



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

Tekstil Bankası Anonim Şirketi

Consolidated Interim Financial Statements

As at and for the Interim Period Ended

30 June 2012

With Independent Auditors' Review Report Thereon

Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik
Anonim Şirketi
9 August 2012

*This report contains 1 page of
independent auditors' review report
and 59 pages of consolidated
financial statements together with
their explanatory notes.*



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

INDEPENDENT AUDITORS' REVIEW REPORT

To the Board of Directors of Tekstil Bankası Anonim Şirketi:

We have reviewed the consolidated financial statements of Tekstil Bankası Anonim Şirketi ("the Bank") and its subsidiary, which comprise the consolidated balance sheet as at 30 June 2012, and the consolidated statements of income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. 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 related with the "Accounting and Recording Rules" and "Independent Auditing Standards" of the (Turkish) Banking Law No 5411. These regulations require that we plan and perform the review to obtain reasonable assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of the personnel of the Bank and analytical procedures applied to financial data and thus provide 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 present fairly the financial position of Tekstil Bankası Anonim Şirketi and its subsidiary as at 30 June 2012, and of the results of its operations and its cash flows for the six-month period then ended in accordance with the accounting principles and standards that are based on the current regulations described in Article 37 and Article 38 of the (Turkish) Banking Law No 5411; and other communiqués, disclosures and directives announced by the Banking Regulation and Supervision Agency.

İstanbul,
9 August 2012

Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik
Anonim Şirketi

Murat Alsan
Partner

Additional paragraph for convenience translation to English:

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

TEKSTİL BANKASI A. Ş.
CONSOLIDATED INTERIM FINANCIAL REPORT AS OF 30 JUNE 2012

Address of the Bank's

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

The interim 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 AUDITORS' REVIEW REPORT

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

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

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

Contact information for questions on this financial report:

Name-Surname : M. Sercan Çoban
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SECTION ONE

GENERAL INFORMATION

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

Tekstil Bankası A.Ş. ("the Parent Bank") was established on 29 April 1986, to carry out all types of banking activities according to the Banking Law and later changes in the laws and regulations, with the permission of the Council of Ministers in accordance with the resolution numbered 85/9890 and dated 24 June 1985 and started its operations on 13 October 1986. "Articles of Association" of the Bank was published in the Official Gazette dated 31 January 1986. The statute of the Parent Bank was not changed since its establishment.

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

The capital of the Parent Bank is TL 420,000 as at 30 June 2012 and is fully paid. GSD Holding Anonim Şirketi ("GSD Holding") owns 75.50%, GSD Dış Ticaret Anonim Şirketi owns 1% and GSD Denizcilik Gayrimenkul İnşaat San. ve Tic. Anonim Şirketi owns 0.04% of the outstanding shares of the Bank. The Bank is a subsidiary of GSD Holding. Remaining shares have been listed on Istanbul Stock Exchange since 23 May 1990.

The ultimate business of GSD Holding, which was initially established as a foreign trade company in 1986 and became a holding company to build a more efficient corporate structure for GSD Group Companies in 1996, is management of assets. GSD Holding also aims to manage the growth of the Group, finance and invest in profitable businesses. GSD Holding's shares have been listed on Istanbul Stock Exchange since 11 November 1999. The nominal value of its shares is TL 250,000 as at 30 June 2012. A major portion of its shares are held by public.

Main operations of GSD Group Companies are;

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

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:	Senan DAĞAL	President of Inspectors' Group	Under-Graduate
Executive Vice Presidents:	Ayper G. URAS (**)	Information Technologies and Operations Group	Graduate
	Gülden AKDEMİR	Financial Control Group	Under-Graduate
	D.Halit DÖVER	International Relations Group	Graduate
	Bozok EVRENOSOĞLU	Loans Group	Under-Graduate
	Hüseyin H. İMECE	Treasury and Investors Relations Group	Under-Graduate
	Başbuğ Y. SAMANCIOĞLU	Corporate and Commercial Banking Group	Under-Graduate
Statutory Auditors:	Cezmi ÖZTÜRK (***)	Statutory Auditor	Under-Graduate
	Murat ATIM (***)	Statutory Auditor	Under-Graduate

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

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

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

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

IV. Type of services provided and the areas of operations of the 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 Bank also operates, through its branches, as insurance agent of Sampo Japan Sigorta A.Ş., Aviva Sigorta A.Ş., Vakıf Emeklilik A.Ş. and Ergo Emeklilik ve Hayat A.Ş.

As at 30 June 2012, the Bank has 44 branches close to industrial zones of Turkey and a representative office in Berlin, Germany. The Bank has 852 employees as at 30 June 2012 (As at 31 December 2011 number of branches was 44, number of employees was 880).

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

V. Other information

Bank's Official Title	: Tekstil Bankası Anonim Şirketi
Reporting Period	: 1 January – 30 June 2012
Address of Bank's Headquarters	: Maslak Mah.Büyükdere Cad. No:247 34398 Şişli - İstanbul
Telephone number	: (0212) 335 53 35
Fax number	: (0212) 328 13 28
Bank's Internet Address	: www.tekstilbank.com.tr
Reporting currency	: Thousands of Turkish Lira

TEKSTİL BANKASI A.Ş. AND ITS SUBSIDIARY
CONSOLIDATED BALANCE SHEETS (STATEMENTS OF FINANCIAL POSITION)
AS AT 30 JUNE 2012 AND 31 DECEMBER 2011
(Currency: Thousands of TL - Turkish Lira)

