

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

Tekstil Bankası Anonim Şirketi

**Consolidated financial statements as at and
for the year ended 31 March 2013
with independent auditors' report thereon**

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

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Tekstil Bankası Anonim Şirketi:

We have reviewed the consolidated balance sheet of Tekstil Bankası Anonim Şirketi ("the Bank") and its consolidated subsidiary as at 31 March 2013 and the related consolidated income statement, consolidated statement of income and expense items accounted under shareholders' equity, consolidated statement of cash flows, consolidated statement of changes in shareholders' equity for the period then ended. These consolidated financial statements are the responsibility of the Bank's management. Our responsibility as independent auditors is to issue a report on these consolidated financial statements based on our review.

We conducted our review in accordance with the regulations on account and booking system and accounting and independent principles set out as per the Banking Act No.5411. Those principles require that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to applying analytical procedures to financial data and making inquiries of the Bank's management, and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not give a true and fair view of the financial position of Tekstil Bankası Anonim Şirketi and its consolidated subsidiary at 31 March 2013 and of the results of its operations and its cash flows for the period then ended in accordance with accounting principles and standards set out by regulations in conformity with Article 37 and 38 of Banking Law No. 5411 and other regulations, communiqués, interpretations and circulars published by the Banking Regulation and Supervision Agency on accounting and financial reporting principles.

The consolidated financial statements of the Bank and its consolidated subsidiary as of and for the three months period ended 31 March 2012 and as of and for the year ended 31 December 2012 prepared in accordance with the accounting principles and standards set out by regulations in conformity with Article 37 and 38 of the Banking Act No. 5411 were reviewed and audited, respectively, by another audit firm, who in their review report dated May 10, 2012 stated that nothing has come to their attention that causes them to believe that the consolidated financial statements of the Bank as of and for the three months ended 31 March 2012 do not give a true and fair view of the financial position, results of operations and cash flows in accordance with accounting principles and standards set out by regulations in conformity with Articles 37 and 38 of the Banking Act No. 5411 and other regulations, communiqués, interpretations and circulars published by the Banking Regulation and Supervision Agency ("BRSA") on accounting and financial reporting principles, and in their report dated 1 March 2013 expressed an unqualified opinion on the consolidated financial statements as of and for the year ended 31 December 2012.

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

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 regulations in conformity with articles 37 and 38 of the Banking Act No. 5411, 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

A handwritten signature in black ink, appearing to read 'Fatma Ebru Yücel'.

Fatma Ebru Yücel,
SMMM, Partner

İstanbul, 13 May 2013

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 2013

Address of the Bank's

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

The consolidated financial report prepared in accordance with the statement "Financial Statements and Related Disclosures and Footnotes to be Announced to Public" as required by the Banking Regulation and Supervision Agency (BRSA), is comprised of the following sections.

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

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

The consolidated financial statements and related disclosures and footnotes that were subject to independent audit, are prepared in accordance with the "Regulation on Accounting Principles and Documentations", Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements, and in compliance with the financial records of our Bank. Unless stated otherwise, the accompanying consolidated financial statements are presented in thousands of **Turkish Lira**.

Akgün TÜRER	İ. Sencan DEREBEYOĞLU	H.Çim GÜZELAYDINLI	Gülden AKDEMİR	M.Sercan ÇOBAN
Chairman of Board of Directors and Audit Committee	Member of Board of Directors and Audit Committee	Chief Executive Officer and Member of Board of Directors	Executive Vice President	Unit Manager

Contact information for questions on this financial report:

Name-Surname : M. Sercan Çoban
Tel No : 0212 335 54 94
Fax No : 0212 328 13 23

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**TEKSTİL BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2013
(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 June 1985 and started its operations on 13 October 1986. “Articles of Association” of the Bank was published in the Official Gazette dated 31 January 1986. The statute of the Parent Bank was not changed since its establishment.

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

The capital of the Parent Bank is TL 420,000 as at 31 March 2013 and is fully paid. GSD Holding Anonim Şirketi (“GSD Holding”) owns 75.50%, GSD Dış Ticaret Anonim Şirketi owns 1% and GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. Anonim Şirketi owns 0.04% of the outstanding shares of the Bank. The Bank is a subsidiary of GSD Holding. Remaining shares have been listed on Istanbul Stock Exchange since 23 May 1990.

The ultimate business of GSD Holding, which was initially established as a foreign trade company in 1986 and became a holding company to build a more efficient corporate structure for GSD Group Companies in 1996, is management of assets. GSD Holding also aims to manage the growth of the Group, finance and invest in profitable businesses. GSD Holding’s shares have been listed on Istanbul Stock Exchange since 11 November 1999. The nominal value of its shares is TL 250,000 as at 31 March 2013. A major portion of its shares are held by public.

Main operations of GSD Group Companies are;

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

TEKSTİL BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2013 (continued)
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

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

Title	Name	Job Description	Education
Chairman of the Board of Directors and Audit Committee:	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.

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

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

As at 31 March 2013, the Parent Bank has 44 branches close to industrial zones of Turkey and a representative office in Berlin, Germany. The Parent Bank has 846 employees as at 31 March 2013 (As at 31 December 2012 number of branches was 44, number of employees was 841).

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.

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

TEKSTİL BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2013 (continued)
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

V. Other information

Bank’s Official Title	: Tekstil Bankası Anonim Şirketi
Reporting Period	: 1 January – 31 March 2013
Address of Bank’s Headquarters	: Maslak Mah. Büyükdere Cad. No: 247 34398 Şişli - İstanbul
Telephone number	: (0212) 335 53 35
Fax number	: (0212) 328 13 28
Bank’s Internet Address	: www.tekstilbank.com.tr
Reporting currency	: Thousands of Turkish Lira

VI. 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.

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

None.

SECTION TWO

Consolidated Financial Statements

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

**TEKSTİL BANKASI A.Ş. AND ITS SUBSIDIARY
CONSOLIDATED BALANCE SHEETS (STATEMENTS OF FINANCIAL POSITION)
AS AT 31 MARCH 2013 AND 31 DECEMBER 2012
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)**

ASSETS		Footnotes (Section 5)	THOUSANDS OF TURKISH LIRA					
			CURRENT PERIOD 31/03/2013			PRIOR PERIOD 31/12/2012		
			TL	FC	TOTAL	TL	FC	TOTAL
I.	CASH AND BALANCES WITH THE CENTRAL BANK	(5.1.1)	79,106	314,751	393,857	96,972	265,862	362,834
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	(5.1.2)	3,816	588	4,404	2,340	3,375	5,715
2.1	Trading Securities		3,816	588	4,404	2,340	3,375	5,715
2.1.1	Public Sector Debt Securities		-	358	358	-	367	367
2.1.2	Share Certificates		419	-	419	428	-	428
2.1.3	Positive Value of Trading Derivatives		2,147	230	2,377	662	3,008	3,670
2.1.4	Other Securities		1,250	-	1,250	1,250	-	1,250
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)	13,924	59,934	73,858	7,507	110,029	117,536
IV.	INTERBANK MONEY MARKET		-	-	-	3,000	-	3,000
4.1	Interbank Money Market Placements		-	-	-	-	-	-
4.2	Istanbul Stock Exchange Money Market Placements		-	-	-	3,000	-	3,000
4.3	Receivables from Reverse Repurchase Agreements		-	-	-	-	-	-
V.	INVESTMENT SECURITIES AVAILABLE FOR SALE (Net)	(5.1.4)	307,278	7,437	314,715	321,968	7,434	329,402
5.1	Share Certificates		-	-	-	-	-	-
5.2	Public Sector Debt Securities		306,124	50	306,174	321,000	54	321,054
5.3	Other Securities		1,154	7,387	8,541	968	7,380	8,348
VI.	LOANS	(5.1.5)	1,998,218	609,694	2,607,912	2,077,026	592,092	2,669,118
6.1	Loans		1,938,517	609,694	2,548,211	2,034,822	592,092	2,626,914
6.1.1	Loans Utilized to the Bank's Risk Group		6,176	98	6,274	547	35	582
6.1.2	Public Sector Debt Securities		-	-	-	-	-	-
6.1.3	Others		1,932,341	609,596	2,541,937	2,034,275	592,057	2,626,332
6.2	Loans under Follow-Up		160,411	-	160,411	135,173	-	135,173
6.3	Specific Provisions (-)		100,710	-	100,710	92,969	-	92,969
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)		93,681	-	93,681	94,216	-	94,216
XV.	INTANGIBLE ASSETS (Net)		1,956	-	1,956	1,625	-	1,625
15.1	Goodwill		-	-	-	-	-	-
15.2	Others		1,956	-	1,956	1,625	-	1,625
XVI.	INVESTMENT PROPERTY (Net)	(5.1.12)	-	-	-	-	-	-
XVII.	TAX ASSETS	(5.1.13)	3,637	-	3,637	1,869	-	1,869
17.1	Current Tax Assets		-	-	-	-	-	-
17.2	Deferred Tax Assets		3,637	-	3,637	1,869	-	1,869
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)	102,347	8,060	110,407	93,091	6,043	99,134
TOTAL ASSETS			2,603,963	1,000,464	3,604,427	2,699,614	984,835	3,684,449

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 A.Ş. AND ITS SUBSIDIARY
CONSOLIDATED BALANCE SHEETS (STATEMENTS OF FINANCIAL POSITION)
AS AT 31 MARCH 2013 AND 31 DECEMBER 2012
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)**

