

**(Convenience Translation of Consolidated Financial Report Originally
Issued in Turkish)**

Tekstil Bankası Anonim Şirketi

**Publicly Announced Consolidated Financial Statements
and Related Disclosures Prepared as at 30 September 2015
with Independent Auditors' Review Report**

Convenience Translation of the Independent Auditors' Review Report Originally Prepared and Issued in Turkish, (See Note 3.I)

INDEPENDENT AUDITORS' REVIEW REPORT

To the Board of Directors of Tekstil Bankası Anonim Şirketi:

Introduction

We have reviewed the consolidated balance sheet of Tekstil Bankası A.Ş. (“the Bank”) and its subsidiary (together will be referred as “the Group”) at 30 September 2015 and the related consolidated income statement, consolidated statement of income and expense items recognized under shareholders’ equity, consolidated statement of changes in shareholders’ equity, consolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the consolidated financial statements for the nine-month-period then ended. The Bank Management is responsible for the preparation and fair presentation of interim financial statements in accordance with the “Regulation on the Procedures and Principles for Accounting Practices and Retention of Documents by Banks” published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by Banking Regulation and Supervision Authority, (together referred as BRSA Accounting and Reporting Legislation) and Turkish Accounting Standard 34 “Interim Financial Reporting” except for the matters regulated by BRSA Legislation. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, “Limited Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial reporting process, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an independent audit performed in accordance with the Independent Auditing Standards of Turkey and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not give a true and fair view of the financial position of Tekstil Bankası A.Ş. and its subsidiary at 30 September 2015 and of the results of its operations and its cash flows for the nine-month-period then ended in all aspects in accordance with the “Regulation on the Procedures and Principles for Accounting Practices and Retention of Documents by Banks” published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by Banking Regulation and Supervision Authority, (together referred as BRSA Accounting and Reporting Legislation) and Turkish Accounting Standard 34 “Interim Financial Reporting” except for the matters regulated by BRSA Legislation.

Additional paragraph for convenience translation to English:

As explained in detail in Note I of Section Three, the effects of differences between accounting principles and standards set out by BRSA Accounting and Reporting Legislation, accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated 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.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst&Young Global Limited



4 November 2015
İstanbul, Turkey

Convenience translation of consolidated financial statements and related disclosures originally issued in Turkish,
(See Note 3.I)

TEKSTİL BANKASI A.Ş.
CONSOLIDATED FINANCIAL REPORT AS OF 30 SEPTEMBER 2015

Address of the Bank's

Headquarters : Maslak Mah. Dereboyu/2 Caddesi No:13 34398 Sarıyer - İstanbul
Telephone Number : (0212) 335 53 35
Fax Number : (0212) 328 13 28
Website of the Bank : www.tekstilbank.com.tr
E-mail : info@tekstilbank.com.tr

The consolidated financial report prepared in accordance with the "Communiqué on the Financial Statements to be announced to public by Banks as well as Explanations and Footnotes Thereof" as required by the Banking Regulation and Supervision Agency (BRSA), is comprised of the following sections.

- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS
- DISCLOSURES ON APPLIED ACCOUNTING POLICIES IN RELATED PERIOD
- INFORMATION RELATED TO FINANCIAL POSITION OF THE CONSOLIDATED GROUP AND RISK MANAGEMENT
- DISCLOSURES AND FOOTNOTES TO CONSOLIDATED FINANCIAL STATEMENTS
- INDEPENDENT AUDITOR'S REVIEW REPORT

The financial statements of the subsidiary "Tekstil Yatırım Menkul Değerler A.Ş." is consolidated in this consolidated financial report.

The nine-month consolidated financial statements and related disclosures and footnotes that were subject to independent review, are prepared in accordance with the "Regulation on the Procedures and Principles for Accounting Practices and Retention of Documents by Banks", Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements, and in compliance with the financial records of our Bank. Unless stated otherwise, the accompanying consolidated financial statements are presented in thousands of **Turkish Lira**.

Xu Keen	Wang Ying	Gao Xiangyang	Güliden Akdemir	M.Sercan Çoban
Chairman of Board of Directors and Audit Committee	Member of Board of Directors and Audit Committee	Chief Executive Officer and Member of Board of Directors	Executive Vice President	Unit Manager

Contact information for questions on this financial report:

Name-Surname : M. Sercan Çoban
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**TEKSTİL BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2015
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)**

SECTION ONE

GENERAL INFORMATION

I. Parent Bank’s date of establishment, beginning statue, its history including changes on its statute

Tekstil Bankası A.Ş. (“the Parent Bank”) was established on 29 April 1986, to carry out all types of banking activities according to the Banking Law and later changes in the laws and regulations, with the permission of the Council of Ministers in accordance with the resolution numbered 85/9890 and dated 24 September 1985 and started its operations on 13 October 1986. “Articles of Association” of the Parent Bank was published in Turkish Trade Registry Gazette no.1511, dated 9 May 1986. The statute of the Parent Bank was not changed since its establishment.

II. Capital structure, shareholders controlling the management and supervision of the Parent Bank directly or indirectly, and if exists, changes on these issues and the Group that the Parent Bank belongs to and information about the persons and institutions that have qualified shares in the Parent Bank

The capital of the Parent Bank is TL 420,000 as at 30 September 2015 and is fully paid. The Parent Bank was incorporated by GSD Group until 21 May 2015. As at 29 April 2014, GSD Holding A.Ş., the major shareholder of the Parent Bank, has come to conclusion to sell 75.50% shares of the Parent Bank to Industrial and Commercial Bank of China (ICBC) and with respect to the sale transaction, it was declared to be approved by China Banking Regulatory Commission (CBRC) on 20 March 2015, and in Turkey, it was approved by Competition Authority in accordance with decision dated 20 August 2014 and numbered 14-29/593-259 and Banking Regulation and Supervision Agency (BRSA), in accordance with decision dated 2 April 2015 and numbered 6262.

Following the completion relevant permissions, on 28 April 2015 in the Public Disclosure Platform (KAP) with respect to the sale transaction Parent Bank appealed Extraordinary General Assembly on 22 May 2015 for approving the resigning of existing members of Board of Directors and selecting new members. Within the context of share purchase agreement 22 May 2015 date was defined as share transfer transaction date and the share transfer was carried out on the date and processed to the Bank’s share ledger.

As a result of acquisition of shares representing 75.50% of Tekstil Bankası A.Ş. which is owned by GSD Holding A.Ş., an obligation occurs to propose take-over bids in order to purchase the shares of other shareholders in accordance with the provision of Article 11 of Take-Over Bids Communiqué numbered Serial II. 26.1 of Capital Markets Board of Turkey related to mandatory bid. In this context, share ownership of ICBC in Parent Bank has risen to 92.83% from 75.50% as a result of mandatory bid call transactions ending as of 14 August 2015 realized in accordance with the Take-Over Bids Communiqué numbered Serial II. 26.1 by ICBC which is controlling shareholder of Parent Bank.

The shares, except for the shares owned by ICBC, are traded at Istanbul Stock Exchange (BIST).

TEKSTİL BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2015 (continued)
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

III. President and members of the Board of Directors, audit committee members, general manager and executive vice presidents, and if exists, changes in these positions and Bank’s shares they hold

Title	Name	Job Description	Education
Chairman of the Board of Directors and Audit Committee:	Xu Keen	Chairman of the Board of Directors and Audit Committee	Graduate
Member of Audit Committee:	Wang Ying	Independent Member of Board of Directors and Member of Audit Committee	Graduate
Member of Board of Directors:	Zheng Jianfeng	Member of B.O.D.	Graduate
	Wang Qiang	Member of B.O.D.	Graduate
	Mehmet Hilmi Güler	Independent Member of B.O.D.	Graduate
General Manager:	Gao Xiangyang	Chief Executive Officer and Member of Board of Directors	Graduate
Head of Board of Inspectors:	Selçuk İçten (*)	President of Inspectors’ Group	Under-Graduate
Executive Vice Presidents:	Gülden Akdemir	Financial Control Group	Under-Graduate
	D.Halit Döver	International Relations Group	Graduate
	Bozok Evrenosoğlu	Loans Group	Under-Graduate
	Hüseyin H. İmece	Treasury and Investors Relations Group	Under-Graduate
	Başbuğ Y. Samancıoğlu	Corporate and Commercial Banking Group	Under-Graduate
	Chen Yubao	Executive Vice President	Graduate

(*) As of October 5, 2015 Başak Kaya has been appointed as Head of Inspection Board and Selçuk İçten who previously held this title has been appointed as Coordinator of the Group’s Internal Operations.

These people mentioned above do not own any share of the Parent Bank.

In accordance with the decision taken at the Extraordinary General Assembly dated 22 May 2015, as a result of the transfer of 75.50% shares of the Parent Bank to ICBC, members of the Board of Directors and Audit Committee have changed and Chen Yubao has been assigned as Executive Vice President. In addition, Ayperi G. Uras who was previously working as Executive Vice President of Information Technologies and Operations Group has resigned as at 30 April 2015.

IV. Type of services provided and the areas of operations of the Parent Bank

The operations of the Parent Bank consist of corporate and commercial banking services, fund management transactions (foreign currency, money market and securities trading), international banking services, retail banking services and credit card business. The Parent Bank also operates, through its branches, as insurance agent of Sompo Japan Sigorta A.Ş., Vakıf Emeklilik A.Ş., Ergo Emeklilik ve Hayat A.Ş., HDI Sigorta A.Ş. and Axa Sigorta A.Ş.

As at 30 September 2015, the Parent Bank has 44 branches close to industrial zones of Turkey and a representative office in Berlin, Germany. The Parent Bank has 850 employees as at 30 September 2015 (As at 31 December 2014 number of branches was 44, number of employees was 852).

The Parent Bank and its subsidiary, Tekstil Yatırım Menkul Değerler A.Ş. (Tekstil Yatırım), have been consolidated. The Parent Bank and its subsidiary are named as “the Group” as a whole.

TEKSTİL BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2015 (continued)
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

V. Differences between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards and short explanation about the institutions subject to line-by-line method or proportional consolidation and institutions which are deducted from equity or not included in these three methods

There is no difference for the Bank regarding consolidation methods between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Account Standards (TAS). Information about consolidated subsidiaries and explanation about consolidation methods are indicated on Section Three, Footnote III.

VI. The existing or potential, actual or legal obstacle on the transfer of shareholders’ equity between the Parent Bank and its subsidiaries or the reimbursement of liabilities

None.

VII. Other information

Bank’s Official Title	: Tekstil Bankası Anonim Şirketi
Reporting Period	: 1 January – 30 September 2015
Address of Bank’s Headquarters	: Maslak Mah. Dereboyu/2 Caddesi No:13 34398 Sarıyer - İstanbul
Telephone number	: (0212) 335 53 35
Fax number	: (0212) 328 13 28
Bank’s Internet Address	: www.tekstilbank.com.tr
Reporting currency	: Thousands of Turkish Lira

SECTION TWO

Consolidated Financial Statements

- I. Consolidated balance sheets (consolidated statements of financial position)
- II. Consolidated statements of off-balance sheet items
- III. Consolidated income statements
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Convenience translation of consolidated financial statements originally issued in Turkish,
See Note 3.I

TEKSTİL BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARY
CONSOLIDATED BALANCE SHEETS (STATEMENTS OF FINANCIAL POSITION)
AS AT 30 SEPTEMBER 2015 AND 31 DECEMBER 2014
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

ASSETS	Footnotes (Section 5)	THOUSANDS OF TURKISH LIRA					
		CURRENT PERIOD 30/09/2015			PRIOR PERIOD 31/12/2014		
		TL	FC	TOTAL	TL	FC	TOTAL
I. CASH AND BALANCES WITH THE CENTRAL BANK	(5.1.1)	67,872	789,366	857,238	43,107	305,483	348,590
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	(5.1.2)	4,586	2,333	6,919	14,184	1,063	15,247
2.1 Trading Securities		4,586	2,333	6,919	14,184	1,063	15,247
2.1.1 Public Sector Debt Securities		-	343	343	-	425	425
2.1.2 Share Certificates		746	-	746	36	-	36
2.1.3 Positive Value of Trading Derivatives		3,840	1,990	5,830	12,131	638	12,769
2.1.4 Other Securities		-	-	-	2,017	-	2,017
2.2 Financial Assets Designated at Fair Value		-	-	-	-	-	-
2.2.1 Public Sector Debt Securities		-	-	-	-	-	-
2.2.2 Share Certificates		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other Securities		-	-	-	-	-	-
III. BANKS	(5.1.3)	6,083	240,638	246,721	38,321	45,318	83,639
IV. INTERBANK MONEY MARKET		-	-	-	86,026	-	86,026
4.1 Interbank Money Market Placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange Money Market Placements		-	-	-	11,003	-	11,003
4.3 Receivables from Reverse Repurchase Agreements		-	-	-	75,023	-	75,023
V. INVESTMENT SECURITIES AVAILABLE FOR SALE (Net)	(5.1.4)	328,439	853,172	1,181,611	199,530	4,197	203,727
5.1 Share Certificates		160	-	160	160	-	160
5.2 Public Sector Debt Securities		328,279	298,748	627,027	199,370	33	199,403
5.3 Other Securities		-	554,424	554,424	-	4,164	4,164
VI. LOANS	(5.1.5)	2,539,501	1,299,297	3,838,798	2,377,937	434,981	2,812,918
6.1 Loans		2,498,476	1,299,297	3,797,773	2,330,372	434,981	2,765,353
6.1.1 Loans Utilized to the Bank's Risk Group		15	645,520	645,535	47,082	21,808	68,890
6.1.2 Public Sector Debt Securities		-	-	-	-	-	-
6.1.3 Others		2,498,461	653,777	3,152,238	2,283,290	413,173	2,696,463
6.2 Loans under Follow-Up		171,467	-	171,467	158,212	-	158,212
6.3 Specific Provisions (-)		130,442	-	130,442	110,647	-	110,647
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. INVESTMENT SECURITIES HELD TO MATURITY (Net)	(5.1.6)	-	-	-	-	-	-
8.1 Public Sector Debt Securities		-	-	-	-	-	-
8.2 Other Securities		-	-	-	-	-	-
IX. INVESTMENTS IN ASSOCIATES (Net)	(5.1.7)	-	-	-	-	-	-
9.1 Equity Method Associates		-	-	-	-	-	-
9.2 Unconsolidated Associates		-	-	-	-	-	-
9.2.1 Financial Associates		-	-	-	-	-	-
9.2.2 Non-Financial Associates		-	-	-	-	-	-
X. INVESTMENTS IN SUBSIDIARIES (Net)	(5.1.8)	-	-	-	-	-	-
10.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
XI. JOINT VENTURES (Net)	(5.1.9)	-	-	-	-	-	-
11.1 Equity Method Joint Ventures		-	-	-	-	-	-
11.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
11.2.1 Financial Joint Ventures		-	-	-	-	-	-
11.2.2 Non-Financial Joint Ventures		-	-	-	-	-	-
XII. LEASE RECEIVABLES (Net)	(5.1.10)	-	-	-	-	-	-
12.1 Financial Lease Receivables		-	-	-	-	-	-
12.2 Operational Lease Receivables		-	-	-	-	-	-
12.3 Others		-	-	-	-	-	-
12.4 Unearned Income (-)		-	-	-	-	-	-
XIII. HEDGING DERIVATIVES	(5.1.11)	-	-	-	-	-	-
13.1 Fair Value Hedge		-	-	-	-	-	-
13.2 Cash Flow Hedge		-	-	-	-	-	-
13.3 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)		25,019	-	25,019	26,821	-	26,821
XV. INTANGIBLE ASSETS (Net)		1,635	-	1,635	1,974	-	1,974
15.1 Goodwill		-	-	-	-	-	-
15.2 Others		1,635	-	1,635	1,974	-	1,974
XVI. INVESTMENT PROPERTY (Net)	(5.1.12)	-	-	-	-	-	-
XVII. TAX ASSETS	(5.1.13)	13,420	-	13,420	4,029	-	4,029
17.1 Current Tax Assets		634	-	634	2,292	-	2,292
17.2 Deferred Tax Assets		12,786	-	12,786	1,737	-	1,737
XVIII. ASSETS HELD FOR SALE AND ASSETS RELATED TO DISCONTINUED OPERATIONS (Net)	(5.1.14)	-	-	-	-	-	-
18.1 Held For Sale		-	-	-	-	-	-
18.2 Discontinued Operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(5.1.15)	92,713	15,499	108,212	60,066	21,340	81,406
TOTAL ASSETS		3,079,268	3,200,305	6,279,573	2,851,995	812,382	3,664,377

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

**Convenience translation of consolidated financial statements originally issued in Turkish,
See Note 3.I**

**TEKSTİL BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARY
CONSOLIDATED BALANCE SHEETS (STATEMENTS OF FINANCIAL POSITION)
AS AT 30 SEPTEMBER 2015 AND 31 DECEMBER 2014
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)**