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

ASSETS		Footnotes (Section 5)	THOUSANDS OF TURKISH LIRA					
			CURRENT PERIOD			PRIOR PERIOD		
			30/06/2012		Total	31/12/2011		Total
			TL	FC		TL	FC	
I. CASH AND BALANCES WITH THE CENTRAL BANK	(5.1.1)		52,459	226,504	278,963	96,961	206,780	303,741
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Net)	(5.1.2)		6,801	1,708	8,509	22,820	3,005	25,825
2.1 Trading Securities			6,801	1,708	8,509	22,820	3,005	25,825
2.1.1 Public Sector Debt Securities			-	351	351	-	404	404
2.1.2 Share Certificates			392	-	392	375	-	375
2.1.3 Positive Value of Trading Derivatives			5,712	1,357	7,069	21,811	2,601	24,412
2.1.4 Other Securities			697	-	697	634	-	634
2.2 Financial Assets Designated at Fair Value			-	-	-	-	-	-
2.2.1 Public Sector Debt Securities			-	-	-	-	-	-
2.2.2 Share Certificates			-	-	-	-	-	-
2.2.3 Loans			-	-	-	-	-	-
2.2.4 Other Securities			-	-	-	-	-	-
III. BANKS	(5.1.3)		13,013	89,221	102,234	10,162	97,380	107,542
IV. INTERBANK MONEY MARKET			5,585	-	5,585	-	-	-
4.1 Interbank Money Market Placements			-	-	-	-	-	-
4.2 Istanbul Stock Exchange Money Market Placements			5,585	-	5,585	-	-	-
4.3 Receivables from Reverse Repurchase Agreements			-	-	-	-	-	-
V. INVESTMENT SECURITIES AVAILABLE FOR SALE (Net)	(5.1.4)		432,545	13,067	445,612	327,145	23,073	350,218
5.1 Share Certificates			-	766	766	-	660	660
5.2 Public Sector Debt Securities			422,704	3,045	425,749	319,924	12,708	332,632
5.3 Other Securities			9,841	9,256	19,097	7,221	9,705	16,926
VI. LOANS	(5.1.5)		2,083,438	438,313	2,521,751	1,994,016	516,459	2,510,475
6.1 Loans			2,040,105	438,313	2,478,418	1,951,683	516,459	2,468,142
6.1.1 Loans Utilized to the Bank's Risk Group			41,022	69	41,091	45,858	75	45,933
6.1.2 Public Sector Debt Securities			-	-	-	-	-	-
6.1.3 Others			1,999,083	438,244	2,437,327	1,905,825	516,384	2,422,209
6.2 Loans under Follow-Up			120,137	-	120,137	107,171	-	107,171
6.3 Specific Provisions (-)			76,804	-	76,804	64,838	-	64,838
VII. FACTORING RECEIVABLES			-	-	-	-	-	-
VIII. INVESTMENT SECURITIES HELD TO MATURITY (Net)	(5.1.6)		-	-	-	-	-	-
8.1 Public Sector Debt Securities			-	-	-	-	-	-
8.2 Other Securities			-	-	-	-	-	-
IX. INVESTMENTS IN ASSOCIATES (Net)	(5.1.7)		1	-	1	1	-	1
9.1 Equity Method Associates			-	-	-	-	-	-
9.2 Unconsolidated Associates			1	-	1	1	-	1
9.2.1 Financial Associates			1	-	1	1	-	1
9.2.2 Non-Financial Associates			-	-	-	-	-	-
X. INVESTMENTS IN SUBSIDIARIES (Net)	(5.1.8)		-	-	-	41	-	41
10.1 Unconsolidated Financial Subsidiaries			-	-	-	-	-	-
10.2 Unconsolidated Non-Financial Subsidiaries			-	-	-	41	-	41
XI. JOINT VENTURES (Net)	(5.1.9)		-	-	-	-	-	-
11.1 Equity Method Joint Ventures			-	-	-	-	-	-
11.2 Unconsolidated Joint Ventures			-	-	-	-	-	-
11.2.1 Financial Joint Ventures			-	-	-	-	-	-
11.2.2 Non-Financial Joint Ventures			-	-	-	-	-	-
XII. LEASE RECEIVABLES (Net)	(5.1.10)		-	-	-	-	-	-
12.1 Financial Lease Receivables			-	-	-	-	-	-
12.2 Operational Lease Receivables			-	-	-	-	-	-
12.3 Others			-	-	-	-	-	-
12.4 Unearned Income (-)			-	-	-	-	-	-
XIII. HEDGING DERIVATIVES	(5.1.11)		-	-	-	-	-	-
13.1 Fair Value Hedge			-	-	-	-	-	-
13.2 Cash Flow Hedge			-	-	-	-	-	-
13.3 Hedging of a Net Investment in Foreign Subsidiaries			-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)			79,920	-	79,920	80,013	-	80,013
XV. INTANGIBLE ASSETS (Net)			1,765	-	1,765	1,532	-	1,532
15.1 Goodwill			-	-	-	-	-	-
15.2 Others			1,765	-	1,765	1,532	-	1,532
XVI. INVESTMENT PROPERTY (Net)	(5.1.12)		-	-	-	-	-	-
XVII. TAX ASSETS	(5.1.13)		4,352	-	4,352	4,718	-	4,718
17.1 Current Tax Assets			-	-	-	-	-	-
17.2 Deferred Tax Assets			4,352	-	4,352	4,718	-	4,718
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)		76,216	29,972	106,188	77,636	41,369	119,005
TOTAL ASSETS			2,756,095	798,785	3,554,880	2,615,045	888,066	3,503,111

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

TEKSTİL BANKASI A.Ş. AND ITS SUBSIDIARY
CONSOLIDATED BALANCE SHEETS (STATEMENTS OF FINANCIAL POSITION)
AS AT 30 JUNE 2012 AND 31 DECEMBER 2011
(Currency: Thousands of TL - Turkish Lira)