LIABILITIES AND EQUITY		THOUSANDS OF TURKISH LIRA					
		CURRENT PERIOD			PRIOR PERIOD		
		31/03/2013			31/12/2012		
	Footnotes (Section 5)	TL	FC	TOTAL	TL	FC	TOTAL
I. DEPOSITS	(5.II.1)	1,313,808	1,140,425	2,454,233	1,504,322	1,205,756	2,710,078
1.1 Deposits of the Bank's Risk Group		16,143	29,570	45,713	24,561	31,328	55,889
1.2 Others		1,297,665	1,110,855	2,408,520	1,479,761	1,174,428	2,654,189
II. NEGATIVE VALUE OF TRADING DERIVATIVES	(5.II.2)	1,462	10,001	11,463	1,686	802	2,488
III. FUNDS BORROWED	(5.II.3)	37,685	240,614	278,299	33,943	215,158	249,101
IV. DUE TO MONEY MARKETS		146,019	-	146,019	11,156	-	11,156
4.1 Interbank Money Market		-	-	-	-	-	-
4.2 Istanbul Stock Exchange		-	-	-	-	-	-
4.3 Obligations under Repurchase Agreements		146,019	-	146,019	11,156	-	11,156
V. SECURITIES ISSUED (Net)		-	-	-	-	-	-
5.1 Bills		-	-	-	-	-	-
5.2 Asset Backed Securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
VI. FUNDS		-	-	-	-	-	-
6.2 Bank Borrowers' Funds		-	-	-	-	-	-
6.2 Others		-	-	-	-	-	-
VII. MISCELLANEOUS PAYABLES		12,244	6,622	18,866	12,427	1,698	14,125
VIII. OTHER EXTERNAL RESOURCES	(5.II.4)	57,991	4,649	62,640	64,101	7,947	72,048
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)	42,028	-	42,028	40,227	-	40,227
12.1 General Provisions		24,395	-	24,395	24,590	-	24,590
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Benefits		8,784	-	8,784	8,618	-	8,618
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5 Other Provisions		8,849	-	8,849	7,019	-	7,019
XIII. TAX LIABILITIES	(5.II.8)	10,889	-	10,889	10,325	-	10,325
13.1 Current Tax Liability		10,889	-	10,889	10,325	-	10,325
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)	579,988	2	579,990	574,896	5	574,901
16.1 Paid-In Capital		420,000	-	420,000	420,000	-	420,000
16.2 Supplementary Capital		47,643	2	47,645	49,654	5	49,659
16.2.1 Share Premium		(814)	-	(814)	(814)	-	(814)
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Valuation Differences of Securities		15,041	2	15,043	17,052	5	17,057
16.2.4 Revaluation Fund on Tangible Assets		33,416	-	33,416	33,416	-	33,416
16.2.5 Revaluation Fund on Intangible Assets		-	-	-	-	-	-
16.2.6 Revaluation Fund on Investment Property		-	-	-	-	-	-
16.2.7 Capital Bonus of Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-
16.2.8 Hedging Funds (Effective Portion)		-	-	-	-	-	-
16.2.9 Revaluation Fund on Assets Held for Sale and Discontinued Operations		-	-	-	-	-	-
16.2.10 Other Supplementary Capital		-	-	-	-	-	-
16.3 Profit Reserves		105,242	-	105,242	79,184	-	79,184
16.3.1 Legal Reserves		8,531	-	8,531	7,110	-	7,110
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		96,711	-	96,711	72,074	-	72,074
16.3.4 Other Profit Reserves		-	-	-	-	-	-
16.4 Profit or Loss		7,103	-	7,103	26,058	-	26,058
16.4.1 Prior Periods' Profit or Loss		-	-	-	-	-	-
16.4.2 Current Period Profit or Loss		7,103	-	7,103	26,058	-	26,058
16.5 Minority Shares		-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY		2,202,114	1,402,313	3,604,427	2,253,083	1,431,366	3,684,449

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 A.Ş. AND ITS SUBSIDIARY
CONSOLIDATED OFF BALANCE SHEET ITEMS STATEMENTS
AS AT 31 MARCH 2013 AND 31 DECEMBER 2012
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)**

	Footnotes (Section 5)	THOUSANDS OF TURKISH LIRA					
		CURRENT PERIOD 31/03/2013			PRIOR PERIOD 31/12/2012		
		TL	FC	TOTAL	TL	FC	TOTAL
A. OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I-II+III)		1,321,668	1,922,796	3,244,464	1,360,737	1,709,057	3,069,794
I. GUARANTEES	(5.IV.1)	649,283	541,918	1,191,201	698,438	549,673	1,248,111
1.1. Letters of Guarantee		649,283	288,618	937,901	698,438	303,313	1,001,751
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		649,283	288,618	937,901	698,438	303,313	1,001,751
1.2. Bank Acceptances		-	415	415	-	1,359	1,359
1.2.1. Import Letter of Acceptance		-	415	415	-	1,359	1,359
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letters of Credit		-	222,207	222,207	-	202,019	202,019
1.3.1. Documentary Letters of Credit		-	154,382	154,382	-	131,783	131,783
1.3.2. Other Letters of Credit		-	67,825	67,825	-	70,236	70,236
1.4. Prefinancing Given As Guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other Endorsements		-	-	-	-	-	-
1.6. Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7. Factoring Related Guarantees		-	-	-	-	-	-
1.8. Other Collaterals		-	30,678	30,678	-	42,982	42,982
1.9. Other Sureties		-	-	-	-	-	-
II. COMMITMENTS	(5.IV.1)	341,719	36,588	378,307	330,647	37,055	367,702
2.1. Irrevocable Commitments		341,719	36,588	378,307	330,647	37,055	367,702
2.1.1. Asset Purchase and Sale Commitments		4,000	36,588	40,588	1,697	37,055	38,752
2.1.2. Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3. Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4. Loan Granting Commitments		43,620	-	43,620	42,711	-	42,711
2.1.5. Securities Issuance Brokerage Commitments		-	-	-	-	-	-
2.1.6. Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7. Commitments for Cheque Payments		86,837	-	86,837	85,217	-	85,217
2.1.8. Tax and Fund Obligations from Export Commitments		3	-	3	-	-	-
2.1.9. Commitments for Credit Card Limits		206,798	-	206,798	200,544	-	200,544
2.1.10. Commitments for Promotional Operations Re-Credit Cards and Banking		-	-	-	-	-	-
2.1.10. Services		461	-	461	478	-	478
2.1.11. Receivables from "Short" Sale Commitments On Securities		-	-	-	-	-	-
2.1.12. Payables for "Short" Sale Commitments On Securities		-	-	-	-	-	-
2.1.13. Other Irrevocable Commitments		-	-	-	-	-	-
2.2. Revocable Commitments		-	-	-	-	-	-
2.2.1. Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		330,666	1,344,290	1,674,956	331,652	1,122,329	1,453,981
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		330,666	1,344,290	1,674,956	331,652	1,122,329	1,453,981
3.2.1. Forward Foreign Currency Purchases/Sales		94,930	144,116	239,046	22,699	100,588	123,287
3.2.1.1. Forward Foreign Currency Purchases		42,347	77,063	119,410	55,882	-	61,645
3.2.1.2. Forward Foreign Currency Sales		52,583	67,053	119,636	16,936	44,706	61,642
3.2.2. Currency and Interest Rate Swaps		175,634	1,024,022	1,199,656	240,795	917,657	1,158,452
3.2.2.1. Currency Swaps-Purchases		3,882	615,844	619,726	9,747	586,060	595,807
3.2.2.2. Currency Swaps-Sales		171,752	408,178	579,930	231,048	331,597	562,645
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		60,102	127,522	187,624	67,800	72,037	139,837
3.2.3.1. Currency Options-Purchases		32,246	61,824	94,070	33,605	36,317	69,922
3.2.3.2. Currency Options-Sales		27,856	65,698	93,554	34,195	35,720	69,915
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		-	48,630	48,630	358	32,047	32,405
B. CUSTODY AND PLEDGED SECURITIES (IV+V+VI)		3,110,020	1,087,888	4,197,908	3,090,469	1,030,884	4,121,353
IV. ITEMS HELD IN CUSTODY		258,109	50,939	309,048	269,471	57,901	327,372
4.1. Customers' Securities and Portfolios Held		-	-	-	-	-	-
4.2. Securities Held in Custody		135,324	8,587	143,911	139,629	9,382	149,011
4.3. Checks Received for Collection		77,354	5,043	82,397	83,670	3,586	87,256
4.4. Commercial Notes Received for Collection		24,838	18,168	43,006	24,474	22,720	47,194
4.5. Other Assets Received for Collection		-	-	-	-	-	-
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items under Custody		493	43	536	475	41	516
4.8. Custodians		20,100	19,098	39,198	21,223	22,172	43,395
V. PLEDGED ITEMS		2,824,527	1,036,949	3,861,476	2,790,441	972,983	3,763,424
5.1. Securities		16,689	-	16,689	13,908	-	13,908
5.2. Guarantee Notes		5,829	23,227	29,056	3,155	23,393	26,548
5.3. Commodities		87,024	48,412	135,436	81,548	50,628	132,176
5.4. Warrants		479	-	479	947	-	947
5.5. Immovables		1,981,177	869,583	2,850,760	2,021,193	804,590	2,825,783
5.6. Other Pledged Items		733,329	95,727	829,056	669,690	94,372	764,062
5.7. Pledged Items-Depository		-	-	-	-	-	-
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		27,384	-	27,384	30,557	-	30,557
TOTAL OFF BALANCE SHEET ITEMS (A+B)		4,431,688	3,010,684	7,442,372	4,451,206	2,739,941	7,191,147

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 A.Ş. AND ITS SUBSIDIARY
CONSOLIDATED INCOME STATEMENTS
AS AT 31 MARCH 2013 AND 2012

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

INCOME AND EXPENSE ITEMS	Footnotes (Section 5)	THOUSANDS OF TURKISH LIRA	
		CURRENT PERIOD (01/01/2013 - 31/03/2013)	PRIOR PERIOD (01/01/2012 - 31/03/2012)
I. INTEREST INCOME	(5.III.1)	75,417	86,351
1.1 Interest from Loans		66,390	74,121
1.2 Interest from Reserve Deposits		-	-
1.3 Interest from Banks		294	288
1.4 Interest from Money Market Transactions		14	-
1.5 Interest from Securities Portfolio		8,539	11,817
1.5.1 Trading Securities		5	6
1.5.2 Financial Assets at Fair Value Through Profit or Loss		-	-
1.5.3 Available for Sale Securities		8,534	11,811
1.5.4 Held to Maturity Securities		-	-
1.6 Interest from Financial Leases		-	-
1.7 Other Interest Income		180	125
II. INTEREST EXPENSE	(5.III.2)	39,568	50,363
2.1 Interest on Deposits		34,336	44,598
2.2 Interest on Funds Borrowed		2,289	2,083
2.3 Interest on Money Market Transactions		1,296	3,640
2.4 Interest on Securities Issued		-	-
2.5 Other Interest Expense		1,647	42
III. NET INTEREST INCOME (I - II)		35,849	35,988
IV. NET FEE AND COMMISSION INCOME		4,458	4,360
4.1 Fees and Commissions Received		5,352	5,367
4.1.1 Non-Cash Loans		2,787	2,688
4.1.2 Other		2,565	2,679
4.2 Fees and Commissions Paid		894	1,007
4.2.1 Non-Cash Loans		63	95
4.2.2 Other		831	912
V. DIVIDEND INCOME		-	-
VI. TRADING INCOME/LOSS (Net)	(5.III.3)	2,091	2,344
6.1 Profit / Loss on Trading Account Securities		2,756	3,224
6.2 Derivative Instruments Gain / Loss		(9,919)	(23,100)
6.3 Foreign Exchange Gain / Loss		9,254	22,220
VII. OTHER OPERATING INCOME	(5.III.4)	5,585	7,396
VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)		47,983	50,088
IX. IMPAIRMENT ON LOANS AND OTHER RECEIVABLES (-)	(5.III.5)	11,353	7,923
X. OTHER OPERATING EXPENSES (-)	(5.III.6)	27,496	27,477
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)		9,134	14,688
XII. NEGATIVE GOODWILL		-	-
PROFIT / LOSS FROM EQUITY METHOD INVESTMENTS		-	-
XIII. GAIN/LOSS ON NET MONETARY POSITION		-	-
XIV. P/L BEFORE TAXES FROM CONTINUING OPERATIONS (XI+...+XIV)		-	-
XV. TAXES ON INCOME FROM CONTINUING OPERATIONS (±)		9,134	14,688
XVI. Current Tax Provision	(5.III.7)	(2,031)	(2,520)
16.1 Deferred Tax Provision		(3,851)	(1,907)
16.2 NET PROFIT / LOSS FROM CONTINUING OPERATIONS (XV±XVI)		1,820	(613)
XVII. PROFIT FROM DISCONTINUED OPERATIONS		7,103	12,168
XVIII. Assets Held for Sale		-	-
18.1 Profit on Sale of Associates, Subsidiaries and Joint Ventures		-	-
18.2 Others		-	-
18.3 LOSS FROM DISCONTINUED OPERATIONS (-)		-	-
XIX. Assets Held for Sale		-	-
19.1 Loss on Sale of Associates, Subsidiaries and Joint Ventures		-	-
19.2 Others		-	-
19.3 P/L BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII-XIX)		-	-
XX. TAXES ON INCOME FROM DISCONTINUED OPERATIONS (±)		-	-
XXI. Current Tax Provision	(5.III.7)	-	-
21.1 Deferred Tax Provision		-	-
21.2 NET PROFIT / LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)		-	-
XXII. NET PROFIT/LOSS (XVII+XXII)		-	-
XXIII. Group's Profit / Loss	(5.III.8)	7,103	12,168
23.1 Minority Shares		7,103	12,168
23.2 INTEREST INCOME		-	-
Earnings / Losses per Share (Full TL)		0.0017	0.0029