LIABILITIES AND EQUITY		Footnotes (Section 5)	THOUSANDS OF TURKISH LIRA					
			CURRENT PERIOD 30/09/2015			PRIOR PERIOD 31/12/2014		
			TL	FC	TOTAL	TL	FC	TOTAL
I. DEPOSITS	(5.II.1)		1,220,116	1,325,998	2,546,114	1,354,997	1,152,263	2,507,260
1.1 Deposits of the Bank's Risk Group			171	1,144	1,315	13,414	31,817	45,231
1.2 Others			1,219,945	1,324,854	2,544,799	1,341,583	1,120,446	2,462,029
II. NEGATIVE VALUE OF TRADING DERIVATIVES	(5.II.2)		517	2,850	3,367	71	5,544	5,615
III. FUNDS BORROWED	(5.II.3)		24,182	2,560,644	2,584,826	36,109	311,994	348,103
IV. DUE TO MONEY MARKETS			261,773	59,379	321,152	64,359	-	64,359
4.1 Interbank Money Market			-	-	-	-	-	-
4.2 Istanbul Stock Exchange			-	-	-	-	-	-
4.3 Obligations under Repurchase Agreements			261,773	59,379	321,152	64,359	-	64,359
V. SECURITIES ISSUED (Net)			-	-	-	-	-	-
5.1 Bills			-	-	-	-	-	-
5.2 Asset Backed Securities			-	-	-	-	-	-
5.3 Bonds			-	-	-	-	-	-
VI. FUNDS			-	-	-	-	-	-
6.1 Bank Borrowers' Funds			-	-	-	-	-	-
6.2 Others			-	-	-	-	-	-
VII. MISCELLANEOUS PAYABLES			69,604	26,712	96,316	8,134	671	8,805
VIII. OTHER EXTERNAL RESOURCES	(5.II.4)		94,281	3,551	97,832	55,758	3,141	58,899
IX. FACTORING PAYABLES			-	-	-	-	-	-
X. LEASE PAYABLES (Net)	(5.II.5)		-	-	-	-	-	-
10.1 Financial Lease Payables			-	-	-	-	-	-
10.2 Operational Lease Payables			-	-	-	-	-	-
10.3 Others			-	-	-	-	-	-
10.4 Deferred Financial Leasing Expenses (-)			-	-	-	-	-	-
XI. HEDGING PURPOSE DERIVATIVES	(5.II.6)		-	-	-	-	-	-
11.1 Fair Value Hedge			-	-	-	-	-	-
11.2 Cash Flow Hedge			-	-	-	-	-	-
11.3 Hedging of a Net Investment in Foreign Subsidiaries			-	-	-	-	-	-
XII. PROVISIONS	(5.II.7)		57,636	-	57,636	43,657	-	43,657
12.1 General Provisions			32,692	-	32,692	22,615	-	22,615
12.2 Restructuring Provisions			-	-	-	-	-	-
12.3 Reserve for Employee Benefits			11,139	-	11,139	11,035	-	11,035
12.4 Insurance Technical Provisions (Net)			-	-	-	-	-	-
12.5 Other Provisions			13,805	-	13,805	10,007	-	10,007
XIII. TAX LIABILITIES	(5.II.8)		8,221	-	8,221	7,543	-	7,543
13.1 Current Tax Liability			8,221	-	8,221	7,543	-	7,543
13.2 Deferred Tax Liability			-	-	-	-	-	-
XIV. PAYABLES RELATED TO HELD FOR SALE AND DISCONTINUED OPERATIONS			-	-	-	-	-	-
14.1 Held For Sale			-	-	-	-	-	-
14.2 Discontinued Operations			-	-	-	-	-	-
XV. SUBORDINATED LOANS			-	-	-	-	-	-
XVI. SHAREHOLDERS' EQUITY	(5.II.9)		583,193	(19,084)	564,109	620,133	3	620,136
16.1 Paid-In Capital			420,000	-	420,000	420,000	-	420,000
16.2 Supplementary Capital			4,642	(19,084)	(14,442)	7,318	3	7,321
16.2.1 Share Premium			(814)	-	(814)	(814)	-	(814)
16.2.2 Share Cancellation Profits			-	-	-	-	-	-
16.2.3 Valuation Differences of Securities			(1,716)	(19,084)	(20,800)	1,832	3	1,835
16.2.4 Revaluation Fund on Tangible Assets			6,867	-	6,867	6,867	-	6,867
16.2.5 Revaluation Fund on Intangible Assets			-	-	-	-	-	-
16.2.6 Revaluation Fund on Investment Property			-	-	-	-	-	-
16.2.7 Capital Bonus of Associates, Subsidiaries and Joint Ventures			-	-	-	-	-	-
16.2.8 Hedging Funds (Effective Portion)			-	-	-	-	-	-
16.2.9 Revaluation Fund on Assets Held for Sale and Discontinued Operations			-	-	-	-	-	-
16.2.10 Other Supplementary Capital			305	-	305	(567)	-	(567)
16.3 Profit Reserves			192,815	-	192,815	180,055	-	180,055
16.3.1 Legal Reserves			11,496	-	11,496	10,792	-	10,792
16.3.2 Status Reserves			-	-	-	-	-	-
16.3.3 Extraordinary Reserves			123,953	-	123,953	111,897	-	111,897
16.3.4 Other Profit Reserves			57,366	-	57,366	57,366	-	57,366
16.4 Profit or Loss			(34,264)	-	(34,264)	12,760	-	12,760
16.4.1 Prior Periods' Profit or Loss			-	-	-	-	-	-
16.4.2 Current Period Profit or Loss			(34,264)	-	(34,264)	12,760	-	12,760
16.5 Minority Shares			-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY			2,319,523	3,960,050	6,279,573	2,190,761	1,473,616	3,664,377

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

Convenience translation of consolidated financial statements originally issued in Turkish,
See Note 3.I

TEKSTİL BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARY
CONSOLIDATED OFF BALANCE SHEET ITEMS STATEMENTS
AS AT 30 SEPTEMBER 2015 AND 31 DECEMBER 2014
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

	Footnotes (Section 5)	THOUSANDS OF TURKISH LIRA					
		CURRENT PERIOD			PRIOR PERIOD		
		30/09/2015			31/12/2014		
		TL	FC	TOTAL	TL	FC	TOTAL
A. OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		1,286,080	2,115,956	3,402,036	1,145,816	1,718,654	2,864,470
I. GUARANTEES	(5.IV.1)	311,329	450,182	761,511	415,443	434,134	849,577
1.1 Letters of Guarantee		311,329	320,743	632,072	415,443	305,582	721,025
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		311,329	320,743	632,072	415,443	305,582	721,025
1.2 Bank Acceptances		-	318	318	-	276	276
1.2.1 Import Letter of Acceptance		-	318	318	-	276	276
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credit		-	107,644	107,644	-	107,643	107,643
1.3.1 Documentary Letters of Credit		-	44,001	44,001	-	37,314	37,314
1.3.2 Other Letters of Credit		-	63,643	63,643	-	70,329	70,329
1.4 Prefinancing Given As Guarantee		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7 Factoring Related Guarantees		-	-	-	-	-	-
1.8 Other Guarantees		-	21,477	21,477	-	20,633	20,633
1.9 Other Sureties		-	-	-	-	-	-
II. COMMITMENTS	(5.IV.1)	319,439	92,127	411,566	256,002	52,276	308,278
2.1 Irrevocable Commitments		319,439	92,127	411,566	256,002	52,276	308,278
2.1.1 Asset Purchase and Sale Commitments		88,919	92,127	181,046	5,820	52,276	58,096
2.1.2 Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3 Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4 Loan Granting Commitments		39,758	-	39,758	42,628	-	42,628
2.1.5 Securities Issuance Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7 Commitments for Cheque Payments		83,144	-	83,144	84,154	-	84,154
2.1.8 Tax and Fund Obligations from Export Commitments		3	-	3	71	-	71
2.1.9 Commitments for Credit Card Limits		83,684	-	83,684	84,778	-	84,778
2.1.10 Commitments for Promotional Operations Re-Credit Cards and Banking Services		302	-	302	273	-	273
2.1.11 Receivables from "Short" Sale Commitments On Securities		-	-	-	-	-	-
2.1.12 Payables for "Short" Sale Commitments On Securities		-	-	-	-	-	-
2.1.13 Other Irrevocable Commitments		23,629	-	23,629	38,278	-	38,278
2.2 Revocable Commitments		-	-	-	-	-	-
2.2.1 Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		655,312	1,573,647	2,228,959	474,371	1,232,244	1,706,615
3.1 Hedging Purpose Derivatives		-	-	-	-	-	-
3.1.1 Fair Value Hedge		-	-	-	-	-	-
3.1.2 Cash Flow Hedge		-	-	-	-	-	-
3.1.3 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-
3.2 Trading Purpose Derivatives		655,312	1,573,647	2,228,959	474,371	1,232,244	1,706,615
3.2.1 Forward Foreign Currency Purchases/Sales		18,033	18,133	36,166	3,668	5,598	9,266
3.2.1.1 Forward Foreign Currency Purchases		13,095	4,961	18,056	1,224	3,382	4,606
3.2.1.2 Forward Foreign Currency Sales		4,938	13,172	18,110	2,444	2,216	4,660
3.2.2 Currency and Interest Rate Swaps		637,132	1,500,579	2,137,711	470,703	1,160,484	1,631,187
3.2.2.1 Currency Swaps-Purchases		-	1,096,422	1,096,422	1,236	850,473	851,709
3.2.2.2 Currency Swaps-Sales		637,132	404,157	1,041,289	469,467	310,011	779,478
3.2.2.3 Interest Rate Swaps-Purchases		-	-	-	-	-	-
3.2.2.4 Interest Rate Swaps-Sales		-	-	-	-	-	-
3.2.3 Currency, Interest Rate and Security Options		-	-	-	-	-	-
3.2.3.1 Currency Options-Purchases		-	-	-	-	-	-
3.2.3.2 Currency Options-Sales		-	-	-	-	-	-
3.2.3.3 Interest Rate Options-Purchases		-	-	-	-	-	-
3.2.3.4 Interest Rate Options-Sales		-	-	-	-	-	-
3.2.3.5 Securities Options-Purchases		-	-	-	-	-	-
3.2.3.6 Securities Options-Sales		-	-	-	-	-	-
3.2.4 Currency Futures		-	-	-	-	-	-
3.2.4.1 Currency Futures-Purchases		-	-	-	-	-	-
3.2.4.2 Currency Futures-Sales		-	-	-	-	-	-
3.2.5 Interest Rate Futures		-	-	-	-	-	-
3.2.5.1 Interest Rate Futures-Purchases		-	-	-	-	-	-
3.2.5.2 Interest Rate Futures-Sales		-	-	-	-	-	-
3.2.6 Others		147	54,935	55,082	-	66,162	66,162
B. CUSTODY AND PLEDGED SECURITIES (IV+V+VI)		3,566,106	378,630	3,944,736	2,997,719	809,070	3,806,789
IV. ITEMS HELD IN CUSTODY		867,570	22,861	890,431	266,156	40,077	306,233
4.1 Customers' Securities and Portfolios Held		-	-	-	-	-	-
4.2 Securities Held in Custody		773,301	10,657	783,958	175,465	10,651	186,116
4.3 Checks Received for Collection		76,118	1,651	77,769	54,201	11,004	65,205
4.4 Commercial Notes Received for Collection		11,156	7,100	18,256	23,868	10,802	34,670
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items under Custody		239	105	344	277	2	279
4.8 Custodians		6,756	3,348	10,104	12,345	7,618	19,963
V. PLEDGED ITEMS		2,698,216	355,769	3,053,985	2,731,243	768,993	3,500,236
5.1 Securities		40,877	-	40,877	24,237	-	24,237
5.2 Guarantee Notes		6,541	1,900	8,441	6,633	27,061	33,694
5.3 Commodities		127,302	83,360	210,662	120,529	55,363	175,892
5.4 Warrants		1,128	-	1,128	2,274	-	2,274
5.5 Immovables		1,663,746	238,496	1,902,242	1,727,790	642,243	2,370,033
5.6 Other Pledged Items		858,622	32,013	890,635	849,780	44,326	894,106
5.7 Pledged Items-Depository		-	-	-	-	-	-
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		320	-	320	320	-	320
TOTAL OFF BALANCE SHEET ITEMS (A+B)		4,852,186	2,494,586	7,346,772	4,143,535	2,527,724	6,671,259

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

Convenience translation of consolidated financial statements originally issued in Turkish,
See Note 3.I

TEKSTİL BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARY
CONSOLIDATED INCOME STATEMENTS
FOR THE PERIODS ENDED 30 SEPTEMBER 2015 AND 2014
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

INCOME AND EXPENSE ITEMS	Footnotes (Section 5)	THOUSANDS OF TURKISH LIRA			
		CURRENT PERIOD (01/01/2015 - 30/09/2015)	PRIOR PERIOD (01/01/2014 - 30/09/2014)	CURRENT PERIOD (01/07/2015 - 30/09/2015)	PRIOR PERIOD (01/07/2014 - 30/09/2014)
I. INTEREST INCOME	(5.III.1)	240,854	262,938	96,202	82,144
1.1 Interest from Loans		212,836	224,121	79,125	73,414
1.2 Interest from Reserve Deposits		-	-	-	-
1.3 Interest from Banks		2,518	1,464	1,108	352
1.4 Interest from Money Market Transactions		2,113	483	-	245
1.5 Interest from Securities Portfolio		22,456	33,487	15,758	7,958
1.5.1 Trading Securities		15	24	5	10
1.5.2 Financial Assets at Fair Value Through Profit or Loss		-	-	-	-
1.5.3 Available for Sale Securities		22,441	33,463	15,753	7,948
1.5.4 Held to Maturity Securities		-	-	-	-
1.6 Interest from Financial Leases		-	-	-	-
1.7 Other Interest Income		931	3,383	211	175
II. INTEREST EXPENSE	(5.III.2)	121,746	124,929	44,598	38,497
2.1 Interest on Deposits		106,677	102,479	35,526	31,631
2.2 Interest on Funds Borrowed		9,126	7,082	5,917	2,336
2.3 Interest on Money Market Transactions		5,868	15,311	3,154	4,530
2.4 Interest on Securities Issued		-	-	-	-
2.5 Other Interest Expense		75	57	1	-
III. NET INTEREST INCOME (I - II)		119,108	138,009	51,604	43,647
IV. NET FEE AND COMMISSION INCOME		9,045	10,843	2,726	3,308
4.1 Fees and Commissions Received		12,940	14,366	4,239	4,454
4.1.1 Non-Cash Loans		4,857	6,617	1,606	1,993
4.1.2 Other		8,083	7,749	2,633	2,461
4.2 Fees and Commissions Paid		3,895	3,523	1,513	1,146
4.2.1 Non-Cash Loans		258	291	103	75
4.2.2 Other		3,637	3,232	1,410	1,071
V. DIVIDEND INCOME		6	-	-	-
VI. TRADING INCOME/LOSS (Net)	(5.III.3)	(14,995)	(20,653)	(12,001)	(4,045)
6.1 Profit / Loss on Capital Market Transactions		5,200	9,184	1,456	6,444
6.2 Derivative Instruments Gain / Loss		46,072	(9,374)	49,734	13,011
6.3 Foreign Exchange Gain / Loss		(66,267)	(20,463)	(63,191)	(23,500)
VII. OTHER OPERATING INCOME	(5.III.4)	8,447	15,344	1,464	492
VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)		121,611	143,543	43,793	43,402
IX. IMPAIRMENT ON LOANS AND OTHER RECEIVABLES (-)	(5.III.5)	41,417	25,696	16,238	8,842
X. OTHER OPERATING EXPENSES (-)	(5.III.6)	119,451	101,105	40,840	32,572
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)		(39,257)	16,742	(13,285)	1,988
XII. SURPLUS WRITTEN AS GAIN AFTER MERGER		-	-	-	-
XIII. PROFIT / LOSS FROM EQUITY METHOD INVESTMENTS		-	-	-	-
XIV. GAIN/LOSS ON NET MONETARY POSITION		-	-	-	-
XV. P/L BEFORE TAXES FROM CONTINUING OPERATIONS (XI+...+XIV)		-	-	-	-
XVI. TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	(5.III.7)	(39,257)	16,742	(13,285)	1,988
16.1 Current Tax Provision		4,993	(3,299)	1,262	(832)
16.2 Deferred Tax Provision		(1,045)	(1,808)	(379)	1,321
XVII. NET PROFIT / LOSS FROM CONTINUING OPERATIONS (XV±XVI)		6,038	(1,491)	1,641	(2,153)
XVIII. PROFIT FROM DISCONTINUED OPERATIONS		(34,264)	13,443	(12,023)	1,156
18.1 Assets Held for Sale		-	-	-	-
18.2 Profit on Sale of Associates, Subsidiaries and Joint Ventures		-	-	-	-
18.3 Others		-	-	-	-
XIX. LOSS FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
19.1 Assets Held for Sale		-	-	-	-
19.2 Loss on Sale of Associates, Subsidiaries and Joint Ventures		-	-	-	-
19.3 Others		-	-	-	-
XX. P/L BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII-XIX)		-	-	-	-
XXI. TAXES ON INCOME FROM DISCONTINUED OPERATIONS (±)	(5.III.7)	-	-	-	-
21.1 Current Tax Provision		-	-	-	-
21.2 Deferred Tax Provision		-	-	-	-
XXII. NET PROFIT / LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)		-	-	-	-
XXIII. NET PROFIT/LOSS (XVII+XXII)	(5.III.8)	-	-	-	-
23.1 Group's Profit / Loss		(34,264)	13,443	(12,023)	1,156
23.2 Minority Shares		(34,264)	13,443	(12,023)	1,156
		-	-	-	-
Earnings / Losses per Share (Full TL)		(0.0082)	0.0032	(0.0029)	0.0003

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

Convenience translation of consolidated financial statements originally issued in Turkish,
See Note 3.I

TEKSTİL BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME AND EXPENSES RECOGNIZED UNDER EQUITY
FOR THE PERIODS ENDED 30 SEPTEMBER 2015 AND 2014
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

PROFIT/LOSS ITEMS RECOGNIZED IN EQUITY		THOUSANDS OF TURKISH LIRA			
		CURRENT PERIOD (01/01/2015 - 30/09/2015)	PRIOR PERIOD (01/01/2014 - 30/09/2014)	CURRENT PERIOD (01/07/2015 - 30/09/2015)	PRIOR PERIOD (01/07/2014 - 30/09/2014)
I.	ADDITIONS TO VALUATION DIFF. ON SECURITIES FROM AVAILABLE FOR SALE INVESTMENTS	(28,293)	5,888	(28,241)	(5,158)
II.	REVALUATION ON TANGIBLE ASSETS	-	-	-	-
III.	REVALUATION ON INTANGIBLE ASSETS	-	-	-	-
IV.	FOREIGN EXCHANGE DIFFERENCES	-	-	-	-
V.	PROFIT/LOSS RELATED TO DERIVATIVES USED IN CASH FLOW HEDGES (Effective portion)	-	-	-	-
VI.	PROFIT/LOSS RELATED TO DERIVATIVES USED IN HEDGE OF A NET INVESTMENT IN FOREIGN SUBSIDIARIES (Effective portion)	-	-	-	-
VII.	EFFECT OF CHANGES IN ACCOUNTING POLICIES OR CORRECTION OF ERRORS	-	-	-	-
VIII.	OTHER PROFIT/LOSS ITEMS RECOGNIZED IN EQUITY PER TURKISH ACCOUNTING STANDARDS	1,089	-	1,089	1,031
IX.	DEFERRED AND CURRENT TAXES ON VALUATION DIFFERENCES	5,441	(1,177)	5,431	(4,127)
X.	NET PROFIT/LOSS RECOGNIZED IN EQUITY (I+II+...+IX)	(21,763)	4,711	(21,721)	1,156
XI.	CURRENT PERIOD PROFIT/LOSS	(34,264)	13,443	(12,023)	348
11.1	Net Change in Fair Value of Securities (Transfer to Profit & Loss)	(318)	406	-	-
11.2	Ineffective Portion of Profit/Loss Related to Derivatives Used in Cash Flow Hedges	-	-	-	-
11.3	Ineffective Portion of Profit/Loss Related to Derivatives Used in Hedge of a Net Investment in Foreign Subsidiaries	-	-	-	808
11.4	Others	(33,946)	13,037	(12,023)	-
XII.	TOTAL RECOGNIZED INCOME AND EXPENSE FOR THE PERIOD (X±XI)	(56,027)	18,154	(33,744)	(2,971)

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

Convenience translation of consolidated financial statements originally issued in Turkish,
See Note 3.I

TEKSTİL BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIODS ENDED 30 SEPTEMBER 2015 AND 2014
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

	THOUSANDS OF TURKISH LIRA																	
	Paid-in Capital	Capital Reserves from Inflation Adjustments to Paid-in Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit / (Loss)	Prior Period Net Profit / (Loss)	Valuation Differences of Securities	Revaluation Fund on Tangible Assets	Securities Value Increase Fund	Hedge Funds	Revaluation Fund on Assets Held for Sale and Discontinued Operations	Total Equity Attributable to Equity Holders of the Parent	Non-controlling Interests	Total Shareholders' Equity
CHANGES IN SHAREHOLDERS' EQUITY																		
PRIOR PERIOD 30/09/2014																		
I. Balances at the Beginning of Period - 01/01/2014	420,000	-	(814)	-	8,531	-	96,711	-	45,316	-	191	34,373	-	-	-	604,308	-	604,308
II. Corrections According to Turkish Accounting Standard No.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Corrections of Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Beginning Balance (I + II)	420,000	-	(814)	-	8,531	-	96,711	-	45,316	-	191	34,373	-	-	-	604,308	-	604,308
Changes in the Period																		
IV. Increase / Decrease Related to Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Valuation Difference of Available-for-Sale Securities	-	-	-	-	-	-	-	-	-	-	4,711	-	-	-	-	4,711	-	4,711
VI. Hedging Transactions (Effective Portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1 Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2 Hedging of a Net Investment in Foreign Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Revaluation fund on tangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Revaluation fund on intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Capital Bonus of Associates,Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Foreign Exchange Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Changes Related to Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Changes Related to Reclassification of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Effect of Changes in Equities of Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1 Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2 Domestic sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Issuances of Share Certificates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Abolition profit of Share Certificates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Capital Reserves from Inflation Adjustments to Paid-In Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX. Current Period Net Profit / Loss	-	-	-	-	-	-	-	-	13,443	-	-	-	-	-	-	13,443	-	13,443
XX. Profit Distribution	-	-	-	-	2,261	-	15,186	57,366	(45,316)	-	-	(29,497)	-	-	-	-	-	-
20.1 Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2 Transferred to Reserves	-	-	-	-	2,261	-	15,186	57,366	(45,316)	-	-	(29,497)	-	-	-	-	-	-
20.3 Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the End of Period (III+IV+V+.....+XVIII+XIX+XX) - 30/09/2014	420,000	-	(814)	-	10,792	-	111,897	57,366	13,443	-	4,902	4,876	-	-	-	622,462	-	622,462

