

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

Tekstil Bankası Anonim Şirketi

**Publicly Announced Consolidated Financial Statements
and Related Disclosures Prepared as at 31 March 2015
with Independent Auditors' Review Report**



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

INDEPENDENT AUDITORS' REVIEW REPORT

To the Board of Directors of Tekstil Bankası Anonim Şirketi:

Introduction

We have reviewed the consolidated balance sheet of Tekstil Bankası A.Ş. ("the Bank") and its subsidiary (together will be referred as "the Group") at 31 March 2015 and the related consolidated income statement, consolidated statement of income and expense items recognized under shareholders' equity, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the consolidated financial statements for the three-month-period then ended. The Bank Management is responsible for the preparation and fair presentation of interim financial statements in accordance with the "Regulation on the Procedures and Principles for Accounting Practices and Retention of Documents by Banks" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by Banking Regulation and Supervision Authority, (together referred as BRSA Accounting and Reporting Legislation) and Turkish Accounting Standard 34 "Interim Financial Reporting" except for the matters regulated by BRSA Legislation. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not give a true and fair view of the financial position of Tekstil Bankası A.Ş. and its subsidiary at 31 March 2015 and of the results of its operations and its cash flows for the three-month-period then ended in all aspects in accordance with the "Regulation on the Procedures and Principles for Accounting Practices and Retention of Documents by Banks" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by Banking Regulation and Supervision Authority, (together referred as BRSA Accounting and Reporting Legislation) and Turkish Accounting Standard 34 "Interim Financial Reporting" except for the matters regulated by BRSA Legislation.

Additional paragraph for convenience translation to English:

As explained in detail in Note I of Section Three, the effects of differences between accounting principles and standards set out by BRSA Accounting and Reporting Legislation, accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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



Seda Hacıoğlu, SMMM
Partner



7 May 2015
İstanbul, Turkey

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

TEKSTİL BANKASI A. Ş.
CONSOLIDATED FINANCIAL REPORT AS OF 31 MARCH 2015

Address of the Bank's

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

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

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

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

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

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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**TEKSTİL BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2015
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)**

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 September 1985 and started its operations on 13 October 1986. “Articles of Association” of the Parent Bank was published in Turkish Trade Registry Gazette no.1511, dated 9 May 1986. The statute of the Parent Bank was not changed since its establishment.

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

The capital of the Parent Bank is TL 420,000 as at 31 March 2015 and is fully paid. The Bank is incorporated by GSD Group. 75.50% of the shares of the Parent Bank belongs to GSD Holding Anonim Şirketi (“GSD Holding”). The rest of the shares are traded at Borsa İstanbul (BIST). 1.04% of the shares traded at BIST have been acquired by GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. Anonim Şirketi. The related company is incorporated by GSD Group.

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 Borsa İstanbul (BIST) since 11 November 1999. The nominal value of its shares is TL 250,000 as at 31 March 2015. 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:	GSD 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 Plan Proje Etüd A.Ş., GSD Gayrimenkul Yatırım ve Geliştirme A.Ş., Cano Maritime Limited, Dodo Maritime Limited, Hako Maritime Limited, Zeyno Maritime Limited.

Parent Bank announced a Material Event Disclosure on 29 April 2014 in the Public Disclosure Platform (KAP), briefly declaring the signing of a share purchase agreement with respect to sale of 75.50% shares of the Parent Bank owned by GSD Holding A.Ş., the major shareholder of the Parent Bank, to Industrial Commercial Bank of China Limited (ICBC) company for 668,810 TL, which will become effective after obtaining relevant permissions from authorities in People’s Republic of China and Turkey.

On Ordinary General Assembly of GSD Holding A.Ş. dated 3 June 2014, it was decided to approve the sale transaction by majority of votes. With respect to the sale transaction, it was declared to be approved by China Banking Regulatory Commission (CBRC) on 20 March 2015, and in Turkey, it was approved by Competition Authority in accordance with decision dated 20 August 2014 and numbered 14-29/593-259 and Banking Regulation and Supervision Agency (BRSA), in accordance with decision dated 2 April 2015 and numbered 6262.

TEKSTİL BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2015 (continued)
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

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 (continued)

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

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
	Güliden 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

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

(*) Executive Vice President of Information Technologies and Operations Group, Ayperi G. URAS, has resigned as at 30 April 2015.

TEKSTİL BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2015 (continued)
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

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 Sompö Japan Sigorta A.Ş., Aviva Sigorta A.Ş., Vakıf Emeklilik A.Ş., Ergo Emeklilik ve Hayat A.Ş., HDI Sigorta A.Ş. and Axa Sigorta A.Ş.

As at 31 March 2015, the Parent Bank has 44 branches close to industrial zones of Turkey and a representative office in Berlin, Germany. The Parent Bank has 856 employees as at 31 March 2015 (As at 31 December 2014 number of branches was 44, number of employees was 852).

The Parent Bank and its subsidiary, Tekstil Yatırım Menkul Değerler A.Ş. 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 for the Bank regarding consolidation methods between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Account Standards (TAS). Information about consolidated subsidiaries and explanation about consolidation methods are indicated on Section Three, Footnote III.

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

None.

VII. Other information

Bank’s Official Title	: Tekstil Bankası Anonim Şirketi
Reporting Period	: 1 January – 31 March 2015
Address of Bank’s Headquarters	: Maslak Mah. Dereboyu/2 Caddesi No:13 34398 Sarıyer - İstanbul
Telephone number	: (0212) 335 53 35
Fax number	: (0212) 328 13 28
Bank’s Internet Address	: www.tekstilbank.com.tr
Reporting currency	: Thousands of Turkish Lira

SECTION TWO

Consolidated Financial Statements

- I. Consolidated balance sheets (consolidated statements of financial position)
- II. Consolidated statements of off-balance sheet items
- III. Consolidated income statements
- IV. Consolidated statements of income and expenses recognized under equity
- V. Consolidated statements of changes in shareholders' equity
- VI. Consolidated statements of cash flows

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

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

ASSETS	Footnotes (Section 5)	THOUSANDS OF TURKISH LIRA					
		CURRENT PERIOD 31/03/2015			PRIOR PERIOD 31/12/2014		
		TL	FC	TOTAL	TL	FC	TOTAL
I. CASH AND BALANCES WITH THE CENTRAL BANK	(5.1.1)	88,286	305,297	393,583	43,107	305,483	348,590
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	(5.1.2)	1,861	594	2,455	14,184	1,063	15,247
2.1 Trading Securities		1,861	594	2,455	14,184	1,063	15,247
2.1.1 Public Sector Debt Securities		-	308	308	-	425	425
2.1.2 Share Certificates		38	-	38	36	-	36
2.1.3 Positive Value of Trading Derivatives		1,823	286	2,109	12,131	638	12,769
2.1.4 Other Securities		-	-	-	2,017	-	2,017
2.2 Financial Assets Designated at Fair Value		-	-	-	-	-	-
2.2.1 Public Sector Debt Securities		-	-	-	-	-	-
2.2.2 Share Certificates		-	-	-	-	-	-
2.2.3 Loans		-	-	-	-	-	-
2.2.4 Other Securities		-	-	-	-	-	-
III. BANKS	(5.1.3)	6,487	69,740	76,227	38,321	45,318	83,639
IV. INTERBANK MONEY MARKET		-	-	-	86,026	-	86,026
4.1 Interbank Money Market Placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange Money Market Placements		-	-	-	11,003	-	11,003
4.3 Receivables from Reverse Repurchase Agreements		-	-	-	75,023	-	75,023
V. INVESTMENT SECURITIES AVAILABLE FOR SALE (Net)	(5.1.4)	120,409	4,618	125,027	199,530	4,197	203,727
5.1 Share Certificates		160	-	160	160	-	160
5.2 Public Sector Debt Securities		120,249	37	120,286	199,370	33	199,403
5.3 Other Securities		-	4,581	4,581	-	4,164	4,164
VI. LOANS	(5.1.5)	2,165,371	425,029	2,590,400	2,377,937	434,981	2,812,918
6.1 Loans		2,125,175	425,029	2,550,204	2,330,372	434,981	2,765,353
6.1.1 Loans Utilized to the Bank's Risk Group		64,453	25,432	89,885	47,082	21,808	68,890
6.1.2 Public Sector Debt Securities		-	-	-	-	-	-
6.1.3 Others		2,060,722	399,597	2,460,319	2,283,290	413,173	2,696,463
6.2 Loans under Follow-Up		158,534	-	158,534	158,212	-	158,212
6.3 Specific Provisions (-)		118,338	-	118,338	110,647	-	110,647
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. INVESTMENT SECURITIES HELD TO MATURITY (Net)	(5.1.6)	-	-	-	-	-	-
8.1 Public Sector Debt Securities		-	-	-	-	-	-
8.2 Other Securities		-	-	-	-	-	-
IX. INVESTMENTS IN ASSOCIATES (Net)	(5.1.7)	-	-	-	-	-	-
9.1 Equity Method Associates		-	-	-	-	-	-
9.2 Unconsolidated Associates		-	-	-	-	-	-
9.2.1 Financial Associates		-	-	-	-	-	-
9.2.2 Non-Financial Associates		-	-	-	-	-	-
X. INVESTMENTS IN SUBSIDIARIES (Net)	(5.1.8)	-	-	-	-	-	-
10.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
XI. JOINT VENTURES (Net)	(5.1.9)	-	-	-	-	-	-
11.1 Equity Method Joint Ventures		-	-	-	-	-	-
11.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
11.2.1 Financial Joint Ventures		-	-	-	-	-	-
11.2.2 Non-Financial Joint Ventures		-	-	-	-	-	-
XII. LEASE RECEIVABLES (Net)	(5.1.10)	-	-	-	-	-	-
12.1 Financial Lease Receivables		-	-	-	-	-	-
12.2 Operational Lease Receivables		-	-	-	-	-	-
12.3 Others		-	-	-	-	-	-
12.4 Unearned Income (-)		-	-	-	-	-	-
XIII. HEDGING DERIVATIVES	(5.1.11)	-	-	-	-	-	-
13.1 Fair Value Hedge		-	-	-	-	-	-
13.2 Cash Flow Hedge		-	-	-	-	-	-
13.3 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)		26,203	-	26,203	26,821	-	26,821
XV. INTANGIBLE ASSETS (Net)		1,827	-	1,827	1,974	-	1,974
15.1 Goodwill		-	-	-	-	-	-
15.2 Others		1,827	-	1,827	1,974	-	1,974
XVI. INVESTMENT PROPERTY (Net)	(5.1.12)	-	-	-	-	-	-
XVII. TAX ASSETS	(5.1.13)	5,860	-	5,860	4,029	-	4,029
17.1 Current Tax Assets		1,967	-	1,967	2,292	-	2,292
17.2 Deferred Tax Assets		3,893	-	3,893	1,737	-	1,737
XVIII. ASSETS HELD FOR SALE AND ASSETS RELATED TO DISCONTINUED OPERATIONS (Net)	(5.1.14)	-	-	-	-	-	-
18.1 Held For Sale		-	-	-	-	-	-
18.2 Discontinued Operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(5.1.15)	62,106	11,345	73,451	60,066	21,340	81,406
TOTAL ASSETS		2,478,410	816,623	3,295,033	2,851,995	812,382	3,664,377