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

LIABILITIES AND EQUITY		Footnotes (Section 5)	THOUSANDS OF TURKISH LIRA					
			CURRENT PERIOD			PRIOR PERIOD		
			30/06/2012			31/12/2011		
			TL	FC	Total	TL	FC	Total
I. DEPOSITS	(5.11.1)		1,266,994	1,110,753	2,377,747	1,354,673	1,101,882	2,456,555
1.1 Deposits of the Bank's Risk Group			25,386	44,241	69,627	21,534	37,907	59,441
1.2 Others			1,241,608	1,066,512	2,308,120	1,333,139	1,063,975	2,397,114
II. NEGATIVE VALUE OF TRADING DERIVATIVES	(5.11.2)		7,052	1,862	8,914	22,480	4,293	26,773
III. FUNDS BORROWED	(5.11.3)		38,026	218,610	256,636	36,812	204,927	241,739
IV. DUE TO MONEY MARKETS			253,835	-	253,835	126,255	-	126,255
4.1 Interbank Money Market			-	-	-	-	-	-
4.2 Istanbul Stock Exchange			-	-	-	-	-	-
4.3 Obligations under Repurchase Agreements			253,835	-	253,835	126,255	-	126,255
V. SECURITIES ISSUED (Net)			-	-	-	-	-	-
5.1 Bills			-	-	-	-	-	-
5.2 Asset Backed Securities			-	-	-	-	-	-
5.3 Bonds			-	-	-	-	-	-
VI. FUNDS			-	-	-	-	-	-
6.1 Bank Borrowers' Funds			-	-	-	-	-	-
6.2 Others			-	-	-	-	-	-
VII. MISCELLANEOUS PAYABLES			8,227	1,549	9,776	5,874	2,752	8,626
VIII. OTHER EXTERNAL RESOURCES	(5.11.4)		61,209	6,591	67,800	72,785	9,101	81,886
IX. FACTORING PAYABLES			-	-	-	-	-	-
X. LEASE PAYABLES (Net)	(5.11.5)		-	-	-	-	-	-
10.1 Financial Lease Payables			-	-	-	-	-	-
10.2 Operational Lease Payables			-	-	-	-	-	-
10.3 Others			-	-	-	-	-	-
10.4 Deferred Financial Leasing Expenses (-)			-	-	-	-	-	-
XI. HEDGING PURPOSE DERIVATIVES	(5.11.6)		-	-	-	-	-	-
11.1 Fair Value Hedge			-	-	-	-	-	-
11.2 Cash Flow Hedge			-	-	-	-	-	-
11.3 Hedging of a Net Investment in Foreign Subsidiaries			-	-	-	-	-	-
XII. PROVISIONS	(5.11.7)		33,980	-	33,980	32,047	-	32,047
12.1 General Provisions			21,015	-	21,015	20,191	-	20,191
12.2 Restructuring Provisions			-	-	-	-	-	-
12.3 Reserve for Employee Benefits			7,632	-	7,632	6,172	-	6,172
12.4 Insurance Technical Provisions (Net)			-	-	-	-	-	-
12.5 Other Provisions			5,333	-	5,333	5,684	-	5,684
XIII. TAX LIABILITIES	(5.11.8)		10,282	-	10,282	11,440	-	11,440
13.1 Current Tax Liability			10,282	-	10,282	11,440	-	11,440
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	(5.11.9)		535,471	439	535,910	516,920	870	517,790
16.1 Paid-In Capital			420,000	-	420,000	420,000	-	420,000
16.2 Supplementary Capital			20,897	439	21,336	17,736	870	18,606
16.2.1 Share Premium			(814)	-	(814)	(814)	-	(814)
16.2.2 Share Cancellation Profits			-	-	-	-	-	-
16.2.3 Valuation Differences of Securities			2,872	439	3,311	(289)	870	581
16.2.4 Revaluation Fund on Tangible Assets			18,839	-	18,839	18,839	-	18,839
16.2.5 Revaluation Fund on Intangible Assets			-	-	-	-	-	-
16.2.6 Revaluation Fund on Investment Property			-	-	-	-	-	-
16.2.7 Capital Bonus of Associates, Subsidiaries and Joint Ventures			-	-	-	-	-	-
16.2.8 Hedging Funds (Effective Portion)			-	-	-	-	-	-
16.2.9 Revaluation Fund on Assets Held for Sale and Discontinued Operations			-	-	-	-	-	-
16.2.10 Other Supplementary Capital			-	-	-	-	-	-
16.3 Profit Reserves			79,184	-	79,184	54,558	-	54,558
16.3.1 Legal Reserves			7,110	-	7,110	5,830	-	5,830
16.3.2 Status Reserves			-	-	-	-	-	-
16.3.3 Extraordinary Reserves			72,074	-	72,074	48,728	-	48,728
16.3.4 Other Profit Reserves			-	-	-	-	-	-
16.4 Profit or Loss			15,390	-	15,390	24,626	-	24,626
16.4.1 Prior Periods' Profit or Loss			-	-	-	-	-	-
16.4.2 Current Period Profit or Loss			15,390	-	15,390	24,626	-	24,626
16.5 Minority Shares			-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY			2,215,076	1,339,804	3,554,880	2,179,286	1,323,825	3,503,111

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

TEKSTİL BANKASI A.Ş. AND ITS SUBSIDIARY
CONSOLIDATED OFF BALANCE SHEET ITEMS STATEMENTS
AS AT 30 JUNE 2012 AND 31 DECEMBER 2011
(Currency: Thousands of TL - Turkish Lira)

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

	Footnotes (Section 5)	THOUSANDS OF TURKISH LIRA					
		CURRENT PERIOD			PRIOR PERIOD		
		30/06/2012			31/12/2011		
		TL	FC	Total	TL	FC	Total
A. OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I-III+III)		1,430,164	1,687,699	3,117,863	1,779,779	2,329,008	4,108,787
I. GUARANTEES	(5.IV.1)	523,065	568,374	1,091,439	541,548	683,600	1,225,148
1.1. Letters of Guarantee		521,077	281,772	802,849	540,963	346,745	887,708
1.1.1. Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2. Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3. Other Letters of Guarantee		521,077	281,772	802,849	540,963	346,745	887,708
1.2. Bank Acceptances		-	3,395	3,395	-	7,041	7,041
1.2.1. Import Letter of Acceptance		-	3,395	3,395	-	7,041	7,041
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letters of Credit		-	214,129	214,129	-	303,685	303,685
1.3.1. Documentary Letters of Credit		-	150,481	150,481	-	189,100	189,100
1.3.2. Other Letters of Credit		-	63,648	63,648	-	114,585	114,585
1.4. Prefinancing Given As Guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other Endorsements		-	-	-	-	-	-
1.6. Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7. Factoring Related Guarantees		-	-	-	-	-	-
1.8. Other Collaterals		1,988	69,078	71,066	585	26,129	26,714
1.9. Other Sureties		-	-	-	-	-	-
II. COMMITMENTS	(5.IV.1)	338,541	31,402	369,943	353,284	29,050	382,334
2.1. Irrevocable Commitments		338,541	31,402	369,943	353,284	29,050	382,334
2.1.1. Asset Purchase and Sale Commitments		14,114	31,402	45,516	23,541	29,050	52,591
2.1.2. Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3. Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4. Loan Granting Commitments		39,061	-	39,061	50,752	-	50,752
2.1.5. Securities Issuance Brokerage Commitments		-	-	-	-	-	-
2.1.6. Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7. Commitments for Cheque Payments		89,974	-	89,974	79,430	-	79,430
2.1.8. Tax and Fund Obligations from Export Commitments		-	-	-	-	-	-
2.1.9. Commitments for Credit Card Limits		194,884	-	194,884	198,968	-	198,968
2.1.10. Commitments for Promotional Operations Re-Credit Cards and Banking Services		508	-	508	593	-	593
2.1.11. Receivables from "Short" Sale Commitments On Securities		-	-	-	-	-	-
2.1.12. Payables for "Short" Sale Commitments On Securities		-	-	-	-	-	-
2.1.13. Other Irrevocable Commitments		-	-	-	-	-	-
2.2. Revocable Commitments		-	-	-	-	-	-
2.2.1. Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		568,558	1,087,923	1,656,481	884,947	1,616,358	2,501,305
3.1. Hedging Purpose Derivatives		-	-	-	-	-	-
3.1.1. Fair Value Hedge		-	-	-	-	-	-
3.1.2. Cash Flow Hedge		-	-	-	-	-	-
3.1.3. Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-
3.2. Trading Purpose Derivatives		568,558	1,087,923	1,656,481	884,947	1,616,358	2,501,305
3.2.1. Forward Foreign Currency Purchases/Sales		50,778	73,072	123,850	176,316	229,793	406,109
3.2.1.1. Forward Foreign Currency Purchases		22,253	39,419	61,672	78,264	122,892	201,156
3.2.1.2. Forward Foreign Currency Sales		28,525	33,653	62,178	98,052	106,901	204,953
3.2.2. Currency and Interest Rate Swaps		261,139	624,239	885,378	267,529	667,652	935,181
3.2.2.1. Currency Swaps-Purchases		17,522	438,098	455,620	67,225	401,512	468,737
3.2.2.2. Currency Swaps-Sales		243,617	186,141	429,758	200,304	266,140	466,444
3.2.2.3. Interest Rate Swaps-Purchases		-	-	-	-	-	-
3.2.2.4. Interest Rate Swaps-Sales		-	-	-	-	-	-
3.2.3. Currency, Interest Rate and Security Options		256,641	363,467	620,108	441,102	718,913	1,160,015
3.2.3.1. Currency Options-Purchases		132,062	179,701	311,763	227,704	351,961	579,665
3.2.3.2. Currency Options-Sales		124,579	183,766	308,345	213,398	366,952	580,350
3.2.3.3. Interest Rate Options-Purchases		-	-	-	-	-	-
3.2.3.4. Interest Rate Options-Sales		-	-	-	-	-	-
3.2.3.5. Securities Options-Purchases		-	-	-	-	-	-
3.2.3.6. Securities Options-Sales		-	-	-	-	-	-
3.2.4. Currency Futures		-	-	-	-	-	-
3.2.4.1. Currency Futures-Purchases		-	-	-	-	-	-
3.2.4.2. Currency Futures-Sales		-	-	-	-	-	-
3.2.5. Interest Rate Futures		-	-	-	-	-	-
3.2.5.1. Interest Rate Futures-Purchases		-	-	-	-	-	-
3.2.5.2. Interest Rate Futures-Sales		-	-	-	-	-	-
3.2.6. Others		-	27,145	27,145	-	-	-
B. CUSTODY AND PLEDGED SECURITIES (IV+V+VI)		2,684,020	822,826	3,506,846	2,436,696	856,732	3,293,428
IV. ITEMS HELD IN CUSTODY		329,537	26,284	355,821	244,423	28,896	273,319
4.1. Customers' Securities and Portfolios Held		-	-	-	-	-	-
4.2. Securities Held in Custody		150,436	8,510	158,946	149,371	9,485	159,056
4.3. Checks Received for Collection		53,737	10,113	63,850	65,180	11,518	76,698
4.4. Commercial Notes Received for Collection		64,323	3,598	67,921	18,038	3,945	21,983
4.5. Other Assets Received for Collection		-	-	-	-	-	-
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items under Custody		577	-	577	401	-	401
4.8. Custodians		60,464	4,063	64,527	11,233	3,948	15,181
V. PLEDGED ITEMS		2,319,345	796,179	3,115,524	2,158,527	827,455	2,985,982
5.1. Securities		5,817	-	5,817	8,915	-	8,915
5.2. Guarantee Notes		3,004	14,891	17,895	3,753	14,873	18,626
5.3. Commodities		77,284	44,095	121,379	65,882	42,428	108,310
5.4. Warrants		1,161	-	1,161	1,055	-	1,055
5.5. Immovables		1,605,658	646,585	2,252,243	1,469,709	675,997	2,145,706
5.6. Other Pledged Items		626,421	90,608	717,029	609,213	94,157	703,370
5.7. Pledged Items-Depository		-	-	-	-	-	-
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		35,138	363	35,501	33,746	381	34,127
TOTAL OFF BALANCE SHEET ITEMS (A+B)		4,114,184	2,510,525	6,624,709	4,216,475	3,185,740	7,402,215

