



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

Tekstil Bankası Anonim Şirketi

Consolidated Financial Statements

As at and for the Year Ended

31 December 2012

With Independent Auditors' Report Thereon

Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik
Anonim Şirketi
1 March 2013

*This report contains 1 page of
independent auditors' report and 84
pages of consolidated financial
statements together with their
explanatory notes.*



**Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik A.Ş.**

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

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Tekstil Bankası Anonim Şirketi:

We have audited the consolidated balance sheet of Tekstil Bankası Anonim Şirketi ("the Bank") and its subsidiary as at 31 December 2012 and the related consolidated statements of income, cash flows, changes in shareholders' equity for the period then ended, and a summary of the significant accounting policies and other disclosures.

The Board of Directors' Responsibility for the Financial Statements:

The Board of Directors of the Bank is responsible for the establishment of an internal control system, selection and application of appropriate accounting policies for the preparation and presentation of the reported consolidated financial statements in accordance with the Regulation on Principles Related to Banks' Accounting Applications and Preserving the Documents, which is published in the Official Gazette No. 26333 dated 1 November 2006, Turkish Accounting Standards, Turkish Financial Reporting Standards, and other regulations, explanations and circulars on accounting and financial reporting principles announced by Banking Regulation and Supervision Agency ("BRSA"), free of material errors and misuse that could lead to false information within.

Auditors' Responsibility:

Our responsibility, as independent auditors, is to issue a report on the consolidated financial statements based on our audit. We conducted our audit in accordance with the Regulation on Authorization and Activities of Entities that Conduct Independent Audit in the Banks, which is published in the Official Gazette No. 26333 dated 1 November 2006, and international auditing standards. Our independent audit was planned and conducted to provide reasonable assurance that the consolidated financial statements are free of material misstatement. Our independent audit involved the necessary techniques to collect audit evidence related to the figures included in the consolidated financial statements and accompanying footnotes; which have been determined based on our professional conviction. Those techniques have been selected by considering the effectiveness of the internal controls used in preparation and presentation of the consolidated financial statements and the appropriateness of the accounting policies applied. We believe that our audit provides a reasonable basis for our opinion expressed below.

Opinion:

In our opinion, based on our audit, the accompanying consolidated financial statements present fairly the financial position of Tekstil Bankası Anonim Şirketi and its subsidiary as at 31 December 2012, and of the results of its operations and its cash flows for the year then ended, in all material respects in accordance with regulations described in Articles 37 and 38 of the (Turkish) Banking Law No 5411; and other regulations, explanations and circulars on accounting and financial reporting principles announced by BRSA.

Istanbul,
1 March 2013

Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik Anonim Şirketi


Murat Alsan
Partner

Additional paragraph for convenience translation to English:

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

TEKSTİL BANKASI A. Ş.
CONSOLIDATED FINANCIAL REPORT AS OF 31 DECEMBER 2012

Address of the Bank's

Headquarters : Maslak Mah. Büyükdere Caddesi No: 247 34398 Şişli - İstanbul
Telephone Number : (0212) 335 53 35
Fax Number : (0212) 328 13 28
Website of the Bank : www.tekstilbank.com.tr

The consolidated financial report prepared in accordance with the statement "Financial Statements and Related Disclosures and Footnotes to be Announced to Public" 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
- DISCLOSURES AND FOOTNOTES TO CONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS AND FOOTNOTES
- INDEPENDENT AUDITOR'S REPORT

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

The consolidated financial statements and related disclosures and footnotes that were subject to independent audit, are prepared in accordance with the "Regulation on Accounting Principles and Documentations", 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**.

Akgün TÜRER	İ. Sencan DEREBEYOĞLU	H.Çim GÜZELAYDINLI	Gülden AKDEMİR	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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SECTION ONE

GENERAL INFORMATION

I. Parent Bank's date of establishment, beginning statute, 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 June 1985 and started its operations on 13 October 1986. "Articles of Association" of the Bank was published in the Official Gazette dated 31 January 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 31 December 2012 and is fully paid. GSD Holding Anonim Şirketi ("GSD Holding") owns 75.50%, GSD Dış Ticaret Anonim Şirketi owns 1% and GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. Anonim Şirketi owns 0.04% of the outstanding shares of the Bank. The Bank is a subsidiary of GSD Holding. Remaining shares have been listed on Istanbul Stock Exchange since 23 May 1990.

The ultimate business of GSD Holding, which was initially established as a foreign trade company in 1986 and became a holding company to build a more efficient corporate structure for GSD Group Companies in 1996, is management of assets. GSD Holding also aims to manage the growth of the Group, finance and invest in profitable businesses. GSD Holding's shares have been listed on Istanbul Stock Exchange since 11 November 1999. The nominal value of its shares is TL 250,000 as at 31 December 2012. A major portion of its shares are held by public.

Main operations of GSD Group Companies are;

Banking:	Tekstil Bankası A.Ş., GSD Yatırım Bankası A.Ş.
Financial Services:	Tekstil Faktoring A.Ş., Tekstil Yatırım Menkul Değerler A.Ş. ("Tekstil Yatırım")
Other:	GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. A.Ş., GSD Reklam ve Halkla İlişkiler Hizmetleri A.Ş., GSD Dış Ticaret A.Ş., GSD Plan Proje Etüd A.Ş., GSD Gayrimenkul Yatırım ve Geliştirme A.Ş.

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:	Akgün TÜRER	Chairman of the Board of Directors and Audit Committee	Graduate
Member of Audit Committee:	İ.Sencan DEREBEYOĞLU	Member of Board of Directors and Audit Committee	Graduate
Member of Board of Directors:	İ. Sühan ÖZKAN	Vice Chairman of Board of Directors	Under-Graduate
	Anna GÖZÜBÜYÜKOĞLU (*)	Independent Member of B.O.D.	Under-Graduate
	Mehmet Sedat ÖZKANLI (*)	Independent Member of B.O.D.	Under-Graduate
General Manager:	H. Çim GÜZELAYDINLI	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:	Ayperi G. URAS (***)	Information Technologies and Operations Group	Graduate
	Gülden AKDEMİR	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. SAMANCIOĞLU	Corporate and Commercial Banking Group	Under-Graduate
Statutory Auditors:	Cezmi ÖZTÜRK (****)	Statutory Auditor	Under-Graduate
	Murat ATIM (****)	Statutory Auditor	Under-Graduate

(*) Anna Gözübüyüköğlü and Mehmet Sedat Özkanlı were appointed as the Independent Members of Board of Directors in the Ordinary General Meeting held on 26 March 2012, replacing Cezmi Öztürk and Murat Atım.

(**) Senan Dağal, the President of Inspectors' Group, has resigned in 19 November 2012, Selçuk İçten was appointed as President of Inspectors' Group.

(***) Ümit Altınay, the Executive Vice President of the Information Technologies and Operations Group, has resigned in January 2012. Ayperi G. Uras was appointed as the Executive Vice President of the Information Technologies and Operations Group in February 2012.

(****) Cezmi Öztürk and Murat Atım were appointed as the Statutory Auditors in the Ordinary General Meeting held on 26 March 2012, replacing M. Sedat Özkanlı and Sedat Temeltaş.

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

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 Sampo Japan Sigorta A.Ş., Aviva Sigorta A.Ş., Vakıf Emeklilik A.Ş. and Ergo Emeklilik ve Hayat A.Ş.

As at 31 December 2012, the Parent Bank has 44 branches close to industrial zones of Turkey and a representative office in Berlin, Germany. The Parent Bank has 841 employees as at 31 December 2012 (As at 31 December 2011 number of branches was 44, number of employees was 880).

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

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 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 shareholder's 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 – 31 December 2012
Address of Bank's Headquarters : Maslak Mah. Büyükdere Cad. No: 247 34398 Şişli - 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

TEKSTİL BANKASI A.Ş. AND ITS SUBSIDIARY
CONSOLIDATED BALANCE SHEETS (STATEMENTS OF FINANCIAL POSITION)
AS AT 31 DECEMBER 2012 AND 2011
(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish, See Note 3.1

ASSETS	Footnotes (Section 5)	THOUSANDS OF TURKISH LIRA					
		CURRENT PERIOD			PRIOR PERIOD		
		31/12/2012			31/12/2011		
		TL	FC	Total	TL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(5.1.1)	96,972	265,862	362,834	96,961	206,780	303,741
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	(5.1.2)	2,340	3,375	5,715	22,820	3,005	25,825
2.1 Trading Securities		2,340	3,375	5,715	22,820	3,005	25,825
2.1.1 Public Sector Debt Securities		-	367	367	-	404	404
2.1.2 Share Certificates		428	-	428	375	-	375
2.1.3 Positive Value of Trading Derivatives		662	3,008	3,670	21,811	2,601	24,412
2.1.4 Other Securities		1,250	-	1,250	634	-	634
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)	7,507	110,029	117,536	10,162	97,380	107,542
IV. INTERBANK MONEY MARKET		3,000	-	3,000	-	-	-
4.1 Interbank Money Market Placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange Money Market Placements		3,000	-	3,000	-	-	-
4.3 Receivables from Reverse Repurchase Agreements		-	-	-	-	-	-
V. INVESTMENT SECURITIES AVAILABLE FOR SALE (Net)	(5.1.4)	321,968	7,434	329,402	327,145	23,073	350,218
5.1 Share Certificates		-	-	-	-	660	660
5.2 Public Sector Debt Securities		321,000	54	321,054	319,924	12,708	332,632
5.3 Other Securities		968	7,380	8,348	7,221	9,705	16,926
VI. LOANS	(5.1.5)	2,077,026	592,092	2,669,118	1,994,016	516,459	2,510,475
6.1 Loans		2,034,822	592,092	2,626,914	1,951,683	516,459	2,468,142
6.1.1 Loans Utilized to the Bank's Risk Group		547	35	582	45,858	75	45,933
6.1.2 Public Sector Debt Securities		-	-	-	-	-	-
6.1.3 Others		2,034,275	592,057	2,626,332	1,905,825	516,384	2,422,209
6.2 Loans under Follow-Up		135,173	-	135,173	107,171	-	107,171
6.3 Specific Provisions (-)		92,969	-	92,969	64,838	-	64,838
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)	-	-	-	1	-	1
9.1 Equity Method Associates		-	-	-	-	-	-
9.2 Unconsolidated Associates		-	-	-	1	-	1
9.2.1 Financial Associates		-	-	-	1	-	1
9.2.2 Non-Financial Associates		-	-	-	-	-	-
X. INVESTMENTS IN SUBSIDIARIES (Net)	(5.1.8)	-	-	-	41	-	41
10.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	41	-	41
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)	(5.1.12)	94,216	-	94,216	80,013	-	80,013
XV. INTANGIBLE ASSETS (Net)	(5.1.13)	1,625	-	1,625	1,532	-	1,532
15.1 Goodwill		-	-	-	-	-	-
15.2 Others		1,625	-	1,625	1,532	-	1,532
XVI. INVESTMENT PROPERTY (Net)	(5.1.14)	-	-	-	-	-	-
XVII. TAX ASSETS	(5.1.15)	1,869	-	1,869	4,718	-	4,718
17.1 Current Tax Assets		-	-	-	-	-	-
17.2 Deferred Tax Assets		1,869	-	1,869	4,718	-	4,718
XVIII. ASSETS HELD FOR SALE AND ASSETS RELATED TO DISCONTINUED OPERATIONS (Net)	(5.1.16)	-	-	-	-	-	-
18.1 Held For Sale		-	-	-	-	-	-
18.2 Discontinued Operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(5.1.17)	93,091	6,043	99,134	77,636	41,369	119,005
TOTAL ASSETS		2,699,614	984,835	3,684,449	2,615,045	888,066	3,503,111

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

TEKSTİL BANKASI A.Ş. AND ITS SUBSIDIARY
CONSOLIDATED BALANCE SHEETS (STATEMENTS OF FINANCIAL POSITION)
AS AT 31 DECEMBER 2012 AND 2011
(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish, See Note 3.1*

LIABILITIES AND EQUITY	Footnotes (Section 5)	THOUSANDS OF TURKISH LIRA					
		CURRENT PERIOD			PRIOR PERIOD		
		31/12/2012			31/12/2011		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	(5.II.1)	1,504,322	1,205,756	2,710,078	1,354,673	1,101,882	2,456,555
1.1 Deposits of the Bank's Risk Group		24,561	31,328	55,889	21,534	37,907	59,441
1.2 Others		1,479,761	1,174,428	2,654,189	1,333,139	1,063,975	2,397,114
II. NEGATIVE VALUE OF TRADING DERIVATIVES	(5.II.2)	1,686	802	2,488	22,480	4,293	26,773
III. FUNDS BORROWED	(5.II.3)	33,943	215,158	249,101	36,812	204,927	241,739
IV. DUE TO MONEY MARKETS		11,156	-	11,156	126,255	-	126,255
4.1 Interbank Money Market		-	-	-	-	-	-
4.2 Istanbul Stock Exchange		-	-	-	-	-	-
4.3 Obligations under Repurchase Agreements		11,156	-	11,156	126,255	-	126,255
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		12,427	1,698	14,125	5,874	2,752	8,626
VIII. OTHER EXTERNAL RESOURCES	(5.II.4)	64,101	7,947	72,048	72,785	9,101	81,886
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)	40,227	-	40,227	32,047	-	32,047
12.1 General Provisions		24,590	-	24,590	20,191	-	20,191
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Benefits		8,618	-	8,618	6,172	-	6,172
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5 Other Provisions		7,019	-	7,019	5,684	-	5,684
XIII. TAX LIABILITIES	(5.II.8)	10,325	-	10,325	11,440	-	11,440
13.1 Current Tax Liability		10,325	-	10,325	11,440	-	11,440
13.2 Deferred Tax Liability		-	-	-	-	-	-
XIV. PAYABLES RELATED TO HELD FOR SALE AND DISCONTINUED OPERATIONS	(5.II.9)	-	-	-	-	-	-
14.1 Held For Sale		-	-	-	-	-	-
14.2 Discontinued Operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS	(5.II.10)	-	-	-	-	-	-
XVI. SHAREHOLDERS' EQUITY	(5.II.11)	574,896	5	574,901	516,920	870	517,790
16.1 Paid-In Capital		420,000	-	420,000	420,000	-	420,000
16.2 Supplementary Capital		49,654	5	49,659	17,736	870	18,606
16.2.1 Share Premium		(814)	-	(814)	(814)	-	(814)
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Valuation Differences of Securities		17,052	5	17,057	(289)	870	581
16.2.4 Revaluation Fund on Tangible Assets		33,416	-	33,416	18,839	-	18,839
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		-	-	-	-	-	-
16.3 Profit Reserves		79,184	-	79,184	54,558	-	54,558
16.3.1 Legal Reserves		7,110	-	7,110	5,830	-	5,830
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		72,074	-	72,074	48,728	-	48,728
16.3.4 Other Profit Reserves		-	-	-	-	-	-
16.4 Profit or Loss		26,058	-	26,058	24,626	-	24,626
16.4.1 Prior Periods' Profit or Loss		-	-	-	-	-	-
16.4.2 Current Period Profit or Loss		26,058	-	26,058	24,626	-	24,626
16.5 Non-Controlling Interests		-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY		2,253,083	1,431,366	3,684,449	2,179,286	1,323,825	3,503,111

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

TEKSTİL BANKASI A.Ş. AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF OFF BALANCE SHEET ITEMS
AS AT 31 DECEMBER 2012 AND 2011
(Currency: Thousands of TL - Turkish Lira)

Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish, See Note 3.1

	Footnotes (Section 5)	THOUSANDS OF TURKISH LIRA					
		CURRENT PERIOD			PRIOR PERIOD		
		31/12/2012			31/12/2011		
		TL	FC	Total	TL	FC	Total
A. OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I-II-III)		1,360,737	1,709,057	3,069,794	1,779,779	2,329,008	4,108,787
I. GUARANTEES	(5.IV.1)	698,438	549,673	1,248,111	541,548	683,600	1,225,148
1.1. Letters of Guarantee		698,438	303,313	1,001,751	540,963	346,745	887,708
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		698,438	303,313	1,001,751	540,963	346,745	887,708
1.2. Bank Acceptances		-	1,359	1,359	-	7,041	7,041
1.2.1. Import Letter of Acceptance		-	1,359	1,359	-	7,041	7,041
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letters of Credit		-	202,019	202,019	-	303,685	303,685
1.3.1. Documentary Letters of Credit		-	131,783	131,783	-	189,100	189,100
1.3.2. Other Letters of Credit		-	70,236	70,236	-	114,585	114,585
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 Collaterals		-	42,982	42,982	585	26,129	26,714
1.9. Other Sureties		-	-	-	-	-	-
II. COMMITMENTS	(5.IV.1)	330,647	37,055	367,702	353,284	29,050	382,334
2.1. Irrevocable Commitments		330,647	37,055	367,702	353,284	29,050	382,334
2.1.1. Asset Purchase and Sale Commitments		1,697	37,055	38,752	23,541	29,050	52,591
2.1.2. Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3. Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4. Loan Granting Commitments		42,711	-	42,711	50,752	-	50,752
2.1.5. Securities Issuance Brokerage Commitments		-	-	-	-	-	-
2.1.6. Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7. Commitments for Cheque Payments		85,217	-	85,217	79,430	-	79,430
2.1.8. Tax and Fund Obligations from Export Commitments		-	-	-	-	-	-
2.1.9. Commitments for Credit Card Limits		200,544	-	200,544	198,968	-	198,968
2.1.10. Commitments for Promotional Operations Re-Credit Cards and Banking Services		478	-	478	593	-	593
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		-	-	-	-	-	-
2.2. Revocable Commitments		-	-	-	-	-	-
2.2.1. Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(5.IV.3)	331,652	1,122,329	1,453,981	884,947	1,616,358	2,501,305
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		331,652	1,122,329	1,453,981	884,947	1,616,358	2,501,305
3.2.1. Forward Foreign Currency Purchases/Sales		22,699	100,588	123,287	176,316	229,793	406,109
3.2.1.1. Forward Foreign Currency Purchases		5,763	55,882	61,645	78,264	122,892	201,156
3.2.1.2. Forward Foreign Currency Sales		16,936	44,706	61,642	98,052	106,901	204,953
3.2.2. Currency and Interest Rate Swaps		240,795	917,657	1,158,452	267,529	667,652	935,181
3.2.2.1. Currency Swaps-Purchases		9,747	586,060	595,807	67,225	401,512	468,737
3.2.2.2. Currency Swaps-Sales		231,048	331,597	562,645	200,304	266,140	466,444
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		67,800	72,037	139,837	441,102	718,913	1,160,015
3.2.3.1. Currency Options-Purchases		33,605	36,317	69,922	227,704	351,961	579,665
3.2.3.2. Currency Options-Sales		34,195	35,720	69,915	213,398	366,952	580,350
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		358	32,047	32,405	-	-	-
B. CUSTODY AND PLEDGED SECURITIES (IV+V+VI)		3,090,469	1,030,884	4,121,353	2,436,696	856,732	3,293,428
IV. ITEMS HELD IN CUSTODY		269,471	57,901	327,372	244,423	28,896	273,319
4.1. Customers' Securities and Portfolios Held		-	-	-	-	-	-
4.2. Securities Held in Custody		139,629	9,382	149,011	149,571	9,485	159,056
4.3. Checks Received for Collection		83,670	3,586	87,256	65,180	11,518	76,698
4.4. Commercial Notes Received for Collection		24,474	22,720	47,194	18,038	3,945	21,983
4.5. Other Assets Received for Collection		-	-	-	-	-	-
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items under Custody		475	41	516	401	-	401
4.8. Custodians		21,223	22,172	43,395	11,233	3,948	15,181
V. PLEDGED ITEMS		2,790,441	972,983	3,763,424	2,158,527	827,455	2,985,982
5.1. Securities		13,908	-	13,908	8,915	-	8,915
5.2. Guarantee Notes		3,155	23,393	26,548	3,753	14,873	18,626
5.3. Commodities		81,548	50,628	132,176	65,882	42,428	108,310
5.4. Warrants		947	-	947	1,055	-	1,055
5.5. Immovables		2,021,193	804,590	2,825,783	1,469,709	675,997	2,145,706
5.6. Other Pledged Items		669,690	94,372	764,062	609,213	94,157	703,370
5.7. Pledged Items-Depository		-	-	-	-	-	-
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		30,557	-	30,557	33,746	381	34,127
TOTAL OFF BALANCE SHEET ITEMS (A+B)		4,451,206	2,739,941	7,191,147	4,216,475	3,185,740	7,402,215

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

TEKSTİL BANKASI A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED INCOME STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER 2012 AND 2011
(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish, See Note 3.1*

INCOME AND EXPENSE ITEMS	Footnotes (Section 5)	THOUSANDS OF TURKISH LIRA	
		CURRENT PERIOD	PRIOR PERIOD
		(01/01/2012 - 31/12/2012)	(01/01/2011 - 31/12/2011)
I. INTEREST INCOME	(5.III.1)	341,799	257,970
1.1 Interest from Loans		301,801	228,237
1.2 Interest from Reserve Deposits		-	-
1.3 Interest from Banks		1,294	1,485
1.4 Interest from Money Market Transactions		255	8
1.5 Interest from Securities Portfolio		37,860	27,929
1.5.1 Trading Securities		20	23
1.5.2 Financial Assets at Fair Value Through Profit or Loss		-	-
1.5.3 Available for Sale Securities		37,840	27,906
1.5.4 Held to Maturity Securities		-	-
1.6 Interest from Financial Leases		-	-
1.7 Other Interest Income		589	311
II. INTEREST EXPENSE	(5.III.2)	188,196	150,777
2.1 Interest on Deposits		168,096	134,442
2.2 Interest on Funds Borrowed		9,588	6,787
2.3 Interest on Money Market Transactions		10,459	9,439
2.4 Interest on Securities Issued		-	-
2.5 Other Interest Expense		53	109
III. NET INTEREST INCOME (I - II)		153,603	107,193
IV. NET FEE AND COMMISSION INCOME		17,898	18,828
4.1 Fees and Commissions Received		22,285	23,201
4.1.1 Non-Cash Loans		11,027	10,852
4.1.2 Other		11,258	12,349
4.2 Fees and Commissions Paid		4,387	4,373
4.2.1 Non-Cash Loans		291	337
4.2.2 Other		4,096	4,036
V. DIVIDEND INCOME	(5.III.3)	2	5
VI. TRADING INCOME/LOSS (Net)	(5.III.4)	14	14,451
6.1 Profit / Loss on Trading Account Securities		10,792	9,839
6.2 Derivative Instruments Gain / Loss		(83,558)	(8,051)
6.3 Foreign Exchange Gain / Loss		72,780	12,663
VII. OTHER OPERATING INCOME	(5.III.5)	16,337	18,014
VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)		187,854	158,491
IX. IMPAIRMENT ON LOANS AND OTHER RECEIVABLES (-)	(5.III.6)	41,051	23,437
X. OTHER OPERATING EXPENSES (-)	(5.III.7)	113,399	104,361
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)		33,404	30,693
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)	(5.III.8)	33,404	30,693
XVI. TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	(5.III.9)	(7,346)	(6,067)
16.1 Current Tax Provision		(5,094)	(9,366)
16.2 Deferred Tax Provision		(2,252)	3,299
XVII. NET PROFIT / LOSS FROM CONTINUING OPERATIONS (XV±XVI)	(5.III.10)	26,058	24,626
XVIII. PROFIT FROM DISCONTINUED OPERATIONS		-	-
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)	(5.III.8)	-	-
XXI. TAXES ON INCOME FROM DISCONTINUED OPERATIONS (±)	(5.III.9)	-	-
21.1 Current Tax Provision		-	-
21.2 Deferred Tax Provision		-	-
XXII. NET PROFIT / LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)	(5.III.10)	-	-
XXIII. NET PROFIT/LOSS (XVII+XXII)	(5.III.11)	26,058	24,626
23.1 Group's Profit / Loss		26,058	24,626
23.2 Non-Controlling Interests		-	-
Earnings / Losses per Share (Full TL)		0.0062	0.0059

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

TEKSTIL BANKASI A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF RECOGNIZED INCOME AND EXPENSE UNDER EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2012 AND 2011
(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish, See Note 3.I*

PROFIT/LOSS ITEMS RECOGNIZED IN EQUITY	THOUSANDS OF TURKISH LIRA	
	CURRENT PERIOD (01/01/2012 - 31/12/2012)	PRIOR PERIOD (01/01/2011 - 31/12/2011)
I. ADDITIONS TO VALUATION DIFF. ON SECURITIES FROM AVAILABLE FOR SALE INVESTMENTS	20,589	(9,530)
II. REVALUATION ON TANGIBLE ASSETS	15,344	4,484
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)	-	-
VII. EFFECT OF CHANGES IN ACCOUNTING POLICIES OR CORRECTION OF ERRORS	-	-
VIII. OTHER PROFIT/LOSS ITEMS RECOGNIZED IN EQUITY PER TURKISH ACCOUNTING STANDARDS	-	-
IX. DEFERRED AND CURRENT TAXES ON VALUATION DIFFERENCES	(4,880)	1,666
X. NET PROFIT/LOSS RECOGNIZED IN EQUITY (I+II+...+IX)	31,053	(3,380)
XI. CURRENT PERIOD PROFIT/LOSS	26,058	24,626
11.1 Net Change in Fair Value of Securities (Transfer to Profit & Loss)	141	808
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	-	-
11.4 Others	25,917	23,818
XII. TOTAL RECOGNIZED INCOME AND EXPENSE FOR THE PERIOD (X±XI)	57,111	21,246

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

TEKSTİL BANKASI A.Ş. AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED 31 DECEMBER 2012 AND 2011
 (Currency: Thousands of TL - Turkish Lira)

Convenience Translation of
 Consolidated Financial Report
 Originally Issued in Turkish, See Note 3.1

	Footnotes (Section 5)	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 Difference of Securities	Revaluation Fund on Tangible Assets	Securities Value Increase Fund	Hedge Funds	Rev. 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 31/12/2011																			
I. Balances at the Beginning of Period - 01/01/2011		420,000	-	(814)	-	4,929	-	29,587	-	20,042	-	8,220	14,580	-	-	-	496,544	-	496,544
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)	-	4,929	-	29,587	-	20,042	-	8,220	14,580	-	-	-	496,544	-	496,544
Changes in the Period																			
IV. Increase / Decrease Related to Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Valuation Difference of Available-for-Sale Securities	(5.V.1)	-	-	-	-	-	-	-	-	-	-	(7,639)	-	-	-	-	(7,639)	-	(7,639)
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	(5.V.2)	-	-	-	-	-	-	-	-	-	-	-	4,259	-	-	-	4,259	-	4,259
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. Issuences 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		-	-	-	-	-	-	-	-	24,626	-	-	-	-	-	-	24,626	-	24,626
XX. Profit Distribution		-	-	-	-	901	-	19,141	-	(20,042)	-	-	-	-	-	-	-	-	-
20.1 Dividends		-	-	-	-	901	-	19,141	-	(20,042)	-	-	-	-	-	-	-	-	-
20.2 Transferred to Reserves	(5.V.4)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.3 Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the End of Period (III-IV+V+...+XVIII-XIX-XX) - 31/12/2011		420,000	-	(814)	-	5,830	-	48,728	-	24,626	-	581	18,839	-	-	-	517,790	-	517,790
CURRENT PERIOD 31/12/2012																			
I. Balances at the Beginning of Period - 01/01/2012		420,000	-	(814)	-	5,830	-	48,728	-	24,626	-	581	18,839	-	-	-	517,790	-	517,790
Changes in the Period																			
II. Increase / Decrease Related to Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Valuation Difference of Available-for-Sale Securities	(5.V.1)	-	-	-	-	-	-	-	-	-	-	16,476	-	-	-	-	16,476	-	16,476
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	(5.V.2)	-	-	-	-	-	-	-	-	-	-	-	14,577	-	-	-	14,577	-	14,577
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		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Current Period Net Profit / Loss		-	-	-	-	-	-	-	-	26,058	-	-	-	-	-	-	26,058	-	26,058
XVIII. Profit Distribution		-	-	-	-	1,280	-	23,346	-	(24,626)	-	-	-	-	-	-	-	-	-
18.1 Dividends		-	-	-	-	1,280	-	23,346	-	(24,626)	-	-	-	-	-	-	-	-	-
18.2 Transferred to Reserves	(5.V.4)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.3 Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the End of Period (I-II-III+...+XVI-XVII-XVIII) - 31/12/2012		420,000	-	(814)	-	7,110	-	72,074	-	26,058	-	17,057	33,416	-	-	-	574,901	-	574,901

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

TEKSTİL BANKASI A.Ş. AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2012 AND 2011
(Currency: Thousands of TL - Turkish Lira)

*Convenience Translation of
Consolidated Financial Report
Originally Issued in Turkish, See Note 3.J*

	Footnotes (Section 5)	THOUSANDS OF TURKISH LIRA	
		CURRENT PERIOD (01/01/2012 - 31/12/2012)	PRIOR PERIOD (01/01/2011 - 31/12/2011)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit before Changes in Operating Assets and Liabilities		93,157	41,942
1.1.1 Interest Received		329,872	234,817
1.1.2 Interest Paid		(196,725)	(137,761)
1.1.3 Dividend Received		2	5
1.1.4 Fees And Commissions Received		20,166	19,867
1.1.5 Other Income		3,109	14,377
1.1.6 Collections from Non-performing Loans		53,381	15,105
1.1.7 Payments to Personnel and Service Suppliers		(69,743)	(63,653)
1.1.8 Taxes Paid		(15,542)	(11,636)
1.1.9 Other	(5.VI.3)	(31,363)	(29,179)
1.2 Changes in Operating Assets and Liabilities		(59,075)	92,757
1.2.1 Net (Increase) Decrease in Trading Securities		(307)	(1,461)
1.2.2 Net (Increase) Decrease in Financial Assets Designated at FV		-	-
1.2.3 Net (Increase) Decrease in Banks		8,804	(42,207)
1.2.4 Net (Increase) Decrease in Loans		(240,664)	(656,870)
1.2.5 Net (Increase) Decrease in Other Assets	(5.VI.3)	25,527	(70,767)
1.2.6 Net Increase (Decrease) in Bank Deposits		53,345	(7,882)
1.2.7 Net Increase (Decrease) in Other Deposits		207,390	671,840
1.2.8 Net Increase (Decrease) in Funds Borrowed		(106,419)	154,338
1.2.9 Net Increase (Decrease) in Due Payables		-	-
1.2.10 Net Increase (Decrease) in Other Liabilities	(5.VI.3)	(6,751)	45,766
I. Net Cash Provided by Banking Operations		34,082	134,699
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net Cash Provided by / (Used in) Investing Activities		47,441	(25,189)
2.1 Cash Paid for Purchase of Investments, Associates and Subsidiaries		-	-
2.2 Cash Obtained From Sale of Investments, Associates And Subsidiaries		37	-
2.3 Fixed Assets Purchases		(2,903)	(2,241)
2.4 Fixed Assets Sales		1,156	128
2.5 Cash Paid for Purchase of Investments Available for Sale		(210,875)	(215,260)
2.6 Cash Obtained From Sale of Investments Available for Sale		260,026	192,184
2.7 Cash Paid for Purchase of Investment Securities		-	-
2.8 Cash Obtained from Sale of Investment Securities		-	-
2.9 Other		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash (Used in) Financing Activities		-	(2)
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		-	(2)
3.6 Other		-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	(5.VI.3)	(623)	8,478
V. Net Increase in Cash and Cash Equivalents (I+II+III+IV)		80,900	117,986
VI. Cash and Cash Equivalents at the Beginning of Period	(5.VI.1,2)	312,803	194,817
VII. Cash and Cash Equivalents at the End of Period (V+VI)	(5.VI.1,2)	393,703	312,803

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

TEKSTİL BANKASI A.Ş.
STATEMENTS OF PROFIT DISTRIBUTION
FOR THE YEARS ENDED 31 DECEMBER 2012 AND 2011
(Currency: Thousands of TL - Turkish Lira)

	THOUSANDS OF TURKISH LIRA	
	CURRENT PERIOD (01/01/2012 - 31/12/2012)	PRIOR PERIOD (01/01/2011 - 31/12/2011)
I. DISTRIBUTION OF CURRENT YEAR INCOME (**)		
1.1 CURRENT YEAR INCOME	33,678	27,377
1.2 TAXES AND DUTIES PAYABLE (-)	6,854	5,359
1.2.1 Corporate Tax (Income Tax)	4,648	8,469
1.2.2 Income Withholding Tax	-	-
1.2.3 Other Taxes and Duties	2,206	(3,110)
A. NET INCOME FOR THE YEAR (1.1-1.2)	26,824 (*)	22,018
1.3 PRIOR YEARS LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	1,101
1.5 OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]	-	20,917
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1 To Owners of Ordinary Shares	-	-
1.6.2 To Owners of Preferred Shares	-	-
1.6.3 To Owners of Preferred Shares (Preemptive Rights)	-	-
1.6.4 To Profit Sharing Bonds	-	-
1.6.5 To Holders of Profit and Loss Sharing Certificates	-	-
1.7 DIVIDENDS TO PERSONEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To Owners of Ordinary Shares	-	-
1.9.2 To Owners of Preferred Shares	-	-
1.9.3 To Owners of Preferred Shares (Preemptive Rights)	-	-
1.9.4 To Profit Sharing Bonds	-	-
1.9.5 To Holders of Profit and Loss Sharing Certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	-
1.11 STATUTORY RESERVES (-)	-	-
1.12 EXTRAORDINARY RESERVES	-	20,917
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES		
2.1 APPROPRIATED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To Owners of Ordinary Shares	-	-
2.3.2 To Owners of Preferred Shares	-	-
2.3.3 To Owners of Preferred Shares (Preemptive Rights)	-	-
2.3.4 To Profit Sharing Bonds	-	-
2.3.5 To Holders of Profit and Loss Sharing Certificates	-	-
2.4 DIVIDENDS TO PERSONEL (-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE		
3.1 TO OWNERS OF ORDINARY SHARES	0.0064 (*)	0.0052
3.2 TO OWNERS OF ORDINARY SHARES (%)	6.4 (*)	5.2
3.3 TO OWNERS OF PRIVILEGED SHARES	-	-
3.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV. DIVIDENDS PER SHARE		
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3 TO OWNERS OF PRIVILEGED SHARES	-	-
4.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(*) General Assembly is component body for the current year profit distribution. Annual Ordinary General Assembly meeting was not held as of the issue date of this report.