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

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

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

LIABILITIES AND EQUITY		Footnotes (Section 5)	THOUSANDS OF TURKISH LIRA					
			CURRENT PERIOD 31/03/2015			PRIOR PERIOD 31/12/2014		
			TL	FC	TOTAL	TL	FC	TOTAL
I. DEPOSITS	(5.II.1)		1,264,711	977,187	2,241,898	1,354,997	1,152,263	2,507,260
1.1 Deposits of the Bank's Risk Group			14,857	32,221	47,078	13,414	31,817	45,231
1.2 Others			1,249,854	944,966	2,194,820	1,341,583	1,120,446	2,462,029
II. NEGATIVE VALUE OF TRADING DERIVATIVES	(5.II.2)		92	7,143	7,235	71	5,544	5,615
III. FUNDS BORROWED	(5.II.3)		30,584	213,386	243,970	36,109	311,994	348,103
IV. DUE TO MONEY MARKETS			66,627	-	66,627	64,359	-	64,359
4.1 Interbank Money Market			-	-	-	-	-	-
4.2 Istanbul Stock Exchange			-	-	-	-	-	-
4.3 Obligations under Repurchase Agreements			66,627	-	66,627	64,359	-	64,359
V. SECURITIES ISSUED (Net)			-	-	-	-	-	-
5.1 Bills			-	-	-	-	-	-
5.2 Asset Backed Securities			-	-	-	-	-	-
5.3 Bonds			-	-	-	-	-	-
VI. FUNDS			-	-	-	-	-	-
6.1 Bank Borrowers' Funds			-	-	-	-	-	-
6.2 Others			-	-	-	-	-	-
VII. MISCELLANEOUS PAYABLES			8,292	858	9,150	8,134	671	8,805
VIII. OTHER EXTERNAL RESOURCES	(5.II.4)		56,267	3,704	59,971	55,758	3,141	58,899
IX. FACTORING PAYABLES			-	-	-	-	-	-
X. LEASE PAYABLES (Net)	(5.II.5)		-	-	-	-	-	-
10.1 Financial Lease Payables			-	-	-	-	-	-
10.2 Operational Lease Payables			-	-	-	-	-	-
10.3 Others			-	-	-	-	-	-
10.4 Deferred Financial Leasing Expenses (-)			-	-	-	-	-	-
XI. HEDGING PURPOSE DERIVATIVES	(5.II.6)		-	-	-	-	-	-
11.1 Fair Value Hedge			-	-	-	-	-	-
11.2 Cash Flow Hedge			-	-	-	-	-	-
11.3 Hedging of a Net Investment in Foreign Subsidiaries			-	-	-	-	-	-
XII. PROVISIONS	(5.II.7)		43,920	-	43,920	43,657	-	43,657
12.1 General Provisions			21,592	-	21,592	22,615	-	22,615
12.2 Restructuring Provisions			-	-	-	-	-	-
12.3 Reserve for Employee Benefits			11,720	-	11,720	11,035	-	11,035
12.4 Insurance Technical Provisions (Net)			-	-	-	-	-	-
12.5 Other Provisions			10,608	-	10,608	10,007	-	10,007
XIII. TAX LIABILITIES	(5.II.8)		7,294	-	7,294	7,543	-	7,543
13.1 Current Tax Liability			7,294	-	7,294	7,543	-	7,543
13.2 Deferred Tax Liability			-	-	-	-	-	-
XIV. PAYABLES RELATED TO HELD FOR SALE AND DISCONTINUED OPERATIONS			-	-	-	-	-	-
14.1 Held For Sale			-	-	-	-	-	-
14.2 Discontinued Operations			-	-	-	-	-	-
XV. SUBORDINATED LOANS			-	-	-	-	-	-
XVI. SHAREHOLDERS' EQUITY	(5.II.9)		614,965	3	614,968	620,133	3	620,136
16.1 Paid-In Capital			420,000	-	420,000	420,000	-	420,000
16.2 Supplementary Capital			6,966	3	6,969	7,318	3	7,321
16.2.1 Share Premium			(814)	-	(814)	(814)	-	(814)
16.2.2 Share Cancellation Profits			-	-	-	-	-	-
16.2.3 Valuation Differences of Securities			1,480	3	1,483	1,832	3	1,835
16.2.4 Revaluation Fund on Tangible Assets			6,867	-	6,867	6,867	-	6,867
16.2.5 Revaluation Fund on Intangible Assets			-	-	-	-	-	-
16.2.6 Revaluation Fund on Investment Property			-	-	-	-	-	-
16.2.7 Capital Bonus of Associates, Subsidiaries and Joint Ventures			-	-	-	-	-	-
16.2.8 Hedging Funds (Effective Portion)			-	-	-	-	-	-
16.2.9 Revaluation Fund on Assets Held for Sale and Discontinued Operations			-	-	-	-	-	-
16.2.10 Other Supplementary Capital			(567)	-	(567)	(567)	-	(567)
16.3 Profit Reserves			192,815	-	192,815	180,055	-	180,055
16.3.1 Legal Reserves			11,496	-	11,496	10,792	-	10,792
16.3.2 Status Reserves			-	-	-	-	-	-
16.3.3 Extraordinary Reserves			123,953	-	123,953	111,897	-	111,897
16.3.4 Other Profit Reserves			57,366	-	57,366	57,366	-	57,366
16.4 Profit or Loss			(4,816)	-	(4,816)	12,760	-	12,760
16.4.1 Prior Periods' Profit or Loss			-	-	-	-	-	-
16.4.2 Current Period Profit or Loss			(4,816)	-	(4,816)	12,760	-	12,760
16.5 Minority Shares			-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY			2,092,752	1,202,281	3,295,033	2,190,761	1,473,616	3,664,377

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

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

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

	Footnotes (Section 5)	THOUSANDS OF TURKISH LIRA					
		CURRENT PERIOD			PRIOR PERIOD		
		31/03/2015			31/12/2014		
		TL	FC	TOTAL	TL	FC	TOTAL
A. OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		801,716	1,179,210	1,980,926	1,145,816	1,718,654	2,864,470
I. GUARANTEES	(5.IV.1)	361,381	466,927	828,308	415,443	434,134	849,577
1.1 Letters of Guarantee		361,381	326,760	688,141	415,443	305,582	721,025
1.1.1 Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2 Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3 Other Letters of Guarantee		361,381	326,760	688,141	415,443	305,582	721,025
1.2 Bank Acceptances		-	364	364	-	276	276
1.2.1 Import Letter of Acceptance		-	364	364	-	276	276
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credit		-	117,042	117,042	-	107,643	107,643
1.3.1 Documentary Letters of Credit		-	29,969	29,969	-	37,314	37,314
1.3.2 Other Letters of Credit		-	87,073	87,073	-	70,329	70,329
1.4 Prefinancing Given As Guarantee		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7 Factoring Related Guarantees		-	-	-	-	-	-
1.8 Other Guarantees		-	22,761	22,761	-	20,633	20,633
1.9 Other Sureties		-	-	-	-	-	-
II. COMMITMENTS	(5.IV.1)	256,114	2,656	258,770	256,002	52,276	308,278
2.1 Irrevocable Commitments		256,114	2,656	258,770	256,002	52,276	308,278
2.1.1 Asset Purchase and Sale Commitments		2,078	2,656	4,734	5,820	52,276	58,096
2.1.2 Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3 Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4 Loan Granting Commitments		41,647	-	41,647	42,628	-	42,628
2.1.5 Securities Issuance Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7 Commitments for Cheque Payments		89,647	-	89,647	84,154	-	84,154
2.1.8 Tax and Fund Obligations from Export Commitments		3	-	3	71	-	71
2.1.9 Commitments for Credit Card Limits		84,774	-	84,774	84,778	-	84,778
2.1.10 Commitments for Promotional Operations Re-Credit Cards and Banking Services		254	-	254	273	-	273
2.1.11 Receivables from "Short" Sale Commitments On Securities		-	-	-	-	-	-
2.1.12 Payables for "Short" Sale Commitments On Securities		-	-	-	-	-	-
2.1.13 Other Irrevocable Commitments		37,711	-	37,711	38,278	-	38,278
2.2 Revocable Commitments		-	-	-	-	-	-
2.2.1 Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		184,221	709,627	893,848	474,371	1,232,244	1,706,615
3.1 Hedging Purpose Derivatives		-	-	-	-	-	-
3.1.1 Fair Value Hedge		-	-	-	-	-	-
3.1.2 Cash Flow Hedge		-	-	-	-	-	-
3.1.3 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-
3.2 Trading Purpose Derivatives		184,221	709,627	893,848	474,371	1,232,244	1,706,615
3.2.1 Forward Foreign Currency Purchases/Sales		2,443	4,085	6,528	3,668	5,598	9,266
3.2.1.1 Forward Foreign Currency Purchases		1,223	2,046	3,269	1,224	3,382	4,606
3.2.1.2 Forward Foreign Currency Sales		1,220	2,039	3,259	2,444	2,216	4,660
3.2.2 Currency and Interest Rate Swaps		181,227	656,146	837,373	470,703	1,160,484	1,631,187
3.2.2.1 Currency Swaps-Purchases		-	440,679	440,679	1,236	850,473	851,709
3.2.2.2 Currency Swaps-Sales		181,227	215,467	396,694	469,467	310,011	779,478
3.2.2.3 Interest Rate Swaps-Purchases		-	-	-	-	-	-
3.2.2.4 Interest Rate Swaps-Sales		-	-	-	-	-	-
3.2.3 Currency, Interest Rate and Security Options		-	-	-	-	-	-
3.2.3.1 Currency Options-Purchases		-	-	-	-	-	-
3.2.3.2 Currency Options-Sales		-	-	-	-	-	-
3.2.3.3 Interest Rate Options-Purchases		-	-	-	-	-	-
3.2.3.4 Interest Rate Options-Sales		-	-	-	-	-	-
3.2.3.5 Securities Options-Purchases		-	-	-	-	-	-
3.2.3.6 Securities Options-Sales		-	-	-	-	-	-
3.2.4 Currency Futures		-	-	-	-	-	-
3.2.4.1 Currency Futures-Purchases		-	-	-	-	-	-
3.2.4.2 Currency Futures-Sales		-	-	-	-	-	-
3.2.5 Interest Rate Futures		-	-	-	-	-	-
3.2.5.1 Interest Rate Futures-Purchases		-	-	-	-	-	-
3.2.5.2 Interest Rate Futures-Sales		-	-	-	-	-	-
3.2.6 Others		551	49,396	49,947	-	66,162	66,162
B. CUSTODY AND PLEDGED SECURITIES (IV+V+VI)		2,968,974	495,394	3,464,368	2,997,719	809,070	3,806,789
IV. ITEMS HELD IN CUSTODY		347,015	60,517	407,532	266,156	40,077	306,233
4.1 Customers' Securities and Portfolios Held		-	-	-	-	-	-
4.2 Securities Held in Custody		220,985	10,336	231,321	175,465	10,651	186,116
4.3 Checks Received for Collection		103,607	31,274	134,881	54,201	11,004	65,205
4.4 Commercial Notes Received for Collection		12,888	11,817	24,705	23,868	10,802	34,670
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items under Custody		278	107	385	277	2	279
4.8 Custodians		9,257	6,983	16,240	12,345	7,618	19,963
V. PLEDGED ITEMS		2,621,639	434,877	3,056,516	2,731,243	768,993	3,500,236
5.1 Securities		37,225	-	37,225	24,237	-	24,237
5.2 Guarantee Notes		12,146	1,677	13,823	6,633	27,061	33,694
5.3 Commodities		122,217	51,836	174,053	120,529	55,363	175,892
5.4 Warrants		3,571	-	3,571	2,274	-	2,274
5.5 Immovables		1,627,307	340,466	1,967,773	1,727,790	642,243	2,370,033
5.6 Other Pledged Items		819,173	40,898	860,071	849,780	44,326	894,106
5.7 Pledged Items-Depository		-	-	-	-	-	-
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		320	-	320	320	-	320
TOTAL OFF BALANCE SHEET ITEMS (A+B)		3,770,690	1,674,604	5,445,294	4,143,535	2,527,724	6,671,259

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

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

TEKSTİL BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARY
CONSOLIDATED INCOME STATEMENTS
FOR THE PERIODS ENDED 31 MARCH 2015 AND 2014
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