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 A.Ş. AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF RECOGNIZED INCOME AND EXPENSE UNDER EQUITY
AS AT 31 MARCH 2013 AND 2012
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

PROFIT/LOSS ITEMS RECOGNIZED IN EQUITY		THOUSANDS OF TURKISH LIRA	
		CURRENT PERIOD (01/01/2013 - 31/03/2013)	PRIOR PERIOD (01/01/2012 - 31/03/2012)
I.	ADDITIONS TO VALUATION DIFF. ON SECURITIES FROM AVAILABLE FOR SALE INVESTMENTS	(2,517)	2,156
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	503	(422)
X.	NET PROFIT/LOSS RECOGNIZED IN EQUITY (I+II+...+IX)	(2,014)	1,734
XI.	CURRENT PERIOD PROFIT/LOSS	7,103	12,168
11.1	Net Change in Fair Value of Securities (Transfer to Profit & Loss)	801	1,048
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	6,302	11,120
XII.	TOTAL RECOGNIZED INCOME AND EXPENSE FOR THE PERIOD (X±XI)	5,089	13,902

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 A.Ş. AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
AS AT 31 MARCH 2013 AND 2012
(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 31/03/2012																			
I.	Balances at the Beginning of Period - 01/01/2012	420,000	-	(814)	-	5,830	-	48,728	-	24,626	-	581	18,839	-	-	-	517,790	-	517,790
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)	-	5,830	-	48,728	-	24,626	-	581	18,839	-	-	-	517,790	-	517,790
Changes in the Period																			
IV.	Increase / Decrease Related to Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Valuation Difference of Available-for-Sale Securities	-	-	-	-	-	-	-	-	-	-	1,734	-	-	-	-	1,734	-	1,734
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	-	-	-	-	-	-	-	-	12,168	-	-	-	-	-	-	12,168	-	12,168
XX.	Profit Distribution	-	-	-	-	1,101	-	23,525	-	(24,626)	-	-	-	-	-	-	-	-	-
20.1	Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2	Transferred to Reserves	-	-	-	-	1,101	-	23,525	-	(24,626)	-	-	-	-	-	-	-	-	-
20.3	Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the End of Period (III+IV+V+.....+XVIII+XIX+XX) - 31/03/2012		420,000	-	(814)	-	6,931	-	72,253	-	12,168	-	2,315	18,839	-	-	-	531,692	-	531,692

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

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TEKSTİL BANKASI A.Ş. AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
AS AT 31 MARCH 2013 AND 2012
(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																			
31/03/2013																			
I.	Balances at the Beginning of Period - 01/01/2013	420,000	-	(814)	-	7,110	-	72,074	-	26,058	-	17,057	33,416	-	-	-	574,901	-	574,901
	Changes in the Period																		
II.	Increase / Decrease Related to Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Valuation Difference of Available-for-Sale Securities	-	-	-	-	-	-	-	-	-	-	(2,014)	-	-	-	-	(2,014)	-	(2,014)
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.	Issuances 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	-	-	-	-	-	-	-	-	7,103	-	-	-	-	-	-	7,103	-	7,103
XVIII.	Profit Distribution	-	-	-	-	1,421	-	24,637	-	(26,058)	-	-	-	-	-	-	-	-	-
18.1	Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2	Transferred to Reserves	-	-	-	-	1,421	-	24,637	-	(26,058)	-	-	-	-	-	-	-	-	-
18.3	Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the End of Period (I+II+III+...+XVI+XVII+XVIII)																			
- 31/03/2013		420,000	-	(814)	-	8,531	-	96,711	-	7,103	-	15,043	33,416	-	-	-	579,990	-	579,990

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

TEKSTİL BANKASI A.Ş. AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
AS AT 31 MARCH 2013 AND 2012

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

		THOUSANDS OF TURKISH LIRA	
		CURRENT PERIOD (01/01/2013 - 31/03/2013)	PRIOR PERIOD (01/01/2012 - 31/03/2012)
A.	CASH FLOWS FROM BANKING OPERATIONS		
1.1	Operating Profit before Changes in Operating Assets and Liabilities	30,007	13,130
1.1.1	Interest Received	77,933	83,220
1.1.2	Interest Paid	(39,332)	(54,353)
1.1.3	Dividend Received	-	-
1.1.4	Fees And Commissions Received	3,997	5,363
1.1.5	Other Income	12,870	3,896
1.1.6	Collections from Non-performing Loans	3,978	4,808
1.1.7	Payments to Personnel and Service Suppliers	(17,240)	(16,754)
1.1.8	Taxes Paid	(4,792)	(5,757)
1.1.9	Other	(7,407)	(7,293)
1.2	Changes in Operating Assets and Liabilities	(92,872)	24,134
1.2.1	Net (Increase) Decrease in Trading Securities	47	184
1.2.2	Net (Increase) Decrease in Financial Assets Designated at FV	-	-
1.2.3	Net (Increase) Decrease in Banks	(30,704)	7,902
1.2.4	Net (Increase) Decrease in Loans	42,208	186,980
1.2.5	Net (Increase) Decrease in Other Assets	(8,453)	22,215
1.2.6	Net Increase (Decrease) in Bank Deposits	(53,508)	351
1.2.7	Net Increase (Decrease) in Other Deposits	(202,136)	(216,824)
1.2.8	Net Increase (Decrease) in Funds Borrowed	163,624	34,087
1.2.9	Net Increase (Decrease) in Due Payables	-	-
1.2.10	Net Increase (Decrease) in Other Liabilities	(3,950)	(10,761)
I.	Net Cash Provided by Banking Operations	(62,865)	37,264
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
II.	Net Cash Provided by / (Used in) Investing Activities	13,744	(63,955)
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	(613)	(1,765)
2.4	Fixed Assets Sales	-	1,100
2.5	Cash Paid for Purchase of Investments Available for Sale	(28,971)	(177,358)
2.6	Cash Obtained From Sale of Investments Available for Sale	43,328	114,068
2.7	Cash Paid for Purchase of Investment Securities	-	-
2.8	Cash Obtained from Sale of Investment Securities	-	-
2.9	Other	-	-
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
III.	Net Cash (Used in) Financing Activities	-	-
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	2,755	(1,161)
V.	Net Increase in Cash and Cash Equivalents (I+II+III+IV)	(46,366)	(27,852)
VI.	Cash and Cash Equivalents at the Beginning of Period	393,703	312,803
VII.	Cash and Cash Equivalents at the End of Period (V+VI)	347,337	284,951

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

TEKSTİL BANKASI A.Ş. AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013 (continued)
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

SECTION THREE

ACCOUNTING POLICIES

I. Basis of presentation

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

The consolidated financial statements have been prepared in accordance with the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” related with Banking Act numbered 5411 published in the Official Gazette no.26333 dated 1 November 2006, which refers to “Turkish Accounting Standards” (“TAS”) and “Turkish Financial Reporting Standards” (“TFRS”) issued by the “Turkish Accounting Standards Board” (“TASB”) and additional explanations and notes related to them and other decrees, notes and explanations related to accounting and financial reporting principles (all “Turkish Accounting Standards” or “TAS”) published by the Banking Regulation and Supervision Agency (“BRSA”).

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 Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements”, 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 Act, Turkish Commercial Code and Turkish Tax Legislation.

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 reviewed 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, 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 assess the 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 the consolidated financial statements are explained in footnotes II through XXVII in the following pages.

TEKSTİL BANKASI A.Ş. AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013 (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 floating rate and thus, the Parent Bank aims to minimize the effects of fluctuations in currency and interest rates in the market. Deposits collected are fixed rate and balanced with fixed rate loans and other investments. The fundamental strategy to manage the liquidity risk is to expand the deposit base through customer-oriented banking philosophy, and to increase customer transactions and retention rates. The Parent Bank invests some of its resources to domestic government bonds and short-term placements to reduce liquidity risk.

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

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

Transactions denominated in foreign currencies:

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

As at 31 March 2013, rates used for converting foreign exchange transactions to Turkish Lira and presenting them in financial statements are as follows; USD: TL 1.8137, Euro: TL 2.3206, JPY: TL 0.0192.

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

III. Presentation of Information Regarding Consolidated Subsidiaries and Associates

The Parent Bank has no consolidating associate.

Tekstil Yatırım which is financial subsidiary of the Bank is consolidated to accompanying consolidated financial statements by using “Full Consolidation” method as at 31 March 2013 and 31 December 2012.

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 2013 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 A.Ş. AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013 (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 commissions from personal loans are discounted with effective interest rate method and allocated to related period’s income statement.

TEKSTİL BANKASI A.Ş. AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013 (continued)
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

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

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. However, assets for which fair values could not be determined reliably are valued using discounting method with internal rate of return for the ones with a fixed maturity; and using valuation models or discounted cash flow techniques for the ones which do not have a fixed maturity. Unrecognized gain/losses derived from the difference between their fair value and the discounted values are recorded in “Valuation Differences of Securities” under the shareholders’ equity. In case of sales, the realized gain/losses are recognized directly in the income statement.

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

c. Loans and receivables:

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

Based on the regular reviews of the loan portfolio by the Parent Bank management, loans that are identified as being impaired are transferred to “loans under follow-up” accounts. Thereby, specific allowances are made against the carrying amount of these loans in accordance with the “Regulation on the Principles and Procedures Related to the Determination of the Loans and Other Receivables for which Provisions Shall be Set Aside by Banks and to the Provisions to be Set Aside” published on the Official Gazette no.26333 dated 1 November 2006. Provisions are deducted from the income of the current year. When collections are made on loans that have been provided for, they are credited to the income statement accounts “Provision for Loan Losses or Other Receivables” if the provision was made in the current year, otherwise such collections are credited to “Other Operating Income” account with respect to allowances made in the prior years. 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.