(**) Statement of Profit distribution above belong to the Parent Bank.

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

SECTION THREE

ACCOUNTING POLICIES

I. Basis of presentation

Preparation of the financial statements and the accompanying footnotes in accordance with Turkish Accounting Standards and Regulation on Principles Related to Banks' Accounting Applications and Preserving the Documents:

The accompanying consolidated financial statements and the related disclosures and footnotes are prepared in accordance within the framework of standards as described in the Regulation on Procedures and Principles for Accounting Practices and Retention of Documents by Banks ("Regulation"), dated 1 November 2006 which is published in the Official Gazette No.26333 with regard to Banking Law no:5411, in accordance with the Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards ("TFRS") and interpretations of these standards (totally "Turkish Accounting Standards" or "TAS") promulgated by the Turkish Accounting Standards Board ("TASB") and in accordance with all other regulations, explanations and circulars related to the accounting and reporting promulgated by the Banking Regulation and Supervision Agency ("BRSA"). Consolidated financial statements are prepared in accordance with the Communiqué on "Financial Statements and Related Disclosures and Footnotes to be Announced to Public", which was published on 28 June 2012 in the Official Gazette numbered 28337.

Unless stated otherwise, the consolidated financial statements and balances in related information and disclosures are presented in thousands of Turkish Lira.

Preparation of financial statements according to TAS requires the Parent Bank management to make assumptions and forecasts about assets and liabilities in the balance sheet. These assumptions and forecasts are regularly revised, adjusted and the effects of these adjustments is reflected to income statement.

Additional paragraph for convenience translation to English

The differences between accounting principles, as described in the preceding paragraphs, and the accounting principles generally accepted in countries, in which the accompanying consolidated financial statements are to be distributed, and International Financial Reporting Standards ("IFRS"), may have significant influence on the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position and results of operations 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 the consolidated financial statements are explained in footnotes II through XXVII in the following pages.

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 floating rate 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 31 December 2012, rates used for converting foreign exchange transactions to Turkish Lira and presenting them in financial statements are as follows; USD: TL 1.7826, Euro: TL 2.3517, JPY: TL 0.0207.

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.

Tekstil Yatırım which is financial subsidiary of the Bank is consolidated to accompanying consolidated financial statements by using "Full Consolidation" method as at 31 December 2012.

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

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 31 December 2012 and appropriate adjustments are made to financial statements to use uniform accounting policies for similar transactions and events in same circumstances.

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.

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 commissions from personal loans are discounted with effective interest rate method and allocated to related period's income statement.

VII. Financial assets

1. 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 dealer’s margin. Trading securities are recognized and derecognized on settlement date basis when purchased and disposed of. Trading securities are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, trading securities are measured at fair value and gains and losses arising from a change in the fair value are recognized in the income statement. Interest earned whilst holding trading securities is reported as interest income. Any profit or loss resulting from the disposal of those assets before their maturity date is recognized within the “ Profit / Loss on Trading Account Securities” account in the income statements.

2. 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. However, assets for which fair values could not be determined reliably are valued using discounting method with internal rate of return for the ones with a fixed maturity; and using valuation models or discounted cash flow techniques for the ones which do not have a fixed maturity. 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 index at the issue date and the reference index at the balance sheet date to reflect the effects of inflation.

3. Loans and receivables:

Loans and receivables arise when the Parent Bank 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 allowances are made against the carrying amount of these loans in accordance with the “Regulation on the Principles and Procedures Related to the Determination of the Loans and Other Receivables for which Provisions Shall be Set Aside by Banks and to the 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.

4. 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.

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.

Subsequent to the change in the regulation on “The Amendment to the Communiqué on Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside” published in the Official Gazette No. 27947 dated 28 May 2011; in case of changing the conditions of the payment plan of the loans which are followed under loans and receivables, the general loan loss provision ratio for standard (first group) loans and receivables should not be less than 5 times and for closely monitored (second group) loans and receivables should not be less than 2.5 times of the current effective rates.

As a consequence of the regulation published in the Official Gazette No. 27968 dated 18 June 2011 amending the “The Amendment to the Communiqué on Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside”, for the banks, of which the consumer loans exceed 20% of total loans, and of which the non-performing consumer loans (excluding housing and car loans) exceed 8% of performing consumer loans (excluding housing and car loans), general loan loss provision ratio is 4% for consumer loans which are followed under standard loans and receivables except for car and housing loans; and is 8% for the loans under close monitoring except for car and housing loans.

Since the consumer loans of the Parent Bank do not exceed the ratios mentioned above as at 31 December 2012, additional general loan loss provision has not been calculated.

In accordance with the communiqué “The Amendment to the Communiqué on Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside” published in the Official Gazette numbered 28418 dated 21 September 2012, the Parent Bank has calculated general loan loss provisions with the rates stated in the first paragraph of Article 7 of the Communiqué. Relevant parts of differences between calculated general provision and current general provision are reflected in the financial statements in accordance with the regulation.

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.

In cases where the fair values of securities quoted at the stock exchanges classified under trading and available-for-sale portfolios and subsidiaries are less than their carrying values, a provision for impairment is allocated, and the net value is shown on the balance sheet.

The Group provides specific allowances for loans and other receivables in accordance with the “Regulation on the Principles and Procedures Related to the Determination of the Loans and Other Receivables for which Provisions Shall be Set Aside by Banks and to the Provisions to be Set Aside”. The allowances are recorded under “loans” as negative balances on the asset side.

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 31 December 2012 and 2011.

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.

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 – 5 years
Leasehold improvements	3 – 5 years

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 31 December 2012, revaluation surplus on tangible assets amounts to TL 35,175 (31 December 2011: TL 19,831). Additionally, there is impairment loss amounting to TL 699 as at 31 December 2011 related to buildings sold in the current period.

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.

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 Parent Bank 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.

Deferred tax liabilities are recognized for all deductible temporary differences, however deferred tax assets are accounted with considering that it is probable that taxable profit will be available and such deductible temporary differences 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 subsidiaries 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. The Parent Bank fills the related form and submits to tax office in the required time.

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 31 December 2012 and 2011, 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, top management and 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 TAS 24 "Related Party Disclosures".

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 and other money market placements with an original maturity of three months or less. 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, Footnote XIV.

XXVII. Reclassifications

In order to achieve convenience of presentation of financial statements as at 31 December 2012, no reclassifications have been made in the consolidated financial statements for the period ended 31 December 2011.

SECTION FOUR

CONSOLIDATED FINANCIAL POSITION

I. Consolidated capital adequacy ratio

As at 31 December 2012, the Group's consolidated capital adequacy ratio is 16.47%.

Capital adequacy ratio is calculated within the scope of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks", "Regulation on Credit Risk Mitigation Techniques" and "Regulation on Capital Requirement Calculation for Market Risk of Options" published in the Official Gazette numbered 28337 dated 28 June 2012 and the "Regulation on Equities of Banks" published in the Official Gazette numbered 26333 dated 1 November 2006. In accordance with the "Communiqué on Financial Statements and Related Disclosures and Footnotes to be Announced to Public", which was published on 28 June 2012 in the Official Gazette numbered 28337 the Group have not recomputed the capital adequacy standard ratio of prior period.

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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Consolidated Capital Adequacy Ratio:

	Risk Weights													
	Bank-Only							Consolidated						
	0%	20%	50%	75%	100%	150%	200%	0%	20%	50%	75%	100%	150%	200%
Value at Credit Risk	-	19,287	341,234	442,802	2,097,953	65,135	183,606	-	19,887	341,858	447,344	2,091,396	65,135	183,606
Risk Classifications														
Claims on sovereigns and Central Banks	651,547	-	-	-	54	-	-	653,686	-	-	-	54	-	-
Claims on regional governments or local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims on administrative bodies and other non-commercial undertakings	-	-	-	-	1,019	-	-	-	-	-	-	1,019	-	-
Claims on multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims on international organizations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims on banks and intermediary institutions	181	80,567	42,732	-	117,710	-	-	181	83,566	43,979	-	117,708	-	-
Claims on corporate	86,178	9,714	-	-	1,598,016	-	-	86,178	9,714	-	-	1,600,678	-	-
Claims included in the regulatory retail portfolios	3,989	1,523	-	590,403	-	-	-	3,989	1,523	-	596,459	-	-	-
Claims secured by residential property	2,184	3,696	638,795	-	144,144	-	-	2,184	3,696	638,795	-	144,144	-	-
Past due loans	-	-	941	-	36,444	4,807	-	-	-	941	-	36,444	4,807	-
Higher risk categories decided by the Board	3,779	934	-	-	-	38,616	91,803	3,779	934	-	-	-	38,616	91,803
Secured by mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Undertakings for collective investments in mutual funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receivables	29,778	-	-	-	200,566	-	-	29,778	-	-	-	191,349	-	-

Summary information related to consolidated and unconsolidated capital adequacy ratios:

	Unconsolidated	Consolidated
	Current Period	Current Period
Capital Requirement for Credit Risk (VaCR*0.08) (CRCR)	252,001	251,938
Capital Requirement for Market Risk (CRMR)	507	889
Capital Requirement for Operational Risk (CROR)	21,093	22,419
Shareholders' Equity	564,195	566,494
Shareholders' Equity/((CRCR+CRMR+CROR) *12,5)*100	16.50	16.47

According to provisional act 1 of "Communiqué on Financial Statements and Related Disclosures and Footnotes to be Announced to Public", information related to the prior periods are not presented for one year period beginning from 1 July 2012, the effective date of the communiqué.

Components of shareholders' equity:

	Current Period	Prior Period
CORE CAPITAL		
Paid-In Capital	420,000	420,000
Nominal Capital	420,000	420,000
Capital Commitments (-)	-	-
Capital Reserves Arising From Inflation Adjustments to Paid-in Capital	-	-
Share Premium	(814)	(814)
Share Cancellation Profits	-	-
Reserves	79,184	54,558
Inflation Adjustment on Reserves	-	-
Profit	26,058	24,626
Current Period Profit	26,058	24,626
Prior Years' Profit	-	-
Provision for Possible Losses up to 25% of the Core Capital	-	-
Gain on Sale of Associates, Subsidiaries and Real Estates	-	-
Primary Subordinated Loans	-	-
Minority Shares	-	-
Losses Excess of Reserves (-)	-	-
Current Period Loss	-	-
Prior Periods' Loss	-	-
Leasehold Improvements (-)	529	573
Intangible Assets (-)	1,625	1,532
Deferred Tax Asset excess of 10% of the Core Capital (-)	-	-
Excess Amount of Article 56/3 of the Law (-)	-	-
Consolidation Goodwill (Net) (-)	-	-
Total Core Capital	522,274	496,265
SUPPLEMENTARY CAPITAL		
General Loan Loss Provision	24,590	20,191
45% of Revaluation Fund of Movables	-	-
45% of Revaluation Fund of Real Estate	15,037	8,478
Bonus Shares Obtained from Associates, Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-

Amount of Primary Subordinated Loans Not Accounted in the Calculation of the Core Capital	-	-
Secondary Subordinated Loans	-	-
45% of Revaluation Surplus of Marketable Securities and Investment Securities (100% if deficit)	7,676	261
Indexation Differences for Capital Reserves, Profit Reserves and Retained Earnings (Except Indexation Differences for Legal Reserves, Statutory Reserves and Extraordinary Reserves)	-	-
Minority Shares	-	-
Total Supplementary Capital	47,303	28,930
CAPITAL	569,577	525,195
DEDUCTIONS FROM THE CAPITAL	3,083	1,882
Investments in Unconsolidated Banks and Financial Institutions	-	-
Secondary Subordinated Loans Granted to Banks and Financial Institutions (Domestic, Foreign) or Qualified Shareholders and Placements in Securities of These Entities That Possess the Nature of Their Primary or Secondary Subordinated Debt	-	-
Investments in Banks and Financial Institutions, to which Equity Method has been applied but whose Assets and Liabilities are Unconsolidated	-	-
Loan Granted in Violation of the Articles 50 and 51 of the Law	-	-
The Net Book Value of Properties Exceeding Fifty Percent of Equity and Net Book Value of Properties and Commodity Acquired in Exchange of Loans and Receivables and should be disposed of according to the Article 57 of the Banking Law which have not been Disposed since 5 Years After Foreclosure	3,083	1,882
Securitization Positions Deducted – preferably – from Equity	-	-
Others	-	-
TOTAL SHAREHOLDERS' EQUITY	566,494	523,313

Information on Internal Capital Adequacy Assessment Process:

The Parent Bank follows up capital requirements according to the Capital Adequacy Regulation and determines capital requirements according to legal limits. The Parent Bank have not need internal assessment of capital requirements in consideration of magnitude and transaction volume.

II. Consolidated credit risk

1. Credit risk represents the risk generating from the counter party's not fulfilling its responsibilities stated in the agreement either partially or totally.

In the Parent Bank, Credit Allocation Department and Credit Follow-up and Control Department is responsible for managing the credit risk. The Group determines credit limits to counter parties and does not allocate loans more than these limits so as to subject credit risk to risk limitation. Credit limits are determined individually for each customer, company, company groups and risk groups. The Group assesses several criteria such as financial power of customers, business capacity, industry, geographical segment and equity structure when determining credit limits. The review of financial position of the customers is based on financial statements obtained in accordance with relevant legislation and other information. The geographical distribution of credit customers is appropriate to branch network, country, industry, trade and service activities allocation. The credibility of the debtors is assessed periodically with taking notice of the financial statements of the debtors obtained thoroughly to be audited in accordance with the relevant legislation.

The Group gives importance to credit guarantees. Guarantees are generally in form of real estate and movable mortgages, commercial enterprise pledges, secured investment securities, letters of guarantee of other banks and sureties.

The Parent Bank assessed loans as past due loans that are reclassified in 2nd group loans in accordance with “Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be Set Aside” and are not paid principal or interest payments at maturity date. The loans are assessed as impaired if the principal or interest payments of loans are not paid 90 days over their maturities or payment dates or if the Parent Bank assesses that the loan is impaired due to the loss of credibility of the debtor.

General loan loss provision is calculated for past due loans and specific provision is calculated for impaired loans in accordance with “Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be Set Aside”

Information related to total amount of exposures after offsetting transactions but before applying risk mitigations and the average exposure amounts that are classified in different risk groups and types:

Risk Classifications	Current Period Risk Amount (*)	Average Risk Amount (**)
Claims on sovereigns and Central Banks	653,420	618,496
Claims on regional governments or local authorities	-	-
Claims on administrative bodies and other non-commercial undertakings	1,019	1,626
Claims on multilateral development banks	-	-
Claims on international organizations	-	-
Claims on banks and intermediary institutions	245,225	228,806
Claims on corporate	1,684,246	1,719,478
Claims included in the regulatory retail portfolios	611,332	594,467
Claims secured by residential property	790,490	715,020
Past due loans	42,204	42,951
Higher risk categories decided by the Board	136,941	134,131
Secured by mortgages	-	-
Securitization positions	-	-
Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-
Undertakings for collective investments in mutual funds	-	-
Other receivables	221,127	225,497

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

(**) Average risk amounts are simple arithmetic average of amounts in quarterly reports in line as per the Communiqué on “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” (28 June 2012) to the period end.

2. The Parent Bank has control limits over the positions of forward transactions, options and other similar agreements. The credit risk arising from these instruments are managed together with other potential risks resulting from market fluctuations.
3. Regarding forward transactions, if it is required, reverse positions of the current positions are purchased to minimize the risk.

4. Indemnified non-cash loans are treated as non-performing loans in accordance with “Regulation on the Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be Set Aside” published at Official Gazette no.26333 dated 1 November 2006. Standard loans, restructured and rescheduled loans are followed-up in accordance with the monitoring methods defined by banking regulations.
5. There is a risk evaluation structure within the Parent Bank for foreign funding transactions, where the countries and their market risks are analyzed although the Group’s credit portfolio does not include significant foreign operations and credit transactions yet. When the international interbank credit transactions of the Group are assessed, there is no significant international credit risk concentration.
- 6.a) As at 31 December 2012, the share of the top 100 and 200 cash loan customers constitutes 46% and 55% of the total cash loans portfolio (31 December 2011: 43% and 53%), respectively.
- b) As at 31 December 2012, the share of the top 100 and 200 non-cash loan customers constitute 72% and 84% of the total non-cash loans portfolio (31 December 2011: 73% and 82%), respectively.
- c) As at 31 December 2012, the Group’s total cash and non-cash loans from its top 100 and 200 loan customers comprise 16 % and 20% of the aggregate of total assets and off-balance sheet items (31 December 2011: 15% and 19%), respectively.
7. As at 31 December 2012, the Group’s general loan loss provision amounts to TL 24,590 (31 December 2011: TL 20,191).