INCOME AND EXPENSE ITEMS	Footnotes (Section 5)	THOUSANDS OF TURKISH LIRA	
		CURRENT PERIOD (01/01/2015 - 31/03/2015)	PRIOR PERIOD (01/01/2014 - 31/03/2014)
I. INTEREST INCOME	(5.III.1)	74,050	90,597
1.1 Interest from Loans		69,330	74,841
1.2 Interest from Reserve Deposits		-	-
1.3 Interest from Banks		375	773
1.4 Interest from Money Market Transactions		77	35
1.5 Interest from Securities Portfolio		2,484	11,879
1.5.1 Trading Securities		5	10
1.5.2 Financial Assets at Fair Value Through Profit or Loss		-	-
1.5.3 Available for Sale Securities		2,479	11,869
1.5.4 Held to Maturity Securities		-	-
1.6 Interest from Financial Leases		-	-
1.7 Other Interest Income		1,784	3,069
II. INTEREST EXPENSE	(5.III.2)	38,844	42,692
2.1 Interest on Deposits		35,546	34,926
2.2 Interest on Funds Borrowed		1,793	2,489
2.3 Interest on Money Market Transactions		1,432	5,220
2.4 Interest on Securities Issued		-	-
2.5 Other Interest Expense		73	57
III. NET INTEREST INCOME (I - II)		35,206	47,905
IV. NET FEE AND COMMISSION INCOME		3,074	3,889
4.1 Fees and Commissions Received		4,218	5,054
4.1.1 Non-Cash Loans		1,723	2,524
4.1.2 Other		2,495	2,530
4.2 Fees and Commissions Paid		1,144	1,165
4.2.1 Non-Cash Loans		77	111
4.2.2 Other		1,067	1,054
V. DIVIDEND INCOME		-	-
VI. TRADING INCOME/LOSS (Net)	(5.III.3)	(4,181)	(7,802)
6.1 Profit / Loss on Capital Market Transactions		1,771	1,271
6.2 Derivative Instruments Gain / Loss		(6,591)	3,907
6.3 Foreign Exchange Gain / Loss		639	(12,980)
VII. OTHER OPERATING INCOME	(5.III.4)	4,517	10,055
VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)		38,616	54,047
IX. IMPAIRMENT ON LOANS AND OTHER RECEIVABLES (-)	(5.III.5)	10,317	8,675
X. OTHER OPERATING EXPENSES (-)	(5.III.6)	34,402	33,978
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)		(6,103)	11,394
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)		(6,103)	11,394
XVI. TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	(5.III.7)	1,287	(1,694)
16.1 Current Tax Provision		(870)	(3,581)
16.2 Deferred Tax Provision		2,157	1,887
XVII. NET PROFIT / LOSS FROM CONTINUING OPERATIONS (XV±XVI)		(4,816)	9,700
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)		-	-
XXI. TAXES ON INCOME FROM DISCONTINUED OPERATIONS (±)	(5.III.7)	-	-
21.1 Current Tax Provision		-	-
21.2 Deferred Tax Provision		-	-
XXII. NET PROFIT / LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)		-	-
XXIII. NET PROFIT/LOSS (XVII+XXII)	(5.III.8)	(4,816)	9,700
23.1 Group's Profit / Loss		(4,816)	9,700
23.2 Minority Shares		-	-
Earnings / Losses per Share (Full TL)		(0.0011)	0.0023

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

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

TEKSTİL BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME AND EXPENSES RECOGNIZED UNDER EQUITY
FOR THE PERIODS ENDED 31 MARCH 2015 AND 2014
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

PROFIT/LOSS ITEMS RECOGNIZED IN EQUITY		THOUSANDS OF TURKISH LIRA	
		CURRENT PERIOD (01/01/2015 - 31/03/2015)	PRIOR PERIOD (01/01/2014 - 31/03/2014)
I.	ADDITIONS TO VALUATION DIFF. ON SECURITIES FROM AVAILABLE FOR SALE INVESTMENTS	(440)	(1,942)
II.	REVALUATION ON TANGIBLE ASSETS	-	-
III.	REVALUATION ON INTANGIBLE ASSETS	-	-
IV.	FOREIGN EXCHANGE DIFFERENCES	-	-
V.	PROFIT/LOSS RELATED TO DERIVATIVES USED IN CASH FLOW HEDGES (Effective portion)	-	-
VI.	PROFIT/LOSS RELATED TO DERIVATIVES USED IN HEDGE OF A NET INVESTMENT IN FOREIGN SUBSIDIARIES (Effective portion)	-	-
VII.	EFFECT OF CHANGES IN ACCOUNTING POLICIES OR CORRECTION OF ERRORS	-	-
VIII.	OTHER PROFIT/LOSS ITEMS RECOGNIZED IN EQUITY PER TURKISH ACCOUNTING STANDARDS	-	-
IX.	DEFERRED AND CURRENT TAXES ON VALUATION DIFFERENCES	88	388
X.	NET PROFIT/LOSS RECOGNIZED IN EQUITY (I+II+...+IX)	(352)	(1,554)
XI.	CURRENT PERIOD PROFIT/LOSS	(4,816)	9,700
11.1	Net Change in Fair Value of Securities (Transfer to Profit & Loss)	(180)	60
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	(4,636)	9,640
XII.	TOTAL RECOGNIZED INCOME AND EXPENSE FOR THE PERIOD (X±XI)	(5,168)	8,146

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

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

TEKSTİL BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIODS ENDED 31 MARCH 2015 AND 2014
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

		THOUSANDS OF TURKISH LIRA																	
		Paid-in Capital	Capital Reserves from Inflation Adjustments to Paid-in Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit / (Loss)	Prior Period Net Profit / (Loss)	Valuation Differences of Securities	Revaluation Fund on Tangible Assets	Securities Value Increase Fund	Hedge Funds	Revaluation Fund on Assets Held for Sale and Discontinued Operations	Total Equity Attributable to Equity Holders of the Parent	Non-controlling Interests	Total Shareholders' Equity
CHANGES IN SHAREHOLDERS' EQUITY																			
PRIOR PERIOD 31/03/2014																			
I.	Balances at the Beginning of Period - 01/01/2014	420,000	-	(814)	-	8,531	-	96,711	-	45,316	-	191	34,373	-	-	-	604,308	-	604,308
II.	Corrections According to Turkish Accounting Standard No.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Corrections of Errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Adjusted Beginning Balance (I + II)	420,000	-	(814)	-	8,531	-	96,711	-	45,316	-	191	34,373	-	-	-	604,308	-	604,308
	Changes in the Period																		
IV.	Increase / Decrease Related to Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Valuation Difference of Available-for-Sale Securities	-	-	-	-	-	-	-	-	-	-	(1,554)	-	-	-	-	(1,554)	-	(1,554)
VI.	Hedging Transactions (Effective Portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1	Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2	Hedging of a Net Investment in Foreign Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Revaluation fund on tangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Revaluation fund on intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Capital Bonus of Associates,Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Foreign Exchange Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Changes Related to Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Changes Related to Reclassification of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Effect of Changes in Equities of Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2	Domestic sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	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	-	-	-	-	-	-	-	-	9,700	-	-	-	-	-	-	9,700	-	9,700
XX.	Profit Distribution	-	-	-	-	2,261	-	15,186	57,366	(45,316)	-	-	(29,497)	-	-	-	-	-	-
20.1	Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2	Transferred to Reserves	-	-	-	-	2,261	-	15,186	57,366	(45,316)	-	-	(29,497)	-	-	-	-	-	-
20.3	Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the End of Period (III+IV+V+.....+XVIII+XIX+XX) - 31/03/2014		420,000	-	(814)	-	10,792	-	111,897	57,366	9,700	-	(1,363)	4,876	-	-	-	612,454	-	612,454

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

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

TEKSTİL BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIODS ENDED 31 MARCH 2015 AND 2014
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

		THOUSANDS OF TURKISH LIRA																	
		Paid-in Capital	Capital Reserves from Inflation Adjustments to Paid-in Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves (*)	Current Period Net Profit / (Loss)	Prior Period Net Profit / (Loss)	Valuation Differences of Securities	Revaluation Fund on Tangible Assets	Securities Value Increase Fund	Hedge Funds	Revaluation Fund on Assets Held for Sale and Discontinued Operations	Total Equity Attributable to Equity Holders of the Parent	Non-controlling Interests	Total Shareholders' Equity
CHANGES IN SHAREHOLDERS' EQUITY																			
CURRENT PERIOD																			
31/03/2015																			
I.	Balances at the Beginning of Period - 01/01/2015	420,000	-	(814)	-	10,792	-	111,897	56,799	12,760	-	1,835	6,867	-	-	-	620,136	-	620,136
	Changes in the Period																		
II.	Increase / Decrease Related to Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Valuation Difference of Available-for-Sale Securities	-	-	-	-	-	-	-	-	-	-	(352)	-	-	-	-	(352)	-	(352)
IV.	Hedging Transactions (Effective Portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1	Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Hedging of a Net Investment in Foreign Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Revaluation fund on tangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Revaluation fund on intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Capital Bonus of Associates, Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Foreign Exchange Differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Changes Related to Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Changes Related to Reclassification of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Effect of Changes in Equities of Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1	Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2	Domestic sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Issuences of Share Certificates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Abolition profit of Share Certificates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Capital Reserves from Inflation Adjustments to Paid-In Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Current Period Net Profit / Loss	-	-	-	-	-	-	-	-	(4,816)	-	-	-	-	-	-	(4,816)	-	(4,816)
XVIII.	Profit Distribution	-	-	-	-	704	-	12,056	-	(12,760)	-	-	-	-	-	-	-	-	-
18.1	Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2	Transferred to Reserves	-	-	-	-	704	-	12,056	-	(12,760)	-	-	-	-	-	-	-	-	-
18.3	Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the End of Period																			
(I+II+III+...+XVI+XVII+XVIII) - 31/03/2015		420,000	-	(814)	-	11,496	-	123,953	56,799	(4,816)	-	1,483	6,867	-	-	-	614,968	-	614,968

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

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

TEKSTİL BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED 31 MARCH 2015 AND 2014
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

		THOUSANDS OF TURKISH LIRA	
		CURRENT PERIOD (01/01/2015 - 31/03/2015)	PRIOR PERIOD (01/01/2014 - 31/03/2014)
A.	CASH FLOWS FROM BANKING OPERATIONS		
1.1	Operating Profit before Changes in Operating Assets and Liabilities	27,270	27,538
1.1.1	Interest Received	89,137	78,400
1.1.2	Interest Paid	(39,531)	(42,423)
1.1.3	Dividend Received	-	-
1.1.4	Fees And Commissions Received	2,888	3,478
1.1.5	Other Income	1,700	11,236
1.1.6	Collections from Non-performing Loans	5,244	9,147
1.1.7	Payments to Personnel and Service Suppliers	(19,836)	(20,190)
1.1.8	Taxes Paid	(1,788)	(2,169)
1.1.9	Other	(10,544)	(9,941)
1.2	Changes in Operating Assets and Liabilities	(153,183)	(38,453)
1.2.1	Net (Increase) Decrease in Trading Securities	2,135	39
1.2.2	Net (Increase) Decrease in Financial Assets Designated at FV	-	-
1.2.3	Net (Increase) Decrease in Banks	(5,320)	3,382
1.2.4	Net (Increase) Decrease in Loans	211,079	142,768
1.2.5	Net (Increase) Decrease in Other Assets	8,203	(26,406)
1.2.6	Net Increase (Decrease) in Bank Deposits	(164,847)	111,646
1.2.7	Net Increase (Decrease) in Other Deposits	(100,437)	(332,559)
1.2.8	Net Increase (Decrease) in Funds Borrowed	(101,256)	40,098
1.2.9	Net Increase (Decrease) in Due Payables	-	-
1.2.10	Net Increase (Decrease) in Other Liabilities	(2,740)	22,579
I.	Net Cash Provided by / (Used in) Banking Operations	(125,913)	(10,915)
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
II.	Net Cash Provided by / (Used in) Investing Activities	60,847	(29,928)
2.1	Cash Paid for Purchase of Investments, Associates and Subsidiaries	-	-
2.2	Cash Obtained From Sale of Investments, Associates And Subsidiaries	-	-
2.3	Fixed Assets Purchases	(279)	(8,755)
2.4	Fixed Assets Sales	1	90
2.5	Cash Paid for Purchase of Investments Available for Sale	(3,544)	(61,669)
2.6	Cash Obtained From Sale of Investments Available for Sale	64,680	40,846
2.7	Cash Paid for Purchase of Investment Securities	-	-
2.8	Cash Obtained from Sale of Investment Securities	-	-
2.9	Other	(11)	(440)
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
III.	Net Cash Provided by / (Used in) Financing Activities	-	-
3.1	Cash Obtained from Funds Borrowed and Securities Issued	-	-
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued	-	-
3.3	Capital Increase	-	-
3.4	Dividends Paid	-	-
3.5	Payments for Finance Leases	-	-
3.6	Other	-	-
IV.	Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	11,247	(2,245)
V.	Net Increase (Decrease) in Cash and Cash Equivalents (I+II+III+IV)	(53,819)	(43,088)
VI.	Cash and Cash Equivalents at the Beginning of Period	386,179	378,580
VII.	Cash and Cash Equivalents at the End of Period (V+VI)	332,360	335,492

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

TEKSTİL BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2015 (continued)
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES

I. Basis of presentation

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

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

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

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

The preparation of consolidated financial statements in conformity with TAS requires the use of certain accounting estimates and assumptions by the Parent Bank management to exercise its judgment on the assets and liabilities of the balance sheet and contingent issues as of the balance sheet date. These estimates are being audited regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement. Assumptions and estimates that are used in the preparation of the accompanying financial statements are explained in the following related disclosures.