TEKSTİL BANKASI A.Ş. AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013 (continued)
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

VII. Financial assets (continued)

4. Investment securities held-to-maturity:

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

VIII. Impairment of financial assets

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

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

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

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

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

Since the consumer loans of the Parent Bank do not exceed the ratios mentioned above as at 31 March 2013, additional general loan loss provision has not been calculated.

In accordance with the communiqué "The Amendment to the Communiqué on Regulation on Procedures and Principles for Determination of Qualifications of Loans and Other Receivables by Banks and Provisions to be set aside" published in the Official Gazette numbered 28418 dated 21 September 2012, the Parent Bank has calculated general loan loss provisions with the rates stated in the first paragraph of Article 7 of the Communiqué.

TEKSTİL BANKASI A.Ş. AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013 (continued)
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

IX. Offsetting financial instruments

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

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

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

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

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

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

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

XI. Assets held for sale and discontinued operations

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

The Group does not have any assets held for sale.

The Group does not have any discontinued operations.

XII. Goodwill and other intangible assets

There is no goodwill in the accompanying consolidated financial statements as at 31 March 2013 and 31 December 2012.

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 A.Ş. AND ITS SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013 (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	3 – 5 years

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

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

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

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

The Parent Bank applies revaluation model for the buildings as permitted by TAS 16 “Property, Plant and Equipment”. For this purpose, fair values of the buildings are determined by a third party appraiser, which is commissioned by BRSA and Capital Markets Board. The fair value surplus is recognized in “Revaluation Fund on Tangible Assets” within the equity items. As at 31 March 2013, revaluation surplus on tangible assets amounts to TL 35,175 (31 December 2012: TL 35,175).

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.

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XVIII. Taxation (continued)

b. Deferred taxes:

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

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

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

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

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

c. Transfer pricing:

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

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

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

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 2013 and 31 December 2012, the Group does not have any government grants.

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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.

XXV. Cash and cash equivalents

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

XXVI. Segment reporting

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

XXVII. Reclassifications

In order to achieve convenience of presentation of financial statements as at 31 March 2013, no reclassifications have been made in the consolidated financial statements for the prior year / period.

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SECTION FOUR

CONSOLIDATED FINANCIAL POSITION

I. Consolidated capital adequacy ratio

As at 31 March 2013, the Group’s consolidated capital adequacy ratio is 16.96%.

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

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

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

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

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I. Consolidated capital adequacy ratio (continued)

Consolidated Capital Adequacy Ratio:

31 March 2013							
				Risk Weights			
				Parent Bank			
	%0	%20	%50	%75	%100	%150	%200
Value at Credit Risk	-	26,116	331,276	434,192	2,023,911	57,344	196,548
Risk Classifications							
Contingent and Non-Contingent Claims on Sovereigns and Central Bank	672,571	-	-	-	50	-	-
Contingent and Non-Contingent Claims on Regional Governments and Local Authorities	-	-	-	-	-	-	-
Contingent and Non-Contingent Claims on Administrative Units and Non-commercial Enterprises	-	-	-	-	1,143	-	-
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	181	108,630	29,376	-	77,978	-	-
Contingent and Non-Contingent Claims on Corporate Receivables	26,547	19,996	-	-	1,529,027	-	-
Contingent and Non-Contingent Claims Included in the Regulatory Retail Portfolios	3,912	1,566	-	578,922	-	-	-
Contingent and Non-Contingent Claims Secured by Residential Property	6,191	-	632,605	-	144,178	-	-
Non-performing Receivables	-	-	571	-	57,421	1,697	-
Higher-Risk Categories Defined by Agency	3,836	387	-	-	-	36,532	98,274
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	25,709	-	-	-	214,114	-	-

31 March 2013							
				Risk Weights			
				Consolidated			
	%0	%20	%50	%75	%100	%150	%200
Value at Credit Risk	-	26,160	331,905	440,864	2,016,054	57,344	196,548
Risk Classifications							
Contingent and Non-Contingent Claims on Sovereigns and Central Bank	674,709	-	-	-	50	-	-
Contingent and Non-Contingent Claims on Regional Governments and Local Authorities	-	-	-	-	-	-	-
Contingent and Non-Contingent Claims on Administrative Units and Non-commercial Enterprises	-	-	-	-	1,143	-	-
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	181	108,849	30,633	-	77,978	-	-
Contingent and Non-Contingent Claims on Corporate Receivables	26,547	19,996	-	-	1,531,253	-	-
Contingent and Non-Contingent Claims Included in the Regulatory Retail Portfolios	3,912	1,566	-	587,818	-	-	-
Contingent and Non-Contingent Claims Secured by Residential Property	6,191	-	632,605	-	144,178	-	-
Non-performing Receivables	-	-	571	-	57,421	1,697	-
Higher-Risk Categories Defined by Agency	3,836	387	-	-	-	36,532	98,274
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	25,709	-	-	-	204,031	-	-

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I. Consolidated capital adequacy ratio (continued)

Summary information related to consolidated and unconsolidated capital adequacy ratios:

	Parent Bank	Consolidated
	31 March 2013	31 March 2013
Capital Requirement for Credit Risk (VaCR*0.08) (CRCR)	245,551	245,510
Capital Requirement for Market Risk (CRMV)	1,689	2,125
Capital Requirement for Operational Risk (CROV)	20,916	22,363
Shareholders' Equity	569,344	572,257
Shareholders' Equity/((CRCR+CRMV+CROV) *12,5)*100	16.99	16.96

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

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I. Consolidated capital adequacy ratio (continued)

Components of shareholders' equity:

	31 March 2013	31 December 2012
CORE CAPITAL		
Paid-In Capital	420,000	420,000
Nominal Capital	420,000	420,000
Capital Commitments (-)	-	-
Capital Reserves Arising From Inflation Adjustments to Paid-in Capital	-	-
Share Premium	(814)	(814)
Share Cancellation Profits	-	-
Reserves	105,242	79,184
Inflation Adjustment on Reserves	-	-
Profit	7,103	26,058
Current Period Profit	7,103	26,058
Prior Years' Profit	-	-
Provision for Possible Losses up to 25% of the Core Capital	-	-
Gain on Sale of Associates, Subsidiaries and Real Estates	-	-
Primary Subordinated Loans	-	-
Minority Shares	-	-
Losses Excess of Reserves (-)	-	-
Current Period Loss	-	-
Prior Periods' Loss	-	-
Leasehold Improvements (-)	477	529
Intangible Assets (-)	1,956	1,625
Deferred Tax Asset excess of 10% of the Core Capital (-)	-	-
Excess Amount of Article 56/3 of the Law (-)	-	-
Consolidation Goodwill (Net) (-)	-	-
Total Core Capital	529,098	522,274
SUPPLEMENTARY CAPITAL		
General Loan Loss Provision	24,395	24,590
45% of Revaluation Fund of Movables	-	-
45% of Revaluation Fund of Real Estate	15,037	15,037
Bonus Shares Obtained from Associates, Subsidiaries and Entities Under Common Control (Joint Ventures)	-	-
Amount of Primary Subordinated Loans Not Accounted in the Calculation of the Core Capital	-	-
Secondary Subordinated Loans	-	-
45% of Revaluation Surplus of Marketable Securities and Investment Securities (100% if deficit)	6,769	7,676
Indexation Differences for Capital Reserves, Profit Reserves and Retained Earnings (Except Indexation Differences for Legal Reserves, Statutory Reserves and Extraordinary Reserves)	-	-
Minority Shares	-	-
Total Supplementary Capital	46,201	47,303
CAPITAL	575,299	569,577
DEDUCTIONS FROM THE CAPITAL	3,042	3,083
Investments in Unconsolidated Banks and Financial Institutions	-	-
Secondary Subordinated Loans Granted to Banks and Financial Institutions (Domestic, Foreign) or Qualified Shareholders and Placements in Securities of These Entities That Possess the Nature of Their Primary or Secondary Subordinated Debt	-	-
Investments in Banks and Financial Institutions, to which Equity Method has been applied but whose Assets and Liabilities are Unconsolidated	-	-
Loan Granted in Violation of the Articles 50 and 51 of the Law	-	-
The Net Book Value of Properties Exceeding Fifty Percent of Equity and Net Book Value of Properties and Commodity Acquired in Exchange of Loans and Receivables and should be disposed of according to the Article 57 of the Banking Law which have not been Disposed since 5 Years After Foreclosure	3,042	3,083
Securitization Positions Deducted – preferably – from Equity	-	-
Others	-	-
TOTAL SHAREHOLDERS' EQUITY	572,257	566,494

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II. Consolidated market risk

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

The capital requirement for market risk and for specific risks are calculated in accordance with “Method of Market Risk Calculation with Standard Method” in 2nd Section of “Calculation of Market Risk” of the Communiqué on “Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks” published in Official Gazette no. 28337 dated 28 June 2012 and “Regulation on Capital Requirement Calculation for Market Risk of Options” and reported by Parent Bank on monthly basis.

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

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

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

a) Consolidated market risk

	Amount
(I) Capital Requirement to be Employed for General Market Risk - Standard Method	750
(II) Capital Requirement to be Employed for Specific Risk - Standard Method	263
Capital Requirement for Specific Risk Relating to Securitization Positions – Standard Method	-
(III) Capital Requirement to be Employed for Currency Risk - Standard Method	264
(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	528
(VII) Capital Requirement for Counterparty Credit Risk - Standard Method	320
(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) (*)	2,125
(X) Value at Market Risk (12.5 x VIII) or (12.5 x IX)	26,563

(*) For the purpose of the capital adequacy ratio calculation, 8% of total amount of TL 26,563, which is TL 2,125 was used for the market risk. TL 2,125 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 and future transactions.

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

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

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

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

	22/03/13	25/03/13	26/03/13	27/03/13	28/03/13	29/03/13
USD	1.8151	1.8174	1.8140	1.8168	1.8176	1.8137
GBP	2.7481	2.7560	2.7548	2.7515	2.7452	2.7430
EURO	2.3426	2.3510	2.3551	2.3379	2.3257	2.3206
JPY	0.0190	0.0192	0.0191	0.0192	0.0192	0.0192

The basic arithmetical average of the Parent Bank's foreign exchange bid rates for the last thirty one days from 31 March 2013 (TL full):

	Monthly Average FC Exchange Bid Rates
USD	1.8071
GBP	2.7216
EURO	2.3435
JPY	0.0191

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III. Consolidated foreign currency exchange rate risk (continued)

Information on consolidated foreign currency exchange rate risk:

31 March 2013	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 (*)	4,730	260,249	49,772	314,751
Banks	26,417	31,793	1,724	59,934
Financial Assets at Fair Value Through Profit or Loss (**)	50	308	-	358
Interbank Money Market Placements	-	-	-	-
Investment Securities Available-for-Sale	24	7,413	-	7,437
Loans (***)	205,888	602,965	24,030	832,883
Investments in Subsidiaries and Associates	-	-	-	-
Investment Securities Held-to-Maturity	-	-	-	-
Hedging Purpose Financial Derivatives	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets (**)	4,058	3,959	21	8,038
Total Assets	241,167	906,687	75,547	1,223,401
Liabilities				
Bank Deposits	-	-	-	-
Foreign Currency Deposits	472,719	660,860	6,846	1,140,425
Interbank Money Markets	-	-	-	-
Funds Borrowed from Other Financial Institutions	126,021	114,576	17	240,614
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	1,277	5,336	9	6,622
Hedging Purpose Financial Derivatives	-	-	-	-
Other Liabilities (**)	2,185	2,320	100	4,605
Total Liabilities (**)	602,202	783,092	6,972	1,392,266
Net On Balance Sheet Position	(361,035)	123,595	68,575	(168,865)
Net Off Balance Sheet Position	355,659	(129,005)	(61,884)	164,770
Financial Derivatives (Assets) (****)	383,019	340,995	48,810	772,824
Financial Derivatives (Liabilities) (****)	27,360	470,000	110,694	608,054
Non-cash Loans (****)	117,571	420,613	3,734	541,918
Prior Period				
Total Assets (**) (***)	250,752	883,506	63,253	1,197,511
Total Liabilities (**) (****)	513,648	908,143	8,768	1,430,559
Net On Balance Sheet Position	(262,896)	(24,637)	54,485	(233,048)
Net Off Balance Sheet Position	262,688	24,967	(54,165)	233,490
Financial Derivatives (Assets) (****)	285,620	376,130	34,687	696,437
Financial Derivatives (Liabilities) (****)	22,932	351,163	88,852	462,947
Non-cash Loans (****)	142,132	403,004	4,537	549,673

(*) As at 31 March 2013 precious metals balance in the Central Bank accounts amounting to TL 48,631 is included in other FC (31 December 2012 – TL 32,048).