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

Convenience translation of consolidated financial statements originally issued in Turkish,
See Note 3.I

TEKSTİL BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIODS ENDED 30 SEPTEMBER 2015 AND 2014
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

		THOUSANDS OF TURKISH LIRA																	
		Paid-in Capital	Capital Reserves from Inflation Adjustments to Paid-in Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves (*)	Current Period Net Profit / (Loss)	Prior Period Net Profit / (Loss)	Valuation Differences of Securities	Revaluation Fund on Tangible Assets	Securities Value Increase Fund	Hedge Funds	Revaluation Fund on Assets Held for Sale and Discontinued Operations	Total Equity Attributable to Equity Holders of the Parent	Non-controlling Interests	Total Shareholders' Equity
CHANGES IN SHAREHOLDERS' EQUITY																			
CURRENT PERIOD																			
30/09/2015																			
I.	Balances at the Beginning of Period - 01/01/2015	420,000	-	(814)	-	10,792	-	111,897	56,799	12,760	-	1,835	6,867	-	-	-	620,136	-	620,136
	Changes in the Period																		
II.	Increase / Decrease Related to Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Valuation Difference of Available-for-Sale Securities	-	-	-	-	-	-	-	-	-	-	(22,635)	-	-	-	-	(22,635)	-	(22,635)
IV.	Hedging Transactions (Effective Portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1	Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Hedging of a Net Investment in Foreign Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Revaluation fund on tangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Revaluation fund on intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Capital Bonus of Associates, Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Foreign Exchange Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Changes Related to Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Changes Related to Reclassification of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Effect of Changes in Equities of Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2	Domestic sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Issuences of Share Certificates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Abolition profit of Share Certificates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Capital Reserves from Inflation Adjustments to Paid-In Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Others	-	-	-	-	-	-	-	872	-	-	-	-	-	-	-	872	-	872
XVII.	Current Period Net Profit / Loss	-	-	-	-	-	-	-	-	(34,264)	-	-	-	-	-	-	(34,264)	-	(34,264)
XVIII.	Profit Distribution	-	-	-	-	704	-	12,056	-	(12,760)	-	-	-	-	-	-	-	-	-
18.1	Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2	Transferred to Reserves	-	-	-	-	704	-	12,056	-	(12,760)	-	-	-	-	-	-	-	-	-
18.3	Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the End of Period																			
(I+II+III+...+XVI+XVII+XVIII) - 30/09/2015		420,000	-	(814)	-	11,496	-	123,953	57,671	(34,264)	-	(20,800)	6,867	-	-	-	564,109	-	564,109

(*) The amounts presented under 'Other Reserves' consist of amounts of 'Other Supplementary Capital' and 'Other Profit Reserves' on balance sheet.

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

TEKSTİL BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED 30 SEPTEMBER 2015 AND 2014
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

		THOUSANDS OF TURKISH LIRA	
		CURRENT PERIOD (01/01/2015 - 30/09/2015)	PRIOR PERIOD (01/01/2014 - 30/09/2014)
A.	CASH FLOWS FROM BANKING OPERATIONS		
1.1	Operating Profit before Changes in Operating Assets and Liabilities	1,748	35,884
1.1.1	Interest Received	243,549	250,606
1.1.2	Interest Paid	(118,674)	(126,505)
1.1.3	Dividend Received	6	-
1.1.4	Fees And Commissions Received	8,770	9,793
1.1.5	Other Income	(35,828)	(23,403)
1.1.6	Collections from Non-performing Loans	17,721	22,892
1.1.7	Payments to Personnel and Service Suppliers	(72,980)	(59,667)
1.1.8	Taxes Paid	(5,495)	(6,610)
1.1.9	Other	(35,321)	(31,222)
1.2	Changes in Operating Assets and Liabilities	1,200,266	(193,396)
1.2.1	Net (Increase) Decrease in Trading Securities	1,390	(630)
1.2.2	Net (Increase) Decrease in Financial Assets Designated at FV	-	-
1.2.3	Net (Increase) Decrease in Banks	(383,895)	503
1.2.4	Net (Increase) Decrease in Loans	(1,047,635)	(102,526)
1.2.5	Net (Increase) Decrease in Other Assets	(24,145)	(13,478)
1.2.6	Net Increase (Decrease) in Bank Deposits	(114,822)	136,635
1.2.7	Net Increase (Decrease) in Other Deposits	154,186	(176,636)
1.2.8	Net Increase (Decrease) in Funds Borrowed	2,489,934	(56,931)
1.2.9	Net Increase (Decrease) in Due Payables	-	-
1.2.10	Net Increase (Decrease) in Other Liabilities	125,253	19,667
I.	Net Cash Provided by / (Used in) Banking Operations	1,202,014	(157,512)
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
II.	Net Cash Provided by / (Used in) Investing Activities	(1,030,153)	62,054
2.1	Cash Paid for Purchase of Investments, Associates and Subsidiaries	-	-
2.2	Cash Obtained From Sale of Investments, Associates And Subsidiaries	-	-
2.3	Fixed Assets Purchases	(942)	(11,674)
2.4	Fixed Assets Sales	4	137
2.5	Cash Paid for Purchase of Investments Available for Sale	(1,148,402)	(70,220)
2.6	Cash Obtained From Sale of Investments Available for Sale	119,307	144,436
2.7	Cash Paid for Purchase of Investment Securities	-	-
2.8	Cash Obtained from Sale of Investment Securities	-	-
2.9	Other	(120)	(625)
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
III.	Net Cash Provided by / (Used in) Financing Activities	-	-
3.1	Cash Obtained from Funds Borrowed and Securities Issued	-	-
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued	-	-
3.3	Capital Increase	-	-
3.4	Dividends Paid	-	-
3.5	Payments for Finance Leases	-	-
3.6	Other	-	-
IV.	Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	29,197	7,933
V.	Net Increase (Decrease) in Cash and Cash Equivalents (I+II+III+IV)	201,058	(87,525)
VI.	Cash and Cash Equivalents at the Beginning of Period	386,179	378,580
VII.	Cash and Cash Equivalents at the End of Period (V+VI)	587,237	291,055

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

TEKSTİL BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2015 (continued)
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES

I. Basis of presentation

Preparation of the consolidated financial statements and the accompanying footnotes in accordance with Turkish Accounting Standards and Regulation on the Procedures and Principles for Accounting Practices and Retention of Documents by Banks:

The consolidated financial statements have been prepared in accordance with the “Regulation on the Procedures and Principles for Accounting Practices and Retention of Documents by Banks” published in the Official Gazette no.26333 dated 1 November 2006 with regard to Banking Law No. 5411, and in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency (“BRSA”), and in case where a specific regulation is not made by BRSA, “Turkish Accounting Standards” (“TAS”) and “Turkish Financial Reporting Standards” (“TFRS”) and related appendices and interpretations (all “Turkish Accounting Standards” or “TAS”) put into effect by Public Oversight Accounting and Auditing Standards Authority (“POA”).

The format and content of the publicly announced consolidated financial statements and notes to these statements have been prepared in accordance with the “Communiqué on the Financial Statements to be announced to public by Banks as well as Explanations and Footnotes Thereof”, published in Official Gazette no. 28337, dated 28 June 2012, and amendments to this Communiqué. The Bank maintains its books in Turkish Lira in accordance with the Banking Law, Turkish Commercial Code and Turkish Tax Legislation.

Financial Statements have been prepared in TL, under the historical cost convention except for the financial assets at fair value through profit or loss, available-for-sale assets and negative value of trading derivatives carried at fair value and revalued buildings. Unless stated otherwise, the consolidated financial statements and balances in related disclosures are presented in thousands of Turkish Lira.

The preparation of consolidated financial statements in conformity with TAS requires the use of certain accounting estimates and assumptions by the Parent 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 audited regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement. Assumptions and estimates that are used in the preparation of the accompanying financial statements are explained in the following related disclosures.

The amendments of TAS and TFRS which have entered into force as of 1 January 2015 have no material impact on the Group’s accounting policies, financial position and performance. The amendments of TAS and TFRS, except TFRS 9 Financial Instruments, which have been published as of reporting date but have not been effective, have no impact on the accounting policies, financial condition and performance of the Group. The Group will assess the potential impact of TFRS 9 Financial Instruments standard.

Additional paragraph for convenience translation to English

The differences between accounting principles, as described in these preceding paragraphs and accounting principles generally accepted in countries in which consolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in these consolidated financial statements. Accordingly, these consolidated 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.

Accounting policies and valuation principles used in the preparation of the consolidated financial statements:

Accounting policies and valuation principles used in the preparation of financial statements are defined and applied in accordance with regulations, communiqués, explanations and circulars on accounting and financial reporting principles published by the BRSA, and in case where there is no special regulation made by the BRSA, in accordance with principles in the context of TAS and TFRS, and are consistent with the accounting policies applied in the annual financial statements of the year ended 31 December 2014. Those accounting policies and valuation principles are explained in Notes II. to XXVII. below.

TEKSTİL BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2015 (continued)
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

II. Strategy for the use of financial instruments and the foreign currency operations

Strategy for the use of financial instruments:

The Parent Bank’s main area of activities consist corporate, commercial and retail banking, fund management transactions and international banking services. The Parent Bank gives loans mainly to domestic customers by external sources of funds comprised mainly of domestic deposits and foreign borrowings and invests in marketable securities and banks placements to maintain liquidity.

The liability side of the balance sheet is intensively composed of short-term deposits and medium/long term borrowings in line with the general trend in the banking sector. Foreign currency borrowings are predominately short-term and thus, the Parent Bank aims to minimize the effects of fluctuations in currency and interest rates in the market. Deposits collected are fixed rate and balanced with fixed rate loans and other investments. The fundamental strategy to manage the liquidity risk is to expand the deposit base through customer-oriented banking philosophy, and to increase customer transactions and retention rates. The Parent Bank invests some of its resources to domestic government bonds and short-term placements to reduce liquidity risk.

In order to avoid currency risk, the Parent Bank aims to balance foreign currency assets and liabilities through currency swaps. Currency risk, interest rate risk and liquidity risk are monitored and measured instantly by various risk management systems, and the balance sheet is managed under the limits set by these systems and the limits legally required. Asset-liability management and value at risk models, stress tests and scenario analysis are used for this purpose.

The Parent Bank designates its loan strategy considering international and national economic data and expectations, market conditions, interest, liquidity, currency, credit and other risks. Loan portfolio of the Parent Bank is not concentrated on a specific segment and concentration risk is taken in consideration as much as possible.

Transactions denominated in foreign currencies:

Monetary assets and liabilities denominated in foreign currencies are translated by using currency exchange rates on the balance sheet date. The resulting exchange differences are recorded in the income statement as “Foreign Exchange Gain/Loss”.

As at 30 September 2015, rates used for converting foreign exchange transactions to Turkish Lira and presenting them in financial statements are as follows; USD: TL 3.0433, Euro: TL 3.4212, GBP: TL 4.6109 and JPY: TL 0.0253.

There is no goodwill related to the Parent Bank’s foreign operations.

III. Presentation of information regarding consolidated subsidiaries and associates

The Parent Bank has no consolidating associate.

On 21 April 2015 Tekstil Portföy Yönetimi A.Ş. (Tekstil Portföy) was established with TL 2,000,000 –full amount- capital from Tekstil Yatırım. Tekstil Portföy is a subsidiary of Tekstil Yatırım with 100% partnership and an indirect subsidiary of the Parent Bank. As at 30 September 2015 Tekstil Portföy has been consolidated in Tekstil Yatırım by full consolidation method. "Tekstil Yatırım", the consolidated subsidiary of the Parent Bank, represents Tekstil Portföy and Tekstil Yatırım as a whole.

Tekstil Yatırım which is financial subsidiary of the Parent Bank is consolidated to accompanying consolidated financial statements by using “Full Consolidation” method as at 30 September 2015 and 31 December 2014.

The Parent Bank and its consolidated subsidiary are named as “the Group”.

Control is defined as the power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power over the investee to affect the amount of the Bank’s returns.

The carrying amount of the Parent Bank’s investment in its subsidiary and the Parent Bank’s portion of equity of its subsidiary are eliminated. All intercompany transactions and intercompany balances between the consolidated subsidiary and the Parent Bank are eliminated. The financial statements which have been used in the consolidation are prepared as at 30 September 2015 and appropriate adjustments are made to financial statements to use uniform accounting policies for similar transactions and events in same circumstances. There is no obstacle on the transfer of shareholders’ equity between the Parent Bank and its subsidiary or on the reimbursement of liabilities.

TEKSTİL BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2015 (continued)
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

IV. Forward transactions, options and derivative instruments

The derivative transactions of the Group mainly consist of foreign currency swaps, foreign currency options and forward contracts. Spot currency buying-selling transactions and currency swaps with two days value date of the Group are classified under assets purchase and sale commitments.

Derivatives are classified as held for trading in accordance with TAS 39 “Financial Instruments: Recognition and Measurement”. The Parent Bank does not have any embedded derivatives.

The liabilities and receivables arising from the derivative transactions are recorded as off-balance sheet items at their contract values.

The derivative transactions are initially recognized at fair value and measured at fair value subsequent to initial recognition and are presented in the “Positive Value of Trading Derivatives” under the “Financial Assets at Fair Value Through Profit or Loss” or “Negative Value of Trading Derivatives” items of the balance sheet depending on the resulting positive or negative amounts of the fair value. Gains and losses arising from a change in the fair value of trading purpose derivatives are recognized in the consolidated income statement. Fair values of derivatives are determined using quoted market prices in active markets or using discounted cash flow techniques within current market interest rates.

Fair values of option agreements are calculated using option pricing models and unrealized profit and loss amounts are presented in income statement for the current period.

Embedded derivatives are separated from the host contract and accounted for as a derivative under TAS 39 if, and only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative and the hybrid instrument is not measured at fair value with changes in fair value recognized in profit or loss. When the host contract and embedded derivative are closely related, embedded derivatives are not separated from the host contract and are accounted according to the standard applied to the host contract.

V. Interest income and expense

Interest is recognized using the effective interest method (the effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability) defined in TAS 39. Interest income and expense computed by using internal rate of return are recognized on an accrual basis. In accordance with the related legislation, the Parent Bank ceases to accrue interest income on loans that become non-performing. Interest accrual does not start until such loans become performing and are classified as performing loans or until collection.

VI. Fees and commissions

Fee and commission income and expenses are accounted on accrual or cash basis relatively, depending on the nature of the transaction. Upfront commissions from cash and non-cash loans are allocated to related periods. Upfront fees from loans are discounted with effective interest rate method and allocated to related period’s income statement.

VII. Financial assets

The Group categorizes its financial assets as “Fair value through profit/loss”, “Available for sale”, “Loans and receivables” or “Held to maturity”. Sale and purchase transactions of the financial assets mentioned above are recognized and derecognized at the “Settlement dates”. The appropriate classification of financial assets of the Group is determined at the time of purchase by the Parent Bank’s management, taking into consideration the purpose of the investment.

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

Financial assets at fair value through profit or loss consist of “trading securities” and “financial assets designated at fair value”. The Group does not have any financial assets classified as “financial assets designated at fair value”.

Trading securities are financial assets acquired for generating a profit from short term fluctuations in price or in similar elements or which are part of a portfolio used for generating profit in the short term regardless of their reason of acquisition.

TEKSTİL BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2015 (continued)
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

VII. Financial assets (continued)

Trading securities are recognized and derecognized on settlement date basis when purchased and disposed of. Trading securities are initially recognized at fair value and also evaluated at fair value subsequent to initial recognition. Gains and losses arising from evaluation of such assets are recognized in the income statement. Interest earned from trading securities is reported under interest income. Any profit or loss resulting from the disposal of those assets before their maturity dates is recognized within “Profit/loss on capital market transactions” account in the income statement.

b. Investment securities available-for-sale:

Available-for-sale assets are financial assets other than financial assets at fair value through profit or loss, loans and advances to banks and customers, or financial assets held to maturity.

Purchase and sale transactions of available-for-sale securities are recorded on settlement date. Such financial assets are measured at their fair values subsequently following the initial recognition. Unrecognized gain/losses derived from the difference between their fair value and the discounted values are recorded in “Valuation Differences of Securities” under the shareholders’ equity. In case of sales, the realized gain/losses are recognized directly in the income statement.

The real coupon rates for government bonds indexed to consumer price index are fixed throughout maturities. As per the statements made by the Turkish Treasury on the dates of issuance, such securities are valued taking into account the difference between the reference inflation index at the issue date and the reference inflation index at the balance sheet date to reflect the effects of inflation.

c. Loans and receivables:

Loans and receivables arise when the Group provides money, goods or services directly to a debtor. Such assets are initially recognized at cost and are carried at amortized cost using the effective interest method. Duties paid, transaction expenditures and other similar expenses on assets received against such risks are not considered as a part of transaction cost and are recorded as expense.

Based on the regular reviews of the loan portfolio by the Parent Bank management, loans that are identified as being impaired are transferred to “loans under follow-up” accounts. Thereby, specific and general allowances are made against the carrying amount of these loans in accordance with the “Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside” published on the Official Gazette no.26333 dated 1 November 2006. Provisions are deducted from the income of the current year. When collections are made on loans that have been provided for, they are credited to the income statement accounts “Provision for Loan Losses or Other Receivables” if the provision was made in the current year, otherwise such collections are credited to “Other Operating Income” account with respect to allowances made in the prior years. Uncollectible receivables are written-off after all the legal procedures are finalized. The Bank’s general policy for write-off of loans and receivables under follow-up is to write off such loans and receivables that are proven to be uncollectible by obtaining required documentation, also considering Tax Procedural Law’s verdicts.

d. Investment securities held-to-maturity:

Held-to-maturity securities are financial assets with fixed maturities and pre-determined payment schedules that the Parent Bank has the intent and ability to hold until maturity, excluding loans and receivables. Investment securities held-to-maturity are initially recognized at cost. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method. Interest earned on held-to-maturity securities are recognized as interest income in the consolidated income statement.

VIII. Impairment of financial assets

Financial asset or a group of financial assets is reviewed at each balance sheet date to determine whether there is an objective indicator of impairment. If any such indicator exists, the Group estimates the amount of impairment.

Impairment loss incurs if, and only if, there is an objective evidence that the expected future cash flows of financial asset or group of financial assets are adversely affected by an event(s) (“loss event(s)”) incurred subsequent to recognition. The losses expected to incur due to future events are not recognized even if the probability of loss is high.

TEKSTİL BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2015 (continued)
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

VIII. Impairment of financial assets (continued)

If there is an objective evidence that certain loans will not be collected, for such loans; the Parent Bank provides specific and general allowances for loan and other receivables classified in accordance with the “Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside” published on the Official Gazette no.26333 dated 1 November 2006. The allowances are recorded in the income statement of the related period.

As at 30 September 2015, since the consumer loans of the Parent Bank do not exceed the ratios mentioned in the regulation published in the Official Gazette no. 27968 dated 18 June 2011 and in the Official Gazette no. 28789 (repeated) dated 8 October 2013 amending the “The Amendment to the Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside” additional general loan loss provision has not been calculated.