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

TEKSTİL BANKASI A.Ş. AND ITS SUBSIDIARY
CONSOLIDATED INCOME STATEMENTS
FOR THE INTERIM PERIODS ENDED 30 JUNE 2012 AND 2011
(Currency: Thousands of TL - Turkish Lira)

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

INCOME AND EXPENSE ITEMS	Footnotes (Section 5)	THOUSANDS OF TURKISH LIRA			
		CURRENT PERIOD	PRIOR PERIOD	CURRENT PERIOD	PRIOR PERIOD
		(01/01/2012 - 30/06/2012)	(01/01/2011 - 30/06/2011)	(01/04/2012 - 30/06/2012)	(01/04/2011 - 30/06/2011)
I. INTEREST INCOME	(5.III.1)	174,225	109,808	87,874	57,017
1.1 Interest from Loans		149,263	97,221	75,142	52,043
1.2 Interest from Reserve Deposits		-	-	0	-
1.3 Interest from Banks		691	600	403	293
1.4 Interest from Money Market Transactions		77	-	77	-
1.5 Interest from Securities Portfolio		23,899	11,824	12,082	4,591
1.5.1 Trading Securities		10	11	4	4
1.5.2 Financial Assets at Fair Value Through Profit or Loss		-	-	0	-
1.5.3 Available for Sale Securities		23,889	11,813	12,078	4,587
1.5.4 Held to Maturity Securities		-	-	0	-
1.6 Interest from Financial Leases		-	-	0	-
1.7 Other Interest Income		295	163	170	90
II. INTEREST EXPENSE	(5.III.2)	97,846	61,422	47,483	33,205
2.1 Interest on Deposits		85,925	54,673	41,327	29,136
2.2 Interest on Funds Borrowed		4,586	2,090	2,503	1,377
2.3 Interest on Money Market Transactions		7,289	4,563	3,649	2,682
2.4 Interest on Securities Issued		-	-	0	-
2.5 Other Interest Expense		46	96	4	10
III. NET INTEREST INCOME (I - II)		76,379	48,386	40,391	23,812
IV. NET FEE AND COMMISSION INCOME		8,911	9,915	4,551	5,017
4.1 Fees and Commissions Received		11,056	11,949	5,689	6,038
4.1.1 Non-Cash Loans		5,570	5,136	2,882	2,768
4.1.2 Other		5,486	6,813	2,807	3,270
4.2 Fees and Commissions Paid		2,145	2,034	1,138	1,021
4.2.1 Non-Cash Loans		154	139	59	67
4.2.2 Other		1,991	1,895	1,079	954
V. DIVIDEND INCOME		2	5	2	5
VI. TRADING INCOME/LOSS (Net)	(5.III.3)	(1,549)	9,026	(3,893)	2,792
6.1 Profit / Loss on Trading Account Securities		4,990	6,301	1,766	2,692
6.2 Derivative Instruments Gain / Loss		(59,149)	10,216	(36,049)	6,849
6.3 Foreign Exchange Gain / Loss		52,610	(7,491)	30,390	(6,749)
VII. OTHER OPERATING INCOME	(5.III.4)	10,000	10,783	2,604	5,149
VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)		93,743	78,115	43,655	36,775
IX. IMPAIRMENT ON LOANS AND OTHER RECEIVABLES (-)	(5.III.5)	17,922	11,070	9,999	1,961
X. OTHER OPERATING EXPENSES (-)	(5.III.6)	56,441	51,060	28,964	26,341
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)		19,380	15,985	4,692	8,473
XII. NEGATIVE GOODWILL		-	-	-	-
XIII. PROFIT / LOSS FROM EQUITY METHOD INVESTMENTS		-	-	-	-
XIV. GAIN/LOSS ON NET MONETARY POSITION		-	-	-	-
XV. P/L BEFORE TAXES FROM CONTINUING OPERATIONS (XI+...+XIV)		19,380	15,985	4,692	8,473
XVI. TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	(5.III.7)	(3,990)	(3,836)	(1,504)	(1,889)
16.1 Current Tax Provision		(3,639)	(3,440)	(1,766)	(2,021)
16.2 Deferred Tax Provision		(351)	(396)	262	132
XVII. NET PROFIT / LOSS FROM CONTINUING OPERATIONS (XV±XVI)		15,390	12,149	3,188	6,584
XVIII. PROFIT FROM DISCONTINUED OPERATIONS		-	-	-	-
18.1 Assets Held for Sale		-	-	-	-
18.2 Profit on Sale of Associates, Subsidiaries and Joint Ventures		-	-	-	-
18.3 Others		-	-	-	-
XIX. LOSS FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
19.1 Assets Held for Sale		-	-	-	-
19.2 Loss on Sale of Associates, Subsidiaries and Joint Ventures		-	-	-	-
19.3 Others		-	-	-	-
XX. P/L BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII-XIX)		-	-	-	-
XXI. TAXES ON INCOME FROM DISCONTINUED OPERATIONS (±)	(5.III.7)	-	-	-	-
21.1 Current Tax Provision		-	-	-	-
21.2 Deferred Tax Provision		-	-	-	-
XXII. NET PROFIT / LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)		-	-	-	-
XXIII. NET PROFIT/LOSS (XVII+XXII)	(5.III.8)	15,390	12,149	3,188	6,584
23.1 Group's Profit / Loss		15,390	12,149	3,188	6,584
23.2 Minority Shares		-	-	-	-
Earnings / Losses per Share (Full TL)		0.0037	0.0029	0.0008	0.0016