(**) As at 31 March 2013, 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 230 and TL 10,001, respectively, (31 December 2012: TL 3,008 and TL 802) and accrual differences of value dated transactions presented under assets in "Other Assets" and "Other External Resources" amounting to TL 22 and TL 44 (31 December 2012: TL 103 in Other Assets) are not included in the table, respectively. In addition valuation differences of securities presented under equity amounting to TL 2 is not included in the table.

(***) As at 31 March 2013, "Loans" balance includes, in addition to the balance sheet amount, foreign currency indexed loans and their accruals amounting to TL 223,189 (31 December 2012: TL 215,787).

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

(*****) As at 31 March 2013, value dated FX buying and FX selling transactions amounting to TL 18,093 and TL 18,495, respectively, presented under "Asset Purchase and Sale Commitments" of off-balance sheet items are included (31 December 2012: TL 18,178 and TL 18,877). As at 31 March 2013 precious metal swap sales amounting to TL 48,630 in "Other" item of Derivatives Financial Instruments section of off-balance sheet items is included in Other FC column (31 December 2012 – TL 32,047).

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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 2013 and 31 December 2012 (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 2013				31 December 2012			
	Income Statement		Equity (*)		Income Statement		Equity (*)	
Change in foreign currency rate	10% increase	10% decrease	10% increase	10% decrease	10% increase	10% decrease	10% increase	10% decrease
USD	(541)	541	(541)	541	33	(33)	33	(33)
EURO	(538)	538	(538)	538	(21)	21	(21)	21
Other FC	669	(669)	669	(669)	32	(32)	32	(32)
Total, net	(410)	410	(410)	410	44	(44)	44	(44)

(*) 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 2013							
Assets							
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	-	-	393,857	393,857
Banks	66,060	1,368	-	-	-	6,430	73,858
Financial Assets at Fair Value Through Profit or Loss	168	1,267	950	163	187	1,669	4,404
Interbank Money Market Placements	-	-	-	-	-	-	-
Investment Securities Av.-for-Sale	99,082	21,848	180,257	13,427	101	-	314,715
Loans	1,179,280	229,577	411,909	585,872	141,573	59,701	2,607,912
Investment Securities Held-to-Mat.	-	-	-	-	-	-	-
Other Assets	85	-	-	-	-	209,596	209,681
Total Assets	1,344,675	254,060	593,116	599,462	141,861	671,253	3,604,427
Liabilities							
Bank Deposits	-	-	-	-	-	9	9
Other Deposits	1,787,675	382,707	152,227	948	-	130,667	2,454,224
Interbank Money Market Borrowings	146,019	-	-	-	-	-	146,019
Miscellaneous Payables	-	-	-	-	-	18,866	18,866
Securities Issued	-	-	-	-	-	-	-
Funds Borrowed from Other Fin.Inst.	50,990	94,460	119,618	13,231	-	-	278,299
Other Liabilities	7,990	4,176	1,008	-	-	693,836	707,010
Total Liabilities	1,992,674	481,343	272,853	14,179	-	843,378	3,604,427
Balance Sheet Long Position	-	-	320,263	585,283	141,861	-	1,047,407
Balance Sheet Short Position	(647,999)	(227,283)	-	-	-	(172,125)	(1,047,407)
Off Balance Sheet Long Position	-	-	-	-	-	-	-
Off Balance Sheet Short Position	-	-	-	-	-	-	-
Total Interest Sensitivity Gap	(647,999)	(227,283)	320,263	585,283	141,861	(172,125)	-

(*) Tangible and intangible assets amounting to TL 95,637, tax assets amounting to TL 3,637 and other assets amounting to TL 110,322 are presented within other assets as non-interest bearing; provisions amounting to TL 42,028, tax liability amounting to TL 10,889, other liabilities amounting to TL 60,929 and equity amounting to TL 579,990 are presented within other liabilities as non-interest bearing.

Average interest rates applied to monetary financial instruments:

	EURO %	USD %	JPY %	TL %
31 March 2013 (*)				
Assets				
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	-
Banks	0.51	1.06	-	7.63
Financial Assets at Fair Value Through Profit or Loss	1.87	3.16	-	-
Interbank Money Market Placements	-	-	-	-
Investment Securities Available-for-Sale	4.77	6.11	-	4.69
Loans	5.84	7.18	8.74	11.90
Investment Securities Held-to-Maturity	-	-	-	-
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	3.19	2.90	0.90	7.77
Interbank Money Market Borrowings	-	-	-	5.67
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Funds Borrowed from Other Financial Institutions	2.90	2.74	-	7.40

(*) 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 2012							
Assets							
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	-	-	362,834	362,834
Banks	102,913	-	-	-	-	14,623	117,536
Financial Assets at Fair Value Through Profit or Loss	3,250	262	158	174	193	1,678	5,715
Interbank Money Market Placements	3,000	-	-	-	-	-	3,000
Investment Securities Av.-for-Sale	101,900	116,229	88,766	22,478	29	-	329,402
Loans	1,315,923	166,383	450,425	545,432	148,751	42,204	2,669,118
Investment Securities Held-to-Mat.	-	-	-	-	-	-	-
Other Assets	188	-	-	-	-	196,656	196,844
Total Assets	1,527,174	282,874	539,349	568,084	148,973	617,995	3,684,449
Liabilities							
Bank Deposits	53,530	-	-	-	-	39	53,569
Other Deposits	1,728,889	547,524	127,916	33	-	252,147	2,656,509
Interbank Money Market Borrowings	11,156	-	-	-	-	-	11,156
Miscellaneous Payables	-	-	-	-	-	14,125	14,125
Securities Issued	-	-	-	-	-	-	-
Funds Borrowed from Other Fin.Inst.	42,784	27,351	176,108	2,858	-	-	249,101
Other Liabilities	3,497	306	72	-	-	696,114	699,989
Total Liabilities	1,839,856	575,181	304,096	2,891	-	962,425	3,684,449
Balance Sheet Long Position	-	-	235,253	565,193	148,973	-	949,419
Balance Sheet Short Position	(312,682)	(292,307)	-	-	-	(344,430)	(949,419)
Off Balance Sheet Long Position	-	-	-	-	-	-	-
Off Balance Sheet Short Position	-	-	-	-	-	-	-
Total Interest Sensitivity Gap	(312,682)	(292,307)	235,253	565,193	148,973	(344,430)	-

(*) Tangible and intangible assets amounting to TL 95,841, tax assets amounting to TL 1,869 and other assets amounting to TL 98,946 are presented within other assets as non-interest bearing; provisions amounting to TL 40,227, tax liability amounting to TL 10,325, other liabilities amounting to TL 70,661 and equity amounting to TL 574,901 are presented within other liabilities as non-interest bearing.

Average interest rates applied to monetary financial instruments:

	EURO %	USD %	JPY %	TL %
31 December 2012 (*)				
Assets				
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	-
Banks	0.78	0.48	-	7.25
Financial Assets at Fair Value Through Profit or Loss	2.12	2.84	-	-
Interbank Money Market Placements	-	-	-	5.87
Investment Securities Available-for-Sale	4.76	6.33	-	5.24
Loans	6.88	7.39	8.35	13.02
Investment Securities Held-to-Maturity	-	-	-	-
Liabilities				
Bank Deposits	-	2.38	-	-
Other Deposits	3.65	3.63	0.25	8.80
Interbank Money Market Borrowings	-	-	-	5.13
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Funds Borrowed from Other Financial Institutions	3.20	3.00	-	8.01

(*) Stated at compound interest rates.

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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 Assessment of Standard Shock Method on the Interest Rate Risk Arising from Banking Accounts”, published in the Official Gazette numbered 28034 and dated 23 August 2011, and this legal limit is monitored and reported monthly, based on this measurement.

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

In accordance with the communiqué on “Standard Shock Measurement and Evaluation Method of the Interest Rate Risk in Banking Accounts”, economic valuation differences arising from fluctuations on interest rates, in different currencies, are presented in the table below (excluding tax effect) as at 31 March 2013.

Type of Currency	Shocks Applied (+/- basis points)	Gains/Losses	Gains/Equity- Losses/Equity
TL	500	(47,520)	(%8.4)
	(400)	44,784	%7.9
EURO	200	669	%0.1
	(200)	29	%0.0
USD	200	(13,909)	(%2.4)
	(200)	8,690	%1.5
Total (of negative shocks)		53,503	%9.4
Total (of positive shocks)		(60,760)	(%10.7)

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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 ISE Settlement and Custody Bank's Stock Exchange Money Market, Interbank and secondary market are monitored frequently. Regarding maturity mismatch risk in the balance sheet, the maximum limits have been set by the Board of Directors.

Major part of the liquidity has been maintained by the deposits in the Parent Bank. Additionally, the volume of deposits has retained a stable path during the period. On the contrary, the Parent Bank executes the strategy of increasing long-term loans from international markets rather than loans from domestic secondary market.