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8.a) Profile of Significant Exposures in Major Regions:

	Risk Classifications (*)																Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
Current Period (****)																	
Domestic	653,420	-	1,019	-	-	219,319	1,669,965	611,155	790,490	42,204	136,888	-	-	-	-	217,489	4,341,949
European Union Countires	-	-	-	-	-	15,497	12,706	5	-	-	53	-	-	-	-	3,638	31,899
OECD Countries(**)	-	-	-	-	-	506	-	-	-	-	-	-	-	-	-	-	506
Off-Shore Banking Regions	-	-	-	-	-	-	-	15	-	-	-	-	-	-	-	-	15
USA, Canada	-	-	-	-	-	9,136	-	136	-	-	-	-	-	-	-	-	9,272
Other Countires	-	-	-	-	-	767	1,575	21	-	-	-	-	-	-	-	-	2,363
Investment and associates, subsidiaries and joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Undistributed Assets/ Liabilities (***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Toplam	653,420	-	1,019	-	-	245,225	1,684,246	611,332	790,490	42,204	136,941	-	-	-	-	221,127	4,386,004

(*) Risk classifications in the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks" have been used

- 1 Claims on sovereigns and Central Banks
- 2 Claims on regional governments or local authorities
- 3 Claims on administrative bodies and other non-commercial undertakings
- 4 Claims on multilateral development banks
- 5 Claims on international organizations
- 6 Claims on banks and intermediary institutions
- 7 Claims on corporate
- 8 Claims included in the regulatory retail portfolios
- 9 Claims secured by residential property
- 10 Past due loans
- 11 Higher risk categories decided by the Board
- 12 Secured by mortgages
- 13 Securitization positions
- 14 Short-term claims and short-term corporate claims on banks and intermediary institutions
- 15 Undertakings for collective investments in mutual funds
- 16 Other receivables

(**) Includes OECD countries other than EU countries, USA and Canada

(***) Includes asset and liability items that cannot be allocated on a consistent basis.

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

In accordance with temporary article no:1 of the "Communiqué on Financial Statements and Related Disclosures and Footnotes to be Announced to Public", information related to prior period that is mentioned on the communiqué, have not been filled for one year period beginning on 1 July 2012.

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8.b) Risk profile by industries or counterparties:

Current Period (**)	Risk Classifications (*)																TL	FC	Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16			
Industries/Counterparties																			
Agriculture	-	-	-	-	-	-	92,798	34,948	19,420	2,001	1	-	-	-	-	-	107,514	41,654	149,168
Farming and Stockbreeding	-	-	-	-	-	-	90,744	33,494	19,170	1,982	1	-	-	-	-	-	105,521	39,870	145,391
Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fishery	-	-	-	-	-	-	2,054	1,454	250	19	-	-	-	-	-	-	1,993	1,784	3,777
Manufacturing	-	-	1,015	-	-	-	688,684	247,142	173,971	22,584	68	-	-	-	-	-	735,511	397,953	1,133,464
Mining and Quarrying	-	-	-	-	-	-	15,567	3,664	4,799	343	-	-	-	-	-	-	21,468	2,905	24,373
Production	-	-	1,015	-	-	-	652,962	242,510	169,172	22,241	68	-	-	-	-	-	711,179	376,789	1,087,968
Electric, Gas and Water	-	-	-	-	-	-	20,155	968	-	-	-	-	-	-	-	-	2,864	18,259	21,123
Construction	-	-	-	-	-	-	419,600	46,107	276,569	6,769	18	-	-	-	-	-	415,753	333,310	749,063
Services	332,366	-	4	-	-	245,225	442,125	94,119	179,647	5,793	39	-	-	-	-	3,656	624,631	678,343	1,302,974
Wholesale and Retail Trade	-	-	-	-	-	-	198,310	35,644	13,991	2,506	30	-	-	-	-	-	172,968	77,513	250,481
Hotel, Food and Beverage Services	-	-	-	-	-	-	51,037	8,929	125,040	248	-	-	-	-	-	-	53,174	132,080	185,254
Transportation and Telecommunication	-	-	4	-	-	-	26,583	12,557	23,411	-	1	-	-	-	-	-	36,965	25,591	62,556
Financial Institutions	332,366	-	-	-	-	245,225	15,929	1,105	1,950	284	1	-	-	-	-	3,656	184,527	415,989	600,516
Real Estate and Rental Services	-	-	-	-	-	-	1,752	942	56	235	-	-	-	-	-	-	1,822	1,163	2,985
"Self-Employment" Type Services	-	-	-	-	-	-	62,588	31,467	11,048	2,493	7	-	-	-	-	-	82,882	24,721	107,603
Educational Services	-	-	-	-	-	-	64	704	2,677	6	-	-	-	-	-	-	3,450	1	3,451
Health and Social Services	-	-	-	-	-	-	85,862	2,771	1,474	21	-	-	-	-	-	-	88,843	1,285	90,128
Other	321,054	-	-	-	-	-	41,039	189,016	140,883	5,057	136,815	-	-	-	-	217,471	1,007,478	43,857	1,051,335
Total	653,420	-	1,019	-	-	245,225	1,684,246	611,332	790,490	42,204	136,941	-	-	-	-	221,127	2,890,887	1,495,117	4,386,004

(*) Risk classifications in the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks" have been used.

- | | | | |
|---|---|----|--|
| 1 | Claims on sovereigns and Central Banks | 9 | Claims secured by residential property |
| 2 | Claims on regional governments or local authorities | 10 | Past due loans |
| 3 | Claims on administrative bodies and other non-commercial undertakings | 11 | Higher risk categories decided by the Board |
| 4 | Claims on multilateral development banks | 12 | Secured by mortgages |
| 5 | Claims on international organizations | 13 | Securitization positions |
| 6 | Claims on banks and intermediary institutions | 14 | Short-term claims and short-term corporate claims on banks and intermediary institutions |
| 7 | Claims on corporate | 15 | Undertakings for collective investments in mutual funds |
| 8 | Claims included in the regulatory retail portfolios | 16 | Other receivables |

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

In accordance with temporary article no:1 of the "Communiqué on Financial Statements and Related Disclosures and Footnotes to be Announced to Public", information related to prior period that is mentioned on the communiqué, have not been filled for one year period beginning on 1 July 2012.

8.c) Analysis of maturity-bearing exposures according to remaining maturities:

	Term to Maturity				
	Up to 1 month	1-3 months	3-6 months	6-12 months	Over 1 Year
Risk Classifications (*)					
Claims on sovereigns and Central Banks	6,653	1,151	7,241	9,332	296,677
Claims on regional governments or local authorities	-	-	-	-	-
Claims on administrative bodies and other non-commercial undertakings	-	-	-	-	-
Claims on multilateral development banks	-	-	-	-	-
Claims on international organizations	-	-	-	-	-
Claims on banks and intermediary institutions	163,375	24,621	12,550	3,097	3,295
Claims on corporate	367,980	248,180	389,548	280,709	172,925
Claims included in the regulatory retail portfolios	117,016	88,287	120,633	118,578	90,357
Claims secured by residential property	83,193	54,381	72,358	147,830	390,875
Past due loans (*)	-	-	-	-	-
Higher risk categories decided by the Board	1,995	103	-	-	134,843
Secured by mortgages	-	-	-	-	-
Securitization positions	-	-	-	-	-
Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-	-	-	-
Undertakings for collective investments in mutual funds	-	-	-	-	-
Other receivables	-	-	-	-	-
TOTAL (**)	740,212	416,723	602,330	559,546	1,088,972

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

(**) Net impaired loans amounting to TL 42,204 and other risk amounts not bearing maturity exposures amounting to TL 936,017 are not included.

9. Information related to Credit Ratings

While determining the risk classifications explained in the article No. 6 of the Communiqué on “Measurement and Assessment of Capital Adequacy of Banks”, ratings given by authorized rating companies are not used.

Exposures by Risk Weights

Risk Weights	0%	10%	20%	50%	75%	100%	150%	200%	1250%	Deducted from Equity (*)
Exposures Before Credit										
Risk Mitigation	683,144	-	83,566	685,044	611,332	2,181,170	46,692	95,056	-	5,237
Exposures After Credit										
Risk Mitigation	779,775	-	99,433	683,715	596,459	2,091,396	43,423	91,803	-	5,237

(*) Includes the amounts deducted from core capital.

10. Information of major industries or type of counterparties:

Impaired and past due loans and value adjustments and methods related to provisions are explained at Section Four, article no. 1 of Footnote II.

Major Industries/Counterparties	Loans (*)			
	Impaired Loans	Past Due Loans	Value Adjustments	Provisions
Agriculture	6,108	508	10	4,107
Farming and Stockbreeding	6,082	454	9	4,100
Forestry	-	54	1	-
Fishery	26	-	-	7
Manufacturing	62,078	6,843	137	39,494
Mining and Quarrying	667	1,167	23	324
Production	61,220	5,676	114	38,979
Electricity, Gas and Water	191	-	-	191
Construction	20,251	4,532	91	13,482
Services	17,673	10,134	203	11,880
Wholesale and Retail Trade	7,511	85	2	5,005
Accommodation and Dining	1,370	9,473	189	1,122
Transportation and Telecommunication	322	37	1	322
Financial Institutions	459	-	-	175
Real Estate and Rental Services.	562	-	-	327
Professional Services	7,294	539	11	4,801
Educational Services	29	-	-	23
Health and Social Services	126	-	-	105
Others	29,063	15,144	303	24,006
Total	135,173	37,161	744	92,969

(*) Includes information relating to cash loans.

Information related with value adjustments and loan loss provisions:

	Opening Balance	Provision for the Period	Provision Reversals	Other Adjustments (*)	Closing Balance
Specific Provisions (**)	64,838	32,253	(4,036)	(86)	92,969
General Loan Loss Provisions	20,191	434	-	3,965	24,590

(*) Other adjustments in specific provisions include amounts related to loans that are written-off. Other adjustments in general provisions represent the reflected part of the difference between the Parent Bank's current general provision and general provision which was recalculated on the basis of ratios stated in the first paragraph of Article 7 of the communiqué "The Amendment to the Communiqué on Determining the Nature of Loans and Receivables and Principles and Procedures on the Allocation of Loan and Receivable Provisions" published in the Official Gazette No 28418 dated 21 September 2012.

(**) Includes information relating to cash loans.

III. Consolidated market risk

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

The capital requirement for 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 Communiqué on "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" published in Official Gazette no. 28337 dated 28 June 2012 and "Regulation on Capital Requirement Calculation for Market Risk of Options" and reported by Parent Bank on 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 historic 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.

a) Consolidated market risk

	Amount
(I) Capital Requirement to be Employed for General Market Risk - Standard Method	256
(II) Capital Requirement to be Employed for Specific Risk - Standard Method	235
Capital Requirement for Specific Risk Relating to Securitization Positions – Standard Method	-
(III) Capital Requirement to be Employed for Currency Risk - Standard Method	131
(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	267
(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) (*)	889
(X) Value at Market Risk (12.5 x VIII) or (12.5 x IX)	11,113

(*) For the purpose of the capital adequacy ratio calculation, 8% of total amount of TL 11,113, which is TL 889 was used for the market risk. TL 889 also represents the minimum capital amount to eliminate the related market risk.

b) Average market risk presentation of quarterly calculated market risks:

	Current Period		
	Average	Maximum	Minimum
Interest Rate Risk	70	79	60
Common Stock Risk (*)	274	462	85
Currency Risk	278	425	131
Commodity Risk	-	-	-
Settlement Risk	-	-	-
Option Risk	1,057	2,114	-
Counter Party Credit Risk(**)	188	267	109
Total Value-At-Risk (***)	23,681	35,538	11,113

(*) Includes capital requirements amount that is calculated for specific risk and market risk related to mutual funds positions.

(**) Represents counterparty credit risk related to trading books.

(***) The minimum and maximum values of total VaR represent the minimum and maximum values among month-end's total calculated VaRs, and are not related to the total of the components stated in the table.

In accordance with temporary article no:1 of the "Communiqué on Financial Statements and Related Disclosures and Footnotes to be Announced to Public", information related to prior period that is mentioned on the communiqué, have not been filled for one year period beginning on 1 July 2012.

Information related with counterparty credit risk

Counterparty risk arising from repurchase agreements and derivative transactions recorded on trading books is calculated. Counterparty credit risk is recalculated within the scope of Valuation Method According to the Fair Value described in Annex-2 of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks". In this context, total counterparty credit risk consists of the sum of replacement cost of derivative transactions and potential risk amount. Replacement costs are included in the recalculation but only contracts with a positive fair value are taken into account. Potential credit risk amount is recalculated by the multiplication of the contract amount with the credit turnover ratios described in Valuation Method According to the Fair Value in Annex-2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks. Within trading books there is no conservation which has been purchased by way of credit derivatives.

Quantitative information related with counter party risk

	Amount
Interest Rate Contracts	-
Foreign Exchange Rate Contracts	7,116
Commodity Contracts	-
Equity Shares Related Contracts	-
Other	-
Gross Positive Fair Values	3,779
Net-off Benefits	-
Net-off Current Risk Amount	-
Collaterals Received	-
Net Derivative Position (*)	10,895

(*) Includes amounts related with only trading books.

Required disclosures in case the capital requirement of the Parent Bank is calculated by a risk measurement model permitted by BRSA:

The Parent Bank does not use any risk measurement model for capital requirements.

IV. Consolidated operational risk

The Group used the “Basic Indicators Approach” in computation of its operational risk. In accordance with the 3rd section ‘Computation of the Operational Risk’ which is valid after 28 June 2012, of the “Regulation on Measurement and Evaluation of the Capital Adequacy of the Banks”, published in the Official Gazette numbered 28337, operational risk is computed using the gross income of the Group for the years ended 2011, 2010 and 2009. Operational risk used in computation of capital adequacy ratio per article I of this section is 8% of TL 280,233 which is TL 22,419. TL 22,419 represents also the minimum capital amount to eliminate the operational risk.

Information related with operational risk that is calculated with Basic Indicator Approach

	2 PP Amount	1 PP Amount	CP Amount	Total/No of years of positive gross	Rate(%)	Total
Gross Income	167,187	132,555	148,631	3	15	22,419
Value at Operational Risk (Total*12.5)						280,233

V. 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 and future 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)

	24/12/12	25/12/12	26/12/12	27/12/12	28/12/12	31/12/12
USD	1.7869	1.7893	1.7877	1.7848	1.7829	1.7826
GBP	2.9003	2.8950	2.8796	2.8787	2.8823	2.8708
EURO	2.3605	2.3651	2.3586	2.3566	2.3657	2.3517
JPY	0.0212	0.0212	0.0210	0.0209	0.0208	0.0207

The basic arithmetical average of the Parent Bank's foreign exchange bid rates for the last thirty one days from 31 December 2012 (TL full):

	Monthly Average FC Exchange Bid Rates
USD	1.7788
GBP	2.8696
EURO	2.3335
JPY	0.0212

Information on consolidated foreign currency exchange rate risk:

Current Period	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 (*)	5,572	227,022	33,268	265,862
Banks	23,371	84,019	2,639	110,029
Financial Assets at Fair Value Through Profit or Loss (**)	53	314	-	367
Interbank Money Market Placements	-	-	-	-
Investment Securities Available-for-Sale	26	7,408	-	7,434
Loans (***)	219,146	561,410	27,323	807,879
Investments in Subsidiaries and Associates	-	-	-	-
Investment Securities Held-to-Maturity	-	-	-	-
Hedging Purpose Financial Derivatives	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets (**)	2,584	3,333	23	5,940
Total Assets	250,752	883,506	63,253	1,197,511
Liabilities				
Bank Deposits	-	53,562	-	53,562
Foreign Currency Deposits	388,209	756,164	7,821	1,152,194
Interbank Money Markets	-	-	-	-
Funds Borrowed from Other Financial Institutions	121,349	93,085	724	215,158
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	120	1,578	-	1,698
Hedging Purpose Financial Derivatives	-	-	-	-
Other Liabilities (**)	3,970	3,754	223	7,947
Total Liabilities (***)	513,648	908,143	8,768	1,430,559
Net On Balance Sheet Position	(262,896)	(24,637)	54,485	(233,048)
Net Off Balance Sheet Position	262,688	24,967	(54,165)	233,490
Financial Derivatives (Assets) (*****)	285,620	376,130	34,687	696,437
Financial Derivatives (Liabilities) (*****)	22,932	351,163	88,852	462,947
Non-cash Loans (*****)	142,132	403,004	4,537	549,673
Prior Period				
Total Assets (**) (***)	240,815	911,406	39,531	1,191,752
Total Liabilities (**) (****)	407,642	903,460	7,559	1,318,661
Net On Balance Sheet Position	(166,827)	7,946	31,972	(126,909)
Net Off Balance Sheet Position	166,144	(12,883)	(31,179)	122,082
Financial Derivatives (Assets) (*****)	263,947	505,004	114,794	883,745
Financial Derivatives (Liabilities) (*****)	97,803	517,887	145,973	761,663
Non-cash Loans (*****)	164,825	517,780	995	683,600

- (*) As at 31 December 2012 precious metals balance in the Central Bank accounts amounting to TL 32,048 is included in other FC (31 December 2011 – None).
- (**) As at 31 December 2012, 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 3,008 and TL 802, respectively, (31 December 2011: TL 2,601 and TL 4,293) and accrual differences of value dated transactions presented under assets in "Other Assets" amounting to TL 103 (31 December 2011 TL 9) are not included in the table. In addition as at 31 December 2011, accrual differences of value dated transactions presented under liabilities amounting to TL 1 is not included in the prior year information.
- (***) As at 31 December 2012, “Loans” balance includes, in addition to the balance sheet amount, foreign currency indexed loans and their accruals amounting to TL 215,787 (31 December 2011: TL 306,296).
- (****) As at 31 December 2012, “Valuation differences of securities” in equity amounting to TL 5 (31 December 2011: TL 870) are not included.
- (*****) Has no effect on net off balance sheet position.
- (*****) As at 31 December 2012, value dated FX buying and FX selling transactions amounting to TL 18,178 and TL 18,877, respectively, presented under “Asset Purchase and Sale Commitments” of off-balance sheet items are included (31 December 2011: TL 7,380 and TL 21,670). As at 31 December 2012 precious metal swap sales amounting to TL 32,047 in “Other” item of Derivatives Financial Instruments section of off-balance sheet items is included in Other FC column (31 December 2011 – None).