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

TEKSTİL BANKASI A.Ş. AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF RECOGNIZED INCOME AND EXPENSE UNDER EQUITY
FOR THE INTERIM PERIODS ENDED 30 JUNE 2012 AND 2011
(Currency: Thousands of TL - Turkish Lira)

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

PROFIT/LOSS ITEMS RECOGNIZED IN EQUITY	THOUSANDS OF TURKISH LIRA	
	CURRENT PERIOD (01/01/2012 - 30/06/2012)	PRIOR PERIOD (01/01/2011 - 30/06/2011)
I. ADDITIONS TO VALUATION DIFF. ON SECURITIES FROM AVAILABLE FOR SALE INVESTMENTS	3,407	(4,665)
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	(677)	922
X. NET PROFIT/LOSS RECOGNIZED IN EQUITY (I+II+...+IX)	2,730	(3,743)
XI. CURRENT PERIOD PROFIT/LOSS	15,390	12,149
11.1 Net Change in Fair Value of Securities (Transfer to Profit & Loss)	1,044	49
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	14,346	12,100
XII. TOTAL RECOGNIZED INCOME AND EXPENSE FOR THE PERIOD (X±XI)	18,120	8,406

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

TEKSTİL BANKASI A.Ş. AND ITS SUBSIDIARY																			Consolidated Financial Report	
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY																			Originally Issued in Turkish. See Note 4.1	
(Currency: Thousands of TL - Turkish Lira)																				
CHANGES IN SHAREHOLDERS' EQUITY																			Total Equity	
	Paid-Up Capital	Capital Reserves from Issuance of Shares and Paid-In Capital	Share Premium	Share Capitalization Profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit / (Loss)	Prior Period Net Profit / (Loss)	Valuation Difference of Securities	Revaluation Fund on Transferable Assets	Securities Value Increase Fund	Hidden Funds	Res. Fund on Assets Held for Sale and Discontinued Operations	Total Equity Attributable to Equity Holders of the Parent	Minority Interest	Total Shareholders' Equity		
PRIOR PERIOD																				
30/06/2011																				
I.	Balances at the Beginning of Period - 01/01/2011	420.000	-	(814)	-	4.929	29.587	-	20.042	-	8.320	14.580	-	-	-	496.544	-	496.544		
II.	Corrections According to Turkish Accounting Standard No 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
III.	Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
III.1.	Adjusted Beginning Balance (I + II)	420.000	-	(814)	-	4.929	29.587	-	20.042	-	8.320	14.580	-	-	-	496.544	-	496.544		
IV.	Changes in the Period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
V.	Increase / Decrease Related to Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
VI.	Valuation Difference of Available-for-Sale Securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
VI.1.	Hedging Transactions (Effective Portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
VI.2.	Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
VI.3.	Hedging of a Net Investment in Foreign Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
VII.	Revaluation Fund on Transferable Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
VIII.	Capital Bonus of Associates, Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
IX.	Changes Related to Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
X.	Changes Related to Reclassification of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
XI.	Effect of Changes in Estimates of Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
XII.	Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
XIII.	Abolition of Share Certificates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
XIV.	Capital Reserves from Inflation Adjustments to Paid-In Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
XV.	Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
XVI.	Current Period Net Profit / Loss	-	-	-	901	-	19.141	-	12.149	-	-	-	-	-	-	121.49	-	121.49		
XVII.	Profit Distribution	-	-	-	-	-	-	-	(20.042)	-	-	-	-	-	-	-	-	-		
XVIII.	Dividends	-	-	-	901	-	19.141	-	(20.042)	-	-	-	-	-	-	-	-	-		
XIX.	Transferred to Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
XX.	Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
XX.3.	Balances at the End of Period (III+IV+V+...+XXI)- 30/06/2011	420.000	-	(814)	-	5.830	48.728	-	12.149	-	4.477	14.580	-	-	-	504.950	-	504.950		
CURRENT PERIOD																				
30/06/2012																				
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.	Changes in the Period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
III.	Increase / Decrease Related to Mergers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
IV.	Valuation Difference of Available-for-Sale Securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
IV.1.	Hedging Transactions (Effective Portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
IV.2.	Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
IV.3.	Hedging of a Net Investment in Foreign Subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
V.	Revaluation Fund on Transferable Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
VI.	Capital Bonus of Associates, Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
VII.	Changes Related to Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
VIII.	Changes Related to Reclassification of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
IX.	Effect of Changes in Estimates of Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
X.	Capital Increase	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
XI.	Abolition of Share Certificates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
XII.	Capital Reserves from Inflation Adjustments to Paid-In Capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
XIII.	Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
XIV.	Current Period Net Profit / Loss	-	-	-	1.280	-	23.346	-	15.399	-	2.710	-	-	-	-	15.399	-	15.399		
XV.	Profit Distribution	-	-	-	-	-	-	-	(24.626)	-	-	-	-	-	-	-	-	-		
XVI.	Dividends	-	-	-	1.280	-	23.346	-	(24.626)	-	-	-	-	-	-	-	-	-		
XVII.	Transferred to Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
XVIII.	Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
XX.	Balances at the End of Period (I+II+III+...+XXI)- 30/06/2012	420.000	-	(814)	-	7.110	72.074	-	15.399	-	3.311	18.839	-	-	-	535.910	-	535.910		