Presentation of assets and liabilities according to their residual maturities:

	Demand	Up to 1 month	1-3 months	3-12 Months	1-5 Years	5 years and Over	Undist. (*)	Total
31 March 2013								
Assets								
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey.	393,857	-	-	-	-	-	-	393,857
Banks	6,430	66,060	1,368	-	-	-	-	73,858
Financial Assets at Fair Value Through Profit or Loss	1,669	168	1,267	950	163	187	-	4,404
Interbank Money Market Placements	-	-	-	-	-	-	-	-
Investment Securities Available-for-Sale	-	3,171	4,837	32,840	195,129	78,738	-	314,715
Loans	-	416,871	449,788	901,755	624,151	155,646	59,701	2,607,912
Investment Securities Held-to-Maturity	-	-	-	-	-	-	-	-
Other Assets	-	60,546	-	36,165	-	3,637	109,333	209,681
Total Assets	401,956	546,816	457,260	971,710	819,443	238,208	169,034	3,604,427
Liabilities								
Bank Deposits	9	-	-	-	-	-	-	9
Other Deposits	130,667	1,787,675	382,703	152,208	971	-	-	2,454,224
Funds Borrowed from Other Financial Institutions	-	50,937	94,460	119,671	13,231	-	-	278,299
Interbank Money Markets	-	146,019	-	-	-	-	-	146,019
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	15,881	2,985	-	-	-	-	-	18,866
Other Liabilities	57,152	13,624	9,134	5,082	-	-	622,018	707,010
Total Liabilities	203,709	2,001,240	486,297	276,961	14,202	-	622,018	3,604,427
Net Liquidity Gap	198,247	(1,454,424)	(29,037)	694,749	805,241	238,208	(452,984)	-
31 December 2012								
Total Assets	379,135	798,414	326,246	974,889	781,698	273,539	150,528	3,684,449
Total Liabilities	327,388	1,850,135	579,863	309,005	2,930	-	615,128	3,684,449
Net Liquidity Gap	51,747	(1,051,721)	(253,617)	665,884	778,768	273,539	(464,600)	-

(*) Assets on the balance sheet which are not convertible into cash in short period; tangible and intangible assets amounting to TL 95,637, stationary supplies amounting to TL 325, assets to be disposed of amounting to TL 13,371, loans in follow-up amounting to TL 59,701 and liabilities on the balance sheet which are necessary for the banking operations; provisions amounting to TL 42,028 and equity amounting to TL 579,990 are included here.

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V. Consolidated liquidity risk (continued)

As per the BRSA Communiqué dated 1 November 2006 and became effective starting from 1 January 2007, the weekly and monthly liquidity ratios on a bank-only basis for foreign currency assets/liabilities and total assets/liabilities should be minimum 80% and 100%, respectively. The Parent Bank’s liquidity ratios for 2013 are as follows:

Liquidity Ratios	First Maturity Bracket		Second Maturity Bracket	
	FC Liquidity Adequacy Ratio	Total Liquidity Adequacy Ratio	FC Liquidity Adequacy Ratio	Total Liquidity Adequacy Ratio
31 March 2013	255.2	233.4	126.3	119.4
Average (%)	218.6	231.8	131.1	131.9
Max. (%)	268.7	275.1	144.0	140.5
Min. (%)	179.3	199.2	115.0	199.4

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 33rd article of “Regulation on Credit Risk Mitigation Techniques”. Cash or other debt securities with high credit quality are used on credit risk mitigation. Financial collaterals are valued according to market value and evaluated in the scope of credit assignment and monitoring policy of the Parent Bank. Net-off is not available.

Collaterals according to risk classifications:

Risk Classifications	Amount (**)	Financial Collaterals	Other/Physical Collaterals	Guaranties and Credit Derivatives
Claims on sovereigns and Central Banks	674,480	-	-	-
Claims on regional governments or local authorities	-	-	-	-
Claims on administrative bodies and other non-commercial enterprises	1,143	-	-	-
Claims on multilateral development banks	-	-	-	-
Claims on international organizations	-	-	-	-
Claims on banks and capital market intermediary	217,432	183	-	-
Claims on corporate	1,567,908	62,594	-	27
Claims included in the regulatory retail portfolios	601,466	17,606	-	611
Claims secured by residential property (*)	783,372	6,842	-	-
Non-performing receivables	59,701	12	-	-
Higher risk categories decided by Agency	140,825	6,019	-	-
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	229,740	-	-	-
Total	4,276,067	93,256	-	638

(*) 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.

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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 or relevant processes.

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

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

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

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

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

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

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 marketing, foreign currency-TL and securities units and markets, both in the name of the Parent Bank and its customers, bonds, foreign exchange transactions and derivative products including swaps and options. Tekstil Yatırım gives agency services in capital markets products and provides investment fund and portfolio management services.

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

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XII. 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 Financial Statements and Related Disclosures and Footnotes to be Announced to Public", which is published in the Official Gazette No. 26333 dated 1 November 2006.

31 March 2013	Retail Banking	Corporate Banking	Investment Banking and Others	Total Operations
Operating Income	6,638	20,297	21,048	47,983
Operating profit of segment	366	(4,338)	13,106	9,134
Costs not distributed	-	-	-	-
Operating profit	-	-	-	-
Income from subsidiaries	-	-	-	-
Profit before tax	366	(4,338)	13,106	9,134
Tax provision	-	-	2,031	2,031
Profit after tax	366	(4,338)	11,075	7,103
Non-controlling rights	-	-	-	-
Net Profit	366	(4,338)	11,075	7,103
Segment assets (*)	380,434	2,223,193	1,000,800	3,604,427
Investments in subsidiaries	-	-	-	-
Total Assets	380,434	2,223,193	1,000,800	3,604,427
Segment liabilities (*)	1,489,744	1,075,283	459,410	3,024,437
Equity	-	-	579,990	579,990
Total Liabilities	1,489,744	1,075,283	1,039,400	3,604,427
Other Segment Items	43	122	1,657	1,822
Capital expenditure	-	-	613	613
Depreciation and amortization	43	122	753	918
Impairment losses (**)	-	-	291	291
Other non-cash income-expenses	-	-	-	-
Restructuring costs	-	-	-	-

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

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

Based on information that is presented in the table above, segments of the Group are distributed based on their asset sizes as percentages in current period as; 62% for corporate banking, 10% for retail banking, 28% 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 42%, 14%, and 44%, respectively.

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

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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 2013		31 December 2012	
	TL	FC	TL	FC
Cash	14,857	10,852	17,356	13,112
Central Bank of Turkey (*)	64,249	303,899	79,616	252,750
Others	-	-	-	-
Total	79,106	314,751	96,972	265,862

b) Balances with the Central Bank of Turkey:

	31 March 2013		31 December 2012	
	TL	FC	TL	FC
Unrestricted Demand Deposits (*)	64,249	183,542	79,616	163,097
Unrestricted Time Deposits	-	-	-	-
Restricted Time Deposits	-	120,357	-	89,653
Total	64,249	303,899	79,616	252,750

(*) As at 31 March 2013, the Parent Bank keeps precious metals amounting to TL 48,631 as reserve deposits at Central Bank of Turkey (31 December 2012: TL 32,048)

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 2013 (31 December 2012: between 5% and 11%); the reserve rates for foreign currency liabilities vary between 6% and 12.5% (31 December 2012: 6% and 11.5% for all foreign currency liabilities).

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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 2013 and 31 December 2012, the financial assets at fair value through profit or loss are kept under unrestricted account.

- b) Positive value of trading derivatives:

	31 March 2013		31 December 2012	
	TL	FC	TL	FC
Forward transactions	644	21	53	347
Swap transactions	1,071	97	69	2,660
Futures	-	-	-	-
Options	432	112	540	1
Other	-	-	-	-
Total	2,147	230	662	3,008

3. Information on banks:

- a) Information on banks:

	31 March 2013		31 December 2012	
	TL	FC	TL	FC
Banks				
Domestic	13,924	53,509	7,507	95,411
Foreign	-	6,425	-	14,618
Foreign branches	-	-	-	-
Total	13,924	59,934	7,507	110,029

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

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

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

	31 March 2013		31 December 2012	
	TL	FC	TL	FC
Given as collateral or blocked	13,864	-	9,256	-
Subject to repurchase agreements	148,872	-	11,462	-
Total	162,736	-	20,718	-

As at 31 March 2013, investment securities available-for-sale other than those given as collateral or subject to repurchase agreements amounting to TL 151,979 are unrestricted (31 December 2012: TL 308,684).

b) Available-for-sale securities:

	31 March 2013	31 December 2012
Debt instruments	316,120	330,477
Listed	308,733	323,097
Unlisted	7,387	7,380
Equity instruments	-	-
Listed	-	-
Unlisted	-	-
Impairment provision (-)	(1,405)	(1,075)
Total	314,715	329,402

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 2013		31 December 2012	
	Cash	Non-Cash	Cash	Non-Cash
Direct loans granted to shareholders	-	-	31	-
Corporate shareholders	-	-	31	-
Individual shareholders	-	-	-	-
Indirect loans granted to shareholders	6,196	598	448	688
Loans granted to employees	1,489	-	1,613	-
Total	7,685	598	2,092	688

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

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

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

Cash Loans	Standard Loans and Other Receivables			Loans and Other Receivables Under Close Monitoring		
	Loans and Other Receivables	Conditions of Contracts Amended		Loans and Other Receivables	Conditions of Contracts Amended	
		Amendments related to the extension of the payment plan	Other		Amendments related to the extension of the payment plan	Other
Non-specialized loans	2,441,036	1,103	-	79,481	86	-
Enterprise loans	-	-	-	-	-	-
Export loans	212,727	-	-	22,214	-	-
Import loans	-	-	-	-	-	-
Loans given to financial sector	102,345	-	-	-	-	-
Consumer loans	295,952	1,103	-	15,590	86	-
Credit cards	32,449	-	-	1,770	-	-
Other	1,797,563	-	-	39,907	-	-
Specialized loans	25,965	12	-	528	-	-
Other receivables	-	-	-	-	-	-
Total	2,467,001	1,115	-	80,009	86	-

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

Number of Amendments Related to the Extension of the Payment Plan	Standard Loans and Other Receivables	Loans and Other Receivables Under Close Monitoring
Extended by 1 or 2 Times	1,115	86
Extended by 3,4 or 5 Times	-	-
Extended by More than 5 Times	-	-

The Time Extended via the Amendment on Payment Plan	Standard Loans and Other Receivables	Loans and Other Receivables Under Close Monitoring
Up to 6 Months	5	25
6 Months - 12 Months	583	-
1-2 Years	527	-
2-5 Years	-	61
5 Years and Over	-	-

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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	12,083	281,164	293,247
Real estate Loans	697	126,824	127,521
Automotive Loans	53	5,069	5,122
Consumer Loans	11,235	148,421	159,656
Other	98	850	948
Consumer Loans – Indexed to FC	97	6,132	6,229
Real estate Loans	97	6,089	6,186
Automotive Loans	-	-	-
Consumer Loans	-	43	43
Other	-	-	-
Consumer Loans – FC	-	9,888	9,888
Real estate Loans	-	9,888	9,888
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Credit Cards – TL	29,446	82	29,528
Installment	10,657	82	10,739
Non installment	18,789	-	18,789
Credit Cards – FC	388	-	388
Installment	-	-	-
Non Installment	388	-	388
Loans Given to Employees – TL	119	567	686
Real estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	119	567	686
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	810	1	811
Installment	335	1	336
Non Installment	475	-	475
Employee Credit Cards – FC	87	-	87
Installment	-	-	-
Non Installment	87	-	87
Overdraft Account – TL (Individual)	2,681	-	2,681
Overdraft Account – FC (Individual)	-	-	-
Total	45,711	297,834	343,545