The table below demonstrates prospective increase and decrease in equity and profit/loss as at 31 December 2012 and 2011 (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	31 December 2012				31 December 2011			
	Income Statement		Equity (*)		Income Statement		Equity (*)	
	10% increase	10% decrease	10% increase	10% decrease	10% increase	10% decrease	10% increase	10% decrease
USD	33	(33)	33	(33)	(581)	581	(494)	494
EURO	(21)	21	(21)	21	(68)	68	(68)	68
Other FC	32	(32)	32	(32)	79	(79)	79	(79)
Total, net	44	(44)	44	(44)	(570)	570	(483)	483

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

VI. 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.

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

	Up to 1 Month	1 – 3 Months	3 –12 Months	1 – 5 Years	5 Years and Over	Non-Interest Bearing (*)	Total
Current Period							
Assets							
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	-	-	362,834	362,834
Banks	102,913	-	-	-	-	14,623	117,536
Financial Assets at Fair Value Through Profit or Loss	3,250	262	158	174	193	1,678	5,715
Interbank Money Market Placements	3,000	-	-	-	-	-	3,000
Investment Securities Av.-for-Sale	101,900	116,229	88,766	22,478	29	-	329,402
Loans	1,315,923	166,383	450,425	545,432	148,751	42,204	2,669,118
Investment Securities Held-to-Mat.	-	-	-	-	-	-	-
Other Assets	188	-	-	-	-	196,656	196,844
Total Assets	1,527,174	282,874	539,349	568,084	148,973	617,995	3,684,449
Liabilities							
Bank Deposits	53,530	-	-	-	-	39	53,569
Other Deposits	1,728,889	547,524	127,916	33	-	252,147	2,656,509
Interbank Money Market Borrowings	11,156	-	-	-	-	-	11,156
Miscellaneous Payables	-	-	-	-	-	14,125	14,125
Securities Issued	-	-	-	-	-	-	-
Funds Borrowed from Other Fin.Inst.	42,784	27,351	176,108	2,858	-	-	249,101
Other Liabilities	3,497	306	72	-	-	696,114	699,989
Total Liabilities	1,839,856	575,181	304,096	2,891	-	962,425	3,684,449
Balance Sheet Long Position	-	-	235,253	565,193	148,973	-	949,419
Balance Sheet Short Position	(312,682)	(292,307)	-	-	-	(344,430)	(949,419)
Off Balance Sheet Long Position	-	-	-	-	-	-	-
Off Balance Sheet Short Position	-	-	-	-	-	-	-
Total Interest Sensitivity Gap	(312,682)	(292,307)	235,253	565,193	148,973	(344,430)	-

(*) Tangible and intangible assets amounting to TL 95,841, assets to be disposed of amounting to TL 12,156, tax assets amounting to TL 1,869 and other assets amounting to TL 86,790 are presented within other assets as non-interest bearing; provisions amounting to TL 40,227, tax liability amounting to TL 10,325, other liabilities amounting to TL 70,661 and equity amounting to TL 574,901 are presented within other liabilities as non-interest bearing.

Average interest rates applied to monetary financial instruments:

	EURO %	USD %	JPY %	TL %
Current Period (*)				
Assets				
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	-
Banks	0.78	0.48	-	7.25
Financial Assets at Fair Value Through Profit or Loss	2.12	2.84	-	-
Interbank Money Market Placements	-	-	-	5.87
Investment Securities Available-for-Sale	4.76	6.33	-	5.24
Loans	6.88	7.39	8.35	13.02
Investment Securities Held-to-Maturity	-	-	-	-
Liabilities				
Bank Deposits	-	2.38	-	-
Other Deposits	3.65	3.63	0.25	8.80
Interbank Money Market Borrowings	-	-	-	5.13
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Funds Borrowed from Other Financial Institutions	3.20	3.00	-	8.01

(*) Stated at compound interest rates.

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	Up to 1 Month	1 – 3 Months	3 –12 Months	1 – 5 Years	5 Years and Over	Non-Interest Bearing (*)	Total
Prior Period							
Assets							
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	-	-	303,741	303,741
Banks	100,340	2,193	-	-	-	5,009	107,542
Financial Assets at Fair Value Through Profit or Loss	10,315	3,391	10,756	179	175	1,009	25,825
Interbank Money Market Placements	-	-	-	-	-	-	-
Investment Securities Av.-for-Sale	28,554	148,274	87,288	72,760	12,682	660	350,218
Loans	1,192,003	243,608	447,843	503,959	80,729	42,333	2,510,475
Investment Securities Held-to-Mat.	-	-	-	-	-	-	-
Other Assets	173	-	-	-	-	205,137	205,310
Total Assets	1,331,385	397,466	545,887	576,898	93,586	557,889	3,503,111
Liabilities							
Bank Deposits	-	-	-	-	-	172	172
Other Deposits	1,510,983	698,632	91,898	2	-	154,868	2,456,383
Interbank Money Market Borrowings	126,255	-	-	-	-	-	126,255
Miscellaneous Payables	-	-	-	-	-	8,626	8,626
Securities Issued	-	-	-	-	-	-	-
Funds Borrowed from Other Fin.Inst.	38,427	83,019	113,278	7,015	-	-	241,739
Other Liabilities	12,814	3,855	11,495	-	-	641,772	669,936
Total Liabilities	1,688,479	785,506	216,671	7,017	-	805,438	3,503,111
Balance Sheet Long Position	-	-	329,216	569,881	93,586	-	992,683
Balance Sheet Short Position	(357,094)	(388,040)	-	-	-	(247,549)	(992,683)
Off Balance Sheet Long Position	-	-	-	-	-	-	-
Off Balance Sheet Short Position	-	-	-	-	-	-	-
Total Interest Sensitivity Gap	(357,094)	(388,040)	329,216	569,881	93,586	(247,549)	-

(*) Tangible and intangible assets amounting to TL 81,545, associates and subsidiaries amounting to TL 42, assets to be disposed of amounting to TL 13,811, tax assets amounting to TL 4,718 and other assets amounting to TL 105,021 are presented within other assets as non-interest bearing; provisions amounting to TL 32,047, tax liabilities amounting to TL 11,440, other liabilities amounting to TL 80,495 and equity amounting to TL 517,790 are presented within other liabilities as non-interest bearing.

Average interest rates applied to monetary financial instruments:

	EURO %	USD %	JPY %	TL %
Prior Period (*)				
Assets				
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	-
Banks	1.00	0.67	-	13.59
Financial Assets at Fair Value Through Profit or Loss	4.95	5.44	-	-
Interbank Money Market Placements	-	-	-	-
Investment Securities Available-for-Sale	4.62	5.48	-	10.87
Loans	7.06	7.05	8.60	15.47
Investment Securities Held-to-Maturity	-	-	-	-
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	5.04	5.18	0.90	11.78
Interbank Money Market Borrowings	-	-	-	7.94
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Funds Borrowed from Other Financial Institutions	4.49	2.83	-	7.48

(*) Stated at compound interest rates.

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 Assessment of Standard Shock Method on the Interest Rate Risk Arising from Banking Accounts”, published in the Official Gazette numbered 28034 and 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 communiqué on “Standard Shock Measurement and Evaluation Method of the Interest Rate Risk in Banking Accounts”, economic valuation differences arising from fluctuations on interest rates, in different currencies, are presented in the table below (excluding tax effect) as at 31 December 2012.

Type of Currency	Shocks Applied (+/- basis points)	Gains/Losses	Gains/Equity- Losses/Equity
TL	500	(44,953)	(8.0) %
	(400)	41,574	7.4%
EURO	200	1,198	0.2%
	(200)	73	0.0%
USD	200	(10,522)	(1.8) %
	(200)	4,586	0.8%
Total (of negative shocks)		46,233	8.2%
Total (of positive shocks)		(54,277)	(9.6)%

VII. Consolidated position risk of equity securities of banking accounts

None.

VIII. 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 ISE 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. Additionally, the volume of deposits has retained a stable path during the period. On the contrary, 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:

Current Period	Demand	Up to 1 month	1-3 months	3-12 Months	1-5 Years	5 years and Over	Undist. (*)	Total
Assets								
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey.	362,834	-	-	-	-	-	-	362,834
Banks	14,623	102,913	-	-	-	-	-	117,536
Financial Assets at Fair Value Through Profit or Loss	1,678	3,250	262	158	174	193	-	5,715
Interbank Money Market Placements	-	3,000	-	-	-	-	-	3,000
Investment Securities Available-for-Sale	-	6,652	1,152	16,790	199,774	105,034	-	329,402
Loans	-	602,446	324,632	951,643	581,750	166,443	42,204	2,669,118
Investment Securities Held-to-Maturity	-	-	-	-	-	-	-	-
Other Assets	-	80,153	200	6,298	-	1,869	108,324	196,844
Total Assets	379,135	798,414	326,246	974,889	781,698	273,539	150,528	3,684,449
Liabilities								
Bank Deposits	39	53,530	-	-	-	-	-	53,569
Other Deposits	252,147	1,728,889	547,501	127,900	72	-	-	2,656,509
Funds Borrowed from Other Financial Institutions	-	42,730	27,351	176,162	2,858	-	-	249,101
Interbank Money Markets	-	11,156	-	-	-	-	-	11,156
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	9,183	4,942	-	-	-	-	-	14,125
Other Liabilities	66,019	8,888	5,011	4,943	-	-	615,128	699,989
Total Liabilities	327,388	1,850,135	579,863	309,005	2,930	-	615,128	3,684,449
Net Liquidity Gap	51,747	(1,051,721)	(253,617)	665,884	778,768	273,539	(464,600)	-
Prior Period								
Total Assets	310,419	702,144	452,551	956,018	769,731	174,048	138,200	3,503,111
Total Liabilities	226,559	1,694,961	790,861	230,037	10,856	-	549,837	3,503,111
Net Liquidity Gap	83,860	(992,817)	(338,310)	725,981	758,875	174,048	(411,637)	-

(*) Assets on the balance sheet which are not convertible into cash in short period; tangible and intangible assets amounting to TL 95,841, stationary supplies amounting to TL 327, assets to be disposed of amounting to TL 12,156, loans in follow-up amounting to TL 42,204 and liabilities on the balance sheet which are necessary for the banking operations; provisions amounting to TL 40,227 and equity amounting to TL 574,901 are included here.

As per the BRSA Communiqué dated 1 November 2006 and became effective starting from 1 January 2007, the weekly and monthly liquidity ratios on a bank-only basis for foreign currency assets/liabilities and total assets/liabilities should be minimum 80% and 100%, respectively. The Parent Bank's liquidity ratios for 2012 are as follows:

Liquidity Ratios	First Maturity Bracket		Second Maturity Bracket	
	FC Liquidity Adequacy Ratio	Total Liquidity Adequacy Ratio	FC Liquidity Adequacy Ratio	Total Liquidity Adequacy Ratio
31 December 2012	229.2	268.1	127.4	129.4
Average (%)	231.1	238.7	114.4	123.7
Max. (%)	337.3	353.1	154.3	144.2
Min. (%)	140.4	180.8	87.7	111.9

The undiscounted cash outflows of the residual contractual maturities of the Group's financial liabilities are shown below.

Financial liabilities by remaining contractual maturities:

31 December 2012	Carrying Value	Gross						5 years and more
		Nominal Outflow	Demand	Up to 1 month	1-3 months	3-12 months	1-5 years	
Bank Deposits	53,569	53,624	39	53,585	-	-	-	-
Deposits from Customers	2,656,509	2,668,472	252,147	1,733,721	551,444	131,079	81	-
Due to Money Markets	11,156	11,156	-	11,156	-	-	-	-
Funds Borrowed	249,101	252,660	-	42,788	27,540	179,292	3,040	-
Total	2,970,335	2,985,912	252,186	1,841,250	578,984	310,371	3,121	-

31 December 2011	Carrying Value	Gross						5 years and more
		Nominal Outflow	Demand	Up to 1 month	1-3 months	3-12 months	1-5 years	
Bank Deposits	172	172	172	-	-	-	-	-
Deposits from Customers	2,456,383	2,472,580	154,868	1,516,663	706,174	94,815	60	-
Due to Money Markets	126,255	126,255	-	126,255	-	-	-	-
Funds Borrowed	241,739	245,519	-	34,590	83,583	115,989	11,357	-
Total	2,824,549	2,844,526	155,040	1,677,508	789,757	210,804	11,417	-

Presentation of residual maturities of the notional amounts of derivative financial assets and liabilities is as follows:

Current Period	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and more	Total
Currency Derivative Instruments (I)	1,335,006	59,562	27,008	-	-	1,421,576
Forward Foreign Currency Purchases	44,019	11,011	6,615	-	-	61,645
Forward Foreign Currency Sales	43,985	11,039	6,618	-	-	61,642
Currency Swaps-Purchases	585,723	6,174	3,910	-	-	595,807
Currency Swaps-Sales	552,635	6,182	3,828	-	-	562,645
Currency Futures-Purchases	-	-	-	-	-	-
Currency Futures-Sales	-	-	-	-	-	-
Currency Options-Purchases	54,324	12,578	3,020	-	-	69,922
Currency Options-Sales	54,320	12,578	3,017	-	-	69,915
Interest Rate Derivative Instruments (II)	-	-	-	-	-	-
Forward Purchases/Sales	-	-	-	-	-	-
Interest Rate Swaps-Purchases/Sales	-	-	-	-	-	-
Interest Rate Options-Purchases/Sales	-	-	-	-	-	-
Interest Rate Futures-Purchases/Sales	-	-	-	-	-	-
Others (III)	32,047	358	-	-	-	32,405
Total (I+II+III)	1,367,053	59,920	27,008	-	-	1,453,981

As at 31 December 2012, spot foreign currency purchase and sale transactions with value date amounting to TL 19,428 and TL 19,324, respectively, are presented under “Asset Purchase and Sale Commitments” of off-balance sheet items (31 December 2011: TL 26,130 and TL 26,461).

IX. Information related to consolidated securitization positions

None.

X. Information related to consolidated credit risk mitigation techniques

The Parent Bank applies simple financial collateral method for credit risk mitigation in accordance with 33rd article of “Regulation 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.

Collaterals according to risk classifications:

Risk Classifications	Amount (**)	Financial Collaterals	Other/ Physical Collaterals	Guaranties and Credit Derivatives
Claims on sovereigns and Central Banks	653,420	-	-	-
Claims on regional governments or local authorities	-	-	-	-
Claims on administrative bodies and other non-commercial undertakings	1,019	-	-	-
Claims on multilateral development banks	-	-	-	-
Claims on international organizations	-	-	-	-
Claims on banks and intermediary institutions	245,225	183	-	-
Claims on corporate	1,684,246	98,815	-	26
Claims included in the regulatory retail portfolios	611,332	18,973	-	652
Claims secured by residential property	790,490	8,270	-	-
Past due loans (*)	42,204	12	-	-
Higher risk categories decided by the Board	136,941	6,522	-	-
Secured by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-	-	-
Undertakings for collective investments in mutual funds	-	-	-	-
Other receivables	221,127	-	-	-
Total	4,386,004	132,775	-	678

(*) 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.

XI. 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 or relevant processes.

Risk Management Department consists of market risk unit and credit and operational risk unit. Risk management committees are market risk committee, credit risk committee, operational risk committee and business continuity committee.

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.

XII. Presentation of financial assets and liabilities at their fair value

In the current period, the investment securities include only the available for sale securities. Estimated fair value of investment securities available for sale are determined by their listed market prices or prices of instruments with similar interest rates, maturities and other variables, in case an active market is not available.

The estimated fair value of the demand deposits is the amount payable on demand. The fair values of the floating rate placements and overnight deposits are considered to approximate the carrying values due to short maturities. The estimated fair value of the deposits with fixed rates is determined by calculating discounted cash flows by using the market interest rates used for other liabilities with similar quality and maturities. The estimated fair values of loans are calculated by using discounted cash flows with current market rates. The fair value of miscellaneous payables represents its book value because of short term maturity.

In the table below; fair values and carrying values of some of the financial assets and liabilities are presented.