IX. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated balance sheet only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Provisions for foreign exchange gain/loss on foreign currency indexed loans are netted with loans on the asset side of consolidated balance sheet. Otherwise, the financial assets and liabilities are netted off only when there is a legal right to do so.

X. Sale and repurchase agreements and transactions related to the lending of securities

Securities sold under repurchase agreements (“repo”) are classified as “trading”, “available for sale” or “held to maturity” based on the Parent Bank management’s intention and measured with the same valuation principles of the portfolio above. Funds received through repurchase agreements are classified separately under liability accounts and the related interest expenses are accounted on an accrual basis based on the difference between selling and repurchase prices using effective interest rate method.

Securities purchased under resale agreements (“reverse repo”) are classified under “Receivables from Reverse Repurchase Agreements”. An income accrual using the effective interest rate method is accounted for the positive difference between the purchase and resale prices earned during the period. The Parent Bank does not have any securities related to the lending.

XI. Assets held for sale and discontinued operations

Assets held for sale consist of assets that have high sales probability, have been planned to be sold, and an active program has been started to complete the plan and determine the buyers. Asset should be marketed the price compatible with fair value. Furthermore, the sales, starting from the day of classifications as held for sale, should be expected to be completed at within a year and the necessary activities should demonstrate that the possibility of having significant change in the plan or the cancellation of the plan is low.

The Group does not have any assets held for sale.

The Group does not have any discontinued operations.

XII. Goodwill and other intangible assets

There is no goodwill in the accompanying consolidated financial statements as at 30 September 2015 and 31 December 2014.

Intangible assets are initially recognized at their cost that includes expenditures that are directly attributable to the acquisition of the asset. Intangibles are reflected in the consolidated balance sheet at cost less amortization and any accumulated impairment losses. Intangible assets are subsequently measured at cost less any accumulated depreciation and any accumulated impairment losses.

Intangible assets are amortized on amortization rates between 6.66% and 33.33%.

Intangible assets are amortized on a straight-line basis based on their estimated useful lives. Useful life of an asset is estimated by assessment of the expected life span of the asset and technical and technological wear outs of the asset. The amortization rates used approximate the useful lives of the assets.

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XIII. Tangible assets

Tangible assets are initially recognized at their cost that includes expenditures that are directly attributable to the acquisition of the asset. Tangible assets (except buildings as stated below) are reflected in the consolidated financial statements at cost less accumulated depreciation and any accumulated impairment.

Tangible assets are depreciated on a straight-line basis based on the in estimated useful lives.

The estimated useful lives are as follows:

Buildings	50 years
Furniture and fixtures	3 – 50 years
Leasehold improvements	Minimum of lease period or useful life

The depreciation of an asset held for a period less than a full financial year is calculated as a proportion of the full year depreciation charge from the date of acquisition to the financial year end.

In cases where the expected future benefits of the assets are less than their book values, the book values of such assets are reduced to their net realizable values and impairment losses are recorded as expense.

Gains and losses on disposal of an item of assets are determined by deducting the carrying amount of the asset from the proceeds from disposal.

The regular maintenance and repair expenditures are accounted as expense. The investment expenditures, made to increase the future benefits of the asset by improving the capacity of the asset, are added to the cost of the asset. Investment expenditures comprised of the costs which increase the useful life of the asset, improve the capacity of the asset, increase the quality or decrease the cost of production.

The Parent Bank applies revaluation model for the buildings as permitted by TAS 16 “Property, Plant and Equipment”. For this purpose, fair values of the buildings are determined by a third party appraiser, which is commissioned by BRSA and Capital Markets Board. The fair value surplus is recognized in “Revaluation Fund on Tangible Assets” within the equity items. As at 30 September 2015, revaluation surplus on pre-tax tangible assets amounts to TL 7,228 (31 December 2014: TL 7,228).

XIV. Leasing activities

Assets acquired by financial leasing are recorded by considering the lower of the fair value of the leased asset and the present value of leasing payments. Tangible assets acquired by way of financial leasing are recognized in tangible assets and depreciated in line with tangible assets group they relate to. In cases where leased assets are impaired or the expected future benefits of the assets are less than their book values, the book values of such leased assets are reduced to their net realizable values. The obligations under financial leases arising from the lease contracts are presented under “Financial Lease Payables” account in the balance sheet. Interest expense and currency exchange rate differences related to leasing activities are recognized in the income statement. The Group does not enter into financial lease transactions by acting as the “lessor”.

In operating leases, the rent payments are charged to the income statement on an accrual basis.

XV. Provisions and contingencies

Provisions, other than specific and general provisions for loans and other receivables, and contingent liabilities are provided for in accordance with TAS 37 “Provisions, Contingent Liabilities and Contingent Assets”. Provisions are accounted for immediately when obligations arise as a result of past events and a reliable estimate of the obligation is made by the Parent Bank management. Whenever the amount of such obligations cannot be measured, they are regarded as “Contingent”. If the possibility of an outflow of resources embodying economic benefits becomes probable and the amount of the obligation can be measured with sufficient reliability, a provision is recognized. If the amount of the obligation cannot be measured with sufficient reliability or the possibility of an outflow of resources embodying economic benefits is remote, such liabilities are disclosed in the notes to the consolidated financial statements.

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XVI. 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 Group. Since recognizing the contingent assets in the financial statements may result in the accounting of an income, which will never be generated, the related assets are not included in the financial statements. If an inflow of economic benefits has become probable, then the contingent asset is disclosed in the notes to the consolidated financial statements. Developments related to the contingent assets are constantly evaluated to be reflected rightly in the consolidated financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the consolidated financial statements of the period in which the change occurs.

XVII. Obligations concerning employee rights

Obligations concerning employee severance indemnities and vacation pay are accounted for in accordance with the Turkish Accounting Standard 19 (“TAS 19”) “Employee Benefits”.

In accordance with existing legislation in Turkey, the Group have to make certain lump-sum payments to employees who has completed one year of service and whose employment is terminated due to retirement or reasons other than resignation or misconduct. Provision for employee severance benefits has been accounted for using discounting total provision and reflected to the consolidated financial statements.

XVIII. Taxation

a. Current taxes:

In Turkey, the corporate tax rate is 20%. This rate is applied to accounting income modified for certain exemptions (like dividend income) and deductions (like investment incentives), and additions for certain non-tax deductible expenses and allowances for tax purposes. If there is no dividend distribution planned, no further tax charges are made.

Dividends paid to the resident institutions and the institutions working through local offices or representatives in Turkey are not subject to withholding tax. Accordingly, the withholding tax rate on the dividend payments other than the ones paid to the nonresident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions is 15%. Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

In accordance with the tax legislation, corporate taxes are paid in advance based on the tax base calculated on the quarterly earnings of the companies at the rate of 20%. These payments can be deducted from the annual corporate tax calculated for the whole year earnings. Such taxes paid in advance are deducted from the final corporate tax liability.

In accordance with the Turkish tax legislation, the tax losses can be carried forward to offset against future taxable income for up to 5 years. Tax losses cannot be carried back to offset profits from previous periods.

In Turkey, there is no procedure for a final and definite agreement on tax assessments. Companies file their tax returns with their tax offices by the end of 25th of the fourth month following the close of the accounting period to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

b. Deferred taxes:

In accordance with TAS 12 “Income Taxes”, the Group accounts for deferred taxes based on the tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are based on tax rates that have been enacted at the balance sheet date.

If transactions and other occurrences are accounted at profit or loss; tax effects which are related to these transactions and other occurrences are also accounted at profit or loss. If transactions and other occurrences are directly accounted at equity balances; tax effects which are related to these transactions and other occurrences are also accounted at equity accounts. Tax provision of items that are directly related to equity is offsetted with related equity accounts.

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XVIII. Taxation (continued)

b. Deferred taxes (continued):

Deferred tax liabilities are recognized for all deductible temporary differences, however deferred tax assets composed of deductible temporary differences and tax losses are accounted with considering that it is probable that taxable profit will be available and such deductible temporary differences and tax losses can be utilized.

Deferred tax assets and liabilities of the Parent Bank have been offset in the Parent Bank’s financial statements. Net deferred tax assets or liabilities of the entities in the Group which are calculated individually have not been offset.

The Group has calculated deferred tax based on the principles above and reflected to the consolidated financial statements.

c. Transfer pricing:

In Turkey, the transfer pricing provisions have been stated under the Article 13 of Corporate Tax Law with the heading of “disguised profit distribution via transfer pricing”. The General Communiqué on disguised profit distribution via Transfer Pricing, dated 18 November 2007 sets details about implementation.

If a taxpayer enters into transactions regarding sale or purchase of goods and services with related parties, where the prices are not set in accordance with arm's length principle, then related profits are considered to be distributed in a disguised manner through transfer pricing. Such disguised profit distributions through transfer pricing are not accepted as tax deductible for corporate income tax purposes.

Corporate tax-payers required in “section 7.1 annual documentation” part of related communiqué, have to fill the “form relating to transfer pricing, controlled foreign companies and thin capitalization” as associated with purchasing and selling goods or services with related parties in an accounting period and send it to the tax office submitted as an appendix to the corporate tax return.

XIX. Additional explanations on borrowings

Financial liabilities held for trading and negative value of derivative instruments are carried at fair value and all other financial liabilities are carried at amortized cost using effective interest rate method.

XX. Issued stock

There is no issued stock in the current period.

XXI. Acceptances

Acceptances are realized simultaneously with the customer payments and recorded in off-balance sheet accounts, if any.

XXII. Government grants

As at 30 September 2015 and 31 December 2014, the Group does not have any government grants.

XXIII. Reserves and profit distribution

Retained earnings at statutory books are allowed for distribution except for the following clause on legal reserves.

The legal reserves consist of first and second reserves, in accordance with the Turkish Commercial Code. The first legal reserve is appropriated out of the statutory profit at the rate of 5% until the total reserve reaches a maximum of 20% of the Company’s paid-in capital. The second legal reserve is appropriated at the rate of 10% of all distributions in excess of 5% of the Company’s share capital. The first and second legal reserves are not available for distribution unless they exceed 50% of the share capital.

XXIV. Related parties

For the purpose of the consolidated financial statements, shareholders, members of board of directors, related companies managed by their own and families, associates and jointly controlled entities are accepted as related party in accordance with the article 49 of the Banking Law No.5411. Transactions regarding related parties are presented in Note V of Section Five.

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XXV. Cash and cash equivalents

For the purposes of the consolidated statement of cash flows, cash and cash equivalents comprise cash and balances with central banks, deposits with banks and other financial institutions, other money market placements with an original maturity of three months or less and receivables from reverse repo. The reserve requirements blocked at the Central Bank of Turkey are not recognized as “cash equivalent assets” in the statements of cash flow.

XXVI. Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. Segment reporting is presented in Section Four, Note XI.

XXVII. Reclassifications

In order to achieve convenience presentation of financial statements as at 30 September 2015, no reclassifications have been made on the consolidated financial statements for the period ended 31 December 2014 and 30 September 2014.

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SECTION FOUR

CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT

I. Consolidated capital adequacy ratio

As at 30 September 2015, the Group’s consolidated capital adequacy ratio is 12.70% (31 December 2014: 18.91%).

Capital adequacy ratio is calculated within the scope of the “Regulation on Measurement and Evaluation of Capital Adequacy of Banks”, “Communiqué on Credit Risk Mitigation Techniques” published in the Official Gazette no. 29111 dated 6 September 2014, “Communiqué on Capital Requirement Calculation for Market Risk of Options” published in the Official Gazette no. 28337 dated 28 June 2012 and the “Regulation on Equities of Banks” published in the Official Gazette no. 28756 dated 5 September 2013.

In the calculation of consolidated capital adequacy standard ratio, the accounts and transactions are evaluated by taking into account the relevant legislation. Accounts and transactions are classified in two separate portfolios as "trading accounts" and "banking accounts" and are used in the calculation of market and credit risks. Trading accounts and items deducted from the capital are not considered in the calculation of credit risks. In the calculation of risk weighted assets, amortized and impaired assets are accounted by net amounts after deducting the related amortization and provision amounts.

In the calculation of the amount subject to credit risk, the Parent Bank assesses its loans and receivables by taking the risk classes, rating notes and risk mitigation into consideration. “Simple financial collateral method” is used for banking accounts while “comprehensive financial collateral method” is used for trading accounts for taking risk mitigation elements under consideration.

Counterparty Credit Risk is calculated for derivative transactions, repo transactions, security-stock lending transactions, overdraft security transactions and long term trade transactions.

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I. Consolidated capital adequacy ratio (continued)

Consolidated Capital Adequacy Ratio:

30 September 2015							
Risk Weights							
Parent Bank							
	0%	20%	50%	75%	100%	150%	200%
Value at Credit Risk	-	82,368	431,507	76,440	3,239,740	111,152	267,310
Risk Classifications							
Contingent and Non-Contingent Claims on Sovereigns and Central Bank	1,383,315		298,748	-	-	-	-
Contingent and Non-Contingent Claims on Regional Governments and Local Authorities	-	-	-	-	-	-	-
Contingent and Non-Contingent Claims on Administrative Units and Non-commercial Enterprises	-	-	-	-	680	-	-
Contingent and Non-Contingent Claims on Multilateral Development Banks	-	-	-	-	-	-	-
Contingent and Non-Contingent Claims on International Organizations	-	-	-	-	-	-	-
Contingent and Non-Contingent Claims on Banks and Capital Market Intermediary	744,532	34,503	15,275	-	836,214	-	-
Contingent and Non-Contingent Claims on Corporate Receivables	20,487	375,773	194,418	-	2,129,275	-	-
Contingent and Non-Contingent Claims Included in the Regulatory Retail Portfolios	2,453	506	-	101,920	3,317	-	-
Contingent and Non-Contingent Claims Secured by Residential Property	11,820	330	351,711	-	94,919	-	-
Non-performing Receivables	-	-	2,862	-	36,167	1,996	-
Higher-Risk Categories Defined by Agency	3,748	730	-	-	-	72,105	133,655
Mortgage Collateralized Marketable Securities	-	-	-	-	-	-	-
Securitization Exposures	-	-	-	-	-	-	-
Short-Term Claims on Banks and Intermediary Institutions and Corporate Receivables	-	-	-	-	-	-	-
Undertakings for Collective Investments in Transferable Securities	-	-	-	-	-	-	-
Other Receivables	42,373	-	-	-	139,168	-	-
Risk Weights							
Consolidated							
	0%	20%	50%	75%	100%	150%	200%
Value at Credit Risk	-	82,368	431,593	81,801	3,248,564	111,152	267,310
Risk Classifications							
Contingent and Non-Contingent Claims on Sovereigns and Central Bank	1,386,374	-	298,748	-	-	-	-
Contingent and Non-Contingent Claims on Regional Governments and Local Authorities	-	-	-	-	-	-	-
Contingent and Non-Contingent Claims on Administrative Units and Non-commercial Enterprises	-	-	-	-	839	-	-
Contingent and Non-Contingent Claims on Multilateral Development Banks	-	-	-	-	-	-	-
Contingent and Non-Contingent Claims on International Organizations	-	-	-	-	-	-	-
Contingent and Non-Contingent Claims on Banks and Capital Market Intermediary	741,141	34,503	15,447	-	836,667	-	-
Contingent and Non-Contingent Claims on Corporate Receivables	20,487	375,773	194,418	-	2,151,750	-	-
Contingent and Non-Contingent Claims Included in the Regulatory Retail Portfolios	2,453	506	-	109,068	3,317	-	-
Contingent and Non-Contingent Claims Secured by Residential Property	11,820	330	351,711	-	94,919	-	-
Non-performing Receivables	-	-	2,862	-	36,167	1,996	-
Higher-Risk Categories Defined by Agency	3,748	730	-	-	-	72,105	133,655
Mortgage Collateralized Marketable Securities	-	-	-	-	-	-	-
Securitization Exposures	-	-	-	-	-	-	-
Short-Term Claims on Banks and Intermediary Institutions and Corporate Receivables	-	-	-	-	-	-	-
Undertakings for Collective Investments in Transferable Securities	-	-	-	-	-	-	-
Other Receivables	42,373	-	-	-	124,905	-	-

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I. Consolidated capital adequacy ratio (continued)

Summary information related to consolidated and unconsolidated capital adequacy ratios:

	30 September 2015	
	Parent Bank	Consolidated
Capital Requirement for Credit Risk (VaCR*0.08) (CRCR)	336,681	337,823
Capital Requirement for Market Risk (CRMV)	4,054	4,134
Capital Requirement for Operational Risk (CROR)	23,874	25,156
Shareholders' Equity	576,733	582,653
Shareholders' Equity/((CRCR+CRMV+CROR) *12.5*100)	12.65	12.70
Tier I Capital/((CRCR+CRMV+CROR)*12.5*100)	11.99	12.03
Common Equity/((CRCR+CRMV+CROR)*12.5*100)	12.06	12.11

	31 December 2014	
	Parent Bank	Consolidated
Capital Requirement for Credit Risk (VaCR*0.08) (CRCR)	241,818	241,369
Capital Requirement for Market Risk (CRMV)	899	1,516
Capital Requirement for Operational Risk (CROR)	22,599	24,008
Shareholders' Equity	626,848	630,801
Shareholders' Equity/((CRCR+CRMV+CROR) *12.5*100)	18.90	18.91
Tier I Capital/((CRCR+CRMV+CROR)*12.5*100)	18.29	18.30
Common Equity/((CRCR+CRMV+CROR)*12.5*100)	18.34	18.35

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I. Consolidated capital adequacy ratio (continued)

Components of shareholders' equity:

	30 September 2015	31 December 2014
COMMON EQUITY		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	420,000	420,000
Share premium	(814)	(814)
Share cancellation profits	-	-
Reserves	158,551	180,055
Gains reflected in equity in accordance with TAS	7,172	8,702
Profit	-	12,760
Current Period Profit	-	12,760
Prior Years' Profit	-	-
Provisions for Possible Risks	-	-
Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures that are not recognized in Profit	-	-
Minority Shares	-	-
Common Equity Before Deductions	584,909	620,703
Deductions from Common Equity		
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (-)	20,800	567
Leasehold improvements (-)	6,164	7,563
Goodwill or other intangible assets and deferred tax liability related to these items (-)	654	395
Net deferred tax asset/liability (-)	1,635	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law (-)	-	-
Direct and indirect investments of the Bank in its own Common Equity (-)	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity (-)	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity (-)	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital (-)	-	-
Excess amount arising from mortgage servicing rights (-)	-	-
Excess amount arising from deferred tax assets based on temporary differences (-)	-	-
Other items to be defined by the BRSA (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions From Common Equity	29,253	8,525
Total Common Equity	555,656	612,178
ADDITIONAL TIER I CAPITAL		
Capital amount and related premiums corresponding to preference shares that are not included in common equity	-	-
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained after 1.1.2014)	-	-
Debt instruments and premiums deemed suitable by the BRSA (issued before 1.1.2014)	-	-
Third parties' shares in the Additional Tier I Capital	-	-
Additional Tier I Capital before Deductions	-	-
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital (-)	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Other items to be defined by the BRSA (-)	-	-
Deductions to be made from Additional Tier I Capital in the case that adequate Tier II Capital is not available (-)	-	-
Total Deductions From Additional Tier I Capital	-	-
Total Additional Tier I Capital	-	-

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	30 September 2015	31 December 2014
Portion of goodwill and other intangible assets and the related deferred tax liabilities which not deducted from the Common Equity as per the 1st clause of Provisional Article 2 of the Regulation on the Equity of Banks (-)	981	1,579
Portion of net deferred tax assets/liabilities which is not deducted from the common equity pursuant to Paragraph 1 Provisional Article 2 of the Regulation on the Equity of Banks (-)	2,452	-
Total Tier I Capital	552,223	610,599
TIER II CAPITAL		
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained after 1.1.2014)	-	-
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained before 1.1.2014)	-	-
Sources pledged to the Bank by shareholders to be used in capital increases of the Bank	-	-
General Loan Loss Provisions	32,692	22,615
Third parties' shares in the Tier II Capital	-	-
Tier II Capital Before Deductions	32,692	22,615
Deductions From Tier II Capital		
Direct and indirect investments of the Bank in its own Tier II Capital (-)	-	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-).	-	-
Portion of the total of net long positions of investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	32,692	22,615
CAPITAL BEFORE DEDUCTIONS	584,915	633,214
Loans granted contrary to the 50th and 51th Article of the Law (-)	-	-
Net book value of amounts exceeding the limit mentioned in the 1st Paragraph of Article 57 of the Law and assets acquired against overdue receivables which could not be disposed of even though five years have passed since their acquisition date (-)	2,036	1,915
Loans granted to banks and financial institutions, including those established abroad, and to bank's qualified shareowners or investments made to debt instruments issued by them (-)	-	195
Deductions as per the Article 20, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-	-
Other items to be defined by the BRSA (-)	226	303
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier I Capital, Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-) (*)	-	-
Portion of the total of net long positions of direct or indirect investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Additional Tier I Capital and Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per the 1st and 2nd Paragraph of the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	-
TOTAL CAPITAL	582,653	630,801
Amounts below the Excess Limits as per the Deduction Principles		
Amounts arising from the net long positions of investments made in Total Capital items of banks and financial institutions where the Bank owns 10% or less of the issued common share capital	-	-
Amounts arising from the net long positions of investments made in Tier I Capital items of banks and financial institutions where the Bank owns 10% or more of the issued common share capital	-	-
Amounts arising from mortgage servicing rights	-	-
Amounts arising from deferred tax assets based on temporary differences	-	-

(*) As at 30 September 2015, as per Account Pledge Agreement dated 25 June 2015 signed with Industrial and Commercial Bank of China Limited (ICBC), the major shareholder, the Parent Bank has considered loans granted to ICBC amounting TL 645,520 as loans against cash collateral and has not considered it in the items deducted from capital.