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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	32,449	161,762	194,211
Business Residential Loans	-	2,170	2,170
Automotive Loans	257	8,610	8,867
Consumer Loans	2,522	-	2,522
Other	29,670	150,982	180,652
Installment Corporate Loans – Indexed to FC	3,049	92,771	95,820
Business Residential Loans	-	7	7
Automotive Loans	-	8,139	8,139
Consumer Loans	108	14,728	14,836
Other	2,941	69,897	72,838
Installment Corporate Loans – FC	-	-	-
Business Residential Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Corporate Credit Cards – TL	3,282	7	3,289
Installment	942	7	949
Non Installment	2,340	-	2,340
Corporate Credit Cards – FC	116	-	116
Installment	-	-	-
Non Installment	116	-	116
Overdraft Account – TL (Commercial)	5,597	-	5,597
Overdraft Account – FC (Commercial)	-	-	-
Total	44,493	254,540	299,033

e) Domestic and foreign loans:

	31 March 2013	31 December 2012
Domestic loans	2,548,211	2,626,914
Foreign loans	-	-
Total	2,548,211	2,626,914

f) Loans granted to subsidiaries and associates: None.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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I. Information and disclosures related to consolidated assets (continued)

g) Specific provisions for loans:

	31 March 2013	31 December 2012
Specific Provisions		
Loans and Receivables with Limited Collectability	3,184	2,075
Loans and Receivables with Doubtful Collectability	19,049	20,789
Uncollectible Loans and Receivables	78,477	70,105
Total	100,710	92,969

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

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

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	9,774	30,238	95,161
Additions (+)	30,690	738	83
Transfers from Other Categories of Non- Performing Loans (+)	-	7,946	11,255
Transfers to Other Categories of Non-Performing Loans (-)	7,946	11,255	-
Collections (-)	2,532	1,174	2,533
Write-offs (-)	1	19	14
Corporate and Commercial Loans	-	-	-
Retail Loans	-	16	-
Credit Cards	1	3	14
Other	-	-	-
Balances at End of the Period	29,985	26,474	103,952
Specific Provisions (-)	3,184	19,049	78,477
Net Balance on Balance Sheet	26,801	7,425	25,475

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:

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period (Net)	26,801	7,425	25,475
Loans Allowed to Real Persons and Corporate Bodies (Gross)	29,985	26,474	103,952
Specific provision (-)	3,184	19,049	78,477
Loans Allowed to Real Persons and Corporate Bodies (Net)	26,801	7,425	25,475
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loan and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loan and Receivables (Net)	-	-	-
Prior Period (Net)	7,699	9,449	25,056
Loans Allowed to Real Persons and Corporate Bodies (Gross)	9,774	30,238	95,161
Specific provision (-)	2,075	20,789	70,105
Loans Allowed to Real Persons and Corporate Bodies (Net)	7,699	9,449	25,056
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loan and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loan and Receivables (Net)	-	-	-

h.5) Liquidation policy for uncollectible loans and other receivables:

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

h.6) 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 2013 and 31 December 2012, 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 2013 and 31 December 2012, there are no financial assets held-to-maturity.

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

As at 31 March 2013 and 31 December 2012, there are no financial assets held-to-maturity.

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

As at 31 March 2013 and 31 December 2012, there are no financial assets held-to-maturity.

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

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

7. Investments in associates (Net):

None.

8. Investments in subsidiaries (Net):

As at 31 March 2013, the Parent Bank has subsidiary as Tekstil Yatırım ve Menkul Değerler A.Ş. The Parent Bank does not have any capital needs due to its subsidiary which is included in the calculation of its consolidated capital adequacy standard ratio. The current equity amount of the subsidiary fulfills the minimum capital requirement entailed in accordance with the Capital Markets Board's regulations.

Information related to subsidiaries:

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

	31 March 2013	31 December 2012
Balance at the Beginning of the Period	-	41
Movements during the Period	-	(41)
Purchases	-	-
Bonus shares received	-	-
Dividends from Current Year Profit	-	-
Sales (*)	-	(41)
Revaluation Increase	-	-
Impairment Provision	-	-
Balance at the End of the Period	-	-
Capital Commitments	-	-
Share Percentage at the end of Period (%)	-	-

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

- d) Industrial distribution of subsidiaries not consolidated:

As at 31 March 2013, the Parent Bank has no non-consolidated subsidiary.

- e) Information on consolidated subsidiaries:

Description	Address (City/Country)	Bank's share percentage- If different from voting percentage	Banks Risk Group Share Percentage (%)
Tekstil Yatırım Menkul Değerler A.Ş. (Tekstil Yatırım)	İstanbul/Turkey	99.92	100.00

- f) Information on consolidated subsidiaries according to information above:

Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Trading Income	Current Period Profit / Loss	Prior Period Profit / Loss	Fair value
26,546	18,633	139	757	1,476	611	613	-

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

g) Movement of consolidated subsidiaries:

	31 March 2013	31 December 2012
Balance at the Beginning of the Period	15,693	13,086
Movements during the Period	-	2,607
Purchases	-	-
Bonus Shares Received	-	-
Dividends from Current Year Profit	-	-
Sales	-	-
Revaluation Increase	-	-
Impairment Provision (*)	-	2,607
Revaluation Increase/(Decrease) due Effect of F/X Difference	-	-
Balance at the End of the Period	15,693	15,693
Capital Commitments	-	-
Share Percentage at the end of Period (%)	-	-

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

h) Sectoral distribution of consolidated subsidiaries

	31 March 2013	31 December 2012
Subsidiaries		
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Financial Subsidiaries	15,693	15,693
Other Non Financial Subsidiaries	-	-
Total	15,693	15,693

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 3,637 (31 December 2012: TL 1,869) which was calculated on deductible temporary differences except general provisions at 31 March 2013.

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:

The Parent Bank has no asset held for sale and discontinued operation as at 31 March 2013 and 31 December 2012.

15. Information on other assets:

The Group has property and real estate acquired against non performing loans and recorded under assets to be disposed of account and presented under other assets amounting TL 13,371 (31 December 2012: TL 12,156).

As at 31 March 2013, TL 30,811 (31 December 2012: TL 30,811) receivable paid to court bailiff due a follow-up loan is included in other assets.

Other assets, other than assets to be disposed of, amounting to TL 97,036 (31 December 2012: TL 86,978), 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 2013:

	Demand	Up to 1 month	1-3 Months	3-6 Months	6 Months- 1 Year	1 Year and Over	Cumulative Deposits	Total
Saving Deposits	11,568	18,001	880,625	7,772	6,557	1,662	31	926,216
Foreign Currency Deposits	57,130	36,803	869,205	32,603	140,334	4,339	11	1,140,425
Residents in Turkey	51,578	32,001	823,980	17,758	132,819	1,610	11	1,059,757
Residents Abroad	5,552	4,802	45,225	14,845	7,515	2,729	-	80,668
Public Sector Deposits	5,888	-	-	-	-	-	-	5,888
Commercial Deposits	54,684	27,981	287,178	616	-	1,512	-	371,971
Other Ins. Deposits	1,397	5,146	3,157	15	9	-	-	9,724
Precious Metal Deposits	-	-	-	-	-	-	-	-
Bank Deposits	9	-	-	-	-	-	-	9
Central Bank	-	-	-	-	-	-	-	-
Domestic Banks	9	-	-	-	-	-	-	9
Foreign Banks	-	-	-	-	-	-	-	-
Participation Banks	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total	130,676	87,931	2,040,165	41,006	146,900	7,513	42	2,454,233

a.2) 31 December 2012:

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

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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 2013	31 December 2012	31 March 2013	31 December 2012
Saving Deposits	424,762	295,480	491,861	667,048
Foreign Currency Savings Deposits	137,876	87,694	395,215	460,660
Other Saving Deposits	-	-	-	-
Foreign branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	562,638	383,174	887,076	1,127,708

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 28,038 (31 December 2012: TL 25,875).

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

	31 March 2013	31 December 2012
Deposits and Other Accounts at Foreign Branches	-	-
Deposits and Other Accounts belong to Major Shareholders with Their Parents, Spouse and Children under Their Wardship	14,641	12,959
Deposits and Other Accounts belong to Members of Board of Directors, CEO and Deputy CEOs with Their Parents, Spouse and Children under Their Wardship	13,397	12,916
Deposits and Other Accounts linked to Crimes Mentioned in 282 nd Article of 5237 Numbered Turkish Crime Legislation dated on 26/09/2004	-	-
Deposits belong to Off-shore Banks which are established to be engaged in offshore banking in Turkey.	-	-

2. Information on derivative financial liabilities held for trading:

Negative difference on derivatives held for trading:

	31 March 2013		31 December 2012	
	TL	FC	TL	FC
Forwards	593	335	125	190
Swaps	415	9,525	1,015	611
Futures	-	-	-	-
Options	454	141	546	1
Other	-	-	-	-
Total	1,462	10,001	1,686	802

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

3. Information on funds borrowed:

a) Information on banks and other financial institutions:

	31 March 2013		31 December 2012	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic Banks and Institutions	37,685	49,795	33,943	46,696
Foreign Banks, Institutions and Funds	-	190,819	-	168,462
Total	37,685	240,614	33,943	215,158

b) Contractual maturities of funds borrowed:

	31 March 2013		31 December 2012	
	TL	FC	TL	FC
Short-Term	23,713	237,060	28,642	207,261
Medium and Long-Term	13,972	3,554	5,301	7,897
Total	37,685	240,614	33,943	215,158

4. Information on other external resources:

Other external resources are amounting to TL 62,640 (31 December 2012: TL 72,048) and do not exceed 10% of total liabilities excluding the off-balance sheet items.

5. Obligations under financial leases:

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

As at 31 March 2013 and 31 December 2012, the Group does not have financial lease liabilities.

As at 31 March 2013 and 31 December 2012, the Group does not have any obligations from operational lease agreements.

6. Information on liabilities arising from hedging purpose derivatives:

None.

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

7. Information on provisions:

a) Information on general provisions:

	31 March 2013	31 December 2012
General Provisions		
Provision for Group I Loans and Receivables	20,474	20,507
<i>Additional Provision for Loans and Receivables with Extended Maturities</i>	86	77
Provision for Group II Loans and Receivables	1,593	1,765
<i>Additional Provision for Loans and Receivables with Extended Maturities</i>	4	3
Provision for Non-cash Loans	2,216	2,241
Other	112	77
Total	24,395	24,590

b) Information on reserve for employee rights:

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

Such payments are calculated on the basis of 30 days' pay, as at 31 March 2013, at ceiling amount of TL-full 3,129 (31 December 2012: TL-full 3,034), 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 2013	31 December 2012
Discount Ratio (%)	7.70	7.00
Expected Salary/ETI Liability Ceiling Increase Rate (%)	5.00	5.00

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

Movement of ETI liability is below:

	31 March 2013	31 December 2012
Balance at Prior Period End	5,260	3,283
Current year provisions/ (reversal of provision)	230	3,377
Paid in current year	(295)	(1,400)
Balance at Current Period End	5,195	5,260

The Group also has vacation pay liability amounting TL 3,589 (31 December 2012: TL 3,358) as at 31 March 2013.