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

Additional paragraph for convenience translation to English

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

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

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

TEKSTİL BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2015 (continued)
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

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

Strategy for the use of financial instruments:

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

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

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

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

Transactions denominated in foreign currencies:

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

As at 31 March 2015, rates used for converting foreign exchange transactions to Turkish Lira and presenting them in financial statements are as follows; USD: TL 2.6102, Euro: TL 2.8309, GBP: TL 3.8611 and JPY: TL 0.0218.

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 Parent Bank is consolidated to accompanying consolidated financial statements by using “Full Consolidation” method as at 31 March 2015 and 31 December 2014.

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

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

The carrying amount of the Parent Bank’s investment in its subsidiary and the Parent Bank’s portion of equity of its subsidiary are eliminated. All intercompany transactions and intercompany balances between the consolidated subsidiary and the Parent Bank are eliminated. The financial statements which have been used in the consolidation are prepared as at 31 March 2015 and appropriate adjustments are made to financial statements to use uniform accounting policies for similar transactions and events in same circumstances. There is no obstacle on the transfer of shareholders’ equity between the Parent Bank and its subsidiary or on the reimbursement of liabilities.

TEKSTİL BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2015 (continued)
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

IV. Forward transactions, options and derivative instruments

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

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

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

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

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

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

V. Interest income and expense

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

VI. Fees and commissions

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

VII. Financial assets

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

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

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

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

TEKSTİL BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2015 (continued)
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

VII. Financial assets (continued)

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

b. Investment securities available-for-sale:

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

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

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

c. Loans and receivables:

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

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

d. Investment securities held-to-maturity:

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

VIII. Impairment of financial assets

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

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2015 (continued)
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

VIII. Impairment of financial assets (continued)

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

As at 31 March 2015, since the consumer loans of the Parent Bank do not exceed the ratios mentioned in the regulation published in the Official Gazette no. 27968 dated 18 June 2011 and in the Official Gazette no. 28789 (repeated) dated 8 October 2013 amending the “The Amendment to the Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside” additional general loan loss provision has not been calculated.

IX. Offsetting financial instruments

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

Provisions for foreign exchange gain/loss on foreign currency indexed loans are netted with loans on the asset side of consolidated balance sheet.

Otherwise, the financial assets and liabilities are netted off only when there is a legal right to do so.

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

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

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

XI. Assets held for sale and discontinued operations

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

The Group does not have any assets held for sale.

The Group does not have any discontinued operations.

XII. Goodwill and other intangible assets

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

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

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

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

TEKSTİL BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2015 (continued)
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

XIII. Tangible assets

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

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

The estimated useful lives are as follows:

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

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

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

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

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

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

XIV. Leasing activities

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

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

XV. Provisions and contingencies

Provisions, other than specific and general provisions for loans and other receivables, and contingent liabilities are provided for in accordance with TAS 37 “Provisions, Contingent Liabilities and Contingent Assets”.

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

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XVI. Contingent assets

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

XVII. Obligations concerning employee rights

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

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

XVIII. Taxation

a. Current taxes:

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

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

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

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

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

b. Deferred taxes:

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

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

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XVIII. Taxation (continued)

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

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

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

c. Transfer pricing:

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

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

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

XIX. Additional explanations on borrowings

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

XX. Issued stock

There is no issued stock in the current period.

XXI. Acceptances

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

XXII. Government grants

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

XXIII. Reserves and profit distribution

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

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

XXIV. Related parties

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

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XXV. Cash and cash equivalents

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

XXVI. Segment reporting

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

XXVII. Reclassifications

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

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SECTION FOUR

CONSOLIDATED FINANCIAL STRUCTURE AND RISK MANAGEMENT

I. Consolidated capital adequacy ratio

As at 31 March 2015, the Group’s consolidated capital adequacy ratio is 19.49% (31 December 2014: 18.91%).

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

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

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

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

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I. Consolidated capital adequacy ratio (continued)

Consolidated Capital Adequacy Ratio:

31 March 2015							
				Risk Weights			
				Parent Bank			
	%0	%20	%50	%75	%100	%150	%200
Value at Credit Risk	-	62,506	195,740	114,674	2,103,700	101,155	293,928
Risk Classifications							
Contingent and Non-Contingent Claims on Sovereigns and Central Bank	551,044	-	-	-	37	-	-
Contingent and Non-Contingent Claims on Regional Governments and Local Authorities	-	-	-	-	-	-	-
Contingent and Non-Contingent Claims on Administrative Units and Non-commercial Enterprises	-	-	-	-	789	-	-
Contingent and Non-Contingent Claims on Multilateral Development Banks	-	-	-	-	-	-	-
Contingent and Non-Contingent Claims on International Organizations	-	-	-	-	-	-	-
Contingent and Non-Contingent Claims on Banks and Capital Market Intermediary	5,159	6,538	8,489	-	95,692	-	-
Contingent and Non-Contingent Claims on Corporate Receivables	49,822	304,175	21,735	-	1,743,534	-	-
Contingent and Non-Contingent Claims Included in the Regulatory Retail Portfolios	2,613	1,389	-	152,899	3,498	-	-
Contingent and Non-Contingent Claims Secured by Residential Property	8,537	23	358,286	-	113,997	-	-
Non-performing Receivables	12	-	2,970	-	34,620	2,594	-
Higher-Risk Categories Defined by Agency	2,713	405	-	-	-	64,843	146,964
Mortgage Collateralized Marketable Securities	-	-	-	-	-	-	-
Securitization Exposures	-	-	-	-	-	-	-
Short-Term Claims on Banks and Intermediary Institutions and Corporate Receivables	-	-	-	-	-	-	-
Undertakings for Collective Investments in Transferable Securities	-	-	-	-	-	-	-
Other Receivables	30,920	-	-	-	111,533	-	-
				Risk Weights			
				Consolidated			
	%0	%20	%50	%75	%100	%150	%200
Value at Credit Risk	-	62,506	195,745	121,397	2,107,226	101,155	293,928
Risk Classifications							
Contingent and Non-Contingent Claims on Sovereigns and Central Bank	552,038	-	-	-	37	-	-
Contingent and Non-Contingent Claims on Regional Governments and Local Authorities	-	-	-	-	-	-	-
Contingent and Non-Contingent Claims on Administrative Units and Non-commercial Enterprises	-	-	-	-	949	-	-
Contingent and Non-Contingent Claims on Multilateral Development Banks	-	-	-	-	-	-	-
Contingent and Non-Contingent Claims on International Organizations	-	-	-	-	-	-	-
Contingent and Non-Contingent Claims on Banks and Capital Market Intermediary	1,603	6,538	8,498	-	96,092	-	-
Contingent and Non-Contingent Claims on Corporate Receivables	49,822	304,175	21,735	-	1,766,076	-	-
Contingent and Non-Contingent Claims Included in the Regulatory Retail Portfolios	2,613	1,389	-	161,863	3,498	-	-
Contingent and Non-Contingent Claims Secured by Residential Property	8,537	23	358,286	-	113,997	-	-
Non-performing Receivables	12	-	2,970	-	34,620	2,594	-
Higher-Risk Categories Defined by Agency	2,713	405	-	-	-	64,843	146,964
Mortgage Collateralized Marketable Securities	-	-	-	-	-	-	-
Securitization Exposures	-	-	-	-	-	-	-
Short-Term Claims on Banks and Intermediary Institutions and Corporate Receivables	-	-	-	-	-	-	-
Undertakings for Collective Investments in Transferable Securities	-	-	-	-	-	-	-
Other Receivables	30,920	-	-	-	91,957	-	-

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I. Consolidated capital adequacy ratio (continued)

Summary information related to consolidated and unconsolidated capital adequacy ratios:

	31 March 2015	
	Parent Bank	Consolidated
Capital Requirement for Credit Risk (VaCR*0.08) (CRCR)	229,736	230,557
Capital Requirement for Market Risk (CRMR)	932	982
Capital Requirement for Operational Risk (CROR)	23,874	25,156
Shareholders' Equity	620,501	625,253
Shareholders' Equity/((CRCR+CRMR+CROR) *12.5)*100	19.50	19.49
Tier I Capital/((CRCR+CRMR+CROR)*12.5*100)	18.90	18.89
Common Equity/((CRCR+CRMR+CROR)*12.5*100)	18.93	18.92

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

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I. Consolidated capital adequacy ratio (continued)

Components of shareholders' equity:

	31 March 2015	31 December 2014
COMMON EQUITY		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	420,000	420,000
Share premium	(814)	(814)
Share cancellation profits	-	-
Reserves	187,999	180,055
Gains reflected in equity in accordance with TAS	8,350	8,702
Profit	-	12,760
Current Period Profit	-	12,760
Prior Years' Profit	-	-
Provisions for Possible Risks	-	-
Bonus Shares from Investments in Associates, Subsidiaries and Joint Ventures that are not recognized in Profit	-	-
Minority Shares	-	-
Common Equity Before Deductions	615,535	620,703
Deductions from Common Equity		
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (-)	567	567
Leasehold improvements (-)	7,096	7,563
Goodwill or other intangible assets and deferred tax liability related to these items (-)	731	395
Net deferred tax asset/liability (-)	-	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law (-)	-	-
Direct and indirect investments of the Bank in its own Common Equity (-)	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity (-)	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity (-)	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital (-)	-	-
Excess amount arising from mortgage servicing rights (-)	-	-
Excess amount arising from deferred tax assets based on temporary differences (-)	-	-
Other items to be defined by the BRSA (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions From Common Equity	8,394	8,525
Total Common Equity	607,141	612,178
ADDITIONAL TIER I CAPITAL		
Capital amount and related premiums corresponding to preference shares that are not included in common equity	-	-
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained after 1.1.2014)	-	-
Debt instruments and premiums deemed suitable by the BRSA (issued before 1.1.2014)	-	-
Third parties' shares in the Additional Tier I Capital	-	-
Additional Tier I Capital before Deductions	-	-
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital (-)	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Other items to be defined by the BRSA (-)	-	-
Deductions to be made from Additional Tier I Capital in the case that adequate Tier II Capital is not available (-)	-	-
Total Deductions From Additional Tier I Capital	-	-
Total Additional Tier I Capital	-	-

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I. Consolidated capital adequacy ratio (continued)

Deductions from Tier I Capital

Portion of goodwill and other intangible assets and the related deferred tax liabilities which not deducted from the Common Equity as per the 1st clause of Provisional Article 2 of the Regulation on the Equity of Banks (-)	1,096	1,579
Portion of net deferred tax assets/liabilities which is not deducted from the common equity pursuant to Paragraph 1 Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	-

Total Tier I Capital

606,045 610,599

TIER II CAPITAL

Debt instruments and premiums deemed suitable by the BRSA (issued/obtained after 1.1.2014)	-	-
Debt instruments and premiums deemed suitable by the BRSA (issued/obtained before 1.1.2014)	-	-
Sources pledged to the Bank by shareholders to be used in capital increases of the Bank	-	-
General Loan Loss Provisions	21,592	22,615
Third parties' shares in the Tier II Capital	-	-
Tier II Capital Before Deductions	21,592	22,615