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I. Consolidated capital adequacy ratio (continued)

Information on items subject to provisional acts in Capital calculation:

None.

Information on debt instruments included in Capital calculation:

None.

II. Consolidated market risk

Consolidated market risk is the potential risk of loss on the assets and liabilities of the Group’s on and off balance sheet items, arising from changes in interest rates, foreign currency exchange rates and equity prices.

The capital requirement for general market risk and for specific risks are calculated in accordance with “Method of Market Risk Calculation with Standard Method” in 2nd Section of “Calculation of Market Risk” of the “Regulation on Measurement and Evaluation of Capital Adequacy of Banks” published in Official Gazette no. 29111 dated 6 September 2014 and “Communiqué on Capital Requirement Calculation for Market Risk of Options” and reported on a monthly basis.

Market risk is calculated by employing the Standard Method and internal risk measurement models using value at risk (VaR) methodology. VaR represents the potential losses from adverse changes in market factors for a specified time period and confidence level.

The internal models used by the Parent Bank are Parametric Method, Historical Simulation and Monte Carlo Simulation. In calculating VaR, a one-tailed 99% confidence level is used regarding one-day holding period. In scope of internal management of market risk and determination of limits are based on parametric method VAR results, the other two calculation methods are used for comparison and monitoring. Back tests are performed to test the reliability of the VAR model. In order VAR calculations to reflect market fluctuations, stress tests and scenario analyzes are also applied.

In addition to VAR limits, in order to limit market risk, limits approved by the Board of Directors for the trading portfolio are present.

Consolidated market risk

	Amount
(I) Capital Requirement to be Employed for General Market Risk - Standard Method	623
(II) Capital Requirement to be Employed for Specific Risk - Standard Method	98
Capital Requirement for Specific Risk Relating to Securitization Positions – Standard Method	-
(III) Capital Requirement to be Employed for Currency Risk - Standard Method	1,980
(IV) Capital Requirement to be Employed for Commodity Risk - Standard Method	-
(V) Capital Requirement to be Employed for Settlement Risk - Standard Method	-
(VI) Capital Requirement to be Employed for Market Risk Resulting From Options – Standard Method	-
(VII) Capital Requirement for Counterparty Credit Risk - Standard Method	1,433
(VIII) Capital Requirement to be Employed for Market Risk in Banks Using Risk Measurement Model	-
(IX) Total Capital Requirement to be Employed for Market Risk (I+II+III+IV+V+VI+VII) (*)	4,134
(X) Value at Market Risk (12.5 x VIII) or (12.5 x IX)	51,675

(*) For the purpose of the capital adequacy ratio calculation, 8% of total amount of TL 51,675 which is TL 4,134 was used for the market risk. TL 4,134 also represents the minimum capital amount to eliminate the related market risk.

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III. Consolidated foreign currency exchange rate risk

Foreign currency risk indicates the possibilities of the potential losses that banks are subject to due to adverse movements between currencies. The Parent Bank monitors foreign currency exchange rate risk in currency/TL and parity basis and uses different risk methods and tools for each. The Parent Bank hedges parity risks through spot/arbitrage transactions.

The Parent Bank's foreign currency exchange rate risk is measured by Standard Method and Value at Risk Method.

The Group considers all foreign currency assets and liabilities and currency forward transactions in measuring capital obligation against currency risk. Net short and long positions of TL equivalents of all types of currencies are calculated. Position with the higher absolute value, which is the basis for the capital obligation, is used measuring the capital obligation for currency risk.

The Parent Bank's Board of Directors determines the Parent Bank's limits, within regulatory limitations, related to short/long positions at any period. The Treasury Department of the Parent Bank is responsible from the management of price and liquidity risks on Turkish Lira or foreign currency in the domestic and international markets. Risk Management Department exercises continuous control on risks in the money markets and transactions creating these risks and reports to the Asset-Liability Committee of the Parent Bank weekly.

The Parent Bank's spot foreign exchange bid rates as at the balance sheet date and for each of the five days prior to that date (TL full).

	21/09/15	22/09/15	23/09/15	28/09/15	29/09/15	30/09/15
USD	2.9961	2.9978	3.0069	3.0069	3.0464	3.0433
GBP	4.6701	4.6493	4.6420	4.6420	4.6239	4.6109
EURO	3.4248	3.3847	3.3602	3.3602	3.4057	3.4212
JPY	0.0250	0.0249	0.0250	0.0250	0.0253	0.0253

The basic arithmetical average of the Parent Bank's foreign exchange bid rates for the last thirty days ending 30 September 2015 (TL full):

	Monthly Average FC Exchange Bid Rates
USD	3.0034
GBP	4.6153
EURO	3.3736
JPY	0.0249

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III. Consolidated foreign currency exchange rate risk (continued)

Information on consolidated foreign currency exchange rate risk:

30 September 2015	EURO	USD	OTHER FC	TOTAL
Assets				
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey (*)	8,513	725,004	55,849	789,366
Banks	46,370	191,272	2,996	240,638
Financial Assets at Fair Value Through Profit or Loss (**)	61	282	-	343
Interbank Money Market Placements	-	-	-	-
Investment Securities Available-for-Sale	-	853,172	-	853,172
Loans (***)	177,723	1,306,979	26,396	1,511,098
Investments in Subsidiaries and Associates	-	-	-	-
Investment Securities Held-to-Maturity	-	-	-	-
Hedging Purpose Financial Derivatives	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets (**)	7,320	8,177	-	15,497
Total Assets	239,987	3,084,886	85,241	3,410,114
Liabilities				
Bank Deposits	4	17	-	21
Foreign Currency Deposits	421,979	892,127	11,871	1,325,977
Interbank Money Markets	-	59,379	-	59,379
Funds Borrowed from Other Financial Institutions	160,366	2,382,594	17,684	2,560,644
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	12,476	14,236	-	26,712
Hedging Purpose Financial Derivatives	-	-	-	-
Other Liabilities (**) (*****)	2,038	1,425	87	3,550
Total Liabilities (**) (*****)	596,863	3,349,778	29,642	3,976,283
Net On Balance Sheet Position	(356,876)	(264,892)	55,599	(566,169)
Net Off Balance Sheet Position	356,489	240,863	(55,225)	542,127
Financial Derivatives (Assets) (*****)	381,293	708,992	13,342	1,103,627
Financial Derivatives (Liabilities) (*****)	24,804	468,129	68,567	561,500
Non-cash Loans (*****)	107,707	335,374	7,101	450,182
31 December 2014				
Total Assets (*) (**) (***)	154,265	791,097	49,481	994,843
Total Liabilities (**) (*****)	474,381	983,125	10,447	1,467,953
Net On Balance Sheet Position	(320,116)	(192,028)	39,034	(473,110)
Net Off Balance Sheet Position	320,240	191,451	(39,123)	472,568
Financial Derivatives (Assets) (*****)	321,137	526,922	30,485	878,544
Financial Derivatives (Liabilities) (*****)	897	335,471	69,608	405,976
Non-cash Loans (*****)	100,108	330,175	3,851	434,134

(*) As at 30 September 2015 precious metals balance in the Central Bank accounts amounting to TL 54,935 is included in Other FC (31 December 2014 – TL 44,108).

(**) As at 30 September 2015, accrual differences of derivative transactions presented in "Financial Assets At Fair Value Through Profit or Loss" and "Negative Value of Trading Derivatives" amounting to TL 1,990 and TL 2,850, respectively, (31 December 2014: TL 638 and TL 5,544) are not included in the table. As at 30 September 2015, accrual differences of value dated transactions presented in "Other External Resources" under liabilities and "Other Assets" under assets amounting to TL 2 and TL 1, respectively (31 December 2014: TL 116 Other External Resources - accrual differences of value dated transactions), also are not included in the table.

(***) As at 30 September 2015, "Loans" balance includes, in addition to the balance sheet amount, foreign currency indexed loans and their accruals amounting to TL 211,801 (31 December 2014: TL 183,099).

(****) Has no effect on net off balance sheet position.

(*****) As at 30 September 2015, value dated FX buying and FX selling transactions amounting to TL 2,244 and TL 89,236 respectively, presented under "Asset Purchase and Sale Commitments" of off-balance sheet items are included (31 December 2014: TL 24,689 and TL 27,587). As at 30 September 2015 precious metal swap transactions amounting to TL 54,935 in "Other" item of Derivatives Financial Instruments section of off-balance sheet items is included in Other FC column (31 December 2014 – TL 66,162).

(*****) As at 30 September 2015, "Valuation differences of securities" in equity amounting to TL (19,084) (31 December 2014: TL 3) are not included.

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III. Consolidated foreign currency exchange rate risk (continued)

The table below demonstrates prospective increase and decrease in equity and profit/loss as at 30 September 2015 and 31 December 2014 (excluding tax effect) on condition that 10 percent revaluation/devaluation of the foreign currencies below against TL. This analysis has been prepared assuming that other variables, particularly interest rates, remain constant.

Change in foreign currency rate	30 September 2015				31 December 2014			
	Income Statement		Equity (*)		Income Statement		Equity (*)	
	10% increase	10% decrease	10% increase	10% decrease	10% increase	10% decrease	10% increase	10% decrease
USD	(495)	495	(2,403)	2,403	(58)	58	(58)	58
EURO	(39)	39	(39)	39	12	(12)	12	(12)
Other FC	37	(37)	37	(37)	(9)	9	(9)	9
	(497)	497	(2,405)	2,405	(55)	55	(55)	55

(*) Equity effect includes income statement effect in the table.

IV. Consolidated interest rate risk

Consolidated interest rate risk is the probability of loss due to changes in interest rates depending on the Group’s position regarding the interest bearing financial instruments.

Interest rate risk arises as a result of timing differences on the re-pricing of assets and liabilities, changes in correlation of interest rates between different financial instruments and, unexpected changes in the shape and slope of yield curves. Exposure to interest rate movements arises when there is a mismatch between rate sensitive assets and liabilities.

Interest rate risk is a key component of the Parent Bank’s market risk and asset and liability management.

As part of asset and liability management, duration and sensitivity analysis are used to measure the effects of changes in yield curves on the balance sheet. The Parent Bank’s management daily monitors interest rate movements in the market and revises the Parent Bank’s interest rates.

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IV. Consolidated interest rate risk (continued)

Interest sensitivity of assets, liabilities and off-balance sheet items (based on repricing dates):

	Up to 1 Month	1 – 3 Months	3 –12 Months	1 – 5 Years	5 Years and Over	Non-Interest Bearing (*)	Total
30 September 2015							
Assets							
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	759,906	-	-	-	97,332	857,238
Banks	192,609	-	-	-	-	54,112	246,721
Financial Assets at Fair Value Through Profit or Loss	3,877	580	1,435	185	96	746	6,919
Interbank Money Market Placements	-	-	-	-	-	-	-
Investment Securities Av.-for-Sale	14,427	9,466	284,907	822,101	50,550	160	1,181,611
Loans	1,085,075	471,512	1,327,954	701,584	211,648	41,025	3,838,798
Investment Securities Held-to-Mat.	-	-	-	-	-	-	-
Other Assets	8	-	-	-	-	148,278	148,286
Total Assets	1,295,996	1,241,464	1,614,296	1,523,870	262,294	341,653	6,279,573
Liabilities							
Bank Deposits	50,015	-	-	-	-	55	50,070
Other Deposits	1,698,689	500,214	20,086	-	-	277,055	2,496,044
Interbank Money Market Borrowings	261,773	59,379	-	-	-	-	321,152
Miscellaneous Payables	-	-	-	-	-	96,316	96,316
Securities Issued	-	-	-	-	-	-	-
Funds Borrowed from Other Fin.Inst.	167,950	842,705	1,571,901	2,270	-	-	2,584,826
Other Liabilities	3,901	-	-	-	-	727,264	731,165
Total Liabilities	2,182,328	1,402,298	1,591,987	2,270	-	1,100,690	6,279,573
Balance Sheet Long Position	-	-	22,309	1,521,600	262,294	-	1,806,203
Balance Sheet Short Position	(886,332)	(160,834)	-	-	-	(759,037)	(1,806,203)
Off Balance Sheet Long Position	-	-	-	-	-	-	-
Off Balance Sheet Short Position	-	-	-	-	-	-	-
Total Interest Sensitivity Gap	(886,332)	(160,834)	22,309	1,521,600	262,294	(759,037)	-

(*) Tangible and intangible assets amounting to TL 26,654 tax assets amounting to TL 13,420 and other assets amounting to TL 108,204 are presented within other assets as non-interest bearing; provisions amounting to TL 57,636 tax liability amounting to TL 8,221 other liabilities amounting to TL 97,298 and equity amounting to TL 564,109 are presented within other liabilities as non-interest bearing.

Interest rates applied to monetary financial instruments:

	EURO %	USD %	JPY %	TL %
30 September 2015 (*)				
Assets				
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	0.23	-	4.25
Banks	-	0.20	-	13.30
Financial Assets at Fair Value Through Profit or Loss	1.47	4.99	-	-
Interbank Money Market Placements	-	-	-	-
Investment Securities Available-for-Sale	-	4.31	-	10.35
Loans	4.04	3.91	5.77	13.52
Investment Securities Held-to-Maturity	-	-	-	-
Liabilities				
Bank Deposits	-	-	-	11.36
Other Deposits	1.63	2.07	0.40	12.11
Interbank Money Market Borrowings	-	1.00	-	10.25
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Funds Borrowed from Other Financial Institutions	1.36	1.08	-	6.75

(*) Stated at compound interest rates.

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IV. Consolidated interest rate risk (continued)

	Up to 1 Month	1 – 3 Months	3 –12 Months	1 – 5 Years	5 Years and Over	Non-Interest Bearing (*)	Total
31 December 2014							
Assets							
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	28,182	-	-	-	320,408	348,590
Banks	78,893	-	-	-	-	4,746	83,639
Financial Assets at Fair Value Through Profit or Loss	12,666	215	31	53	229	2,053	15,247
Interbank Money Market Placements	86,026	-	-	-	-	-	86,026
Investment Securities Av.-for-Sale	66,828	67,012	68,041	123	1,563	160	203,727
Loans	1,322,993	298,548	478,347	535,154	130,311	47,565	2,812,918
Investment Securities Held-to-Mat.	-	-	-	-	-	-	-
Other Assets	17	-	-	-	-	114,213	114,230
Total Assets	1,567,423	393,957	546,419	535,330	132,103	489,145	3,664,377
Liabilities							
Bank Deposits	164,997	-	-	-	-	30	165,027
Other Deposits	1,511,112	665,029	26,707	1	-	139,384	2,342,233
Interbank Money Market Borrowings	64,359	-	-	-	-	-	64,359
Miscellaneous Payables	-	-	-	-	-	8,805	8,805
Securities Issued	-	-	-	-	-	-	-
Funds Borrowed from Other Fin.Inst.	59,569	109,672	178,862	-	-	-	348,103
Other Liabilities	2,949	2,757	30	-	-	730,114	735,850
Total Liabilities	1,802,986	777,458	205,599	1	-	878,333	3,664,377
Balance Sheet Long Position	-	-	340,820	535,329	132,103	-	1,008,252
Balance Sheet Short Position	(235,563)	(383,501)	-	-	-	(389,188)	(1,008,252)
Off Balance Sheet Long Position	-	-	-	-	-	-	-
Off Balance Sheet Short Position	-	-	-	-	-	-	-
Total Interest Sensitivity Gap	(235,563)	(383,501)	340,820	535,329	132,103	(389,188)	-

(*) Tangible and intangible assets amounting to TL 28,795 tax assets amounting to TL 4,029 and other assets amounting to TL 81,389 are presented within other assets as non-interest bearing; provisions amounting to TL 43,657, tax liability amounting to TL 7,543 other liabilities amounting to TL 58,778 and equity amounting to TL 620,136 are presented within other liabilities as non-interest bearing.

Interest rates applied to monetary financial instruments:

Prior Period	EURO %	USD %	JPY %	TL %
31 December 2014 (*)				
Assets				
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	1.51
Banks	-	0.40	-	11.45
Financial Assets at Fair Value Through Profit or Loss	0.79	3.33	-	-
Interbank Money Market Placements	-	-	-	11.85
Investment Securities Available-for-Sale	-	5.83	-	11.41
Loans	5.15	5.40	5.78	12.43
Investment Securities Held-to-Maturity	-	-	-	-
Liabilities				
Bank Deposits	0.99	1.51	-	-
Other Deposits	2.17	2.36	-	10.74
Interbank Money Market Borrowings	-	-	-	8.69
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Funds Borrowed from Other Financial Institutions	1.75	1.65	-	7.25

(*) Stated at compound interest rates.

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IV. Consolidated interest rate risk (continued)

The interest rate risk of the banking book items:

The interest rate risk of the banking book items is prepared via the cash flow of interest sensitive balance sheet and off-balance sheet positions for bank accounts, over the maturity for fixed interest rate instruments and over the re-pricing period for variable interest rate instruments.

Present values of the net positions obtained over related cash flows are calculated by yield curves formed by using market interest rates. The proportion of the differences arising from implementation of positive and negative standard shocks to equity is followed.

For products with non-specified maturities, maturity is determined based on interest rate setting frequency and customer behaviors. These results are supported by periodical sensitivity and scenario analysis against prospective fluctuations in the market.

The interest rate risk of the banking book items is measured legally in accordance with the “Regulation on Measurement and Evaluation of Interest Rate Risk Arising from Banking Accounts via Standard Shock Method”, published in the Official Gazette no. 28034 dated 23 August 2011, and this legal limit is monitored and reported monthly, based on this measurement.