	Carrying value		Fair value	
	Current period	Prior period	Current period	Prior period
Financial Assets	3,076,852	2,925,902	3,072,600	2,896,712
Interbank money market placements	3,000	-	3,000	-
Banks	117,536	107,542	117,536	107,542
Investment securities available-for-sale (Net)	329,402	350,218	329,402	350,218
Investment securities held-to-maturity (Net)	-	-	-	-
Loans (*)	2,626,914	2,468,142	2,622,662	2,438,952
Financial Liabilities	2,973,304	2,706,920	2,977,280	2,706,301
Bank deposits	53,569	172	53,569	172
Other deposits	2,656,509	2,456,383	2,659,333	2,455,992
Funds borrowed from other financial institutions	249,101	241,739	250,253	241,511
Securities issued (Net)	-	-	-	-
Miscellaneous payables	14,125	8,626	14,125	8,626

(*) Loans under follow up and specific provisions are not included.

“IFRS 7: Financial Instruments-Disclosures” describes classifications of valuation techniques based on observability of data used in valuation techniques which are basis for fair value measurements. Classification of fair values is defined as follows.

- Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);
- Level 3: Fair value measurements using inputs for the assets or liability that are not based on observable market data (unobservable inputs).

The table below presents the classification of fair values of financial instruments carried at fair value:

Current Period	Level 1	Level 2	Level 3	Total
Financial Assets	322,817	4,920	7,380	335,117
Financial Assets. At Fair Value Through Profit or Loss	795	4,920	-	5,715
Share Certificates	428	-	-	428
Public Sector Debt Securities	367	-	-	367
Trading Derivatives	-	3,670	-	3,670
Other Securities	-	1,250	-	1,250
Investment Securities Available for Sale	322,022	-	7,380	329,402
Public Sector Debt Securities	321,054	-	-	321,054
Other Securities	968	-	7,380	8,348
Financial Liabilities	-	2,488	-	2,488
Trading Derivatives	-	2,488	-	2,488
Prior Period	Level 1	Level 2	Level 3	Total
Financial Assets	334,071	25,046	16,926	376,043
Financial Assets. At Fair Value Through Profit or Loss	779	25,046	-	25,825
Share Certificates	375	-	-	375
Public Sector Debt Securities	404	-	-	404
Trading Derivatives	-	24,412	-	24,412
Other Securities	-	634	-	634
Investment Securities Available for Sale	333,292	-	16,926	350,218
Share Certificates	660	-	-	660
Public Sector Debt Securities	332,632	-	-	332,632
Other Securities	-	-	16,926	16,926
Financial Liabilities	-	26,773	-	26,773
Trading Derivatives	-	26,773	-	26,773

XIII. Activities carried out on behalf and account of other persons

The Group performs sales, purchase, management, consultancy and custody services on behalf and account of others. The Group is not involved in fiduciary activities.

XIV. 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 marketing, foreign currency-TL and securities units and markets, both in the name of the Parent Bank and its customers, bonds, foreign exchange transactions and derivative products including swaps and options. 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.

Information related to the segments of the Group:

Segment reporting is prepared according to the 28th article of the BRSA's "Communiqué on Financial Statements and Related Disclosures and Footnotes to be Announced to Public", which is published in the Official Gazette No. 26333 dated 1 November 2006.

Current Period	Retail Banking	Corporate Banking	Investment Banking and Others	Total Operations
Operating Income	24,295	95,793	67,766	187,854
Operating profit of segment	727	616	32,061	33,404
Costs not distributed	-	-	-	-
Operating profit	-	-	-	-
Income from subsidiaries	-	-	-	-
Profit before tax	727	616	32,061	33,404
Tax provision	-	-	7,346	7,346
Profit after tax	727	616	24,715	26,058
Non-controlling rights	-	-	-	-
Net Profit	727	616	24,715	26,058
Segment assets (*)	397,511	2,279,834	1,007,104	3,684,449
Investments in subsidiaries	-	-	-	-
Total Assets	397,511	2,279,834	1,007,104	3,684,449
Segment liabilities (*)	1,544,258	1,231,039	334,251	3,109,548
Equity	-	-	574,901	574,901
Total Liabilities	1,544,258	1,231,039	909,152	3,684,449
Other Segment Items	182	661	7,355	8,198
Capital expenditure	-	-	2,903	2,903
Depreciation and amortization	182	661	3,405	4,248
Impairment losses (**)	-	-	1,047	1,047
Other non-cash income-expenses	-	-	-	-
Restructuring costs	-	-	-	-

(*) 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, segments of the Group are distributed based on their asset sizes as percentages in current period as; 62% for corporate banking, 11% for retail banking, 27% 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 51%, 13%, and 36%, respectively.

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:

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash	17,356	13,112	14,590	13,768
Central Bank of Turkey (*)	79,616	252,750	82,371	193,012
Others	-	-	-	-
Total	96,972	265,862	96,961	206,780

b) Balances with the Central Bank of Turkey:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits (*)	79,616	163,097	82,371	94,555
Unrestricted Time Deposits	-	-	-	-
Restricted Time Deposits	-	89,653	-	98,457
Total	79,616	252,750	82,371	193,012

(*) As at 31 December 2012, the Parent Bank keeps precious metals amounting to TL 32,048 as reserve deposits at Central Bank of Turkey (31 December 2011: None)

c) Explanation related to reserve deposits:

The banks operating in Turkey keep reserve deposits at Central Bank of Turkey with specific rates for Turkish currency and foreign currency liabilities in TL and USD and EUR, respectively.

In accordance with Communiqué No. 2011/13 "Amendment on the Reserve Requirements Scale" published in the Official Gazette No. 28098 dated 28 October 2011, new ratios for Turkish Lira liabilities required reserve ratios have been set and are stated below:

TL Liabilities	Reserve Deposit Rates (%)
Demand deposits, notice deposits, private current accounts	11
Deposits/participation accounts up to 1 month maturity	11
Deposits/participation accounts up to 3 months maturity	11
Deposits/participation accounts up to 6 months maturity	8
Deposits/participation accounts up to 1 year maturity	6
Deposits/participation accounts with 1 year and longer maturity and cumulative deposits/participation accounts	5
Special funds	Ratios corresponding to maturities
TL other liabilities accounts up to 1 year maturity (including 1 year)	11
TL other liabilities accounts up to 3 years maturity (including 3 years)	8
TL other liabilities longer than 3 years maturity	5

In accordance with the Communiqué No. 2012/15 “Amendment on the Reserve Requirements Scale” published in the Official Gazette No. 29502 dated 19 December 2012, new ratios for foreign currency liabilities required reserve ratios have been set and are stated below:

Foreign Currency Liabilities	Reserve Deposit Rates (%)
FC demand deposits, notice deposits, foreign currency private current accounts	11.5
FC Deposits/participation accounts up to 1-month maturity	11.5
FC Deposits/participation accounts up to 3-month maturity	11.5
FC Deposits/participation accounts up to 6-month maturity	11.5
FC Deposits/participation accounts up to 1-year maturity	11.5
FC deposits/participation accounts with 1-year and longer maturity and cumulative deposits/participation accounts	9.0
Special funds	Ratios corresponding to maturities
TL other liabilities accounts up to 1-year maturity (including 1 year)	11.5
TL other liabilities accounts up to 3-year maturity (including 3 years)	9.5
TL other liabilities longer than 3-year maturity	6.0

As at 31 December 2012 and 2011, reserve deposits are interest-free.

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 31 December 2012 and 2011, the financial assets at fair value through profit or loss are kept under unrestricted account.

- b) Positive value of trading derivatives:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward transactions	53	347	756	102
Swap transactions	69	2,660	2,760	22
Futures	-	-	-	-
Options	540	1	18,295	2,477
Other	-	-	-	-
Total	662	3,008	21,811	2,601

3. Information on banks:

- a) Information on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	7,507	95,411	10,162	92,376
Foreign	-	14,618	-	5,004
Foreign branches	-	-	-	-
Total	7,507	110,029	10,162	97,380

b) Foreign banks:

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	5,003	2,590	-	-
USA, Canada	9,109	1,839	-	-
OECD Countries*	506	575	-	-
Off shore zones	-	-	-	-
Other	-	-	-	-
Total	14,618	5,004	-	-

(*) OECD countries except for the EU countries, the USA and Canada.

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

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

	Current Period		Prior Period	
	TP	YP	TP	YP
Given as collateral or blocked	9,256	-	26,358	12,662
Subject to repurchase agreements	11,462	-	129,268	-
Total	20,718	-	155,626	12,662

As at 31 December 2012, investment securities available-for-sale other than those given as collateral or subject to repurchase agreements amount to TL 308,684 are unrestricted (31 December 2011: TL 181,930).

b) Available-for-sale securities:

	Current Period	Prior Period
Debt instruments	330,477	351,315
Listed	323,097	334,389
Unlisted	7,380	16,926
Equity instruments	-	660
Listed	-	660
Unlisted	-	-
Impairment provision (-)	(1,075)	(1,757)
Total	329,402	350,218

5. Information related to loans:

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

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct loans granted to shareholders	31	-	-	-
Corporate shareholders	31	-	-	-
Individual shareholders	-	-	-	-
Indirect loans granted to shareholders	448	688	45,905	4,460
Loans granted to employees	1,613	-	1,201	-
Total	2,092	688	47,106	4,460

- 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	Conditions of Contracts Amended		Loans and Other Receivables	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	2,512,647	1,111	-	88,209	67
Enterprise loans	-	-	-	-	-	-
Export loans	215,060	-	-	23,066	-	-
Import loans	-	-	-	-	-	-
Loans given to financial sector	86,230	-	-	-	-	-
Consumer loans	307,339	1,111	-	15,328	67	-
Credit cards	32,918	-	-	2,654	-	-
Other	1,871,100	-	-	47,161	-	27
Specialized loans	24,332	-	-	521	-	-
Other receivables	-	-	-	-	-	-
Total	2,536,979	1,111	-	88,730	67	27

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	1,111	67
Extended by 3,4 or 5 Times	-	-
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	38	-
6 Months - 12 Months	541	-
1-2 Years	426	-
2-5 Years	106	67
5 Years and Over	-	-

c) Information on cash loans and other receivables according to maturity structure concentration

Cash Loans	Standard Loans and Other Receivables		Loans and Receivables Under Close Monitoring	
	Loans and other receivables	Restructured or Rescheduled	Loans and other receivables	Restructured or Rescheduled
Short term Loans	1,631,875	-	41,442	-
Non specialized Loans	1,631,668	-	41,442	-
Specialized Loans	207	-	-	-
Other Receivables	-	-	-	-
Middle and Long term Loans	905,104	1,111	47,288	94
Non specialized Loans	880,979	1,111	46,767	94
Specialized Loans	24,125	-	521	-
Other Receivables	-	-	-	-
Total	2,536,979	1,111	88,730	94

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

	Short Term	Medium or Long Term	Total
Consumer Loans – TL	12,835	289,363	302,198
Real estate Loans	956	140,175	141,131
Automotive Loans	133	4,694	4,827
Consumer Loans	11,617	143,621	155,238
Other	129	873	1,002
Consumer Loans – Indexed to FC	107	7,486	7,593
Real estate Loans	107	7,429	7,536
Automotive Loans	-	-	-
Consumer Loans	-	57	57
Other	-	-	-
Consumer Loans – FC	-	10,439	10,439
Real estate Loans	-	10,439	10,439
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Credit Cards – TL	30,863	82	30,945
Installment	9,903	82	9,985
Non installment	20,960	-	20,960
Credit Cards – FC	337	-	337
Installment	-	-	-
Non Installment	337	-	337
Loans Given to Employees – TL	113	611	724
Real estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	113	611	724
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	888	1	889
Installment	380	1	381
Non Installment	508	-	508
Employee Credit Cards – FC	66	-	66
Installment	-	-	-
Non Installment	66	-	66
Overdraft Account – TL (Individual)	2,891	-	2,891
Overdraft Account – FC (Individual)	-	-	-
Total	48,100	307,982	356,082

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

	Short Term	Medium or Long Term	Total
Installment Corporate Loans – TL	34,124	149,271	183,395
Business Residential Loans	-	2,008	2,008
Automotive Loans	516	8,786	9,302
Consumer Loans	1,865	9,043	10,908
Other	31,743	129,434	161,177
Installment Corporate Loans – Indexed to FC	798	81,973	82,771
Business Residential Loans	-	28	28
Automotive Loans	-	8,807	8,807
Consumer Loans	420	1,481	1,901
Other	378	71,657	72,035
Installment Corporate Loans – FC	-	-	-
Business Residential Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Corporate Credit Cards – TL	3,257	7	3,264
Installment	820	7	827
Non Installment	2,437	-	2,437
Corporate Credit Cards – FC	71	-	71
Installment	-	-	-
Non Installment	71	-	71
Overdraft Account – TL (Commercial)	6,081	-	6,081
Overdraft Account – FC (Commercial)	-	-	-
Total	44,331	231,251	275,582

f) Loan concentration based on counterparties:

	Current Period	Prior Period
Public sector	-	-
Private sector	2,626,914	2,468,142
Total	2,626,914	2,468,142

g) Domestic and foreign loans:

	Current Period	Prior Period
Domestic loans	2,626,914	2,468,142
Foreign loans	-	-
Total	2,626,914	2,468,142

h) Loans granted to subsidiaries and associates: None.

i) Specific provisions for loans:

	Current Period	Prior Period
Specific Provisions		
Loans and Receivables with Limited Collectability	2,075	3,662
Loans and Receivables with Doubtful Collectability	20,789	7,796
Uncollectible Loans and Receivables	70,105	53,380
Total	92,969	64,838

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

j.1) Information on non-performing loans and other receivables those are restructured or rescheduled: None.

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

	Group III Loans and receivables with limited collectability	Group IV Loans and receivables with doubtful collectability	Group V Uncollectible loans and receivables
Balances at Beginning of Period	22,404	10,224	74,543
Additions (+)	57,348	10,869	16,807
Transfers from Other Categories of Non- Performing Loans (+)	-	51,597	30,743
Transfers to Other Categories of Non-Performing Loans (-)	51,597	30,743	-
Collections (-)	18,381	11,630	26,925
Write-offs (-)	-	79	7
Corporate and Commercial Loans	-	54	7
Retail Loans	-	7	-
Credit Cards	-	18	-
Other	-	-	-
Balances at End of the Period	9,774	30,238	95,161
Specific Provisions (-)	2,075	20,789	70,105
Net Balance on Balance Sheet	7,699	9,449	25,056

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

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

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period (Net)	7,699	9,449	25,056
Loans Allowed to Real Persons and Corporate Bodies (Gross)	9,774	30,238	95,161
Specific provision (-)	2,075	20,789	70,105
Loans Allowed to Real Persons and Corporate Bodies (Net)	7,699	9,449	25,056
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loan and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loan and Receivables (Net)	-	-	-
Prior Period (Net)	18,742	2,428	21,163
Loans Allowed to Real Persons and Corporate Bodies (Gross)	22,404	10,224	74,543
Specific provision (-)	3,662	7,796	53,380
Loans Allowed to Real Persons and Corporate Bodies (Net)	18,742	2,428	21,163
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loan and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loan and Receivables (Net)	-	-	-

k) Liquidation policy for uncollectible loans and other receivables:

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

l) 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 31 December 2012 and 2011, there are no financial assets held-to-maturity.

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

As at 31 December 2012 and 2011, there are no financial assets held-to-maturity.

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

As at 31 December 2012 and 2011, there are no financial assets held-to-maturity.

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

As at 31 December 2012 and 2011, there are no financial assets held-to-maturity

7. Investments in associates (Net):

As at 31 December 2011, Tekstil Yatırım Menkul Değerler A.Ş., the subsidiary of the Parent Bank, participated in 1% of the share capital of formerly “Gelişen İşletmeler Piyasaları A.Ş.” later named as “Gelişen Bilgi Teknolojileri A.Ş.”. Liquidation decision of the associate has been taken in its General Assembly in 2012 and subsequent to the liquidation process on 13 November 2012, equity and dividends have been returned to its shareholders.

