schools have been visited and financial literacy trainings have been provided focusing on savings, via their teachers, for 8 weeks.

Another project realized for the children is “Chances for Children” program in which we collaborate with UNICEF. Every year ING Bank employees raise donations as ‘Volunteers of Orange’ as well as spending their own time for organizing various events on November 20, World Children’s Day since 2012. The projects carried out by UNICEF in Turkey are supported with the funds raised thanks to voluntary work of our employees, making our children get one step closer to their dreams.

SECTION IV – BOARD OF DIRECTORS

18- The Structure and Composition of Board of Directors and Independent Members

ING Bank A.Ş. Board of Directors

John Thomas Mc Carthy	President
Benjamin Lodewijk Van de Vrie	Deputy President
Can Erol	Member
Ayşe Canan Ediboğlu	Member
Mehmet Sırrı Erkan	Member
Selami Özcan	Member
Pınar Abay	CEO and Member

There is no executive Board Member other than Pınar Abay who is both CEO and a Natural Board Member.

Since our bank is not one of the corporations defined in Article 5 in Communiqué Serial no IV-54 of CMB, it is not subject to the legal liabilities required for independent board members.

Board Members are assigned with other duties outside the Bank. Related banking law and BRSA regulations are complied with in such assignments. In addition, the restrictions on the board members imposed by Article 396 of Turkish Commercial Code are removed with the decision of shareholders in the ordinary general assembly held every year.

19- Qualifications of Board Members

Banking Law no 5411 (Law) and related provisions of “Regulation on the principles and procedures for Notification of and taking oath and declaration of assets by executives to be appointed to top management of banks and maintenance of the book of resolutions” of BRSA sets the conditions required for Board members of the bank. Such legal regulations are considered in related practices. Due to existence of legislations in this subject, necessary details are not included in the Articles of Association of the Bank while only article 16 involves a reference to the Law in this regard.

20- The Mission, Vision and Strategic Goals of the Company

Our vision

Creating long-running values for all social shareholders while offering the most appropriate solutions to our customers to let them manage their finance future in best way.

Our mission

Becoming the preferred bank for our customers with an understanding of operational excellence and international service quality, and for our employees with our ethical and spiritual values of highest level.

Our values

Everybody needs a bank that is reliable, excellent in services, acting smartly, decisive, sensitive, and within reach. As a bank carrying these values, we will make our customers gain strength. We will introduce a brand new understanding of banking in Turkey.

Vision/Mission/Values of the Bank have been determined and publicized on our website. As is mentioned above, the strategic objectives studied on and presented via managers and various committees participated by them are assessed and resolved in Board of Directors. Annual budget, investment issues and amounts, branching, working policies in various areas, etc. are among the subjects within this scope. Additionally, the issues about reaching or deviating from the objectives or updating them in accordance with changed conditions are submitted to the Board of Directors in preset intervals.

21- Internal Control and Risk Management Mechanism

21.1. Internal Audit

Internal Audit has carried out activities for ensuring that the activities of the Bank and subsidiaries subject to consolidation are executed in line with the laws and other related legislation, as well as with internal strategies, policies, principles and objectives and ING Group policies and regulations and ensuring that internal control and risk management systems are efficient and sufficient, as an assurance for the Bank's senior management. In line with the Regulations on the Internal Systems of the Bank, Application Controls and General Information System Controls (COBIT) have been defined as controls for information systems and internal audit studies have been completed. Recommendations have been generated in relation to the deficiencies, faults and risks determined as a result of the periodical and risk based internal audit studies realized on all the activities, branches, Head Office units, processes and subsidiaries subject to consolidation of the Bank. The recommendations for ensuring that they do not occur again have been shared with related managers and possible arrangements and precautions have been assessed mutually. Therefore, solutions have been generated for boosting the service quality entering into a dialogue, using common mind in realization of a more efficient control and risk management structure.

21.2. Financial Risk Management

Financial Risk Management cooperates with related business lines of the Bank for the existing activities of the Bank as well as carrying out regular legal and internal reporting activities. The unit acts as a guide in determining, monitoring, measuring and managing the risks, and consequently realizes necessary arrangements via Audit Committee. Within the scope of the calendar of transition to Basel II, Compliance studies executed in the whole Bank are coordinated, monitored, developed and reported to senior management regularly by Financial Risk Management. Besides, the developments about Basel III for which necessary arrangements are carried out worldwide are evaluated by Financial Risk Management.