Deductions From Tier II Capital

Direct and indirect investments of the Bank in its own Tier II Capital (-)	-	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Other items to be defined by the BRSA (-)	-	-

Total Deductions from Tier II Capital

- -

Total Tier II Capital

21,592 22,615

CAPITAL BEFORE DEDUCTIONS

627,637 633,214

Loans granted contrary to the 50th and 51th Article of the Law (-)	-	-
Net book value of amounts exceeding the limit mentioned in the 1st Paragraph of Article 57 of the Law and assets acquired against overdue receivables which could not be disposed of even though five years have passed since their acquisition date (-)	1,942	1,915
Loans granted to banks and financial institutions, including those established abroad, and to bank's qualified shareowners or investments made to debt instruments issued by them (-)	155	195
Deductions as per the Article 20, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-	-
Other items to be defined by the BRSA (-)	287	303
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Common Equity, Additional Tier I Capital, Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-	-
Portion of the total of net long positions of direct or indirect investments made in Additional Tier I and Tier II Capital items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank not to be deducted from the Additional Tier I Capital and Tier II Capital as per the 1st clause of the Provisional Article 2 of the Regulation on the Equity of Banks. (-)	-	-
Portion of the total of net long positions of investments made in Common Equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital, deferred tax assets based on temporary differences and mortgage servicing rights not deducted from Common Equity as per the 1st and 2nd Paragraph of the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	-

TOTAL CAPITAL

625,253 630,801

Amounts below the Excess Limits as per the Deduction Principles

Amounts arising from the net long positions of investments made in Total Capital items of banks and financial institutions where the Bank owns 10% or less of the issued common share capital	-	-
Amounts arising from the net long positions of investments made in Tier I Capital items of banks and financial institutions where the Bank owns 10% or more of the issued common share capital	-	-
Amounts arising from mortgage servicing rights	-	-
Amounts arising from deferred tax assets based on temporary differences	-	-

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I. Consolidated capital adequacy ratio (continued)

Information on items subject to provisional acts in Capital calculation:

None.

Information on debt instruments included in Capital calculation:

None.

II. Consolidated market risk

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

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

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

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

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

Consolidated market risk

	Amount
(I) Capital Requirement to be Employed for General Market Risk - Standard Method	335
(II) Capital Requirement to be Employed for Specific Risk - Standard Method	72
Capital Requirement for Specific Risk Relating to Securitization Positions – Standard Method	-
(III) Capital Requirement to be Employed for Currency Risk - Standard Method	49
(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	526
(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) (*)	982
(X) Value at Market Risk (12.5 x VIII) or (12.5 x IX)	12,275

(*) For the purpose of the capital adequacy ratio calculation, 8% of total amount of TL 12,275, which is TL 982 was used for the market risk. TL 982 also represents the minimum capital amount to eliminate the related market risk.

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III. Consolidated foreign currency exchange rate risk

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

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

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

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

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

	24/03/15	25/03/15	26/03/15	27/03/15	30/03/15	31/03/15
USD	2.5699	2.5505	2.5555	2.5962	2.6107	2.6102
GBP	3.8198	3.8021	3.7999	3.8705	3.8740	3.8611
EURO	2.7865	2.7995	2.8036	2.8589	2.8292	2.8309
JPY	0.0214	0.0213	0.0213	0.0218	0.0218	0.0218

The basic arithmetical average of the Parent Bank’s foreign exchange bid rates for the last thirty-one days ending 31 March 2015 (TL full):

	Monthly Average FC Exchange Bid Rates
USD	2.5820
GBP	3.8728
EURO	2.8058
JPY	0.0214

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III. Consolidated foreign currency exchange rate risk (continued)

Information on consolidated foreign currency exchange rate risk:

31 March 2015	EURO	USD	OTHER FC	TOTAL
Assets				
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey (*)	5,106	250,052	50,139	305,297
Banks	3,070	66,045	625	69,740
Financial Assets at Fair Value Through Profit or Loss (**)	50	258	-	308
Interbank Money Market Placements	-	-	-	-
Investment Securities Available-for-Sale	-	4,618	-	4,618
Loans (***)	149,290	477,358	2,978	629,626
Investments in Subsidiaries and Associates	-	-	-	-
Investment Securities Held-to-Maturity	-	-	-	-
Hedging Purpose Financial Derivatives	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets (**)	2,959	8,386	-	11,345
Total Assets	160,475	806,717	53,742	1,020,934
Liabilities				
Bank Deposits	-	-	-	-
Foreign Currency Deposits	320,309	646,126	10,752	977,187
Interbank Money Markets	-	-	-	-
Funds Borrowed from Other Financial Institutions	34,942	177,478	966	213,386
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	133	725	-	858
Hedging Purpose Financial Derivatives	-	-	-	-
Other Liabilities (**) (*****)	1,078	2,545	81	3,704
Total Liabilities (**) (*****)	356,462	826,874	11,799	1,195,135
Net On Balance Sheet Position	(195,987)	(20,157)	41,943	(174,201)
Net Off Balance Sheet Position	195,862	19,893	(42,022)	173,733
Financial Derivatives (Assets) (*****)	197,843	235,425	9,740	443,008
Financial Derivatives (Liabilities) (*****)	1,981	215,532	51,762	269,275
Non-cash Loans (****)	105,386	356,274	5,267	466,927
31 December 2014				
Total Assets (*) (**) (***)	154,265	791,097	49,481	994,843
Total Liabilities (*) (*****)	474,381	983,125	10,447	1,467,953
Net On Balance Sheet Position	(320,116)	(192,028)	39,034	(473,110)
Net Off Balance Sheet Position	320,240	191,451	(39,123)	472,568
Financial Derivatives (Assets) (*****)	321,137	526,922	30,485	878,544
Financial Derivatives (Liabilities) (*****)	897	335,471	69,608	405,976
Non-cash Loans (****)	100,108	330,175	3,851	434,134

(*) As at 31 March 2015 precious metals balance in the Central Bank accounts amounting to TL 49,396 is included in Other FC (31 December 2014 – TL 44,108).

(**) As at 31 March 2015, accrual differences of derivative transactions presented in “Financial Assets At Fair Value Through Profit or Loss” and “Negative Value of Trading Derivatives” amounting to TL 286 and TL 7,143, respectively, (31 December 2014: TL 638 and TL 5,544) are not included in the table. As at 31 December 2014, accrual differences of value dated transactions presented in “Other External Resources” under liabilities amounting to TL 116 are not included in the table.

(***) As at 31 March 2015, “Loans” balance includes, in addition to the balance sheet amount, foreign currency indexed loans and their accruals amounting to TL 204,597 (31 December 2014: TL 183,099).

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

(*****) As at 31 March 2015, value dated FX buying and FX selling transactions amounting to TL 283 and TL 2,373, respectively, presented under “Asset Purchase and Sale Commitments” of off-balance sheet items are included (31 December 2014: TL 24,689 and TL 27,587). As at 31 March 2015 precious metal swap transactions amounting to TL 49,396 in “Other” item of Derivatives Financial Instruments section of off-balance sheet items is included in Other FC column (31 December 2014 – TL 66,162).

(*****) As at 31 March 2015, “Valuation differences of securities” in equity amounting to TL 3 (31 December 2014: TL 3) are not included.

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III. Consolidated foreign currency exchange rate risk (continued)

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

	31 March 2015				31 December 2014			
	Income Statement		Equity (*)		Income Statement		Equity (*)	
	10% increase	10% decrease	10% increase	10% decrease	10% increase	10% decrease	10% increase	10% decrease
Change in foreign currency rate								
USD	(27)	27	(26)	26	(58)	58	(58)	58
EURO	(13)	13	(13)	13	12	(12)	12	(12)
Other FC	(8)	8	(8)	8	(9)	9	(9)	9
	(48)	48	(47)	47	(55)	55	(55)	55

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

IV. Consolidated interest rate risk

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

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

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

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

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IV. Consolidated interest rate risk (continued)

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

	Up to 1 Month	1 – 3 Months	3 –12 Months	1 – 5 Years	5 Years and Over	Non-Interest Bearing (*)	Total
31 March 2015							
Assets							
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	70,974	-	-	-	322,609	393,583
Banks	70,144	-	-	-	-	6,083	76,227
Financial Assets at Fair Value Through Profit or Loss	2,109	-	50	-	258	38	2,455
Interbank Money Market Placements	-	-	-	-	-	-	-
Investment Securities Av.-for-Sale	63,796	13,771	45,742	78	1,480	160	125,027
Loans	1,109,535	240,232	455,117	607,305	138,015	40,196	2,590,400
Investment Securities Held-to-Mat.	-	-	-	-	-	-	-
Other Assets	1	-	-	-	-	107,340	107,341
Total Assets	1,245,585	324,977	500,909	607,383	139,753	476,426	3,295,033
Liabilities							
Bank Deposits	-	-	-	-	-	30	30
Other Deposits	1,636,957	465,257	16,127	-	-	123,527	2,241,868
Interbank Money Market Borrowings	66,627	-	-	-	-	-	66,627
Miscellaneous Payables	-	-	-	-	-	9,150	9,150
Securities Issued	-	-	-	-	-	-	-
Funds Borrowed from Other Fin.Inst.	17,317	102,421	124,232	-	-	-	243,970
Other Liabilities	4,699	2,550	-	-	-	726,139	733,388
Total Liabilities	1,725,600	570,228	140,359	-	-	858,846	3,295,033
Balance Sheet Long Position	-	-	360,550	607,383	139,753	-	1,107,686
Balance Sheet Short Position	(480,015)	(245,251)	-	-	-	(382,420)	(1,107,686)
Off Balance Sheet Long Position	-	-	-	-	-	-	-
Off Balance Sheet Short Position	-	-	-	-	-	-	-
Total Interest Sensitivity Gap	(480,015)	(245,251)	360,550	607,383	139,753	(382,420)	-

(*) Tangible and intangible assets amounting to TL 28,030, tax assets amounting to TL 5,860 and other assets amounting to TL 73,450 are presented within other assets as non-interest bearing; provisions amounting to TL 43,920, tax liability amounting to TL 7,294, other liabilities amounting to TL 59,957 and equity amounting to TL 614,968 are presented within other liabilities as non-interest bearing.

Interest rates applied to monetary financial instruments:

	EURO %	USD %	JPY %	TL %
31 March 2015 (*)				
Assets				
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	0.99
Banks	-	0.49	-	12.18
Financial Assets at Fair Value Through Profit or Loss	0.72	4.12	-	-
Interbank Money Market Placements	-	-	-	-
Investment Securities Available-for-Sale	-	2.40	-	9.92
Loans	4.72	5.41	5.78	12.67
Investment Securities Held-to-Maturity	-	-	-	-
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	2.12	2.27	1.00	10.99
Interbank Money Market Borrowings	-	-	-	7.84
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Funds Borrowed from Other Financial Institutions	1.48	1.53	-	7.10

(*) Stated at compound interest rates.

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IV. Consolidated interest rate risk (continued)

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

(*) Tangible and intangible assets amounting to TL 28,795 tax assets amounting to TL 4,029 and other assets amounting to TL 81,398 are presented within other assets as non-interest bearing; provisions amounting to TL 43,657, tax liability amounting to TL 7,543 other liabilities amounting to TL 58,778 and equity amounting to TL 620,136 are presented within other liabilities as non-interest bearing.

Interest rates applied to monetary financial instruments:

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

(*) Stated at compound interest rates.

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IV. Consolidated interest rate risk (continued)

The interest rate risk of the banking book items:

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

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

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

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

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

In accordance with the “Regulation on Measurement and Evaluation of Interest Rate Risk Arising from Banking Accounts via Standard Shock Method”, economic valuation differences of Parent Bank arising from fluctuations on interest rates, in different currencies, are presented in the table below (excluding tax effect) as at 31 March 2015.