The interest rate risks of financial instruments on trading portfolio are considered within the scope of the market risk.

In accordance with the “Regulation on Measurement and Evaluation of Interest Rate Risk Arising from Banking Accounts via Standard Shock Method”, economic valuation differences of Parent Bank arising from fluctuations on interest rates, in different currencies, are presented in the table below (excluding tax effect) as at 30 September 2015.

Type of Currency	Shocks Applied (+/- basis points)	Gains/Losses	Gains/Equity- Losses/Equity
TL	500	(50,290)	(8.7%)
	(400)	46,062	8.0%
EURO	200	1,048	0.2%
	(200)	11	0.0%
USD	200	(68,071)	(11.8%)
	(200)	53,182	9.2%
Total (of negative shocks)		99,255	17.2%
Total (of positive shocks)		(117,313)	(20.3%)

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V. Consolidated liquidity risk

Liquidity risk occurs when there is an insufficient amount of cash or cash inflows to fulfill the cash outflows in full and on time, resulting from the unstable cash inflows.

Liquidity risk may occur when there is an inadequate market penetration and the open positions cannot be closed on a timely basis with an appropriate price and sufficient amount due to barriers and break-ups at the markets.

The Parent Bank monitors the liquidity position on a daily basis. Cash flow projections are examined and accordingly appropriate amounts of positions are determined in the weekly Asset-Liability Commission meetings. Alternative strategies are evaluated in case of a liquidity shortage. The available free lines in the BIST Settlement and Custody Bank's Stock Exchange Money Market, Interbank and secondary market are monitored frequently. Regarding maturity mismatch risk in the balance sheet, the maximum limits have been set by the Board of Directors.

Major part of the liquidity has been maintained by the deposits in the Parent Bank. Since the retail and corporate deposit customers have a stable business relation with Parent Bank, the volume of deposits has retained a stable path in the course of time. The Parent Bank executes the strategy of increasing long-term loans from international markets rather than loans from domestic secondary market.

Presentation of assets and liabilities according to their residual maturities:

	Demand	Up to 1 month	1-3 months	3-12 Months	1-5 Years	5 years and Over	Undist. (*)	Total
30 September 2015								
Assets								
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	341,363	515,875	-	-	-	-	-	857,238
Banks	54,112	192,609	-	-	-	-	-	246,721
Financial Assets at Fair Value Through Profit or Loss	746	3,877	580	1,435	185	96	-	6,919
Interbank Money Market Placements	-	-	-	-	-	-	-	-
Investment Securities Available-for-Sale	160	5,851	789	229,907	876,181	68,723	-	1,181,611
Loans	-	459,317	605,867	1,173,407	1,347,534	211,648	41,025	3,838,798
Investment Securities Held-to-Maturity	-	-	-	-	-	-	-	-
Other Assets	-	93,445	2,170	1,154	34	12,786	38,697	148,286
Total Assets	396,381	1,270,974	609,406	1,405,903	2,223,934	293,253	79,722	6,279,573
Liabilities								
Bank Deposits	55	50,015	-	-	-	-	-	50,070
Other Deposits	277,055	1,698,689	500,214	20,086	-	-	-	2,496,044
Funds Borrowed from Other Financial Institutions	-	167,950	842,705	1,571,901	2,270	-	-	2,584,826
Interbank Money Markets	-	261,773	59,379	-	-	-	-	321,152
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	96,316	-	-	-	-	-	-	96,316
Other Liabilities	-	106,936	2,484	-	-	-	621,745	731,165
Total Liabilities	373,426	2,285,363	1,404,782	1,591,987	2,270	-	621,745	6,279,573
Net Liquidity Gap	22,955	(1,014,389)	(795,376)	(186,084)	2,221,664	293,253	(542,023)	-
31 December 2014								
Total Assets	223,569	1,051,716	500,757	1,057,211	589,852	153,359	87,913	3,664,377
Total Liabilities	148,219	1,866,624	780,134	205,587	20	-	663,793	3,664,377
Net Liquidity Gap	75,350	(814,908)	(279,377)	851,624	589,832	153,359	(575,880)	-

(*) Assets on the balance sheet which are not convertible into cash in short period; tangible and intangible assets amounting to TL 26,654 stationary supplies amounting to TL 352, assets to be disposed of amounting to TL 11,691, loans in follow-up amounting to TL 41,025 and liabilities on the balance sheet which are necessary for the banking operations; provisions amounting to TL 57,636 and equity amounting to TL 564,109 are included here.

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V. Consolidated liquidity risk (continued)

Liquidity coverage ratios calculated weekly on bank only basis and monthly on consolidated basis are subject to regulatory reporting starting from 1 January 2015 as per “Regulation on Liquidity Coverage Ratio Calculation” published in the Official Gazette no. 28948, dated 21 March 2014. Liquidity coverage ratios should be at least 40% for foreign currency denominated assets and liabilities and 60% for total assets and liabilities for 2015. Monthly consolidated liquidity coverage ratios for the first nine months of 2015 are as follows:

Liquidity Coverage Ratios	FC Liquidity Coverage Ratio	Total Liquidity Coverage Ratio
30 September 2015	419	110.4
Average (%)	195.4	105.6
Max. (%)	419	123.3
Min. (%)	99.4	77.6

VI. Consolidated position risk of equity securities of banking accounts

None.

VII. Information related to consolidated securitization positions

None.

VIII. Information related to consolidated credit risk mitigation techniques

The Parent Bank applies simple financial collateral method for credit risk mitigation in accordance with 37th article of “Communiqué on Credit Risk Mitigation Techniques”. Cash or other debt securities with high credit quality are used on credit risk mitigation. Financial collaterals are valued according to market value and evaluated in the scope of credit assignment and monitoring policy of the Parent Bank. Net-off is not available.

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VIII. Information related to consolidated credit risk mitigation techniques (continued)

Collaterals according to risk classifications:

Risk Classifications	Amount (**)	Financial Collaterals	Other/ Physical Collaterals	Guaranties and Credit Derivatives
Claims on sovereigns and Central Banks	1,684,922	225,514	-	-
Claims on regional governments or local authorities	-	-	-	-
Claims on administrative bodies and other non-commercial enterprises	839	-	-	-
Claims on multilateral development banks	-	-	-	-
Claims on international organizations	-	-	-	-
Claims on banks and capital market intermediary	1,627,746	741,136	-	-
Claims on corporate receivables	2,735,858	84,549	-	122
Claims included in the regulatory retail portfolios	116,628	6,127	-	-
Claims secured by residential property (*)	462,648	16,166	-	102
Non-performing receivables	41,025	-	-	-
Higher risk categories decided by Agency	211,868	6,108	-	-
Mortgage collateralized marketable securities	-	-	-	-
Securitization exposures	-	-	-	-
Short-term claims on banks and intermediary institutions and corporate receivables	-	-	-	-
Undertakings for collective investments in transferable securities	-	-	-	-
Other receivables	167,278	-	-	-
Total	7,048,812	1,079,600	-	224

(*) As per the Article 6 of the “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” the mortgages considered for determination of the risk classes are not considered as collateral.

(**) Risk figures present amounts before credit risk mitigation, after credit conversion rate process.

IX. Information related to consolidated risk management target and policies

Risk Management contains all processes of identifying, measuring, monitoring, limit determination, identifying the areas of risk concentration and reporting the risks the Parent Bank is or will be exposed to due to its facilities.

Risk Management organization constituted to systematically manage the risks the Parent Bank is or will be exposed to, consists of the Independent Audit Committee connected directly to the Board of Directors, Risk Management Department fulfilling the responsibilities to Board of Directors via this committee and certain individual risk management committees including senior management of relevant processes.

Risk Management Department consists of market risk unit and credit and operational risk unit, business continuity is covered under Business Continuity Committee within the scope of the Parent Bank Business Continuity Strategy. Risk management committees are market risk committee, credit risk committee, operational risk committee and business continuity committee.

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IX. Information related to consolidated risk management target and policies (continued)

Necessary manners are identified to update, adjust for changing circumstances, implement and manage the policies determined to identify and manage the risks the Parent Bank is exposed to. These risks are measured and managed with accepted international procedures and procedures complied with international and local regulations, policies and procedures of the Parent Bank.

The Parent Bank data and market data are monitored regularly in order to manage the risk. To restrain the risks, certain in-bank limits are determined besides the legal limits. Probable economic changes and risks confronted under tough conditions are taken into consideration.

Reporting units that are responsible for all risks, the frequency and the address of reporting is determined separately in policy documents including each risk management process. Additionally, Risk Management Department regularly reports the risk analysis of the Parent Bank, periodical progress and limit usage of risks and state of chanciness to Asset-Liability Committee and Audit Committee.

X. Activities carried out on behalf and account of other persons, information on fiduciary transactions

The Group performs sales, purchase, management, consultancy and custody services on behalf and account of others. The details of such transactions are presented in off-balance sheet items statement. The Group is not involved in fiduciary activities.

XI. Consolidated segment reporting

The Group performs activities in areas of retail banking, corporate banking and investment banking including treasury transactions.

Corporate banking offers TL and foreign currency loans, corporate deposit operations, cash management, foreign currency purchases and sales, non-cash transactions (letters of credit, letters of guarantee, prefinancing, bills of exchange) and custody services.

Treasury department is consisted of Balance Sheet Management and Sales units. The Balance Sheet Management unit follows up the Parent Bank’s cash flows, liquidity management, marketable securities portfolio and transfer pricing activities. Sales unit is responsible for marketing all types of bills and bonds, foreign exchange transactions and derivative products including forwards and options to its customers. Tekstil Yatırım gives agency services in capital markets products and provides investment fund and portfolio management services.

Servicing the middle-upper segment of retail customers who require sophisticated banking and investment services falls within the scope of retail banking. Credit card services are also within the activities of retail banking.

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XI. Consolidated segment reporting (continued)

Information related to the segments of the Group:

Segment reporting is prepared according to the 28th article of the BRSA's "Communiqué on the Financial Statements to be announced to public by Banks as well as Explanations and Footnotes Thereof", which is published in the Official Gazette no. 26333 dated 1 November 2006.

30 September 2015	Retail Banking	Corporate Banking	Investment Banking and Others	Total Operations
Operating Income	20,083	52,645	48,883	121,611
Operating profit of segment	(6,351)	(31,467)	(1,439)	(39,257)
Costs not distributed	-	-	-	-
Operating profit	(6,351)	(31,467)	(1,439)	(39,257)
Income from subsidiaries	-	-	-	-
Profit before tax	(6,351)	(31,467)	(1,439)	(39,257)
Tax provision (-)	-	-	4,993	4,993
Profit after tax	(6,351)	(31,467)	3,554	(34,264)
Non-controlling rights	-	-	-	-
Net Profit	(6,351)	(31,467)	3,554	(34,264)
Segment assets (*)	455,361	3,381,449	2,442,763	6,279,573
Investments in subsidiaries	-	-	-	-
Total Assets	455,361	3,381,449	2,442,763	6,279,573
Segment liabilities (*)	1,469,379	1,057,821	3,188,264	5,715,464
Equity	-	-	564,109	564,109
Total Liabilities	1,469,379	1,057,821	3,752,373	6,279,573
Other Segment Items	193	365	6,554	7,112
Capital expenditure	-	-	1,062	1,062
Depreciation and amortization	193	365	2,753	3,311
Impairment losses (**)	-	-	2,739	2,739
Other non-cash income-expenses	-	-	-	-
Restructuring costs	-	-	-	-

(*) Assets in others column contain securities under treasury department's and Parent Bank's subsidiary's assets, tangible assets, intangible assets, assets held for sale, deferred tax assets and assets not distributed. Liabilities in others column contain funds borrowed under treasury department's liability, general provisions, reserve for employee benefits, current tax liabilities and liabilities not distributed.

(**) Includes loss in value of marketable securities, fixed assets and associates.

Starting from 1 January 2015 certain parameters used in segment reporting of the Parent Banks's have been changed and the amounts of the current period presented accordingly.

Based on information that is presented in the table above, segments of the Group are distributed based on their asset sizes as percentages in current period as; 54% for corporate banking, 7% for retail banking, 39% for investment banking and others segment. Gross income (operational income) of the Group is distributed between corporate banking, retail banking and investment banking and others segment as 43%, 17% and 40% respectively.

Explanations on business segments are prepared on the basis of data obtained from Parent Bank Management Reporting System.

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XI. Consolidated segment reporting (continued)

	Retail Banking	Corporate Banking	Investment Banking and Others	Total Operations
For the period ended 30 September 2014				
Operating Income	13,532	68,926	61,085	143,543
Operating profit of segment	(9,001)	(10,550)	36,293	16,742
Costs not distributed	-	-	-	-
Operating profit	(9,001)	(10,550)	36,293	16,742
Income from subsidiaries	-	-	-	-
Profit before tax	(9,001)	(10,550)	36,293	16,742
Tax provision (-)	-	-	3,299	3,299
Profit after tax	(9,001)	(10,550)	32,994	13,443
Non-controlling rights	-	-	-	-
Net Profit	(9,001)	(10,550)	32,994	13,443
Other Segment Items	192	364	14,956	15,512
Capital expenditure	-	-	12,299	12,299
Depreciation and amortization	192	364	2,471	3,027
Impairment losses (**)	-	-	186	186
Other non-cash income-expenses	-	-	-	-
Restructuring costs	-	-	-	-
As at 31 December 2014				
Segment assets (*)	400,147	2,442,547	821,683	3,664,377
Investments in subsidiaries	-	-	-	-
Total Assets	400,147	2,442,547	821,683	3,664,377
Segment liabilities (*)	1,457,810	924,215	662,216	3,044,241
Equity	-	-	620,136	620,136
Total Liabilities	1,457,810	924,215	1,282,352	3,664,377

(*) Assets in others column contain tangible assets, intangible assets, assets held for sale, deferred tax assets and assets not distributed. Liabilities in others column contain general provisions, reserve for employee benefits, current tax liabilities and liabilities not distributed.

(**) Includes loss in value of marketable securities, fixed assets and associates.

Based on information that is presented in the table above, as of 31 December 2014, segments of the Group are distributed based on their asset sizes as percentages in prior period as; 67% for corporate banking, 11% for retail banking, 22% for investment banking and others segment. For the nine month period ended 30 September 2014, gross income (operational income) of the Group is distributed between corporate banking, retail banking and investment banking and others segment as 48%, 43%, and 9%, respectively.

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SECTION FIVE

DISCLOSURES AND FOOTNOTES ON CONSOLIDATED FINANCIAL STATEMENTS

I. Information and disclosures related to consolidated assets

1. Information related to cash and balances with the Central Bank of Turkey:

a) Cash and balances with the Central Bank of Turkey:

	30 September 2015		31 December 2014	
	TL	FC	TL	FC
Cash	18,979	23,395	14,904	15,849
Central Bank of Turkey (*)	48,893	765,971	28,203	289,634
Others	-	-	-	-
Total	67,872	789,366	43,107	305,483

b) Balances with the Central Bank of Turkey:

	30 September 2015		31 December 2014	
	TL	FC	TL	FC
Unrestricted Demand Deposits (*)	48,893	250,096	28,203	157,654
Unrestricted Time Deposits	-	-	-	-
Restricted Time Deposits	-	515,875	-	131,980
Total	48,893	765,971	28,203	289,634

(*) As at 30 September 2015, the Parent Bank keeps precious metals amounting to TL 54,935 as reserve deposits at Central Bank of Turkey (31 December 2014: TL 44,108).

c) Explanation related to reserve deposits:

In accordance with the “Communiqué Regarding the Reserve Requirements no. 2005/1”, the Bank is required to maintain reserves in CBRT for TL and foreign currency liabilities. The reserve requirements can be maintained as TL, USD, EUR and standard gold. Starting from November 2014, interest is paid on reserve requirements held in TL and starting from May 2015 interest is paid on required reserves, reserve options and free reserves denominated in US dollars. The reserve rates for TL liabilities vary between 5% and 11.5% due their maturity profile as of 30 September 2015 (31 December 2014: between 5% and 11.5%); the reserve rates for foreign currency liabilities vary between 6% and 20% (31 December 2014: 6% and 13%).

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I. Information and disclosures related to consolidated assets (continued)

2. Financial assets at fair value through profit or loss (net):

- a) Financial assets at fair value through profit or loss given as collateral/blocked and subject to repurchase agreements:

As at 30 September 2015 and 31 December 2014, the financial assets at fair value through profit or loss are kept under unrestricted account.

- b) Positive value of trading derivatives:

	30 September 2015		31 December 2014	
	TL	FC	TL	FC
Forward transactions	24	-	32	7
Swap transactions	3,816	1,990	12,099	631
Futures	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	3,840	1,990	12,131	638

3. Information on banks:

	30 September 2015		31 December 2014	
	TL	FC	TL	FC
Banks				
Domestic	6,083	186,709	38,321	40,581
Foreign	-	53,929	-	4,737
Foreign branches	-	-	-	-
Total	6,083	240,638	38,321	45,318

4. Information on investment securities available-for-sale (net):

- a) Investment securities available-for-sale given as collateral or blocked:

	30 September 2015		31 December 2014	
	TL	FC	TL	FC
Given as collateral or blocked	11,590	-	10,217	-
Subject to repurchase agreements	267,656	68,673	64,480	-
Total	279,246	68,673	74,697	-

As at 30 September 2015, investment securities available-for-sale other than those given as collateral or subject to repurchase agreements amounting to TL 833,692 are unrestricted (31 December 2014: TL 129,030).

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I. Information and disclosures related to consolidated assets (continued)

b) Available-for-sale securities:

	30 September 2015	31 December 2014
Debt instruments	1,204,084	203,569
Listed	636,429	199,405
Unlisted	567,655	4,164
Equity instruments	160	160
Listed	-	-
Unlisted	160	160
Impairment provision (-)	22,633	2
Total	1,181,611	203,727

5. Information related to loans:

a) Information on all types of loans and advances given to shareholders and employees of the Parent Bank:

As it is mentioned in Section One Note II, GSD Holding A.Ş., the major shareholder of the Parent Bank, sold its 75.5% shares of the Parent Bank to ICBC. The share transfer was carried out on 22 May 2015. Therefore, in the following table regarding the loans given to shareholders; the figures represent loans granted to GSD Group as at 31 December 2014 and to ICBC Group as at 30 September 2015.

	30 September 2015		31 December 2014	
	Cash	Non-Cash	Cash	Non-Cash
Direct loans granted to shareholders	645,520	16,616	26,372	2
Corporate shareholders(*)	645,520	16,616	26,372	2
Individual shareholders	-	-	-	-
Indirect loans granted to shareholders	-	-	42,448	515
Loans granted to employees	1,837	-	1,693	-
Total	647,357	16,616	70,513	517

(*) As at 30 September 2015, as per Account Pledge Agreement dated 25 June 2015 signed with Industrial and Commercial Bank of China Limited (ICBC), the major shareholder, the Parent Bank has considered loans granted to ICBC amounting TL 645,520 as loans against cash collateral.