21.2.1. Market Risk

Market Risk realizes all the assessments needed for monitoring, measuring and managing market risks the balance sheet may be exposed to. Risk profile of the balance sheet and product guideline determined in parallel with this are managed within the frame of the points mentioned below under the roof of market risk. For compliance of market risk with both Basel requirements and other international standards, not only banking book and trading book have been separated but also the methods for measuring and monitoring the risks arising from such books have been separated via various limits defined by Board of Directors. Within this context, if the limits are under the roof of currency risk against interest rate shocks, besides value at risk limit under the roof of interest rate risk in banking books, value at risk limit has been allocated.

On the other hand, in trading books limits based on sensitivity and position limits have been determined as well as value at risk limits within the scope of currency and interest rate risk. Such limits are followed up regularly and measurement results are shared with the senior management and Board of Directors. On the other hand, legal capital requirement for market risk is calculated in Standard Method.

21.2.2. Basel III

Due to Basel III, capital and liquidity arrangements published within the scope of legal regulations are reviewed and impact analyses are carried out in this respect. On the other hand, presentations and seminars have been delivered to senior and medium-level management of the bank to create awareness within the Bank. In addition to this, new projects aiming to increase data quality and reporting efficiency within the Bank for compliance with the new regulations to be put in effect in Turkey as of 2014.

21.2.3. Credit Risk

Credit risk is defined as the loss probability the Bank may be exposed to due to failure to realize the liability partially or wholly of the counter party of the transaction, not complying with the contract signed with the Bank. Credit risk aims to monitor risk-revenue structure, accordingly qualifications and level of the activities related to credit disbursement, to take them under control, as well as defining, measuring, reporting, monitoring, controlling and aligning them with risk profiles on a consolidated and unconsolidated basis via policies, procedures and limits that may be changed when necessary. International standards (Basel Standards) and regulations modified and updated for closely monitoring and measuring the credit risk of the Bank and for executing the activities reliably

are followed up. Necessary studies and preparations are carried out for taking necessary measures in compliance with the regulations. Risk measurement models and methods used in the Bank are reviewed, analyses are carried out, and reports are generated on a regular basis. Credit principles of the Bank are based on risk security, liquidity and risk-revenue balance. To maintain this balance, new products and services of the Bank related to credits are assessed, the risks to arise from the new product/service are measured in detail, and put under an approval process. Both the individual debtor and performance, quality and changes in the risk level of the credits in the related portfolio are tracked by Credit Risk management in order to ensure risk security. In monitoring the risk for the Bank's credit portfolio, the models in ING Global and rating groups of BRSA are based upon and the changes in rating classes of the segments are monitored closely.

21.3. Internal Control Executive Vice Presidency

Internal Control Group consists of Operations Internal Control, Treasury Internal Control, Credits Internal Control and Branches Internal Control departments, all of which include 46 employees in total both in Head Office and Branches. Internal Control Group;

- Controls according to the prepared working guidelines whether all the transactions of the Bank are carried out in compliance with the laws, legislations and all related regulations, Board decisions and directives and instructions from Head Office, within appropriate and determined limits,
- Controls whether balance sheet and statutory reports are in compliance with existing laws, regulations, notifications, circulars and prospectuses,
- Ensures that measures are taken against the risks that may arise,
- Carries out necessary activities for ensuring that the controls on Bank's activities are standardized and realized according to certain rules
- Acts as a consultant about the risks about the activity fields and projects to be realized in various units of the Bank, when necessary.

The principle is that before basic internal control activities are realized in a risk-based manner also in the branches to cover the activities of all the units centrally and the risks related to the activities occur, preventive checkpoints should be formed, thereby mitigating and managing the risks. Besides central controls, onsite internal controls are carried out in all the branches of our Bank and daily transactions are checked. Internal control staff assigned in the branches report their detections through the RISK module prepared on core banking system Finsoft. For the issues in need of urgent measures to be taken, Internal Control is notified urgently. Branch authorities are also informed on the issue. Internal control staff in the branches do not perform any executive activities as those in the Head Office. In realizing internal control activities, related working guidelines are complied with. Working guidelines include the legal regulations, changes in the products and services kept up-to-date to ensure that they are reflected on control activities instantly. In parallel with the changes to occur in the regulations, new checkpoints are added and obsolete ones are removed. Internal Control Group plays an active role in the control tests realized periodically in compliance with Sarbanes Oxley (SOX) rules within the Bank. Additionally, activity reports prepared periodically by the subsidiaries of the Bank in addition, activity reports prepared periodically by Bank's subsidiaries are checked by Internal Control Group before submitting them to the Bank's Audit Committee.