Type of Currency	Shocks Applied (+/- basis points)	Gains/Losses	Gains/Equity- Losses/Equity
TL	500	(35,072)	(%5.7)
	(400)	32,326	%5.2
EURO	200	(754)	(%0.1)
	(200)	104	%0.0
USD	200	(9,199)	(%1.5)
	(200)	7,500	%1.2
Total (of negative shocks)		39,930	%6.4
Total (of positive shocks)		(45,025)	(%7.3)

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V. Consolidated liquidity risk

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

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

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

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

Presentation of assets and liabilities according to their residual maturities:

	Demand	Up to 1 month	1-3 months	3-12 Months	1-5 Years	5 years and Over	Undist. (*)	Total
31 March 2015								
Assets								
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	256,283	137,300	-	-	-	-	-	393,583
Banks	6,083	70,144	-	-	-	-	-	76,227
Financial Assets at Fair Value Through Profit or Loss	38	2,109	-	50	-	258	-	2,455
Interbank Money Market Placements	-	-	-	-	-	-	-	-
Investment Securities Available-for-Sale	160	50,691	5,150	10,227	38,214	20,585	-	125,027
Loans	-	514,793	377,750	897,527	622,119	138,015	40,196	2,590,400
Investment Securities Held-to-Maturity	-	-	-	-	-	-	-	-
Other Assets	-	57,864	2,994	2,709	73	3,893	39,808	107,341
Total Assets	262,564	832,901	385,894	910,513	660,406	162,751	80,004	3,295,033
Liabilities								
Bank Deposits	30	-	-	-	-	-	-	30
Other Deposits	123,527	1,636,956	465,250	16,119	16	-	-	2,241,868
Funds Borrowed from Other Financial Institutions	-	17,317	102,421	124,232	-	-	-	243,970
Interbank Money Markets	-	66,627	-	-	-	-	-	66,627
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	9,150	-	-	-	-	-	-	9,150
Other Liabilities	-	69,949	4,551	-	-	-	658,888	733,388
Total Liabilities	132,707	1,790,849	572,222	140,351	16	-	658,888	3,295,033
Net Liquidity Gap	129,857	(957,948)	(186,328)	770,162	660,390	162,751	(578,884)	-
31 December 2014								
Total Assets	223,569	1,051,716	500,757	1,057,211	589,852	153,359	87,913	3,664,377
Total Liabilities	148,219	1,866,624	780,134	205,587	20	-	663,793	3,664,377
Net Liquidity Gap	75,350	(814,908)	(279,377)	851,624	589,832	153,359	(575,880)	-

(*) Assets on the balance sheet which are not convertible into cash in short period; tangible and intangible assets amounting to TL 28,030, stationary supplies amounting to TL 370, assets to be disposed of amounting to TL 11,408, loans in follow-up amounting to TL 40,196 and liabilities on the balance sheet which are necessary for the banking operations; provisions amounting to TL 43,920 and equity amounting to TL 614,968 are included here.

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V. Consolidated liquidity risk (continued)

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

Liquidity Coverage Ratios	FC Liquidity Coverage Ratio	Total Liquidity Coverage Ratio
31 March 2015	110.5	94.3
Average (%)	123.9	93.0
Max. (%)	151.5	111.3
Min. (%)	98.7	79.7

VI. Consolidated position risk of equity securities of banking accounts

None.

VII. Information related to consolidated securitization positions

None.

VIII. Information related to consolidated credit risk mitigation techniques

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

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

Collaterals according to risk classifications:

Risk Classifications	Amount (**)	Financial Collaterals	Other/ Physical Collaterals	Guaranties and Credit Derivatives
Claims on sovereigns and Central Banks	551,828	64,919	-	-
Claims on regional governments or local authorities	-	-	-	-
Claims on administrative bodies and other non-commercial enterprises	949	-	-	-
Claims on multilateral development banks	-	-	-	-
Claims on international organizations	-	-	-	-
Claims on banks and capital market intermediary	112,718	1,598	-	-
Claims on corporate receivables	2,134,031	103,466	-	25
Claims included in the regulatory retail portfolios	171,621	8,634	-	197
Claims secured by residential property (*)	484,936	12,785	-	51
Non-performing receivables	40,196	12	-	-
Higher risk categories decided by Agency	216,611	4,804	-	-
Mortgage collateralized marketable securities	-	-	-	-
Securitization exposures	-	-	-	-
Short-term claims on banks and intermediary institutions and corporate receivables	-	-	-	-
Undertakings for collective investments in transferable securities	-	-	-	-
Other receivables	122,877	-	-	-
Total	3,835,767	196,218	-	273

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

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

IX. Information related to consolidated risk management target and policies

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

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

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

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

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

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

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

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

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

XI. Consolidated segment reporting

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

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

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

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

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XI. Consolidated segment reporting (continued)

Information related to the segments of the Group:

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

31 March 2015	Retail Banking	Corporate Banking	Investment Banking and Others	Total Operations
Operating Income	6,667	19,117	12,832	38,616
Operating profit of segment	(1,576)	(9,255)	4,728	(6,103)
Costs not distributed	-	-	-	-
Operating profit	(1,576)	(9,255)	4,728	(6,103)
Income from subsidiaries	-	-	-	-
Profit before tax	(1,576)	(9,255)	4,728	(6,103)
Tax provision (-)	-	-	(1,287)	(1,287)
Profit after tax	(1,576)	(9,255)	6,015	(4,816)
Non-controlling rights	-	-	-	-
Net Profit	(1,576)	(9,255)	6,015	(4,816)
Segment assets (*)	401,383	2,179,354	714,296	3,295,033
Investments in subsidiaries	-	-	-	-
Total Assets	401,383	2,179,354	714,296	3,295,033
Segment liabilities (*)	1,500,460	796,367	383,238	2,680,065
Equity	-	-	614,968	614,968
Total Liabilities	1,500,460	796,367	998,206	3,295,033
Other Segment Items	62	114	1,207	1,383
Capital expenditure	-	-	290	290
Depreciation and amortization	62	114	917	1,093
Impairment losses (**)	-	-	-	-
Other non-cash income-expenses	-	-	-	-
Restructuring costs	-	-	-	-

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

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

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

Based on information that is presented in the table above, segments of the Group are distributed based on their asset sizes as percentages in current period as; 66% for corporate banking, 12% for retail banking, 22% 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 50%, 17% and 33% respectively.

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

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XI. Consolidated segment reporting (continued)

	Retail Banking	Corporate Banking	Investment Banking and Others	Total Operations
For the period ended 31 March 2014				
Operating Income	5,242	26,254	22,551	54,047
Operating profit of segment	(1,735)	412	12,717	11,394
Costs not distributed	-	-	-	-
Operating profit	(1,735)	412	12,717	11,394
Income from subsidiaries	-	-	-	-
Profit before tax	(1,735)	412	12,717	11,394
Tax provision (-)	-	-	1,694	1,694
Profit after tax	(1,735)	412	11,023	9,700
Non-controlling rights	-	-	-	-
Net Profit	(1,735)	412	11,023	9,700
Other Segment Items	62	114	9,863	10,039
Capital expenditure	-	-	9,195	9,195
Depreciation and amortization	62	114	532	708
Impairment losses (**)	-	-	136	136
Other non-cash income-expenses	-	-	-	-
Restructuring costs	-	-	-	-
As at 31 December 2014				
Segment assets (*)	400,147	2,442,547	821,683	3,664,377
Investments in subsidiaries	-	-	-	-
Total Assets	400,147	2,442,547	821,683	3,664,377
Segment liabilities (*)	1,457,810	924,215	662,216	3,044,241
Equity	-	-	620,136	620,136
Total Liabilities	1,457,810	924,215	1,282,352	3,664,377

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

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

Based on information that is presented in the table above, as at 31 December 2014 segments of the Group are distributed based on their asset sizes as percentages in prior period as; 67% for corporate banking, 11% for retail banking, 22% for investment banking and others segment. Gross income (operational income) of the Group for the period ended 31 March 2014 is distributed between corporate banking, retail banking and investment banking and others segment as 49%, 10%, and 41%, respectively.

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SECTION FIVE

DISCLOSURES AND FOOTNOTES ON CONSOLIDATED FINANCIAL STATEMENTS

I. Information and disclosures related to consolidated assets

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

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

	31 March 2015		31 December 2014	
	TL	FC	TL	FC
Cash	17,285	13,635	14,904	15,849
Central Bank of Turkey (*)	71,001	291,662	28,203	289,634
Others	-	-	-	-
Total	88,286	305,297	43,107	305,483

b) Balances with the Central Bank of Turkey:

	31 March 2015		31 December 2014	
	TL	FC	TL	FC
Unrestricted Demand Deposits (*)	71,001	154,362	28,203	157,654
Unrestricted Time Deposits	-	-	-	-
Restricted Time Deposits	-	137,300	-	131,980
Total	71,001	291,662	28,203	289,634

(*) As at 31 March 2015, the Parent Bank keeps precious metals amounting to TL 49,396 as reserve deposits at Central Bank of Turkey (31 December 2014: TL 44,108)

c) Explanation related to reserve deposits:

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

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

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

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

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

- b) Positive value of trading derivatives:

	31 March 2015		31 December 2014	
	TL	FC	TL	FC
Forward transactions	94	7	32	7
Swap transactions	1,726	279	12,099	631
Futures	3	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	1,823	286	12,131	638

3. Information on banks:

	31 March 2015		31 December 2014	
	TL	FC	TL	FC
Banks				
Domestic	6,487	63,692	38,321	40,581
Foreign	-	6,048	-	4,737
Foreign branches	-	-	-	-
Total	6,487	69,740	38,321	45,318

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

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

	31 March 2015		31 December 2014	
	TL	FC	TL	FC
Given as collateral or blocked	12,694	-	10,217	-
Subject to repurchase agreements	66,611	-	64,480	-
Total	79,305	-	74,697	-

As at 31 March 2015, investment securities available-for-sale other than those given as collateral or subject to repurchase agreements amounting to TL 45,722 are unrestricted (31 December 2014: TL 129,030).

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

b) Available-for-sale securities:

	31 March 2015	31 December 2014
Debt instruments	125,010	203,569
Listed	120,429	199,405
Unlisted	4,581	4,164
Equity instruments	160	160
Listed	-	-
Unlisted	160	160
Impairment provision (-)	143	2
Total	125,027	203,727

5. Information related to loans:

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

	31 March 2015		31 December 2014	
	Cash	Non-Cash	Cash	Non-Cash
Direct loans granted to shareholders	29,589	2	26,372	2
Corporate shareholders	29,589	2	26,372	2
Individual shareholders	-	-	-	-
Indirect loans granted to shareholders	60,215	468	42,448	515
Loans granted to employees	1,842	-	1,693	-
Total	91,646	470	70,513	517

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

Cash Loans	Standard Loans and Other Receivables			Loans and Other Receivables Under Close Monitoring		
	Loans and Other Receivables (Total)	Conditions of Contracts Amended		Loans and Other Receivables (Total)	Conditions of Contracts Amended	
		Amendments related to the extension of the payment plan	Other		Amendments related to the extension of the payment plan	Other
Non-specialized loans	2,464,208	2,064	-	73,762	30,101	-
Enterprise loans	-	-	-	-	-	-
Export loans	130,805	-	-	-	-	-
Import loans	-	-	-	-	-	-
Loans given to financial sector	321,951	-	-	-	-	-
Consumer loans	335,460	2,064	-	20,487	154	-
Credit cards	24,563	-	-	1,876	-	-
Other	1,651,429	-	-	51,399	29,947	-
Specialized loans	11,726	26	-	508	-	-
Other receivables	-	-	-	-	-	-
Total	2,475,934	2,090	-	74,270	30,101	-

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

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	2,042	30,101
Extended by 3,4 or 5 Times	48	-
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	7	1,169
6 Months - 12 Months	337	485
1-2 Years	527	3,004
2-5 Years	1,045	4,169
5 Years and Over	174	21,274