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

TEKSTİL BANKASI A.Ş. AND ITS SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE INTERIM PERIODS ENDED 30 JUNE 2012 AND 2011
(Currency: Thousands of TL - Turkish Lira)

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

		THOUSANDS OF TURKISH LIRA	
		CURRENT PERIOD (01/01/2012 - 30/06/2012)	PRIOR PERIOD (01/01/2011 - 30/06/2011)
A.	CASH FLOWS FROM BANKING OPERATIONS		
1.1	Operating Profit before Changes in Operating Assets and Liabilities	26,940	23,330
1.1.1	Interest Received	159,331	103,382
1.1.2	Interest Paid	(103,586)	(57,123)
1.1.3	Dividend Received	2	5
1.1.4	Fees And Commissions Received	9,883	10,118
1.1.5	Other Income	1,205	8,758
1.1.6	Collections from Non-performing Loans	20,634	9,166
1.1.7	Payments to Personnel and Service Suppliers	(34,427)	(31,422)
1.1.8	Taxes Paid	(9,407)	(6,114)
1.1.9	Other	(16,695)	(13,440)
1.2	Changes in Operating Assets and Liabilities	30,934	5,166
1.2.1	Net (Increase) Decrease in Trading Securities	164	(1,424)
1.2.2	Net (Increase) Decrease in Financial Assets Designated at FV	-	-
1.2.3	Net (Increase) Decrease in Banks	3,527	(28,585)
1.2.4	Net (Increase) Decrease in Loans	(44,838)	(320,863)
1.2.5	Net (Increase) Decrease in Other Assets	15,750	(25,171)
1.2.6	Net Increase (Decrease) in Bank Deposits	73,047	31,250
1.2.7	Net Increase (Decrease) in Other Deposits	(146,810)	278,005
1.2.8	Net Increase (Decrease) in Funds Borrowed	143,172	48,391
1.2.9	Net Increase (Decrease) in Due Payables	-	-
1.2.10	Net Increase (Decrease) in Other Liabilities	(13,078)	23,563
I.	Net Cash Provided by Banking Operations	57,874	28,496
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
II.	Net Cash (Used in) / Provided by Investing Activities	(79,960)	35,053
2.1	Cash Paid for Purchase of Investments, Associates and Subsidiaries	-	-
2.2	Cash Obtained From Sale of Investments, Associates And Subsidiaries	37	-
2.3	Fixed Assets Purchases	(2,380)	(632)
2.4	Fixed Assets Sales	1,145	125
2.5	Cash Paid for Purchase of Investments Available for Sale	(194,750)	(48,029)
2.6	Cash Obtained From Sale of Investments Available for Sale	115,988	83,589
2.7	Cash Paid for Purchase of Investment Securities	-	-
2.8	Cash Obtained from Sale of Investment Securities	-	-
2.9	Other	-	-
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
III.	Net Cash (Used in) Financing Activities	-	(2)
3.1	Cash Obtained from Funds Borrowed and Securities Issued	-	-
3.2	Cash Used for Repayment of Funds Borrowed and Securities Issued	-	-
3.3	Capital Increase	-	-
3.4	Dividends Paid	-	-
3.5	Payments for Finance Leases	-	(2)
3.6	Other	-	-
IV.	Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	1,102	2,043
V.	Net (Decrease) / Increase in Cash and Cash Equivalents (I+II+III+IV)	(20,984)	65,590
VI.	Cash and Cash Equivalents at the Beginning of Period	312,803	194,817
VII.	Cash and Cash Equivalents at the End of Period (V+VI)	291,819	260,407

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

SECTION THREE

ACCOUNTING POLICIES

I. Basis of presentation

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

The accompanying consolidated financial statements and the related disclosures and footnotes are prepared in accordance within the framework of standards as described in the Regulation on Procedures and Principles for Accounting Practices and Retention of Documents by Banks ("Regulation"), dated 1 November 2006 which is published in the Official Gazette No.26333, in accordance with the Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards ("TFRS") and interpretations of these standards (totally "Turkish Accounting Standards" or "TAS") promulgated by the Turkish Accounting Standards Board ("TASB") and in accordance with all other regulations, explanations and circulars related to the accounting and reporting promulgated by the Banking Regulation and Supervision Agency ("BRSA").

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

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

Per decree No 660 published in the Official Gazette dated 2 November 2011 and became effective, additional article 1 of the Law numbered 2499 on establishment of TASB has been abrogated and establishment of Public Oversight, Accounting and Auditing Standards Authority ("the Association") has been decided by the Council of Ministers. In accordance with the first temporary article of the decree, currently effective standards and regulations will prevail until related standards and regulations which will be issued by the Association become effective.

Additional paragraph for convenience translation to English

The differences between accounting principles, as described in the preceding paragraphs, and the accounting principles generally accepted in countries, in which the accompanying consolidated financial statements are to be distributed, and International Financial Reporting Standards ("IFRS"), may have significant influence on the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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

Accounting policies and valuation principles used in the preparation of the consolidated financial statements are explained in footnotes II through XXVII in the following pages.

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

Strategy for the use of financial instruments:

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

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

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

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

Transactions denominated in foreign currencies:

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

As at 30 June 2012, rates used for converting foreign exchange transactions to Turkish Lira and presenting them in financial statements as followed; USD: TL 1.8153, Euro: TL 2.2590, JPY: TL 0.0228.

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

III. Presentation of information regarding the Bank and consolidated subsidiaries and associates

The Parent Bank has no consolidating associate.

Tekstil Yatırım which is financial subsidiary of the Bank is consolidated to accompanying financial statements by using "Full Consolidation" method as of 30 June 2012 and 31 December 2011.

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

The carrying amount of the Parent Bank's investment in each subsidiary and the Bank's portion of equity of each subsidiary are eliminated. All intercompany transactions and intercompany balances between the consolidated subsidiary and the Parent Bank are eliminated. The financial statements which have been used in the consolidation are prepared as at 30 June 2012 and appropriate adjustments are made to financial statements to use uniform accounting policies for similar transactions and events in same circumstances.

IV. Forward transactions, options and derivative instruments

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

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

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

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

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

V. Interest income and expense

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

VI. Fees and commissions

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

VII. Financial assets

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

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

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

2. Investment securities available-for-sale:

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

Purchase and sale transactions of available-for-sale securities are recorded on settlement date. Such financial assets are measured at their fair values subsequently following the initial recognition. However, assets for which fair values could not be determined reliably are valued using discounting method with internal rate of return for the ones with a fixed maturity; and using valuation models or discounted cash flow techniques for the ones which do not have a fixed maturity. Unrecognized gain/losses derived from the difference between their fair value and the discounted values are recorded in “valuation differences of securities” under the shareholders’ equity. In case of sales, the realized gain/losses are recognized directly in the income statement.