21.4.Non-Financial Risk Management Executive Vice Presidency

21.4.1.Operational Risk Management

In calculating operational risk capital requirements, the method of key indicator is used. Within the frame of the approach that regulations of operational risk, information technologies and security risks are managed in Basel II and international standards, all existing policies and procedures are reviewed and it is aimed to separate management of operational risk and capital with advance measurement approach.

21.4.2.Compliance Risk Management

Departments active under Compliance Risk Management are “MLRO”, “Commercial Banking”, “Retail Banking” and Operation and Information Technologies” Compliance departments. In their recruitment process bank employees are made to sign a contract for commitment to ethical rules. New employees are also informed of the ING Group Business Principles, made to sign a “Declaration” as well as “Basic Compliance Principles” and a “Declaration” including Corporate Policy on Combating Proceeds of Crime. “Declaration” document is made to be signed by all the employees of the Bank, controls for which are realized by Human Resources.

22- Authority and Responsibilities of the Members of the Board Directors and Executives

In the Ordinary General Assembly of our Bank’s Shareholders held in March every year, a job sharing is carried out by and between the Board Members selected to serve until the next Ordinary General Assembly. Authorities and responsibilities of Board of Directors have been defined with Baking Law, Turkish Commercial Code, and Articles of Association of the Bank, representing and binding terms of authorized signatories of the Bank and other legislation in force; within the frame of the job sharing mentioned above. It is under responsibility of Board of Directors to establish internal control, risk management and internal audit systems in compliance with related regulations, ensuring that they are functionable, appropriate and sufficient, securing financial reporting systems, determining the authorities and responsibilities within the Bank. Board of Directors is liable for determining the financial reporting system, and roles, authorities and responsibilities, ensuring that information systems are sufficient and supervise the implementations well as recognition of activities, preparation, and approval, audit of financial sheets and submitting them to authorized bodies and publishing them. Board Members have some individual responsibilities arising from the regulations.

23- Principles of Activity of the Board of Directors

Performing the activities with the aim of reaching strategic targets of the Bank in line with our Mission, Vision and Values.

24- Prohibition of Carrying Out Transactions with the Company and Prohibition of Competing with the Company

In the last Ordinary General Assembly held on 28.03.2013, it was allowed by the shareholders of the Bank, as is done every year, for Board Members to perform activities in the fields specified in Articles 295 and 396 of Turkish Commercial Code, holding the regulations in Banking Law separate.

25- Ethical Rules

Our bank has adopted to comply with "Banking Ethical Principles" dated November 1, 2001 no 1012 published by Banks Association of Turkey.

Besides these principles, the ethical rules which the employees of ING Group Companies have to comply with are shared with all the employees of ING Bank A.Ş.

26- Number, Structure and Independency of Committees Established by the Board Of Directors

Information about Credit Committee, Audit Committee, Corporate Management Committee and Compensation Committee are as follows:

Credit Committee :

Names of Board Members who are members of Credit Committee at the same time:

John T. Mc Carthy, Chairman (Chairman of Board of Directors)
Benjamin L. van de Vrie, Member (Chairman Deputy of Board of Directors)
Pinar Abay, Member (CEO and Board of Directors)
Canan Ediboğlu, Substitute Member (Board of Directors)
Selami Özcan, Substitute Member (Board of Directors)

Audit Committee :

Names of Board Members who are members of Audit Committee at the same time.

Can Erol, Member (Board Member)
M. Sirri Erkan, Member (Board Member)

Corporate Governance Committee:

Names of Board Members who are members of Corporate Governance Committee at the same time.

Selami Özcan/Board Member Member
Ayşe Canan Ediboğlu/ Board Member Member

Compensation Committee:

Names of Board Members who are members of Compensation Committee at the same time.

John Thomas Mc Carthy/Chairman of Board of Directors Member
Benjamin Lodewijk Van de Vrie/ Chairman Deputy of Board of Directors Member

27- Remuneration of the Board of Directors

In the last Ordinary General Assembly realized by the Shareholders on 28.03.2013; it was deemed appropriate not to pay daily allowance to the Board Members, and to ensure that Board of Directors take decision on determining the compensation to be paid not exceeding maximum net TL 35,000 monthly according to the job sharing to be made in Board of Directors, in consideration of 6th principle of the Regulations on the Corporate Governance Principles of the Banks released by BRSA.