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

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

	Short Term	Medium or Long Term	Total
Consumer Loans – TL	22,726	320,442	343,168
Real estate Loans	62	103,275	103,337
Automotive Loans	10	1,273	1,283
Consumer Loans	22,654	215,894	238,548
Other	-	-	-
Consumer Loans – Indexed to FC	-	2,674	2,674
Real estate Loans	-	2,674	2,674
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Consumer Loans – FC	-	5,087	5,087
Real estate Loans	-	5,087	5,087
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Credit Cards – TL	21,696	-	21,696
Installment	5,275	-	5,275
Non installment	16,421	-	16,421
Credit Cards – FC	313	-	313
Installment	-	-	-
Non Installment	313	-	313
Loans Given to Employees – TL	203	860	1,063
Real estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	203	860	1,063
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	807	-	807
Installment	245	-	245
Non Installment	562	-	562
Employee Credit Cards – FC	17	-	17
Installment	-	-	-
Non Installment	17	-	17
Overdraft Account – TL (Individual)	3,955	-	3,955
Overdraft Account – FC (Individual)	-	-	-
Total	49,717	329,063	378,780

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

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

	Short Term	Medium or Long Term	Total
Installment Corporate Loans – TL	34,859	221,320	256,179
Business Residential Loans	-	43	43
Automotive Loans	38	19,097	19,135
Consumer Loans	34,821	202,180	237,001
Other	-	-	-
Installment Corporate Loans – Indexed to FC	1,385	53,728	55,113
Business Residential Loans	-	-	-
Automotive Loans	-	6,574	6,574
Consumer Loans	1,385	47,154	48,539
Other	-	-	-
Installment Corporate Loans – FC	-	-	-
Business Residential Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Corporate Credit Cards – TL	3,485	-	3,485
Installment	1,620	-	1,620
Non Installment	1,865	-	1,865
Corporate Credit Cards – FC	121	-	121
Installment	-	-	-
Non Installment	121	-	121
Overdraft Account – TL (Commercial)	5,241	-	5,241
Overdraft Account – FC (Commercial)	-	-	-
Total	45,091	275,048	320,139

e) Domestic and foreign loans:

	31 March 2015	31 December 2014
Domestic loans	2,521,379	2,740,602
Foreign loans	28,825	24,751
Total	2,550,204	2,765,353

f) Loans granted to subsidiaries and associates: None.

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

g) Specific provisions for loans:

	31 March 2015	31 December 2014
Specific Provisions		
Loans and Receivables with Limited Collectability	837	4,431
Loans and Receivables with Doubtful Collectability	20,424	18,483
Uncollectible Loans and Receivables	97,077	87,733
Total	118,338	110,647

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

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

	III. Grup Loans and receivables with limited collectability	IV. Grup Loans and receivables with doubtful collectability	V. Grup Uncollectible loans and receivables
Current period	-	-	512
(Gross amounts before the specific reserves)			
Loans and other receivables which are restructured	-	-	-
Rescheduled loans and other receivables	-	-	512
Prior period	-	-	637
(Gross amounts before the specific reserves)			
Loans and other receivables which are restructured	-	-	-
Rescheduled loans and other receivables	-	-	637

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

	Group III Loans and receivables with limited collectability	Group IV Loans and receivables with doubtful collectability	Group V Uncollectible loans and receivables
Balances at Beginning of Period	16,789	32,550	108,873
Additions (+)	5,480	543	28
Transfers from Other Categories of Non- Performing Loans (+)	-	16,185	10,030
Transfers to Other Categories of Non-Performing Loans (-)	16,185	10,030	-
Collections (-)	1,133	2,979	1,617
Write-offs (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Retail Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Balances at End of the Period	4,951	36,269	117,314
Specific Provisions (-)	837	20,424	97,077
Net Balance on Balance Sheet	4,114	15,845	20,237

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

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

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

	Group III	Group IV	Group V
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period (Net)	4,114	15,845	20,237
Loans Allowed to Real Persons and Corporate Bodies (Gross)	4,951	36,269	117,314
Specific provision (-)	837	20,424	97,077
Loans Allowed to Real Persons and Corporate Bodies (Net)	4,114	15,845	20,237
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loan and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loan and Receivables (Net)	-	-	-
Prior Period (Net)	12,358	14,067	21,140
Loans Allowed to Real Persons and Corporate Bodies (Gross)	16,789	32,550	108,873
Specific provision (-)	4,431	18,483	87,733
Loans Allowed to Real Persons and Corporate Bodies (Net)	12,358	14,067	21,140
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loan and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loan and Receivables (Net)	-	-	-

i) Liquidation policy for uncollectible loans and other receivables:

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

j) Information on write-off from assets policy:

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

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

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

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

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

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

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

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

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

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

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

7. Investments in associates (net):

None.

8. Investments in subsidiaries (net):

As at 31 March 2015, the Parent Bank has subsidiary as Tekstil Yatırım Menkul Değerler A.Ş. The Parent Bank does not have any capital needs due to its subsidiary which is included in the calculation of its consolidated capital adequacy standard ratio. The current equity amount of the subsidiary fulfills the minimum capital requirement entailed in accordance with the Capital Markets Board’s regulations.

Information related to subsidiaries:

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

As at 31 March 2015, the Parent Bank has no non-consolidated subsidiary.

e) Information on consolidated subsidiaries:

Description	Address (City/Country)	Bank’s share percentage- If different from voting percentage	Banks Risk Group Share Percentage (%)
Tekstil Yatırım Menkul Değerler A.Ş. (Tekstil Yatırım)	İstanbul/Turkey	99.998	100.00

f) As at 31 March 2015, information on consolidated subsidiaries according to information above:

Total Assets	Shareholders’ Equity	Total Fixed Assets	Interest Income	Trading Income	Current Period Profit / Loss	Prior Period Profit / Loss	Fair value
39,337	29,809	143	1,276	1,769	804	309	-

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

g) Movement of consolidated subsidiaries:

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

h) Sectoral distribution of consolidated subsidiaries:

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

i) Listed subsidiaries: None.

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

k) Subsidiaries purchased in the current period: None.

9. Information on joint ventures (net):

None.

10. Information on financial lease receivables (net):

None.

11. Information on hedging purpose derivatives:

None.

12. Information on investment properties (net):

None.

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

13. Information on deferred tax assets:

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

The Group has net deferred tax asset amounting TL 3,893 (31 December 2014: TL 1,737) which was calculated on deductible temporary differences except general provisions at 31 March 2015.

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

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

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

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

15. Information on other assets:

As at 31 March 2015, the Group has property and real estate acquired against non performing loans and recorded under assets to be disposed of account and presented under other assets amounting TL 11,408 (31 December 2014: TL 11,190).

Other assets, other than assets to be disposed of, amounting to TL 62,043 (31 December 2014: TL 70,216), do not exceed 10% of total assets.

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II. Information and disclosures related to consolidated liabilities

1. Information on deposits:

a) Information on maturity profile of deposits:

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

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

a.1) 31 March 2015:

	Demand	Up to 1 month	1-3 Months	3-6 Months	6 Months- 1 Year	1 Year and Over	Cumulative Deposits	Total
Saving Deposits	17,132	27,518	847,943	3,638	465	434	22	897,152
Foreign Currency Deposits	48,431	35,206	857,699	17,113	14,110	4,628	-	977,187
Residents in Turkey	44,030	34,912	813,680	13,195	6,297	811	-	912,925
Residents Abroad	4,401	294	44,019	3,918	7,813	3,817	-	64,262
Public Sector Deposits	16,627	-	-	-	-	-	-	16,627
Commercial Deposits	39,835	53,230	250,828	16	-	-	-	343,909
Other Ins. Deposits	1,502	120	5,329	25	12	5	-	6,993
Precious Metal Deposits	-	-	-	-	-	-	-	-
Bank Deposits	30	-	-	-	-	-	-	30
Central Bank	-	-	-	-	-	-	-	-
Domestic Banks	7	-	-	-	-	-	-	7
Foreign Banks	23	-	-	-	-	-	-	23
Participation Banks	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total	123,557	116,074	1,961,799	20,792	14,587	5,067	22	2,241,898

a.2) 31 December 2014:

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

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

b) Information on Deposit Insurance:

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

Saving Deposits	Covered by Deposit Insurance Fund	Covered by Deposit Insurance Fund	Exceeding the Deposit Insurance Limit	Exceeding the Deposit Insurance Limit
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Saving Deposits	425,345	414,667	459,990	472,138
Foreign Currency Savings Deposits	140,989	137,953	434,076	392,135
Other Saving Deposits	-	-	-	-
Foreign branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	566,334	552,620	894,066	864,273

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

b.3) Saving deposits not covered by deposit insurance: TL 37,144 (31 December 2014: TL 34,890).

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

	31 March 2015	31 December 2014
Deposits and Other Accounts at Foreign Branches	-	-
Deposits and Other Accounts belong to Major Shareholders with Their Parents, Spouse and Children under Their Wardship	18,785	17,097
Deposits and Other Accounts belong to Members of Board of Directors, CEO and Deputy CEOs with Their Parents, Spouse and Children under Their Wardship	18,359	17,793
Deposits and Other Accounts linked to Crimes Mentioned in 282 nd Article of 5237 Numbered Turkish Crime Legislation dated on 26/09/2004	-	-
Deposits belong to Off-shore Banks which are established to be engaged in offshore banking in Turkey.	-	-

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

2. Information on derivative financial liabilities held for trading:

Negative difference on derivatives held for trading:

	31 March 2015		31 December 2014	
	TL	FC	TL	FC
Forwards	92	-	71	-
Swaps	-	7,143	-	5,544
Futures	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	92	7,143	71	5,544

3. Information on funds borrowed:

a) Information on banks and other financial institutions:

	31 March 2015		31 December 2014	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic Banks and Institutions	30,584	13,547	36,109	20,942
Foreign Banks, Institutions and Funds	-	199,839	-	291,052
Total	30,584	213,386	36,109	311,994

b) Contractual maturities of funds borrowed:

	31 March 2015		31 December 2014	
	TL	FC	TL	FC
Short-Term	30,584	177,347	35,174	264,727
Medium and Long-Term	-	36,039	935	47,267
Total	30,584	213,386	36,109	311,994

4. Information on other external resources:

Other external resources are amounting to TL 59,971 (31 December 2014: TL 58,899) and do not exceed 10% of total liabilities excluding the off-balance sheet items.

5. Obligations under financial leases (net):

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

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

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

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

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

None.

7. Information on provisions:

a) Information on general provisions:

	31 March 2015	31 December 2014
General Provisions		
Provision for Group I Loans and Receivables	17,431	18,318
<i>Additional Provision for Loans and Receivables with Extended Maturities</i>	131	156
Provision for Group II Loans and Receivables	2,397	2,195
<i>Additional Provision for Loans and Receivables with Extended Maturities</i>	1,506	1,441
Provision for Non-cash Loans	1,716	1,943
Other	48	159
Total	21,592	22,615

b) Information on reserve for employee rights:

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

Such payments are calculated on the basis of 30 days' pay, as at 31 March 2015, at ceiling amount of TL-full 3,541 (31 December 2014: TL-full 3,438), per year of employment at the rate of pay applicable at the date of retirement of termination. The liability is not funded, since there is no funding requirement.

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

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

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

Movement of ETI liability is below:

	31 March 2015	31 December 2014
Balance at Prior Period End	7,153	5,515
Current year provisions/ (reversal of provision)	632	3,000
Paid in current year	(246)	(1,362)
Balance at Current Period End	7,539	7,153

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

The Group also has vacation pay liability amounting TL 4,181 (31 December 2014: TL 3,882) as at 31 March 2015.

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

As at 31 March 2015, foreign exchange differences on foreign currency indexed loans amounting TL 665 (31 December 2014: TL 1,003) are netted with loans on the asset side.

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

As at 31 March 2015, the Parent Bank has provision amounting to TL 6,161 (31 December 2014: TL 6,628) for non-cash loans and irrevocable commitments that are not indemnified and not converted into cash amounting to TL 11,653 (31 December 2014: TL 12,799).

e) Information on other provisions:

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

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

As at 31 March 2015, the Parent Bank has provision for credit card service promotions amounting TL 126 (31 December 2014: TL 131).

e.3) Information on other provisions:

As at 31 March 2014, there is provision for lawsuits filed against the Parent Bank and its subsidiary amounting TL 4,321 (31 December 2014: TL 3,248).