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I. Information and disclosures related to consolidated assets (continued)

- b) Information about loans classified in groups I and II and other receivables and loans that have been restructured or rescheduled:

Cash Loans	Standard Loans and Other Receivables			Loans and Other Receivables Under Close Monitoring		
	Loans and Other Receivables (Total)	Conditions of Contracts Amended		Loans and Other Receivables (Total)	Conditions of Contracts Amended	
		Amendments related to the extension of the payment plan	Other		Amendments related to the extension of the payment plan	Other
Non-specialized loans	3,728,307	1,967	-	61,083	27,574	-
Enterprise loans	-	-	-	-	-	-
Export loans	274,489	-	-	-	-	-
Import loans	-	-	-	-	-	-
Loans given to financial sector	1,270,677	-	-	-	-	-
Consumer loans	390,351	1,967	-	20,779	49	-
Credit cards	25,478	-	-	1,831	-	-
Other	1,767,312	-	-	38,473	27,525	-
Specialized loans	8,144	18	-	239	-	-
Other receivables	-	-	-	-	-	-
Total	3,736,451	1,985	-	61,322	27,574	-

Information about changes in the payment schedule and payment terms of loans classified in groups I and II and other receivables:

Number of Amendments Related to the Extension of the Payment Plan	Standard Loans and Other Receivables	Loans and Other Receivables Under Close Monitoring
Extended by 1 or 2 Times	1,941	27,574
Extended by 3,4 or 5 Times	44	-
Extended by more than 5 Times	-	-

The Time Extended via the Amendment on Payment Plan	Standard Loans and Other Receivables	Loans and Other Receivables Under Close Monitoring
Up to 6 Months	24	509
6 Months - 12 Months	329	410
1-2 Years	479	3,088
2-5 Years	978	37
5 Years and Over	175	23,530

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I. Information and disclosures related to consolidated assets (continued)

c) Information on consumer loans, credit cards, loans given to employees and employee credit cards:

	Short Term	Medium or Long Term	Total
Consumer Loans – TL	20,341	383,980	404,321
Real estate Loans	1,319	161,556	162,875
Automotive Loans	5	614	619
Consumer Loans	19,017	221,810	240,827
Other	-	-	-
Consumer Loans – Indexed to FC	-	1,661	1,661
Real estate Loans	-	1,661	1,661
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans – FC	-	-	-
Real estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Credit Cards – TL	22,301	-	22,301
Installment	5,437	-	5,437
Non installment	16,864	-	16,864
Credit Cards – FC	499	-	499
Installment	-	-	-
Non Installment	499	-	499
Loans Given to Employees – TL	154	784	938
Real estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	154	784	938
Other	-	-	-
Loans Given to Employees – Indexed to FC	-	-	-
Real estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Loans Given to Employees – FC	-	-	-
Real estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Employee Credit Cards – TL	886	-	886
Installment	351	-	351
Non Installment	535	-	535
Employee Credit Cards – FC	13	-	13
Installment	-	-	-
Non Installment	13	-	13
Overdraft Account – TL (Individual)	4,210	-	4,210
Overdraft Account – FC (Individual)	-	-	-
Total	48,404	386,425	434,829

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I. Information and disclosures related to consolidated assets (continued)

d) Information on installment corporate loans and corporate credit cards:

	Short Term	Medium or Long Term	Total
Installment Corporate Loans – TL	42,248	220,129	262,377
Business Residential Loans	-	-	-
Automotive Loans	619	21,387	22,006
Consumer Loans	41,629	198,742	240,371
Other	-	-	-
Installment Corporate Loans – Indexed to FC	1,621	95,132	96,753
Business Residential Loans	-	-	-
Automotive Loans	-	16,867	16,867
Consumer Loans	1,621	78,265	79,886
Other	-	-	-
Installment Corporate Loans – FC	-	-	-
Business Residential Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Corporate Credit Cards – TL	3,502	-	3,502
Installment	1,482	-	1,482
Non Installment	2,020	-	2,020
Corporate Credit Cards – FC	108	-	108
Installment	-	-	-
Non Installment	108	-	108
Overdraft Account – TL (Commercial)	4,012	-	4,012
Overdraft Account – FC (Commercial)	-	-	-
Total	51,491	315,261	366,752

e) Domestic and foreign loans:

	30 September 2015	31 December 2014
Domestic loans	3,117,175	2,740,602
Foreign loans	680,598	24,751
Total	3,797,773	2,765,353

f) Loans granted to subsidiaries and associates: None.

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I. Information and disclosures related to consolidated assets (continued)

g) Specific provisions for loans:

	30 September 2015	31 December 2014
Specific Provisions		
Loans and Receivables with Limited Collectability	2,139	4,431
Loans and Receivables with Doubtful Collectability	11,630	18,483
Uncollectible Loans and Receivables	116,673	87,733
Total	130,442	110,647

h) Information on non-performing loans (Net):

h.1) Information on non-performing loans and other receivables those are restructured or rescheduled:

	Group III Loans and receivables with limited collectibility	Group IV Loans and receivables with doubtful collectibility	Group V Uncollectible loans and receivables
Current period	-	-	232
(Gross amounts before the specific reserves)			
Loans and other receivables which are restructured	-	-	-
Rescheduled loans and other receivables	-	-	232
Prior period	-	-	637
(Gross amounts before the specific reserves)			
Loans and other receivables which are restructured	-	-	-
Rescheduled loans and other receivables	-	-	637

h.2) Information on movements of non-performing loans:

	Group III Loans and receivables with limited collectibility	Group IV Loans and receivables with doubtful collectibility	Group V Uncollectible loans and receivables
Balances at Beginning of Period	16,789	32,550	108,873
Additions (+)	30,251	1,671	39
Transfers from Other Categories of Non- Performing Loans (+)	-	31,483	40,126
Transfers to Other Categories of Non-Performing Loans (-)	31,483	40,126	-
Collections (-)	3,126	4,643	10,937
Write-offs (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Retail Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Balances at End of the Period	12,431	20,935	138,101
Specific Provisions (-)	2,139	11,630	116,673
Net Balance on Balance Sheet	10,292	9,305	21,428

h.3) Information on non-performing loans in foreign currencies: None.

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I. Information and disclosures related to consolidated assets (continued)

h.4) Information on non-performing loans according to beneficiary group:

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period (Net)	10,292	9,305	21,428
Loans Allowed to Real Persons and Corporate Bodies (Gross)	12,431	20,935	138,101
Specific provision (-)	2,139	11,630	116,673
Loans Allowed to Real Persons and Corporate Bodies (Net)	10,292	9,305	21,428
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loan and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loan and Receivables (Net)	-	-	-
Prior Period (Net)	12,358	14,067	21,140
Loans Allowed to Real Persons and Corporate Bodies (Gross)	16,789	32,550	108,873
Specific provision (-)	4,431	18,483	87,733
Loans Allowed to Real Persons and Corporate Bodies (Net)	12,358	14,067	21,140
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loan and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loan and Receivables (Net)	-	-	-

i) Liquidation policy for uncollectible loans and other receivables:

Uncollectible loans and other receivables are collected through legal follow up and liquidation of collaterals.

j) Information on write-off from assets policy:

The Group’s general policy for write-off of loans and receivables under follow-up is to write off such loans and receivables that are proven to be uncollectible by obtaining required documentation, also considering Tax Procedural Law’s verdicts.

6. Information on investment securities held-to-maturity (net):

a) Information on subject to repurchase agreement and given as collateral or blocked:

As at 30 September 2015 and 31 December 2014, there are no financial assets held-to-maturity.

b) Information on accounts in which government securities held-to-maturity are reflected :

As at 30 September 2015 and 31 December 2014, there are no financial assets held-to-maturity.

c) Information on investment securities held-to-maturity:

As at 30 September 2015 and 31 December 2014, there are no financial assets held-to-maturity.

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I. Information and disclosures related to consolidated assets (continued)

d) Information on the movement of investment securities held-to-maturity during the period:

As at 30 September 2015 and 31 December 2014, there are no financial assets held-to-maturity.

7. Investments in associates (net):

None.

8. Investments in subsidiaries (net):

As at 30 September 2015, the Parent Bank has subsidiary as Tekstil Yatırım Menkul Değerler A.Ş. The Parent Bank does not have any capital needs due to its subsidiary which is included in the calculation of its consolidated capital adequacy standard ratio. The current equity amount of the subsidiary fulfills the minimum capital requirement entailed in accordance with the Capital Markets Board's regulations.

Information related to subsidiaries:

- a) Information on subsidiaries not consolidated: None.
- b) Information on subsidiaries not consolidated according to information above: None.
- c) Movement of subsidiaries not consolidated: None.
- d) Industrial distribution of subsidiaries not consolidated:

As at 30 September 2015, the Parent Bank has no non-consolidated subsidiary.

e) Information on consolidated subsidiaries:

Description	Address (City/Country)	Bank's share percentage- If different from voting percentage	Banks Risk Group Share Percentage (%)
Tekstil Yatırım Menkul Değerler A.Ş. (Tekstil Yatırım)	İstanbul/Turkey	99.998	99.998

f) As at 30 September 2015, information on consolidated subsidiaries according to information above:

Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Trading Income	Current Period Profit / Loss	Prior Period Profit / Loss	Fair value
134,271	30,997	238	5,646	5,276	1,945	1,035	-

As it is mentioned in Section Three Note III, Tekstil Yatırım has participated to Tekstil Portföy Yönetimi A.Ş. (Tekstil Portföy) with 100% ownership on April 2015. The amounts of Tekstil Yatırım given above represents the consolidated amounts of Tekstil Yatırım and Tekstil Portföy.

The unconsolidated financial information of Tekstil Portföy that is consolidated under Tekstil Yatırım is presented below:

Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Trading Income	Current Period Profit / Loss	Prior Period Profit / Loss	Fair value
1,833	1,817	20	64	-	(183)	-	-

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I. Information and disclosures related to consolidated assets (continued)

g) Movement of consolidated subsidiaries:

	30 September 2015	31 December 2014
Balance at the Beginning of the Period	25,000	15,693
Movements during the Period	-	9,307
Purchases	-	8,013
Bonus Shares Received	-	1,294
Dividends from Current Year Profit	-	-
Sales	-	-
Revaluation Increase	-	-
Impairment Provision	-	-
Balance at the End of the Period	25,000	25,000
Capital Commitments	-	-
Share Percentage at the end of Period (%)	-	-

h) Sectoral distribution of consolidated subsidiaries:

	30 September 2015	31 December 2014
Subsidiaries		
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Subsidiaries	25,000	25,000
Other Non Financial Subsidiaries	-	-
Total	25,000	25,000

i) Listed subsidiaries: None.

j) Subsidiaries disposed of during the current period: None.

k) Subsidiaries purchased in the current period: None.

9. Information on joint ventures (net):

None.

10. Information on financial lease receivables (net):

None.

11. Information on hedging purpose derivatives:

None.

12. Information on investment properties (net):

None.

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I. Information and disclosures related to consolidated assets (continued)

13. Information on deferred tax assets:

- a) Amount of deferred tax asset recognized in the balance sheet in respect of each type of deductible temporary differences, unused tax credits:

The Group has net deferred tax asset amounting TL 8,699 which was calculated on deductible temporary differences except general provisions and TL 4,087 which was calculated on financial loss at 30 September 2015 (31 December 2014: TL 1,737 on temporary differences).

In case of book value and retable value differences of assets are subject of deferred tax relating to equities accounts, deferred tax asset or liability net off with accounts in this group.

- b) Amount and expiry date of deductible temporary differences, unused tax losses, unused tax credits for which no deferred tax asset is recognized in the balance sheet: None.

14. Information on assets held for sale and discontinued operations (net):

The Group has no asset held for sale and discontinued operation as at 30 September 2015 and 31 December 2014.

15. Information on other assets:

As at 30 September 2015, the Group has property and real estate acquired against non performing loans and recorded under assets to be disposed of account and presented under other assets amounting TL 11,691 (31 December 2014: TL 11,190).

Other assets, other than assets to be disposed of, amounting to TL 96,521 (31 December 2014: TL 70,216), do not exceed 10% of total assets.

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II. Information and disclosures related to consolidated liabilities

1. Information on deposits:

a) Information on maturity profile of deposits:

Tables below are prepared according to the original maturity of deposits.

The Parent Bank does not have any deposits callable in 7 days.

a.1) 30 September 2015:

	Demand	Up to 1 month	1-3 Months	3-6 Months	6 Months- 1 Year	1 Year and Over	Cumulative Deposits	Total
Saving Deposits	20,303	23,933	793,980	3,455	535	65	-	842,271
Foreign Currency Deposits	112,186	36,321	1,142,844	14,871	14,907	4,848	-	1,325,977
Residents in Turkey	107,417	35,948	1,089,928	10,094	5,385	911	-	1,249,683
Residents Abroad	4,769	373	52,916	4,777	9,522	3,937	-	76,294
Public Sector Deposits	102,336	-	-	-	-	-	-	102,336
Commercial Deposits	40,668	37,503	140,439	18	-	-	-	218,628
Other Ins. Deposits	1,562	284	4,805	163	12	6	-	6,832
Precious Metal Deposits	-	-	-	-	-	-	-	-
Bank Deposits	55	50,015	-	-	-	-	-	50,070
Central Bank	-	-	-	-	-	-	-	-
Domestic Banks	32	50,015	-	-	-	-	-	50,047
Foreign Banks	23	-	-	-	-	-	-	23
Participation Banks	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total	277,110	148,056	2,082,068	18,507	15,454	4,919	-	2,546,114

a.2) 31 December 2014:

	Demand	Up to 1 month	1-3 Months	3-6 Months	6 Months- 1 Year	1 Year and Over	Cumulative Deposits	Total
Saving Deposits	18,821	19,707	855,998	3,396	434	423	20	898,799
Foreign Currency Deposits	46,746	27,340	849,439	46,636	12,640	4,464	-	987,265
Residents in Turkey	43,107	26,908	806,945	43,031	5,065	776	-	925,832
Residents Abroad	3,639	432	42,494	3,605	7,575	3,688	-	61,433
Public Sector Deposits	16,172	6	10	-	-	-	-	16,188
Commercial Deposits	56,009	72,176	286,548	523	-	-	-	415,256
Other Ins. Deposits	1,636	128	22,919	24	17	1	-	24,725
Precious Metal Deposits	-	-	-	-	-	-	-	-
Bank Deposits	30	164,997	-	-	-	-	-	165,027
Central Bank	-	-	-	-	-	-	-	-
Domestic Banks	7	164,997	-	-	-	-	-	165,004
Foreign Banks	23	-	-	-	-	-	-	23
Participation Banks	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total	139,414	284,354	2,014,914	50,579	13,091	4,888	20	2,507,260

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II. Information and disclosures related to consolidated liabilities (continued)

b) Information on Deposit Insurance:

b.1) Information on savings deposits insured by Saving Deposit Insurance Fund and the total amount of the deposits exceeding the insurance coverage limit:

Saving Deposits	Covered by Deposit Insurance Fund	Covered by Deposit Insurance Fund	Exceeding the Deposit Insurance Limit	Exceeding the Deposit Insurance Limit
	30 September 2015	31 December 2014	30 September 2015	31 December 2014
Saving Deposits	419,954	414,667	421,374	472,138
Foreign Currency Savings Deposits	155,895	137,953	471,692	392,135
Other Saving Deposits	-	-	-	-
Foreign branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	575,849	552,620	893,066	864,273

b.2) Savings deposits in Turkey are not covered under insurance in another country since the Headquarter of the Group is not located abroad: None.

b.3) Saving deposits not covered by deposit insurance: TL 2,517 (31 December 2014: TL 34,890).

Saving deposits that are not covered under the guarantee of deposit insurance fund:

	30 September 2015	31 December 2014
Deposits and Other Accounts at Foreign Branches	-	-
Deposits and Other Accounts belong to Major Shareholders with Their Parents, Spouse and Children under Their Wardship	-	17,097
Deposits and Other Accounts belong to Members of Board of Directors, CEO and Deputy CEOs with Their Parents, Spouse and Children under Their Wardship	2,517	17,793
Deposits and Other Accounts linked to Crimes Mentioned in 282 nd Article of 5237 Numbered Turkish Crime Legislation dated on 26/09/2004	-	-
Deposits belong to Off-shore Banks which are established to be engaged in offshore banking in Turkey.	-	-

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II. Information and disclosures related to consolidated liabilities (continued)

2. Information on derivative financial liabilities held for trading:

Negative difference on derivatives held for trading:

	30 September 2015		31 December 2014	
	TL	FC	TL	FC
Forwards	86	-	71	-
Swaps	430	2,850	-	5,544
Futures	1	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	517	2,850	71	5,544

3. Information on funds borrowed:

a) Information on banks and other financial institutions:

	30 September 2015		31 December 2014	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic Banks and Institutions	24,182	14,012	36,109	20,942
Foreign Banks, Institutions and Funds	-	2,546,632	-	291,052
Total	24,182	2,560,644	36,109	311,994

b) Contractual maturities of funds borrowed:

	30 September 2015		31 December 2014	
	TL	FC	TL	FC
Short-Term	24,182	1,626,869	35,174	264,727
Medium and Long-Term	-	933,775	935	47,267
Total	24,182	2,560,644	36,109	311,994

4. Information on other external resources:

Other external resources are amounting to TL 97,832 (31 December 2014: TL 58,899) and do not exceed 10% of total liabilities excluding the off-balance sheet items.

5. Obligations under financial leases (net):

Lease rent payments are determined according to related asset's cost, market interest rates and lease term. The Parent Bank does not have significant obligations regarding financial lease agreements.

As at 30 September 2015 and 31 December 2014, the Group does not have financial lease liabilities.

As at 30 September 2015 and 31 December 2014, the Group does not have any obligations from operational lease agreements.

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II. Information and disclosures related to consolidated liabilities (continued)

6. Information on liabilities arising from hedging purpose derivatives (net):

None.

7. Information on provisions:

a) Information on general provisions:

	30 September 2015	31 December 2014
General Provisions		
Provision for Group I Loans and Receivables	28,721	18,318
<i>Additional Provision for Loans and Receivables with Extended</i>	126	156
<i>Maturities</i>		
Provision for Group II Loans and Receivables	2,042	2,195
<i>Additional Provision for Loans and Receivables with Extended</i>	1,379	1,441
<i>Maturities</i>		
Provision for Non-cash Loans	1,791	1,943
Other	138	159
Total	32,692	22,615

As at 30 September 2015, as per Account Pledge Agreement dated 25 June 2015, the Parent Bank has provided a loan to Industrial and Commercial Bank of China Limited (ICBC), the major shareholder, amounting to TL 645,520. Such loan has been considered as loan against cash collateral and is not taken into account for general provision calculation.

b) Information on reserve for employee rights:

In accordance with existing legislation in Turkey, the Parent Bank and its subsidiary in Turkey have to make certain lump-sum payments to employees who has completed one year of service with the entity, who has completed 25 working years (20 years for women) and whose employment is terminated due to retirement (retirement age for women and men are 58 and 60, respectively) or reasons other than resignation or misconduct. Provision for employee severance benefits has been accounted for using discounting total provision and reflected to the consolidated financial statements.

Such payments are calculated on the basis of 30 days’ pay, as at 30 September 2015, at ceiling amount of TL-full 3,828 (31 December 2014: TL-full 3,438), per year of employment at the rate of pay applicable at the date of retirement of termination. The liability is not funded, since there is no funding requirement.

The Parent Bank reserved for employee severance indemnities in the accompanying financial statements using actuarial method in accordance with the Turkish Accounting Standard 19 (TAS 19) “Employee Benefits”. The major actuarial assumptions used in the calculation of the total liability are as follows.

	30 September 2015	31 December 2014
Discount Ratio (%)	11.00	8.00
Expected Salary/ETI Liability Ceiling Increase Rate (%)	6.00	6.00
Rate for the Probability of Retirement (%)	93.00	93.00

The basic assumption, which is to be paid severance pay for each year of service, or an estimated salary increase cap will increase in the rate of inflation each year. The discount rate shows the expected real rate after adjusting for the effects of inflation.

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II. Information and disclosures related to consolidated liabilities (continued)

Movement of ETI liability is below:

	30 September 2015	31 December 2014
Balance at Prior Period End	7,153	5,515
Current year provisions/ (reversal of provision)	1,543	3,000
Paid in current year	(1,385)	(1,362)
Balance at Current Period End	7,311	7,153

(*)Actuary income at an amount of TL 1,089 (TL 872 following the deferred tax effect), resulting from change in actuary assumptions of severance pay provision in current period, has been recorded in shareholder's equity via "Other Capital Reserves".