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

3. Loans and receivables:

Loans and receivables arise when the 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 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. Loans and receivables which are not possible to be collected are written off after legal procedures are completed.

4. Investment securities held-to-maturity:

Held-to-maturity securities are financial assets with fixed maturities and pre-determined payment schedules that the 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 rate 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 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 Bank provides specific and general allowances for loan and other receivables classified 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. The allowances are recorded in the income statement of the related period.

Subsequent to the change in the regulation on "Change in the Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" 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 Official Gazette No. 27968 dated 18 June 2011 amending the "Change in the Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves", 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 car and housing loans; and is 8% for the loans under close monitoring except car and housing loans.

Since the consumer loans of the Parent Bank do not exceed the ratios mentioned above as of 30 June 2012, additional general loan loss provision has not been calculated.

IX. Offsetting financial instruments

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

In cases where the fair values of securities quoted at the stock exchanges classified under trading and available-for-sale portfolios, associates 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 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 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 assets related to discontinued operations and payables related to such assets

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

The Group does not have any assets held for sale.

The Group does not have any discontinued operations.

XII. Goodwill and other intangible assets

There is no goodwill in the accompanying consolidated financial statements as at 30 June 2012 and 31 December 2011.

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

Intangible assets have been restated for the effects of inflation, until 31 December 2004. The new additions to intangible assets after 31 December 2004 are recorded with their historic costs excluding any currency exchange differences and financing expenses capitalized.

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

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

XIII. Tangible assets

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

Tangible assets that are acquired before 31 December 2004 have been restated for the effects of inflation, until 31 December 2004. The new additions to tangible assets after 31 December 2004 are shown with their historic costs excluding any currency exchange differences and financing expenses capitalized.

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

Leasehold improvements for buildings acquired through operating lease prior to 31 December 2009 are depreciated over their useful lives. Leasehold improvements acquired after this date are depreciated over lease period up to five years based on “Communiqué to Change Unified Accounting System and Explanatory Notes” dated 11 December 2009 and BRSA article numbered B.02.1.BDK.0.06.00.00/2/13/1-a/524 dated 10 January 2011.

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

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

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

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

The Parent Bank applies revaluation model for the buildings as permitted by TAS 16 “Property, Plant and Equipment”. For this purpose, fair values of the buildings are determined by a third party appraiser, which is commissioned by BRSA and Capital Markets Board. The fair value surplus is recognized in “Revaluation Fund on Tangible Assets” within the equity items. As at 30 June 2012, revaluation surplus on tangible assets amounts to TL 19,831 (31 December 2011: TL 19,831). Additionally as at 31 December 2011, impairment on tangible assets amounts to TL 699 TL.

XIV. Leasing activities

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

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

XV. Provisions and contingencies

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

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

XVI. Contingent assets

The contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the Group. If an inflow of economic benefits has become probable, then the contingent asset is disclosed in the notes to 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 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 with the bank and whose employment is terminated due to retirement or reasons other than resignation or misconduct. Provision for employee severance benefits has been accounted for using discounting total provision and reflected to the consolidated financial statements.

XVIII. Taxation

a. Current taxes:

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

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

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

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

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

b. Deferred taxes:

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

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

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

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

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

c. Transfer pricing:

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

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

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

XIX. Additional explanations on borrowings

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

XX. Issued stock

There is no issued share in the current period.

XXI. Acceptances

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

XXII. Government grants

As at 30 June 2012 and 31 December 2011, the Group does not have any government grants.

XXIII. Reserves and profit distribution

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

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

XXIV. Related parties

For the purpose of the consolidated financial statements, shareholders, top management and members of board of directors, related companies managed by their own and families, associates and jointly controlled entities are accepted as related party in accordance with TAS 24 “Related Party Disclosures”.

XXV. Cash and cash equivalents

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

XXVI. Segment reporting

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

XXVII. Reclassifications

In order to achieve convenience of presentation of financial statements as at 30 June 2012; some reclassifications have been made in the consolidated income statement and consolidated statement of cash flows for the interim period ended 30 June 2011.

SECTION FOUR

CONSOLIDATED FINANCIAL POSITION

I. Consolidated capital adequacy ratio

As at 30 June 2012, the Group's consolidated capital adequacy ratio is 16.46% (31 December 2011: 15.93%). The ratio is considerably higher than the minimum required ratio defined by legislation.

Risk measurement methods used in the calculation of consolidated capital adequacy ratio is the sum of risk weighted assets and non-cash loans weighted based on the regulation; and market risk on marketable securities, specific risk and foreign currency exchange risk also based on the regulation, which are aggregately defined as Value at Risk calculated by standardized method. The following tables present details of "risk weighted assets" and determination of "capital" which are basis for the calculation of capital adequacy ratio.

Consolidated Capital Adequacy Ratio:

	Risk Weights						Risk Weights					
	Unconsolidated						Consolidated					
	0%	20%	50%	100%	150%	200%	0%	20%	50%	100%	150%	200%
Credit Risk Based												
Balance Sheet Items (Net)	774,269	139,614	675,084	1,857,530	20,345	64,825	785,248	145,762	675,084	1,851,211	20,345	64,825
Cash in Vault	24,548	-	-	-	-	-	24,548	-	-	-	-	-
Due Dated Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-
Central Bank of Turkey	159,485	-	-	-	-	-	159,485	-	-	-	-	-
Domestic and Foreign Banks, Foreign Branches	-	101,928	-	-	-	-	-	102,201	-	-	-	-
Interbank Money Market	-	-	-	-	-	-	5,585	-	-	-	-	-
Receivables from Reverse Repos	-	-	-	-	-	-	-	-	-	-	-	-
Reserve Deposits	94,930	-	-	-	-	-	94,930	-	-	-	-	-
Loans	69,992	-	675,084	1,600,861	20,345	64,825	69,992	-	675,084	1,608,404	20,345	64,825
Non-performing Loans (Net)	-	-	-	43,333	-	-	-	-	-	43,333	-	-
Receivables from Leasing Operations	-	-	-	-	-	-	-	-	-	-	-	-
Investments Available-for-Sale	391,155	9,402	-	9,312	-	-	396,331	9,402	-	9,312	-	-
Investments Held-to-Maturity	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Sale of Assets	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous Receivables	-	27,770	-	6,357	-	-	-	33,603	-	7,742	-	-
Accrued Interest and Other Income	29,373	514	-	40,478	-	-	29,418	556	-	40,478	-	-
Investments in Associates, Subsidiaries and Joint Ventures (Net)	-	-	-	15,693	-	-	-	-	-	1	-	-
Tangible Assets	-	-	-	91,416	-	-	-	-	-	91,702	-	-
Other Assets	4,786	-	-	50,080	-	-	4,959	-	-	50,239	-	-
Off-Balance Sheet Items	11,020	27,003	18,803	560,365	-	-	11,020	27,003	18,803	560,364	-	-
Non-Cash Loans and Commitments	11,020	22,189	18,803	557,275	-	-	11,020	22,189	18,803	557,274	-	-
Derivatives	-	4,814	-	3,090	-	-	-	4,814	-	3,090	-	-
Accounts Not Risk Weighted	-	-	-	-	-	-	-	-	-	-	-	-
Total Risk Weighted Assets	785,289	166,617	693,887	2,417,895	20,345	64,825	796,268	172,765	693,887	2,411,575	20,345	64,825