8. Investments in subsidiaries (Net):

As at 31 December 2012 The parent Bank has subsidiary as Tekstil Yatırım ve 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:

Activities of the non-consolidated subsidiary of the Parent Bank established in Turkey, "Tasfiye Halinde Tekstil Bilişim Hizmetleri A.Ş.", have been ended officially on 25 May 2012.

b) Information on subsidiaries not consolidated according to information above: None.

c) Movement of subsidiaries not consolidated:

	Current Period	Prior Period
Balance at the Beginning of the Period	41	47
Movements during the Period	(41)	(6)
Purchases	-	-
Bonus shares received	-	-
Dividends from Current Year Profit	-	-
Sales (*)	(41)	-
Revaluation Increase	-	-
Impairment Provision	-	(6)
Balance at the End of the Period	-	41
Capital Commitments	-	-
Share Percentage at the end of Period (%)	-	-

(*) Activities of the non-consolidated subsidiary of the Parent Bank established in Turkey, "Tasfiye Halinde Tekstil Bilişim Hizmetleri A.Ş.", have been ended officially on 25 May 2012. The subsidiary's balance sheet value is shown in sales row.

d) Industrial distribution of subsidiaries not consolidated:

As at 31 December 2012 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	99.92	100.00

f) 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
28,595	18,011	157	2,732	5,687	1,841	3,308	-

g) Movement of consolidated subsidiaries

	Current Period	Prior Period
Balance at the Beginning of the Period	13,086	13,329
Movements during the Period	2,607	(243)
Purchases	-	-
Bonus Shares Received	-	-
Dividends from Current Year Profit	-	-
Sales	-	(262)
Revaluation Increase	-	-
Impairment Provision (*)	2,607	-
Revaluation Increase/(Decrease) due Effect of F/X Difference	-	19
Balance at the End of the Period	15,693	13,086
Capital Commitments	-	-
Share Percentage at the end of Period (%)	-	-

(*) Provision for impairment amounting to TL 2,607 recognized in the prior periods for the subsidiary of the Parent Bank, Tekstil Yatırım, has been reversed after evaluating the improved operation results of the subsidiary in the current period.

h) Sectoral distribution of consolidated subsidiaries

	Current Period	Prior Period
Subsidiaries		
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Subsidiaries	15,693	13,086
Other Non Financial Subsidiaries	-	-
Total	15,693	13,086

i) Listed subsidiaries: None

j) Subsidiaries disposed of during the current period:

Activities of the non-consolidated subsidiary of the Parent Bank established in Turkey, "Tasfiye Halinde Tekstil Bilişim Hizmetleri A.Ş.", have been ended officially on 25 May 2012

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 tangible assets (net):

	Properties (*)	Tangible assets under finance lease	Vehicles	Other tangible assets	Total
Prior Period End: 31/12/2011					
Cost	93,170	6,694	684	27,390	127,938
Accumulated Depreciation (-)	17,740	6,575	648	22,962	47,925
Net Book Value	75,430	119	36	4,428	80,013
Current Period End: 31/12/2012					
Net Book Value at the Beginning of the Period	75,430	119	36	4,428	80,013
Additions	-	-	-	2,543	2,543
Disposals, net (-) (**)	390	-	-	79	469
Revaluation/ (Impairment) (*)	15,344	-	-	-	15,344
Depreciation (-)	1,464	85	9	1,657	3,215
Cost at year end	107,749	6,444	467	28,683	143,343
Accumulated Depreciation at year end (-)	18,829	6,410	440	23,448	49,127
Closing Net Book Value	88,920	34	27	5,235	94,216

	Properties (*)	Tangible assets under finance lease	Vehicles	Other tangible assets	Total
Prior Period End: 31/12/2010					
Cost	88,686	7,766	786	32,407	129,645
Accumulated Depreciation (-)	16,280	7,267	725	28,227	52,499
Net Book Value	72,406	499	61	4,180	77,146
Current Period End : 31/12/2011					
Net Book Value at the Beginning of the Period	72,406	499	61	4,180	77,146
Additions	-	-	37	2,024	2,061
Disposals, net (-)	-	1	-	28	29
Revaluation/ (Impairment) (*)	4,484	-	-	-	4,484
Depreciation (-)	1,460	379	62	1,748	3,649
Cost at year end	93,170	6,694	684	27,390	127,938
Accumulated Depreciation at year end (-)	17,740	6,575	648	22,962	47,925
Closing Net Book Value	75,430	119	36	4,428	80,013

(*) There is TL 35,175 revaluation surplus on properties on the based on valuations carried out by licensed independent appraisers (31 December 2011: TL 19,831 surplus, TL 699 impairment). There is TL 699 reversal of impairment due to the sales of certain buildings in the current period.

(**) The cost and accumulated depreciation of assets disposed is as follows:

Current Period	Properties	Tangible assets under finance lease	Vehicles	Other tangible assets	Total
Cost	765	250	217	1,250	2,482
Accumulated Depreciation (-)	375	250	217	1,171	2,013
Net disposal amount	390	-	-	79	469

13. Intangible assets (net):

a) The gross book value and accumulated amortization amounts at the beginning and at the end of the period:

	Current Period	Prior Period
Gross Book Value	17,902	17,542
Accumulated Amortization (-)	16,277	16,010
Total	1,625	1,532

b) Movement of intangible assets:

	Current Period	Prior Period
Beginning of the period	1,532	1,667
Additions Resulting from Merger and Acquisitions	360	180
Disposals (-)	-	-
Accumulated Amortization (-)	267	315
Period End	1,625	1,532

14. Information on investment properties (net):

None.

15. 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 1,869 (31 December 2011: TL 4,718) which was calculated on deductible temporary differences except general provisions at 31 December 2012.

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.

16. Information on assets held for sale and discontinued operations:

The Parent Bank has no asset held for sale and discontinued operation as at 31 December 2012 and 2011.

17. Information on other assets:

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 12,156 (31 December 2011: TL 13,811).

Other assets, other than assets to be disposed of, amounting to TL 86,978 (31 December 2011: TL 105,194), do not exceed 10% of total assets.

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) Current Period:

	Demand	Up to 1 month	1-3 Months	3-6 Months	6 Months- 1 Year	1 Year and Over	Cumulative Deposits	Total
Saving Deposits	12,444	16,761	925,202	9,535	7,009	577	31	971,559
Foreign Currency Deposits	155,200	35,032	824,398	17,568	115,548	4,438	10	1,152,194
Residents in Turkey	148,253	29,899	789,383	14,254	107,715	1,576	10	1,091,090
Residents Abroad	6,947	5,133	35,015	3,314	7,833	2,862	-	61,104
Public Sector Deposits	11,416	-	-	-	-	-	-	11,416
Commercial Deposits	71,599	60,591	366,084	11,628	903	-	-	510,805
Other Ins. Deposits	1,488	220	8,793	14	18	2	-	10,535
Precious Metal Deposits	-	-	-	-	-	-	-	-
Bank Deposits	39	53,530	-	-	-	-	-	53,569
Central Bank	-	-	-	-	-	-	-	-
Domestic Banks	39	53,530	-	-	-	-	-	53,569
Foreign Banks	-	-	-	-	-	-	-	-
Participation Banks	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total	252,186	166,134	2,124,477	38,745	123,478	5,017	41	2,710,078

a.2) Prior Period:

	Demand	Up to 1 month	1-3 Months	3-6 Months	6 Months- 1 Year	1 Year and Over	Cumulative Deposits	Total
Saving Deposits	17,138	33,198	696,259	87,792	5,347	3,190	39	842,963
Foreign Currency Deposits	57,968	53,366	764,063	94,762	86,488	45,083	8	1,101,738
Residents in Turkey	48,223	52,744	741,184	74,117	77,702	42,009	8	1,035,987
Residents Abroad	9,745	622	22,879	20,645	8,786	3,074	-	65,751
Public Sector Deposits	3,720	-	-	-	-	-	-	3,720
Commercial Deposits	74,697	46,132	292,726	2,055	27,901	34,329	-	477,840
Other Ins. Deposits	1,345	520	24,909	3,293	55	-	-	30,122
Precious Metal Deposits	-	-	-	-	-	-	-	-
Bank Deposits	172	-	-	-	-	-	-	172
Central Bank	-	-	-	-	-	-	-	-
Domestic Banks	49	-	-	-	-	-	-	49
Foreign Banks	123	-	-	-	-	-	-	123
Participation Banks	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total	155,040	133,216	1,777,957	187,902	119,791	82,602	47	2,456,555

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	Covered by	Exceeding the	Exceeding the
	Deposit Insurance Fund	Deposit Insurance Fund	Deposit Insurance Limit	Deposit Insurance Limit
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	295,480	292,406	667,048	541,627
Foreign Currency Savings Deposits	87,694	92,375	460,660	491,449
Other Saving Deposits	-	-	-	-
Foreign branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	383,174	384,781	1,127,708	1,033,076

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 25,875 (31 December 2011: TL 36,665).

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

	Current Period	Prior Period
Deposits and Other Accounts at Foreign Branches	-	-
Deposits and Other Accounts belong to Major Shareholders with Their Parents, Spouse and Children under Their Wardship	12,959	22,470
Deposits and Other Accounts belong to Members of Board of Directors, CEO and Deputy CEOs with Their Parents, Spouse and Children under Their Wardship	12,916	14,195
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.	-	-

2. Information on derivative financial liabilities held for trading:

Negative difference on derivatives held for trading:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forwards	125	190	2,740	1,182
Swaps	1,015	611	694	634
Futures	-	-	-	-
Options	546	1	19,046	2,477
Other	-	-	-	-
Total	1,686	802	22,480	4,293

3. Information on funds borrowed:

a) Information on banks and other financial institutions:

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic Banks and Institutions	33,943	46,696	36,812	55,263
Foreign Banks, Institutions and Funds	-	168,462	-	149,664
Total	33,943	215,158	36,812	204,927

b) Contractual maturities of funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	28,642	207,261	29,214	137,019
Medium and Long-Term	5,301	7,897	7,598	67,908
Total	33,943	215,158	36,812	204,927

c) Additional information on concentrations of the Bank's liabilities: The Parent Bank diversifies its funding resources with customer deposits and funds borrowed from foreign banks. The Parent Bank makes concentration analysis for the customers providing funds in branch basis and takes long and short term actions to generalize the customers in these branches. Funds borrowed consist of funds with different characteristics and maturity-interest structures like syndication, money market, post-finance funding and are provided from different institutions. There is no risk of concentration in the Parent Bank's funding sources.

4. Information on other external resources:

Other external resources are amounting to TL 72,048 (31 December 2011: TL 81,886) and do not exceed 10% of total liabilities excluding the off-balance sheet items.

5. Obligations under financial leases:

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 31 December 2012 and 31 December 2011, the Group does not have financial lease liabilities.

As at 31 December 2012 and 31 December 2011, the Group does not have any obligations from operational lease agreements.

6. Information on liabilities arising from hedging purpose derivatives:

None.

7. Information on provisions:

a) Information on general provisions:

	Current Period	Prior Period
General Provisions		
Provision for Group I Loans and Receivables	20,507	17,716
<i>Additional Provision for Loans and Receivables with Extended Maturities</i>	77	92
Provision for Group II Loans and Receivables	1,765	790
<i>Additional Provision for Loans and Receivables with Extended Maturities</i>	3	-
Provision for Non-cash Loans	2,241	1,592
Other	77	93
Total	24,590	20,191

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 Parent Bank, who has complete 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 31 December 2012, at ceiling amount of TL-full 3,034 (31 December 2011: TL-full 2,732), 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.

	Current Period	Prior Period
Discount Ratio (%)	7.00	8.76
Expected Salary/ETI Liability Ceiling Increase Rate (%)	5.00	5.60

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 is shows the expected real rate after adjusting for the effects of inflation.

Movement of ETI liability is below:

	Current Period	Prior Period
Balance at Prior Period End	3,283	2,678
Current year provisions/ (reversal of provision)	3,377	1,596
Paid in current year	(1,400)	(991)
Balance at Current Period End	5,260	3,283

The Group also has vacation pay liability amounting TL 3,358 (31 December 2011: TL 2,889) as at 31 December 2012.

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

As at 31 December 2012, foreign exchange differences on foreign currency indexed loans amounting TL 1,513 (31 December 2011: TL 248) 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 31 December 2012, the Group has provision amounting to TL 4,419 (31 December 2011: TL 3,564) for non-cash loans and irrevocable commitments that are not indemnified and not converted into cash amounting to TL 11,276 (31 December 2011: TL 9,436).

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 31 December 2012, the Parent Bank has provision for credit card service promotions amounting TL 196 (31 December 2011: TL 193).

e.3) Information on other provisions:

As at 31 December 2012, there is provision for lawsuits filed against the Parent Bank amounting TL 2,404 (31 December 2011: TL 1,927).

8. Taxation:

a) Current tax liability: As at 31 December 2012, corporate taxes payable of the Group after deductions of prepaid taxes is TL 3,319 (31 December 2011: TL 4,326).

b) Information on taxes payable:

	Current Period	Prior Period
Corporate taxes payable	3,319	4,326
Taxation on securities	2,036	2,409
Capital gains tax on property	122	147
Banking Insurance Transaction Tax (BITT)	2,406	2,250
Taxes on foreign exchange transactions	-	-
Value added tax payable	39	46
Other	1,314	1,251
Total	9,236	10,429

c) Information on premiums payable:

	Current Period	Prior Period
Social security premiums- employee share	475	440
Social security premiums- employer share	513	470
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	33	35
Unemployment insurance- employer share	67	58
Other	1	8
Total	1,089	1,011

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 payables related to assets held for sale and discontinued operations:

None.

10. Information on subordinated loans:

None.

11. Information on shareholders' equity:

a) Paid in capital:

	Current Period	Prior Period
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. 65.5% of Type A shares and all of the Type B shares belong to GSD Holding A.Ş.

h) Information on marketable securities valuation reserve:

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, subsidiaries and joint ventures	-	-	-	-
Valuation gain/loss	17,052	5	(289)	870
Translation gain/loss	-	-	-	-
Total	17,052	5	(289)	870

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.

III. Information and disclosures related to consolidated income statement

1. Interest income:

a) Information on interest income received from loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest income received from loans (*)				
Short Term Loans	199,572	14,874	142,985	14,470
Medium and Long Term Loans	64,477	18,880	51,568	13,269
Loans Under Follow-Up	3,998	-	5,945	-
Source Utilization Support Fund	-	-	-	-
Total	268,047	33,754	200,498	27,739

(*) Includes fees and commissions from cash loans.

b) Information on interest income received from banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	78	-
Domestic Banks	694	465	481	553
Foreign Banks	35	100	6	367
Foreign Branches	-	-	-	-
Total	729	565	565	920

c) Information on interest income received from securities portfolio:

	Current Period		Prior Period	
	TL	FC	TL	FC
Trading Securities	-	20	-	23
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-
Investment Securities Available-for-Sale	37,135	705	26,711	1,195
Investment Securities Held-to-Maturity	-	-	-	-
Total	37,135	725	26,711	1,218

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

2. Interest expense:

a) Information on interest expense related to funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks (*)	3,021	6,567	2,400	4,387
Central Bank of Turkey	-	-	-	-
Domestic Banks	3,011	1,731	2,400	1,547
Foreign Banks	10	4,836	-	2,840
Foreign Branches	-	-	-	-
Other Institutions	-	-	-	-
Total	3,021	6,567	2,400	4,387

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

b) Information on interest expense paid to associates and subsidiaries:

	Current Period	Prior Period
Interest paid to associates and subsidiaries	1	3

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.

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	-	77	-	-	-	-	-	77
Saving Deposits	-	1,704	82,794	2,909	442	120	3	87,972
Public Sector Deposits	-	41	-	-	-	-	-	41
Commercial Deposits	-	3,481	31,532	417	335	1,796	-	37,561
Other Deposits	-	118	1,975	6	4	-	-	2,103
Total Turkish Lira	-	5,421	116,301	3,332	781	1,916	3	127,754
Foreign Currency								
Foreign Currency Deposits	-	1,353	34,304	1,499	1,547	480	-	39,183
Bank Deposits	-	1,159	-	-	-	-	-	1,159
Precious Metal Deposits	-	-	-	-	-	-	-	-
Total Foreign Currency	-	2,512	34,304	1,499	1,547	480	-	40,342
Total	-	7,933	150,605	4,831	2,328	2,396	3	168,096

e) Information on interest expense paid to money market transactions:

	Current Period	Prior Period
Istanbul Stock Exchange Custody Bank	6	809
Repurchase Agreements	10,453	8,630
Total	10,459	9,439

3. Information on dividend income:

The Group earned dividend income from share certificates held by its subsidiary “Tekstil Yatırım” amounting TL 2 (2011: TL 5).

4. Trading income / loss (net):

	Current Period	Prior Period
Profit	336,743	352,621
Capital Market Gains	10,805	9,856
Derivative Gains	113,172	178,183
Foreign Exchange Gains	212,766	164,582
Loss (-)	(336,729)	(338,170)
Capital Market Losses	(13)	(17)
Derivative Losses	(196,730)	(186,234)
Foreign Exchange Losses	(139,986)	(151,919)

Net loss related to derivative transactions resulting from foreign currency rate changes is amounted to TL 68,836 (2011: TL 4,565 net loss).

5. Other operating income:

“Other operating income” in the income statement consists of collections from the receivables for which the Parent Bank had provided allowance in the prior periods amounting to TL 7,415 (2011 – TL 9,152), income from sales of assets amounting to TL 3,111 (2011 – TL 2,406) and remaining part is from other income and gain.