8. Taxation:

a) Current tax liability: As at 31 March 2015, corporate taxes payable of the Group after deductions of prepaid taxes is TL 216 (31 December 2014: TL 150).

b) Information on taxes payable:

	31 March 2015	31 December 2014
Corporate taxes payable	216	150
Taxation on securities	2,138	1,855
Capital gains tax on property	202	174
Banking Insurance Transaction Tax (BITT)	2,014	2,377
Taxes on foreign exchange transactions	-	-
Value added tax payable	90	94
Other	1,284	1,579
Total	5,944	6,229

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

c) Information on premiums payable:

	31 March 2015	31 December 2014
Social security premiums- employee share	572	556
Social security premiums- employer share	651	633
Bank pension fund premium- employee share	-	-
Bank pension fund premium- employer share	-	-
Pension fund membership fees and provisions- employee share	-	-
Pension fund membership fees and provisions- employer share	-	-
Unemployment insurance- employee share	41	40
Unemployment insurance- employer share	85	84
Other	1	1
Total	1,350	1,314

d) Information on deferred tax liabilities:

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

9. Information on shareholders’ equity:

a) Paid in capital:

	31 March 2015	31 December 2014
Common Stock	420,000	420,000
Preferred Stock	-	-

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

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

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

h) Information on marketable securities valuation reserve:

	31 March 2015		31 December 2014	
	TL	FC	TL	FC
Associates, subsidiaries and joint ventures	-	-	-	-
Valuation gain/loss of available for sale securities	1,480	3	1,832	3
Translation gain/loss	-	-	-	-
Total	1,480	3	1,832	3

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

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

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

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

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III. Information and disclosures related to consolidated income statement

1. Interest income:

a) Information on interest income received from loans:

	31 March 2015		31 March 2014	
	TL	FC	TL	FC
Interest income received from loans (*)				
Short Term Loans	42,938	1,272	44,411	2,480
Medium and Long Term Loans	18,357	5,199	19,366	6,466
Loans Under Follow-Up	1,564	-	2,118	-
Source Utilization Support Fund	-	-	-	-
Total	62,859	6,471	65,895	8,946

(*) Includes fees and commissions from cash loans.

b) Information on interest income received from banks:

	31 March 2015		31 March 2014	
	TL	FC	TL	FC
Central Bank of Turkey	145	-	-	-
Domestic Banks	174	50	717	52
Foreign Banks	3	3	1	3
Foreign Branches	-	-	-	-
Total	322	53	718	55

c) Information on interest income received from securities portfolio:

	31 March 2015		31 March 2014	
	TL	FC	TL	FC
Trading Securities	-	5	-	10
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-
Investment Securities Available-for-Sale	2,449	30	11,771	98
Investment Securities Held-to-Maturity	-	-	-	-
Total	2,449	35	11,771	108

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

2. Interest expense:

a) Information on interest expense related to funds borrowed:

	31 March 2015		31 March 2014	
	TL	FC	TL	FC
Banks (*)	608	1,185	588	1,901
Central Bank of Turkey	-	-	-	-
Domestic Banks	603	102	588	369
Foreign Banks	5	1,083	-	1,532
Foreign Branches	-	-	-	-
Other Institutions	-	-	-	-
Total	608	1,185	588	1,901

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

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

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

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

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	-	12	-	-	-	-	-	12
Saving Deposits	-	318	21,430	78	9	9	-	21,844
Public Sector Deposits	-	-	-	-	-	-	-	-
Commercial Deposits	-	671	7,129	7	-	-	-	7,807
Other Deposits	-	5	380	1	-	-	-	386
Total Turkish Lira	-	1,006	28,939	86	9	9	-	30,049
Foreign Currency								
Foreign Currency Deposits	-	25	5,124	167	55	24	-	5,395
Bank Deposits	-	102	-	-	-	-	-	102
Precious Metal Deposits	-	-	-	-	-	-	-	-
Total Foreign Currency	-	127	5,124	167	55	24	-	5,497
Total	-	1,133	34,063	253	64	33	-	35,546

3. Trading income / loss (net):

	31 March 2015	31 March 2014
Profit	107,373	157,777
Capital Market Gains	1,855	1,271
Derivative Gains	49,077	75,946
Foreign Exchange Gains	56,441	80,560
Loss (-)	111,554	165,579
Capital Market Losses	84	-
Derivative Losses	55,668	72,039
Foreign Exchange Losses	55,802	93,540

Net loss related to derivative transactions resulting from foreign currency rate changes is amounted to TL 249 (31 March 2014: TL 14,627 net gain).

4. Other operating income:

The amount of TL 2,450 (31 March 2014: TL 2,851) of the “other operational income” item consists of collections of receivables for which a provision was made in the previous periods.

The decrease in the amount of general loan provision amounting to TL 1,023 (31 March 2014: TL 2,691) has been presented under other operating income account on consolidated income statement for the period ended 31 March 2015.

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

5. Impairment on loans and other receivables:

	31 March 2015	31 March 2014
Specific Provisions on Loans and Other Receivables	9,264	8,397
Loans and Receivables in Group III	837	4,904
Loans and Receivables in Group IV	6,258	102
Loans and Receivables in Group V	2,169	3,391
General Provision Expenses	-	-
Provision for Possible Losses	-	-
Impairment Losses on Securities:	-	136
Trading securities	-	5
Investment Securities Available-for-Sale	-	131
Other Impairment Losses:	-	-
Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Investment Securities Held-to-Maturity	-	-
Other (*)	1,053	142
Total	10,317	8,675

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

6. Information related to other operational expenses:

	31 March 2015	31 March 2014
Personnel Expenses	19,836	20,190
Reserve for Employee Termination Indemnities and Vacation Pay	685	231
Reserve for Bank's Social Aid Fund Deficit	-	-
Impairment of Tangible Assets	-	-
Depreciation Expenses of Tangible Assets	898	494
Impairment of Intangible Assets	-	-
Impairment of Goodwill	-	-
Amortization Expenses of Intangible Assets	158	138
Impairment of Investments in Associates	-	-
Impairment of Assets to be Disposed of	-	-
Depreciation of Assets to be Disposed of	37	76
Impairment of Assets Held for Sale and Discontinued Operations	-	-
Other Operating Expenses	9,400	9,283
Operational Leases	5,063	4,276
Repair and Maintenance	495	581
Advertising	76	234
Other Expenses	3,766	4,192
Loss on Sale of Assets	-	1
Other (*)	3,388	3,565
Total	34,402	33,978

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

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

7. Taxes on income from continued and discontinued operations:

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

For the period ended 31 March 2015, current tax expense is TL 870 (31 March 2014: TL 3,581).

For the period ended 31 March 2015, deferred tax income is TL 2,157 (31 March 2014: TL 1,887).

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

For the period ended 31 March 2015, deferred tax income arising from temporary differences amounting TL 2,157 (31 March 2014: TL 3,042).

Additionally, for the period ended 31 March 2015, the current tax effect amounting to TL 89 and deferred tax effect amounting to TL (1), on an aggregate TL 88 tax effect (31 March 2014: total TL 388) which are related to transactions recognized under equity is accounted for under equity accounts.

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

For the period ended 31 March 2015, TL 2,157 (31 March 2014: TL 3,042) deferred tax income is arising from temporary differences. For the period ended 31 March 2015, there is no deferred tax income or expense arising from financial losses or tax deductions and exemptions. For the period ended 31 March 2014 TL 1,155 deferred tax expense is arising from reversal of deferred tax asset resulted from financial losses as at 31 December 2013.

8. Information on net profit and loss:

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

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

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

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

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

1. Disclosures related to other contingent liabilities:

a) Type and amount of irrevocable commitments:

As at 31 March 2015, asset purchase and sale commitments amount to TL 4,734 (31 December 2014: TL 58,096), loan granting commitments amount to TL 41,647 (31 December 2014: TL 42,628), commitments for credit card limits amount to TL 84,774 (31 December 2014: TL 84,778) commitments for cheque payments amount to TL 89,647 (31 December 2014: TL 84,154), commitments for promotional operations re-credit cards amount to TL 254 (31 December 2014: TL 273), tax and fund obligations from export commitments amount to TL 3 (31 December 2014: TL 71) and other irrevocable commitments amount to TL 37,711 (31 December 2014: TL 38,278).

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

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

As at 31 March 2015, the Group has letters of guarantee amounting to TL 688,141 (31 December 2014: TL 721,025), bills of exchange and acceptances amounting to TL 364 (31 December 2014: TL 276), letters of credit amounting to TL 117,042 (31 December 2014: TL 107,643) and other guarantees amounting to TL 22,761 (31 December 2014: TL 20,633).

c) Non-cash loans:

	31 March 2015	31 December 2014
Non-Cash Loans Given for Cash Loan Risks	31,522	13,197
With Original Maturity of 1 Year or Less	3,999	954
With Original Maturity of More Than 1 Year	27,523	12,243
Other Non-Cash Loans	796,786	836,380
Total	828,308	849,577

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

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

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

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

a) Current Period:

Parent Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	68,820	517	70	-
Balance at the End of the Period	-	-	89,804	470	81	-
Interest and Commission Income Received	-	-	1,546	1	-	-

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

The Parent Bank has TL 11,413 placements in its risk group banks as at 31 March 2015 (31 December 2014: TL 300). Also the Parent Bank has TL 1,773 irrevocable commitment in its risk group as at 31 March 2015 (31 December 2014: TL 1,649).

b) Prior Period:

Parent Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	20,449	364	94	-
Balance at the End of the Period	-	-	68,820	517	70	-
Interest and Commission Income Received	-	-	703	2	-	-

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

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

Parent Bank's Risk Group (*)	Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposit						
Balance at the beginning of the Period	-	-	41,882	56,769	3,349	893
Balance at the End of the Period	-	-	43,475	41,882	3,603	3,349
Interest on Deposits	-	-	428	628	40	1

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

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

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

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

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

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

In the Group’s transactions with its risk group, pricing policy and other matters are determined and applied at market conditions. As at 31 March 2015, proportion of cash loans to risk group in total cash loans is 3.5% (31 December 2014: 2.4%), proportion of deposits from its risk group in total deposits is 2.1% (31 December 2014: 1.8%).

As at 31 March 2015, other commission income from risk group is amounted to TL 6 (31 March 2014: TL 10), other operating income from risk group is amounted to TL 8 (31 March 2014: TL 12), other commission expense to risk group is amounted to TL 3 (31 March 2014: TL 30) and other operating expense to risk group is amounted to TL 275 (31 March 2014: TL 261).

In the consolidated basis, key management cost for the current period is amounted to TL 1,478 (31 March 2014: TL 1,363).

VI. Information and disclosure related to subsequent events

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

1. Parent Bank announced the following Material Event Disclosure on 2 April 2015 in the Public Disclosure Platform (KAP):

“GSD Holding A.Ş., the major shareholder of the Parent Bank, announced the following Material Event Disclosure as at 2 April 2015.

‘The sale transaction of 75.50% shares of the Parent Bank owned by GSD Holding A.Ş. to Industrial Commercial Bank of China Limited (ICBC), was approved by Banking Regulation and Supervision Agency (BRSA). Following the completion of ordinary procedures defined on share purchase agreement dated 29 April 2014, closing transactions will be carried out.

In addition to description above, Parent Bank has no additional material event disclosure.”
2. On 28 April 2015 in the Public Disclosure Platform (KAP) with respect to the sale transaction Parent Bank briefly, appealed Extraordinary General Assembly on 22 May 2015 for approving the resigning of existing members of Board of Directors and selecting new members.
3. With the press release dated 2 May 2015 and numbered 2015-35, briefly The Central Bank of Republic of Turkey has declared that starting from 5 May 2015 required reserves, reserve options and free reserves denominated in US dollars held at the Central Bank of the Republic of Turkey would be remunerated and the applied remuneration (interest) rate would be set on a daily basis by taking global and local financial markets conditions into account.

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

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SECTION SIX

INDEPENDENT AUDITORS’ REVIEW REPORT

I. Information on the independent auditors’ review report

The consolidated financial statements of the Parent Bank and its subsidiary as at and for the period ended 31 March 2015 have been reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (A member firm of Ernst&Young Global Limited) and the independent auditors’ review report dated 7 May 2015 is presented in the introduction of this report.

II. Information and disclosures prepared by the independent auditors

None.