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

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

As at 31 March 2013, foreign exchange differences on foreign currency indexed loans amounting TL 883 (31 December 2012: TL 1,513) are netted with loans on the asset side.

d) 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 2013, the Parent Bank has provision for credit card service promotions amounting TL 204 (31 December 2012: TL 196).

e.3) Information on other provisions:

As at 31 March 2013, there is provision for lawsuits filed against the Parent Bank amounting TL 2,539 (31 December 2012: TL 2,404) and other provision amounting to TL 840 regarding to a loan receivable.

As at 31 March 2013, the Group has provision amounting to TL 5,266 (31 December 2012: TL 4,419) for non-cash loans and irrevocable commitments that are not indemnified and not converted into cash.

8. Taxation:

a) Current tax liability: As at 31 March 2013, corporate taxes payable of the Group after deductions of prepaid taxes is TL 3,301 (31 December 2012: TL 3,319).

b) Information on taxes payable:

	31 March 2013	31 December 2012
Corporate taxes payable	3,301	3,319
Taxation on securities	1,806	2,036
Capital gains tax on property	142	122
Banking Insurance Transaction Tax (BITT)	2,114	2,406
Taxes on foreign exchange transactions	-	-
Value added tax payable	55	39
Other	1,267	1,314
Total	8,685	9,236

c) Information on premiums payable:

	31 March 2013	31 December 2012
Social security premiums- employee share	960	475
Social security premiums- employer share	1,037	513
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	67	33
Unemployment insurance- employer share	140	67
Other	-	1
Total	2,204	1,089

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

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 2013	31 December 2012
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.
- h) Information on marketable securities valuation reserve:

	31 March 2013		31 December 2012	
	TL	FC	TL	FC
Associates, subsidiaries and joint ventures	-	-	-	-
Valuation gain/loss	15,041	2	17,052	5
Translation gain/loss	-	-	-	-
Total	15,041	2	17,052	5

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.

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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 2013		31 March 2012	
	TL	FC	TL	FC
Interest income received from loans (*)				
Short Term Loans	38,122	2,791	48,939	3,959
Medium and Long Term Loans	16,356	7,839	15,571	4,227
Loans Under Follow-Up	1,282	-	1,425	-
Source Utilization Support Fund	-	-	-	-
Total	55,760	10,630	65,935	8,186

(*) Includes fees and commissions from cash loans.

b) Information on interest income received from banks:

	31 March 2013		31 March 2012	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic Banks	138	99	123	111
Foreign Banks	53	4	5	49
Foreign Branches	-	-	-	-
Total	191	103	128	160

c) Information on interest income received from securities portfolio:

	31 March 2013		31 March 2012	
	TL	FC	TL	FC
Trading Securities	-	5	-	6
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-
Investment Securities Available-for-Sale	8,424	110	11,510	301
Investment Securities Held-to-Maturity	-	-	-	-
Total	8,424	115	11,510	307

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

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

2. Interest expense:

a) Information on interest expense related to funds borrowed:

	31 March 2013		31 March 2012	
	TL	FC	TL	FC
Banks (*)	683	1,606	682	1,401
Central Bank of Turkey	-	-	-	-
Domestic Banks	677	418	680	376
Foreign Banks	6	1,188	2	1,025
Foreign Branches	-	-	-	-
Other Institutions	-	-	-	-
Total	683	1,606	682	1,401

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

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

	31 March 2013	31 March 2012
Interest paid to associates and subsidiaries	-	1

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	-	8	-	-	-	-	-	8
Saving Deposits	-	264	17,922	153	150	19	1	18,509
Public Sector Deposits	-	-	-	-	-	-	-	-
Commercial Deposits	-	972	6,515	76	14	2	-	7,579
Other Deposits	-	35	237	-	-	1	-	273
Total Turkish Lira	-	1,279	24,674	229	164	22	1	26,369
Foreign Currency								
Foreign Currency Deposits	-	79	6,455	153	1,189	36	-	7,912
Bank Deposits	-	55	-	-	-	-	-	55
Precious Metal Deposits	-	-	-	-	-	-	-	-
Total Foreign Currency	-	134	6,455	153	1,189	36	-	7,967
Total	-	1,413	31,129	382	1,353	58	1	34,336

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

3. Trading income / loss (net):

	31 March 2013	31 March 2012
Profit	62,916	110,882
Capital Market Gains	2,768	3,228
Derivative Gains	26,811	39,907
Foreign Exchange Gains	33,337	67,747
Loss (-)	(60,825)	(108,538)
Capital Market Losses	(12)	(4)
Derivative Losses	(36,730)	(63,007)
Foreign Exchange Losses	(24,083)	(45,527)

Net loss related to derivative transactions resulting from foreign currency rate changes is amounted to TL 8,384 (31 March 2012: TL 20,330 net loss).

4. Other operating income:

“Other operating income” in the income statement consists of collections from the receivables for which the Parent Bank had provided allowance in the prior periods.

5. Impairment on loans and other receivables:

	31 March 2013	31 March 2012
Specific Provisions on Loans and Other Receivables:	10,087	7,204
Loans and Receivables in Group III	3,181	1,829
Loans and Receivables in Group IV	4,228	3,694
Loans and Receivables in Group V	2,678	1,681
General Provision Expenses	-	-
Provision for Possible Losses	-	-
Impairment Losses on Securities:	291	668
Trading securities	3	-
Investment Securities Available-for-Sale	288	668
Other Impairment Losses:	-	1
Associates	-	-
Subsidiaries	-	1
Joint Ventures	-	-
Investment Securities Held-to-Maturity	-	-
Other (*)	975	50
Total	11,353	7,923

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

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

6. Information related to other operational expenses:

	31 March 2013	31 March 2012
Personnel Expenses	17,240	16,754
Reserve for Employee Termination Indemnities and Vacation Pay	166	372
Reserve for Bank's Social Aid Fund Deficit	-	-
Impairment of Tangible Assets	-	-
Depreciation Expenses of Tangible Assets	713	870
Impairment of Intangible Assets	-	-
Impairment of Goodwill	-	-
Amortization Expenses of Intangible Assets	103	60
Impairment of Investments in Associates	-	-
Impairment of Assets to be Disposed of	-	-
Depreciation of Assets to be Disposed of	102	85
Impairment of Assets Held for Sale and Discontinued Operations	-	-
Other Operating Expenses	6,366	6,727
Operational Leases	2,736	3,016
Repair and Maintenance	300	363
Advertising	61	22
Other Expenses	3,269	3,326
Loss on Sale of Assets	-	13
Other (*)	2,806	2,596
Total	27,496	27,477

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

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 2013, current tax expense is TL 3,851 (31 March 2012: TL 1,907).

For the period ended 31 March 2013, deferred tax income is TL 1,820 (31 March 2012: TL 613 deferred tax expense).

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

For the period ended 31 March 2013, deferred tax income arising from temporary differences amounting TL 1,820 (31 March 2012: TL 613 deferred tax expense).

Additionally, for the period ended 31 March 2013, the effect in the current and deferred tax amounting to TL 503 (31 March 2012: TL (422)) which are related to the equity differences under comprehensive income transactions, is accounted under equity accounts.

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

For the period ended 31 March 2013, deferred tax income arising from temporary differences is TL 1,820 (31 March 2012: TL 613 deferred tax expense).

8. Information on net profit and loss:

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

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

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

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.

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

1. Disclosures related to other contingent liabilities:

a) As at 31 March 2013, asset purchase and sale commitments amount to TL 40,588 (31 December 2012: TL 38,752), loan granting commitments amount to TL 43,620 (31 December 2012: TL 42,711), commitments for credit card limits amount to TL 206,798 (31 December 2012: TL 200,544) commitments for cheque payments amount to TL 86,837 (31 December 2012: TL 85,217), commitments for promotional operations re-credit cards amount to TL 461 (31 December 2012: TL 478) and tax and fund obligations from export commitments amount to TL 3 (31 December 2012: None).

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 2013, the Group has letters of guarantee amounting to TL 937,901 (31 December 2012: TL 1,001,751), bills of exchange and acceptances amounting to TL 415 (31 December 2012: TL 1,359), letters of credit amounting to TL 222,207 (31 December 2012: TL 202,019) and other guarantees amounting to TL 30,678 (31 December 2012: TL 42,982).

c) Non-cash loans:

	31 March 2013	31 December 2012
Non-Cash Loans Given for Cash Loan Risks	37,744	34,305
With Original Maturity of 1 Year or Less	1,571	1,696
With Original Maturity of More Than 1 Year	36,173	32,609
Other Non-Cash Loans	1,153,457	1,213,806
Total	1,191,201	1,248,111

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

The Group acts as an investment agent for banking 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	-	-	479	688	103	10
Balance at the End of the Period	-	-	6,196	598	78	10
Interest and Commission Income Received	-	-	123	2	-	-

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

The Parent Bank has TL 18,578 placements in its risk group banks as at 31 March 2013 (31 December 2012: TL 15,139). Also the Parent Bank has TL 1,300 irrevocable commitment in its risk group as at 31 March 2013 (31 December 2012: TL 1,287)

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	-	-	45,905	4,460	28	76
Balance at the End of the Period	-	-	479	688	103	10
Interest and Commission Income Received	-	-	763	39	-	1

(*) 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	-	39	54,479	57,718	1,410	1,684
Balance at the End of the Period	-	-	43,804	54,479	1,909	1,410
Interest on Deposits	-	1	496	868	14	28

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

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

As at 31 March 2013, the Parent Bank has option purchase and sale transactions amounting to TL 3,627 and TL 3,660, respectively (31 December 2012: TL 3,565 and TL 3,630), with the Parent Bank's risk group.

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

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

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

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

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

In the Group’s transactions with its risk group, pricing policy and other matters are determined and applied at market conditions. As at 31 March 2013, proportion of cash loans to risk group in total loans is 0.2% (31 December 2012: 0.02%), proportion of deposits from its risk group in total deposits is 1.9% (31 December 2012: 2.1%) and proportion of derivative transactions with its risk group in total derivative transactions is 0.4% (31 December 2012: 0.5%).

As at 31 March 2013, other commission income from risk group is amounted to TL 12 (2012: TL 30), other operating income from risk group is amounted to TL 8 (2012: TL 18), other commission expense to risk group is amounted to TL 29 (2012: TL 6) and other operating expense to risk group is amounted to TL 362 (2012: TL 361)

In the consolidated basis, key management cost for the current period is amounted to TL 1,207 (2012: TL 1,176).

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”:

The Parent Bank’s major shareholder GSD Holding A.Ş. made the declaration below to Public Disclosure Platform at 3 April 2013:

“At 3 April 2013, our company’s Board of Directors has decided to authorize BNP Paribas London as financial consultant, Atım&Atım Hukuk Bürosu and Paksoy Ortak Avukat Bürosu as legal consultants regarding the sales of whole or a certain portion of shares of Tekstil Bankası A.Ş. held by GSD Holding A.Ş. to prospective buyers.”

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 year ended 31 March 2013 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 13 May 2013 is presented in the introduction of this report.

II. Information and disclosures prepared by the independent auditors

None.