6. Impairment on loans and other receivables:

	Current Period	Prior Period
Specific Provisions on Loans and Other Receivables:	35,101	13,797
Loans and Receivables in Group III	2,075	3,662
Loans and Receivables in Group IV	15,562	3,580
Loans and Receivables in Group V	17,464	6,555
General Provision Expenses	4,399	7,813
Provision for Possible Losses	-	-
Impairment Losses on Securities:	1,027	519
Trading securities	3	406
Investment Securities Available-for-Sale	1,024	113
Other Impairment Losses:	-	6
Associates	-	-
Subsidiaries	-	6
Joint Ventures	-	-
Investment Securities Held-to-Maturity	-	-
Other (*)	524	1,302
Total	41,051	23,437

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

7. Information related to other operational expenses:

	Current Period	Prior Period
Personnel Expenses	69,743	63,653
Reserve for Employee Termination Indemnities and Vacation Pay	2,446	771
Reserve for Bank's Social Aid Fund Deficit	-	-
Impairment of Tangible Assets	-	-
Depreciation Expenses of Tangible Assets	3,215	3,649
Impairment of Intangible Assets	-	-
Impairment of Goodwill	-	-
Amortization Expenses of Intangible Assets	267	315
Impairment of Investments in Associates	-	-
Impairment of Assets to be Disposed of	20	290
Depreciation of Assets to be Disposed of	766	549
Impairment of Assets Held for Sale and Discontinued Operations	-	-
Other Operating Expenses	27,380	24,216
Operational Leases	11,128	9,666
Repair and Maintenance	1,586	1,531
Advertising	431	613
Other Expenses	14,235	12,406
Loss on Sale of Assets	22	189
Other	9,540	10,729
Total	113,399	104,361

8. Profit / loss before taxes for continued and discontinued operations:

Profit before taxes for continued operations is TL 33,404 (2011: TL 30,693). Profit before taxes consists of net interest income amounting to TL 153,603 (2011: TL 107,193), net fees and commission income amounting to TL 17,898 (2011: TL 18,828) and other operating expenses amounting to TL 113,399 (2011: TL 104,361).

9. Profit / loss taxes for continued and discontinued operations:

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

For the period ended 31 December 2012, current tax expense is TL 5,094 (2011: TL 9,366).

For the period ended 31 December 2012, deferred tax expense is TL 2,252 (2011: TL 3,299 deferred tax income).

b) Deferred tax charge arising from origination or reversal of temporary differences:

For the period ended 31 December 2012, deferred tax expense arising from temporary differences amount to TL 2,252 (2011: TL 3,299 deferred tax income).

For the period ended 31 December 2012, the change in the deferred tax liabilities and current tax payable amounting to TL (4,880) (2011: TL 1,666), which are related to the equity differences under comprehensive income transactions, is accounted under equity accounts.

- c) Information on deferred tax income or expense reflected to income table resulting from temporary differences, statutory losses and tax deductions and exceptions:

For the period ended 31 December 2012 deferred tax expense arising from temporary differences is TL 2,252 (2011: TL 3,299 deferred tax income).

For the period ended 31 December 2012 and 2011, there is no deferred tax income resulted from financial loss.

10. Information on continued and discontinued operations net profit/loss

Net profit from continued operations is TL 26,058 (2011: TL 24,626).

11. 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.

12. 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.

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

1. Disclosures related to other contingent liabilities:

- a) As at 31 December 2012, asset purchase and sale commitments amount to TL 38,752 (31 December 2011: TL 52,591), loan granting commitments amount to TL 42,711 (31 December 2011: TL 50,752), commitments for credit card limits amount to TL 200,544 (31 December 2011: TL 198,968) commitments for cheque payments amount to TL 85,217 (31 December 2011: TL 79,430), commitments for promotional operations re-credit cards amount to TL 478 (31 December 2011: TL 593).

- 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.

As at 31 December 2012, the Group has letters of guarantee amounting to TL 1,001,751 (31 December 2011: TL 887,708), bills of exchange and acceptances amounting to TL 1,359 (31 December 2011: TL 7,041), letters of credit amounting to TL 202,019 (31 December 2011: TL 303,685) and other guarantees amounting to TL 42,982 (31 December 2011: TL 26,714).

- c) Non-cash loans:

	Current Period	Prior Period
Non-Cash Loans Given for Cash Loan Risks	34,305	43,242
With Original Maturity of 1 Year or Less	1,696	3,492
With Original Maturity of More Than 1 Year	32,609	39,750
Other Non-Cash Loans	1,213,806	1,181,906
Total	1,248,111	1,225,148

- d) Sectoral risk concentration of non-cash loans:

Current Period (*)	TL	(%)	FC	(%)
Agricultural	31,837	4.56	40,457	7.36
Farming and raising livestock	16,179	2.32	13,010	2.37
Forestry	15,640	2.24	27,447	4.99
Fishing	18	-	-	-
Manufacturing	195,343	27.97	185,637	33.77
Mining	10,848	1.55	1,582	0.29
Production	179,676	25.73	172,834	31.44
Electric, gas and water	4,819	0.69	11,221	2.04
Construction	345,897	49.52	161,980	29.47
Services	110,483	15.83	159,512	29.03
Wholesale and retail trade	36,530	5.23	50,687	9.22
Hotel, food and beverage services	11,580	1.66	704	0.13
Transportation and telecommunication	22,961	3.29	3,230	0.59
Financial institutions	15,461	2.21	80,555	14.66
Real estate and renting services	-	-	-	-
Self-employment services	19,941	2.86	21,765	3.96
Education services	38	0.01	-	-
Health and social services	3,972	0.57	2,571	0.47
Other	14,878	2.12	2,087	0.37
Total	698,438	100.00	549,673	100.00

- (*) In accordance with temporary article no:1 of the "Communiqué on Financial Statements and Related Disclosures and Footnotes to be Announced to Public", information related to prior period that is mentioned on the communiqué, have not been filled for one year period beginning on 1 July 2012.

e) Information on the first and second group non-cash loans:

	I. Group		II. Group	
	TL	FC	TL	FC
Letters of guarantee	685,460	299,903	4,595	1,484
Bank acceptances	-	1,359	-	-
Letters of credit	-	202,019	-	-
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	-	42,982	-	-
Total	685,460	546,263	4,595	1,484

The Group has provided provisions amounting to TL 3,787 (31 December 2011: TL 1,663) after considering the guarantees for the non-cash loans classified under group 3-4-5 loans amounting to TL 10,309 (31 December 2011: TL 7,128). The Group also provided provisions amounting to TL 632 (31 December 2011: TL 1,901) from the cheque commitments based on off-balance sheet transactions.

2. Mutual Funds:

The Parent Bank is the founder of B Type Liquid Fund, B Type Flexible Fund, A Type Share Fund and B Type Gold Fund. Tekstil Yatırım Menkul Değerler A.Ş. is the founder of A Type Flexible Fund. As at 31 December 2012, total value of funds that the Group has founded is TL 55,696 (31 December 2011: TL 51,084). These funds are registered in Merkezi Kayıt Kuruluşu A.Ş.

3. Information related to derivative financial instruments:

	Current Period	Prior Period
Types of trading transactions		
Foreign currency related derivative transactions (I)	1,421,576	2,501,305
Forward FC Purchase and Sale Transactions	123,287	406,109
Currency Swap Purchase and Sale Transactions	1,158,452	935,181
Futures Transactions	-	-
Currency Options Purchase and Sale Transactions	139,837	1,160,015
Interest rate related derivative transactions (II)	-	-
Forward Purchase and Sale Transactions	-	-
Interest Rate Swap Purchase and Sale Transactions	-	-
Interest Rate Futures Transactions	-	-
Interest Rate Options Purchase and Sale Transactions	-	-
Other types of trading transactions (III)	32,405	-
A. Total trading transactions (I+II+III)	1,453,981	2,501,305
Hedging purpose derivative transactions	-	-
Fair Value Hedge Transactions	-	-
Cash Flow Hedge Transactions	-	-
Net Foreign Investment Hedge Transactions	-	-
B. Total Hedging Purpose Derivative Transactions	-	-
Total Derivative Transactions (A+B)	1,453,981	2,501,305

4. Contingent assets and liabilities:

A customer has sued the Parent Bank in 2001 with the claim that his deposit money has been withdrawn from his account with forged documents. The amount is 1,229,213 Australian Dollars (equivalent to TL 2,271 as at 31 December 2012). The trial is still in progress.

5. Information on fiduciary services rendered on behalf of third parties:

None.

V. Information and disclosures related to consolidated statement of changes in shareholders' equity

1. Information on differences in revaluation of financial assets available for sale:

As at 31 December 2012, valuation difference of TL 16,476 net off tax, related to available for sale marketable securities (2011: TL 7,639, negative) is accounted under "Valuation Difference of Securities" account under equity.

In the current period, TL 141 gain was transferred to the income statement from Valuation Difference of Securities (2011: TL 808).

Information on cash flow hedge: None.

2. Differences arising on revaluation of tangible fixed assets

Surplus amounting to TL 14,577 (2011: TL 4,259) that occurs after purged tax effect arise from revaluation of buildings fair value included tangible fixed assets of the Parent Bank is represented as period transaction of "Tangible Fixed Assets Revaluation Differences" on statement of changes in equity.

3. Information on the foreign exchange differences: None.

4. Information on profit shares noticed after balance sheet date but previous to announcement of financial statements:

The Parent Bank does not have any noticed profit shares before announcement of financial statements. In the Ordinary General Assembly meeting dated 26 March 2012, it has been decided to distribute the Parent Bank's 2011 profit as follows.

Profit distribution table for the year 2011

The Parent Bank's profit for the period	22,018
A-First Legal Reserves (TCL 466/1)	1,101
B-Extraordinary Reserves	20,917

Net profit per share for the period that has been suggested to be distributed to shareholders after balance sheet date:

As at the report date, there is no decision for the profit distribution of current year profit of the Parent Bank (2011 profit distribution is given above).

Amounts that has been transferred to contingency reserves by the Group:

	Current Period	Prior Period
Undistributed Profits to Legal Reserves	1,280	901
Undistributed Profits to Extraordinary Reserves	23,346	19,141

5. Information on issue of shares: None.

6. Information on other share capital increase accounts in statements of changes in equity: None.

VI. Information and disclosures related to consolidated cash flow statement

1. Information on cash and cash equivalents:

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

Cash in vault, foreign currencies, cash in transit, cheques purchased, demand deposits in banks included demand deposit balances with the Central Bank of Turkey are described as “Cash”; interbank money market placements which have original maturities lower than three months, time deposits in banks and investment securities are described as “Cash Equivalents”. The reserve requirement amounts within the Central Bank is not considered as “cash equivalent assets” in the statement of cash flows.

a) Cash and cash equivalents at the beginning of the period:

	Current Period	Prior Period
Cash	210,292	127,569
Cash in Vault, Foreign Currencies and Other	28,358	21,057
Demand Deposits at Banks	181,934	106,512
Cash Equivalents	102,511	67,248
Interbank Money Market Placements	-	-
Time Deposits at Banks	102,511	67,248
Investment Securities	-	-
Total Cash and Cash Equivalents	312,803	194,817

b) Cash and cash equivalents at the end of the period:

	Current Period	Prior Period
Cash	287,804	210,292
Cash in Vault, Foreign Currencies and Other	30,468	28,358
Demand Deposits at Banks	257,336	181,934
Cash Equivalents	105,899	102,511
Interbank Money Market Placements	3,000	-
Time Deposits at Banks	102,899	102,511
Investment Securities	-	-
Total Cash and Cash Equivalents	393,703	312,803

2. Information on cash and cash equivalent assets of the Group that are not available for free use due to legal restrictions or other reasons:

As mentioned in the first item above, the reserve requirement amounts held under blockage within the Central Bank is not considered as cash equivalent assets in the statement of cash flows.

3. Disclosures for “other” items in the statement of cash flows and effect of changes in foreign currency exchange rates on cash and cash equivalents:

As at 31 December 2012, “Other” item amounting to TL 31,363 (2011: TL 29,179) presented under “Operating Profit Before Changes in Operating Assets and Liabilities” comprise other operating expenses except personnel expenses and other taxes paid.

As at 31 December 2012 “Net Decrease in Other Liabilities” amounting to TL 6,751 (2011: TL 45,766 net increase) presented under “Changes in Operating Assets and Liabilities” is comprised of changes in miscellaneous payables, other external resources and tax liabilities. “Net Decrease in Other Assets” amounting to TL 25,527 (2011: TL 70,767 net increase) is comprised of miscellaneous receivables and other assets.

The effect of the change of foreign exchange rates on the cash and cash equivalents is TL (623) for the year 2012 (2011: TL 8,478).

4. Additional Information:

- a) Restrictions on unused borrowing limits that could be used in banking operations and capital commitments and their usages: None.
- b) Total cash flows that indicate capacity increases in banking operations other than cash flows that are needed to sustain current banking operations capacity: None.

VII. 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:

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	-	-	45,905	4,460	28	76
Balance at the End of the Period	-	-	479	688	103	10
Interest and Commission Income Received	-	-	3,931	47	-	-

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

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	-	-	17,687	7,225	46	107
Balance at the End of the Period	-	-	45,905	4,460	28	76
Interest and Commission Income Received	-	-	5,222	116	-	2

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

The Parent Bank has TL 15,139 placements in its risk group banks as at 31 December 2012 (31 December 2011: TL 16,607). Also the Parent Bank has TL 1,287 irrevocable commitment in its risk group as at 31 December 2012 (31 December 2011: TL 797)

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	39	45	57,718	72,514	1,684	1,855
Balance at the End of the Period	-	39	54,479	57,718	1,410	1,684
Interest on Deposits	1	3	4,032	6,395	29	43

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

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

As at 31 December 2012, the Parent Bank has option transactions amounting to TL 3,565 and TL 3,630 (31 December 2011: TL 3,813 and TL 3,650), with the Parent Bank's risk group. As a result of derivative agreements the transaction loss amounting to TL 274 (2011: TL 99 profit) has occurred.

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

a) Relations of The Parent Bank with its related or unrelated subsidiaries:

In relations with related parties, regular banking and client relationships and market conditions are taken into consideration within the limitations of the Banking Law. Policies are applied to limit risk group's controlling power on the assets and liabilities of the Group and to limit risk group's weight in the balance sheet.

b) 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 31 December 2012, proportion of cash loans to risk group in total loans is 0.02 % (31 December 2011: 1.8%), proportion of deposits from its risk group in total deposits is 2.1 % (31 December 2011: 2.4%) and proportion of derivative transactions with its risk group in total derivative transactions is 0.5% (31 December 2011: 0.3%).

As at 31 December 2012, other commission income to risk group is amounted to TL 47 (2011: TL 38), other operating income to risk group is amounted to TL 41 (2011: TL 32), other commission expense to risk group is amounted to TL 93 (2011: TL 104) and other operating expense to risk group is amounted to TL 1,452 (2011: TL 1,372)

In the consolidated basis, key management cost for the current period is amounted to TL 5,717 (2011: TL 5,921).

VIII. Domestic, foreign and off-shore banking branches and foreign representatives

	Number	Number of Employees			
Domestic branches	44	841			
			Country of Incorporation		
Foreign representation	1	1	Berlin, Germany	Total Assets	Statutory Share Capital
Foreign branch	-	-	-	-	-
Off-shore branches	-	-	-	-	-

IX. Information and disclosure related to subsequent events

- a) Subsequent events and transactions that have not been finalized and their effect on the consolidated financial statements:

1. In accordance with the Communiqué No. 2013/02 “Amendment on the Reserve Requirements Scale” published in the Official Gazette No. 28530 dated 26 January 2013 and to be applied as of 15 February 2013 according to 1 February 2013 statements, new ratios for Turkish Lira liabilities required reserve ratios have been set and are stated below.

TL Liabilities	Reserve Deposit Rates (%)
Demand deposits, notice deposits, private current accounts up to 1 month and 3 months maturity, (including 1 and 3 months)	11.25
Deposits/participation accounts up to 6 months maturity (including 6 months)	8.25
Deposits/participation accounts up to 1 year maturity (including 1 year)	6.25
TL other liabilities up to 1 year maturity (including 1 year)	11.25

FC Liabilities	Reserve Deposit Rates (%)
FC demand deposits, notice deposits, foreign currency private current accounts up to 1 month, 3 months, 6 months and 1 year	12
FC other liabilities up to 1 year maturity (including 1 year)	12
FC other liabilities up to 3 years maturity (including 3 years)	10

2. In accordance with the Communiqué No. 2013/03 “Amendment on the Reserve Requirements Scale” published in the Official Gazette No. 28565 dated 20 February 2013 and to be applied as of 15 March 2013 according to 1 March 2013 statements, new ratios for Turkish Lira liabilities required reserve ratios have been set and are stated below.

TL Liabilities	Reserve Deposit Rates (%)
Demand deposits, notice deposits, private current accounts up to 1 month and 3 months maturity, (including 1 and 3 months)	11.5
Deposits/participation accounts up to 6 months maturity (including 6 months)	8.5
Deposits/participation accounts up to 1 year maturity (including 1 year)	6.5
TL other liabilities up to 1 year maturity (including 1 year)	11.5

FC Liabilities	Reserve Deposit Rates (%)
FC demand deposits, notice deposits, foreign currency private current accounts up to 1 month, 3 months, 6 months and 1 year	12.5
FC other liabilities up to 1 year maturity (including 1 year)	12.5
FC other liabilities up to 3 years maturity (including 3 years)	10.5

- b) Information about effects on foreign currency transactions and financial statements of significant changes in foreign exchange rates after balance sheet date and foreign operations of the Parent Bank: None.

SECTION SIX

OTHER EXPLANATIONS AND FOOTNOTES

I. Other explanations related to the Group's operations

None.

SECTION SEVEN

INDEPENDENT AUDITORS' REPORT

I. Information on the independent auditors' report

The consolidated financial statements of the Parent Bank and its subsidiary as at and for the year ended 31 December 2012 have been audited by Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş (the Turkish member firm of KPMG International Cooperative, a Swiss entity) and the independent auditors' report dated 1 March 2013 is presented in the introduction of this report.

II. Information and disclosures prepared by the independent auditors

None.