The Group also has vacation pay liability amounting TL 3,828 (31 December 2014: TL 3,882) as at 30 September 2015.

c) Provision for foreign exchange gain/loss on foreign currency indexed loans:

As at 30 September 2015, foreign exchange differences on foreign currency indexed loans amounting TL 66 (31 December 2014: TL 1,003) are netted with loans on the asset side.

d) Specific provisions for non cash loans that are not indemnified and not converted into cash:

As at 30 September 2015, the Parent Bank has provision amounting to TL 6,702 (31 December 2014: TL 6,628) for non-cash loans and irrevocable commitments that are not indemnified and not converted into cash amounting to TL 13,301 (31 December 2014: TL 12,799).

e) Information on other provisions:

e.1) Information on provision for possible risks: None.

e.2) Information on provision for promotions related with banking services:

As at 30 September 2015, the Parent Bank has provision for credit card service promotions amounting TL 85 (31 December 2014: TL 131).

e.3) Information on other provisions:

As at 30 September 2015, there is provision filed against the Parent Bank and its subsidiary amounting TL 7,018 (31 December 2014: TL 3,248 provision for lawsuits).

8. Taxation:

a) Current tax liability: As at 30 September 2015, corporate taxes payable of the Group after deductions of prepaid taxes is TL 171 (31 December 2014: TL 150).

b) Information on taxes payable:

	30 September 2015	31 December 2014
Corporate taxes payable	171	150
Taxation on securities	2,168	1,855
Capital gains tax on property	192	174
Banking Insurance Transaction Tax (BITT)	2,202	2,377
Taxes on foreign exchange transactions	-	-
Value added tax payable	43	94
Other	1,926	1,579
Total	6,702	6,229

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II. Information and disclosures related to consolidated liabilities (continued)

c) Information on premiums payable:

	30 September 2015	31 December 2014
Social security premiums- employee share	644	556
Social security premiums- employer share	730	633
Bank pension fund premium- employee share	-	-
Bank pension fund premium- employer share	-	-
Pension fund membership fees and provisions- employee share	-	-
Pension fund membership fees and provisions- employer share	-	-
Unemployment insurance- employee share	46	40
Unemployment insurance- employer share	97	84
Other	2	1
Total	1,519	1,314

d) Information on deferred tax liabilities:

Deferred tax assets and liabilities of each consolidated entity calculated individually are netted at each individual financial statement. Net deferred tax assets and liabilities of consolidated entities are not netted off with each other during consolidation process.

9. Information on shareholders' equity:

a) Paid in capital:

	30 September 2015	31 December 2014
Common Stock	420,000	420,000
Preferred Stock	-	-

The paid-in share capital of the Parent Bank is represented by 4,200 million registered shares of one 0.1 Turkish Liras each.

- b) Paid-in capital amount, explanation as to whether the registered share capital system is applicable at bank; if so the amount of registered share capital: Not applicable at the Parent Bank.
- c) Information on share capital increases and their sources; other information on any increase in capital shares during the current period: None.
- d) Information on share capital increases from revaluation funds: None.
- e) Capital commitments for current financial year and following period: None.
- f) Prior period indicators of the Parent Bank's income, profitability and liquidity; and possible effects of the predictions on equity, considering the ambiguity of the indicators: None.
- g) Information on the privileges given to stocks representing the capital: The 70% of share capital of the Parent Bank consist of Type A shares and the remaining consist of Type B shares. Three out of five members of the Board of Directors are appointed by Type A shareholders and the remaining two are appointed by Type B shareholders. There is no other privilege appointed.

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II. Information and disclosures related to consolidated liabilities (continued)

h) Information on marketable securities valuation reserve:

	30 September 2015		31 December 2014	
	TL	FC	TL	FC
Associates, subsidiaries and joint ventures	-	-	-	-
Valuation gain/loss of available for sale securities	(1,716)	(19,084)	1,832	3
Translation gain/loss	-	-	-	-
Total	(1,716)	(19,084)	1,832	3

Information on portion of marketable securities valuation reserve related to foreign currency securities:

Portion of marketable securities valuation reserve related to foreign currency securities is presented as difference between fair values and amortized costs of the government bonds classified as investment securities available-for-sale.

i) Information on profit distribution of Parent Bank for the year 2014:

According to Ordinary General Assembly’s decision dated 31 March 2015, Parent Bank has transferred the net profit after tax for the year 2014 amounting to TL 12,516 to legal reserves and extraordinary reserves with amounts of TL 625 and TL 11,891 respectively.

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III. Information and disclosures related to consolidated income statement

1. Interest income:

a) Information on interest income received from loans:

	30 September 2015		30 September 2014	
	TL	FC	TL	FC
Interest income received from loans (*)				
Short Term Loans	128,982	3,637	141,271	5,480
Medium and Long Term Loans	54,615	21,541	57,747	16,250
Loans Under Follow-Up	4,061	-	3,373	-
Source Utilization Support Fund	-	-	-	-
Total	187,658	25,178	202,391	21,730

(*) Includes fees and commissions from cash loans.

b) Information on interest income received from banks:

	30 September 2015		30 September 2014	
	TL	FC	TL	FC
Central Bank of Turkey	1,499	-	-	-
Domestic Banks	764	204	1,316	126
Foreign Banks	34	17	10	12
Foreign Branches	-	-	-	-
Total	2,297	221	1,326	138

c) Information on interest income received from securities portfolio:

	30 September 2015		30 September 2014	
	TL	FC	TL	FC
Trading Securities	-	15	-	24
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-
Investment Securities Available-for-Sale	14,845	7,596	33,213	250
Investment Securities Held-to-Maturity	-	-	-	-
Total	14,845	7,611	33,213	274

d) Information on interest income received from associates and subsidiaries: None.

2. Interest expense:

a) Information on interest expense related to funds borrowed:

	30 September 2015		30 September 2014	
	TL	FC	TL	FC
Banks (*)	1,618	7,508	1,737	5,345
Central Bank of Turkey	-	-	-	-
Domestic Banks	1,590	231	1,642	880
Foreign Banks	28	7,277	95	4,465
Foreign Branches	-	-	-	-
Other Institutions	-	-	-	-
Total	1,618	7,508	1,737	5,345

(*) Includes fees and commission expenses related with funds borrowed.

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III. Information and disclosures related to consolidated income statement (continued)

- b) Information on interest expense paid to associates and subsidiaries: None.
- c) Information on interest expense paid to securities issued : None.
- d) Maturity structure of the interest expense on deposits:

The Group has no interest expense paid to deposits callable within 7 days.

30 September 2015 Account Name	Demand Deposits	Time Deposits					Cumulative Deposits	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 year and over		
TL								
Bank Deposits	-	226	-	-	-	-	-	226
Saving Deposits	-	1,353	67,285	255	30	15	-	68,938
Public Sector Deposits	-	-	-	-	-	-	-	-
Commercial Deposits	-	1,843	19,200	7	-	1	-	21,051
Other Deposits	-	16	644	5	1	1	-	667
Total Turkish Lira	-	3,438	87,129	267	31	17	-	90,882
Foreign Currency								
Foreign Currency Deposits	-	63	15,057	285	209	74	-	15,688
Bank Deposits	-	107	-	-	-	-	-	107
Precious Metal Deposits	-	-	-	-	-	-	-	-
Total Foreign Currency	-	170	15,057	285	209	74	-	15,795
Total	-	3,608	102,186	552	240	91	-	106,677

30 September 2014 Account Name	Demand Deposits	Time Deposits					Cumulative Deposits	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 year and over		
TL								
Bank Deposits	-	159	-	-	-	-	-	159
Saving Deposits	-	779	63,719	613	164	48	1	65,324
Public Sector Deposits	-	-	-	-	-	-	-	-
Commercial Deposits	-	1,983	11,284	232	-	58	-	13,557
Other Deposits	-	6	1,212	1	1	1	-	1,221
Total Turkish Lira	-	2,927	76,215	846	165	107	1	80,261
Foreign Currency								
Foreign Currency Deposits	-	218	20,337	482	263	96	-	21,396
Bank Deposits	-	822	-	-	-	-	-	822
Precious Metal Deposits	-	-	-	-	-	-	-	-
Total Foreign Currency	-	1,040	20,337	482	263	96	-	22,218
Total	-	3,967	96,552	1,328	428	203	1	102,479

3. Trading income / loss (net):

	30 September 2015	30 September 2014
Profit	370,544	329,097
Capital Market Gains	5,332	9,185
Derivative Gains	203,214	153,480
Foreign Exchange Gains	161,998	166,432
Loss (-)	385,539	349,750
Capital Market Losses	132	1
Derivative Losses	157,142	162,854
Foreign Exchange Losses	228,265	186,895

Net profit related to derivative transactions resulting from foreign currency rate changes is amounted to TL 66,638 (30 September 2014: TL 22,479 net profit).

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III. Information and disclosures related to consolidated income statement (continued)

4. Other operating income:

The amount of TL 5,683 (30 September 2014: TL 6,326) of the “other operational income” item consists of collections of receivables for which a provision was made in the previous periods.

5. Impairment on loans and other receivables:

	30 September 2015	30 September 2014
Specific Provisions on Loans and Other Receivables	24,871	24,413
Loans and Receivables in Group III	2,123	1,978
Loans and Receivables in Group IV	6,329	17,885
Loans and Receivables in Group V	16,419	4,550
General Provision Expenses	10,077	292
Provision for Possible Losses	-	-
Impairment Losses on Securities:	2,739	186
Trading securities	5	7
Investment Securities Available-for-Sale	2,734	179
Other Impairment Losses:	-	-
Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Investment Securities Held-to-Maturity	-	-
Other (*)	3,730	805
Total	41,417	25,696

(*) Consists of provision for lawsuits filed against the Group.

6. Information related to other operational expenses:

	30 September 2015	30 September 2014
Personnel Expenses	72,980	59,667
Reserve for Employee Termination Indemnities and Vacation Pay	1,247	465
Reserve for Bank’s Social Aid Fund Deficit	-	-
Impairment of Tangible Assets	-	-
Depreciation Expenses of Tangible Assets	2,737	2,308
Impairment of Intangible Assets	-	-
Impairment of Goodwill	-	-
Amortization Expenses of Intangible Assets	457	454
Impairment of Investments in Associates	-	-
Impairment of Assets to be Disposed of	-	-
Depreciation of Assets to be Disposed of	117	265
Impairment of Assets Held for Sale and Discontinued Operations	-	-
Other Operating Expenses	31,118	27,664
Operational Leases	16,552	13,814
Repair and Maintenance	1,734	1,647
Advertising	585	469
Other Expenses	12,247	11,734
Loss on Sale of Assets	8	194
Other (*)	10,787	10,088
Total	119,451	101,105

(*) Other line mainly includes taxes paid other than corporate income tax, customs and duties paid and SDIF premium expense.

**TEKSTİL BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

III. Information and disclosures related to consolidated income statement (continued)

7. Taxes on income from continued and discontinued operations:

a) Information on current tax income or expense and deferred tax income or expense:

For the period ended 30 September 2015, current tax expense is TL 1,045 (30 September 2014: TL 1,808).

For the period ended 30 September 2015, deferred tax income is TL 6,038 (30 September 2014: TL 1,491).

b) Information on deferred tax charge arising from origination or reversal of temporary differences:

For the period ended 30 September 2015, deferred tax income arising from temporary differences amounting TL 1,951 (30 September 2014: TL 336 deferred tax expense).

For the period ended 30 September 2015, the current tax effect amounting to TL 430 and deferred tax effect amounting to TL 5,011, on an aggregate TL 5,441 tax effect (As of 30 September 2014 totally TL (1,177) including current TL(1,117) and deferred tax TL (60) effect) which are related to transactions recognized under equity is accounted for under equity accounts.

c) Information on deferred tax income or expense reflected on the income statement resulting from temporary differences, financial losses and tax deductions and exemptions:

For the period ended 30 September 2015, TL 1,951 (30 September 2014: TL 336 deferred tax expense) deferred tax income is arising from temporary differences. For the period ended 30 September 2015, TL 4,087 deferred tax income is arising from financial losses on balance sheet as at 30 September 2015 (30 September 2014: TL 1,155 deferred tax expense).

8. Information on net profit and loss:

a) Any further explanation on operating results needed for better understanding of the Parent Bank’s performance: None.

b) Any changes in estimations that might have a material effect on current and subsequent period results: None.

9. Information related to the components of other items in the income statement exceeding 10% of the group total, or 20% of the sub-accounts belonging to this group:

In the consolidated income statement; the “Other” captions presented under “Fees and Commissions Received” and “Fees and Commissions Paid” accounts, which are included in “Net Fee and Commission Income”, consist of mainly income received and expenses paid to customers and third parties regarding banking activities.

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IV. Information and disclosures related to consolidated off-balance sheet items

1. Disclosures related to other contingent liabilities:

a) Type and amount of irrevocable commitments:

	30 September 2015	31 December 2014
Forward Asset Purchase Commitments	181,046	58,096
Commitment of Guaranteed Credit Allocation	39,758	42,628
Credit Cards Limit Commitments	83,684	84,778
Payment Commitments for Cheques	83,144	84,154
Credit Cards Promotion Commitments	302	273
Tax and Fund Liabilities Arising from Export Commitments	3	71
Other Irrevocable Commitments	23,629	38,278
Total	411,566	308,278

b) Type and amount of possible losses and commitments from off-balance sheet items:

There is no possible loss arising from off-balance sheet items. Guarantees from off-balance sheet commitments are shown in off-balance sheet items statements.

	30 September 2015	31 December 2014
Letters of Guarantee	632,072	721,025
Exchange and Acceptances	318	276
Letters of Credit	107,644	107,643
Other Guarantees	21,477	20,633
Toplam	761,511	849,577

c) Non-cash loans:

	30 September 2015	31 December 2014
Non-Cash Loans Given for Cash Loan Risks	24,185	13,197
With Original Maturity of 1 Year or Less	-	954
With Original Maturity of More Than 1 Year	24,185	12,243
Other Non-Cash Loans	737,326	836,380
Toplam	761,511	849,577

d) Information on services rendered on behalf of third parties:

The Group performs purchase-sale transactions on behalf of its customers and provides custody, management and consultancy services.

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V. Information and disclosures related to the Parent Bank's risk group

1. Information on the volume of transactions with the Parent Bank's risk group, lending and deposits outstanding at period end and income and expenses in the current period:

As it is mentioned in Section One Note II, GSD Holding A.Ş., the major shareholder of the Parent Bank, sold its 75.5% shares of the Parent Bank to ICBC and the share transfer was carried out on 22 May 2015. The following information related with the Parent Bank's risk group; represents ICBC Group for the current period information and GSD Group for the prior period information.

a) Current Period:

Parent Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	68,820	517	70	-
Balance at the End of the Period	-	-	645,520	16,616	15	-
Interest and Commission Income Received	-	-	7,958	2	-	-

(*) As described in the 2nd Subclause on Article 49 of Banking Law no.5411.

As at 30 September 2015, as per Account Pledge Agreement dated 25 June 2015 signed with Industrial and Commercial Bank of China Limited (ICBC), the major shareholder, the Parent Bank has considered loans granted to ICBC amounting TL 645,520 as loans against cash collateral.

The Parent Bank has placements amounting to TL 844 (31 December 2014: TL 300) in its risk group banks as at 30 September 2015. Also the Parent Bank has TL 175 irrevocable commitment in its risk group as at 30 September 2015 (31 December 2014: TL 1,649).

b) Prior Period:

Parent Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	20,449	364	94	-
Balance at the End of the Period	-	-	68,820	517	70	-
Interest and Commission Income Received	-	-	1,583	6	-	-

(*) As described in the 2nd Subclause on Article 49 of Banking Law no.5411.

c) Information on deposits held by the Parent Bank's risk group:

Parent Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposit						
Balance at the beginning of the Period	-	-	41,882	56,769	3,349	893
Balance at the End of the Period	-	-	23	41,882	1,292	3,349
Interest on Deposits	-	-	695	1,517	67	94

(*)As described in the 2nd Subclause on Article 49 of Banking Law no.5411.

As at 30 September 2015, funds borrowed amounting to TL 2,309,601 (31 December 2014: None) has been taken from the banks that are a part of the Parent Bank's risk group.

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V. Information and disclosures related to the Parent Bank’s risk group (continued)

- d) Information on forward transactions and option agreements and similar other agreements related with the Parent Bank’s risk group:

As at 30 September 2015, the Parent Bank has no derivative transactions (31 December 2014: None) with the Parent Bank’s risk group.

2. The Parent Bank’s transactions with the risk group:

- a) Besides nature of the relationship, transaction type, amount and its proportion in total transaction amount, amounts of primary transactions and their proportions in total amount, pricing policy and other matters:

In the Group’s transactions with its risk group, pricing policy and other matters are determined and applied at market conditions. As at 30 September 2015, proportion of cash loans to risk group in total cash loans is 16.8% (31 December 2014: 2.4%), proportion of deposits from its risk group in total deposits is 0.05% (31 December 2014: 1.8%), proportion of funds borrowed from its risk group in total funds borrowed is 89% (31 December 2014: None).

As at 30 September 2015, other commission income from risk group is amounted to TL 12 (30 September 2014: TL 27), other operating income from risk group is amounted to TL 16 (30 September 2014: TL 36), other commission expense to risk group is amounted to TL 3 (30 September 2014: TL 71) and other operating expense to risk group is amounted to TL 445 (30 September 2014: TL 786).

In the consolidated basis, key management cost for the current period is amounted to TL 11,263 (30 September 2014: TL 4,408). As mentioned in Section I Note II, as proposed in the share purchase agreement signed between GSD Holding A.Ş. and ICBC regarding the sale transaction of 75.5% shares of the Parent Bank owned by GSD Holding A.Ş., the major shareholder of the Parent Bank, to ICBC, a one time bonus payment amounting to TL 4,909 to top management for completion of transactions in the content of the agreement and facilitation of the transition process has been included in current period’s cost.

VI. Information and disclosure related to subsequent events

Subsequent events and transactions that have not been finalized and their effect on the consolidated financial statements, and in this content, convenient explanations on events mentioned in “Accounting Standard for Subsequent Events”:

It is decided to amend the trade title of Main Partnership Bank (the Parent Bank) which is Tekstil Bankası A.Ş. to ICBC Turkey Bank A.Ş. as of 5 November 2015 with the Board of Directors Decision dated 6 August 2015. Additionally, it is decided to hold Extraordinary General Assembly Meeting for Parent Bank on 5 November 2015 with the Board of Directors Decision dated 5 October 2015.

It is decided to amend the trade title of Tekstil Yatırım Menkul Değerler A.Ş., which is subsidiary of Parent Bank, to ICBC Turkey Yatırım Menkul Değerler A.Ş. and trade title of Tekstil Portföy Yönetimi A.Ş. to ICBC Turkey Portföy Yönetimi A.Ş. with the Board of Directors Decision dated 10 August 2015. Related amendments will be presented in Extra Ordinary General Meeting hold after report date.

Convenience translation of consolidated financial report originally issued in Turkish,
See Note 3.I

TEKSTİL BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARY
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(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

SECTION SIX

INDEPENDENT AUDITORS’ REVIEW REPORT

I. Information on the independent auditors’ review report

The consolidated financial statements of the Parent Bank and its subsidiary as at and for the period ended 30 September 2015 have been reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A member firm of Ernst&Young Global Limited) and the independent auditors’ review report dated 4 November 2015 is presented in the introduction of this report.

II. Information and disclosures prepared by the independent auditors

None.