Summary information related to consolidated and unconsolidated capital adequacy ratios:

	Unconsolidated		Consolidated	
	Current Period	Prior Period	Current Period	Prior Period
Risk Weighted Assets (RWA)	2,958,329	2,947,737	2,953,239	2,945,225
Market Risk (MR)	51,075	39,263	53,300	39,988
Operational Risk (OR)	265,250	293,344	280,416	299,319
Shareholders' Equity	539,200	520,259	540,882	523,313
Shareholders' Equity /(RWA+MR+OR) *100	16.47	15.86	16.46	15.93

Components of shareholders' equity:

	Current Period	Prior Period
CORE CAPITAL		
Paid-in Capital	420,000	420,000
Nominal Capital	420,000	420,000
Capital Commitments (-)	-	-
Capital Reserves Arising From Inflation Adjustments to Paid-in Capital	-	-
Share Premium	(814)	(814)
Share Cancellation Profit	-	-
Legal Reserves	7,110	5,830
I. Legal Reserve (Turkish Commercial Code 466/1)	7,110	5,830
II. Legal Reserve (Turkish Commercial Code 466/2)	-	-
Other Legal Reserve per Special Legislation	-	-
Status Reserves	-	-
Extraordinary Reserves	72,074	48,728
Reserve Allocated at the General Assembly	-	-
Retained Earnings	72,074	48,728
Accumulated Losses	-	-
Foreign Currency Translation Differences	-	-
Inflation Component of Legal Reserves, Status Reserves and Extraordinary Reserves	-	-
Profit	15,390	24,626
Current Period Profit	15,390	24,626
Prior Periods' Profit	-	-
Free Provisions Booked for Possible Losses (Up to 25% of the Core Capital)	-	-
Gain on Sale of Real Estate and Investments in Associates and Subsidiaries to be Added to the Share Capital	-	-
Primary Subordinated Loans (Up to 15% of the Core Capital)	-	-
Accumulated Losses (-)	-	-
Current Period Loss	-	-
Prior Periods' Loss	-	-
Leasehold Improvements (-)	447	573
Intangible Assets (-)	1,765	1,532
Deferred Tax Assets (Amount Exceeding 10% of the Core Capital) (-)	-	-
Amount Excess of Article 56/3 of the Law (-)	-	-

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Total Core Capital	511,548	496,265
SUPPLEMENTARY CAPITAL		
General Loan Loss Reserves	21,015	20,191
45% of Revaluation Fund of Securities	-	-
45% of Revaluation Fund of Real Estate	8,478	8,478
Bonus Shares from Subsidiaries and Joint Ventures	-	-
Amount not Included in Core Capital for Primary Subordinated Loans	-	-
Secondary Subordinated Loans	-	-
45% of Securities Value Increase Fund (100% in case of a deficit)	1,490	261
Associates and Subsidiaries	-	-
Investments Available-for-Sale	1,490	261
Inflation Component of Capital Reserves, Profit Reserves and Prior Period Profits	-	-
Total Supplementary Capital	30,983	28,930
TIER III CAPITAL	-	-
CAPITAL	542,531	525,195
DEDUCTIONS FROM CAPITAL	1,649	1,882
Shares in Unconsolidated Banks and Financial Institutions	-	-
Secondary Subordinated Loans Granted to Banks, Financial Institutions (Foreign and Domestic), or Preferred Shareholders, and Primary/Secondary Subordinated Loans Obtained from Them	-	-
Shares in Banks and Financial Institutions Accounted under the Equity Method	-	-
Loans Granted in Violation of the Articles 50 and 51 of the Law	-	-
Amount in Excess of 50% of the Equities of the Net Book Value of the Real Estate of the Banks, and Net Book Value of the Assets Acquired against Non-performing Loans that Should Be Disposed of According to the Article 57 of the Law which is not Disposed of in Five Years	1,615	1,882
Others	34	-
TOTAL SHAREHOLDERS' EQUITY	540,882	523,313

II. Consolidated market risk

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

Standard method defined in the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" published in Official Gazette no. 26333 dated 1 November 2006 is used in calculating the market risk. The criteria for the standard method have been set by the BRSA and are reported on a monthly basis.

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

The internal models used by the Parent Bank are Parametric Method, Historical Simulation and Monte Carlo Simulation. In calculating VaR, a one-tailed 99% confidence level is used regarding one-day holding period. The results are regularly reported to the Senior Level Risk Committee and Asset-Liability Committee.

Consolidated market risk:

	Amount
(I) Capital Obligation against General Market Risk - Standard Method	2,499
(II) Capital Obligation against Specific Risk - Standard Method	123
(III) Capital Obligation against Currency Risk - Standard Method	655
(IV) Capital Obligation against Commodity Risk - Standard Method	-
(V) Capital Obligation against Clearing Risk - Standard Method	-
(VI) Capital Obligation against Options Subject to Market Risk – Standard Method	987
(VII) Capital Obligation against Market Risk at the Banks calculating Risk Measuring Models	-
(VIII) Total Capital Obligation against Market Risk (I+II+III+IV+V+VI) (*)	4,264
(IX) Value-At-Risk Amount (12.5 x VIII) or (12.5 x VII)	53,300

(*) Value at Risk does not represent all of TL 53,300 but 8% of which is TL 4,264 as the market risk. This amount, TL 4,264, is also the minimum capital obligation to eliminate the market risk.

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, exercise continuous control on risks in the money markets and transactions creating these risks and reports to the Assets-Liability Committee of the Bank weekly.

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

	22/06/12	25/06/12	26/06/12	27/06/12	28/06/12	29/06/12
USD	1.7895	1.7978	1.8123	1.8111	1.8011	1.8153
GBP	2.8094	2.8045	2.8179	2.8266	2.8118	2.8228
EURO	2.2680	2.2550	2.2633	2.2631	2.2496	2.2590
JPY	0.0224	0.0223	0.0226	0.0228	0.0226	0.0228

The basic arithmetical average of the Bank's foreign exchange bid rate for the last thirty days from 30 June 2012 (TL full):

	Monthly Average FC Exchange Bid Rates
USD	1.8160
GBP	2.8218
EURO	2.2756
JPY	0.0229

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Information on consolidated exchange rate risk:

Current Period	EURO	USD	JPY	OTHER FC	TOTAL
Assets					
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey(*)	5,379	193,038	7	28,080	226,504
Banks	25,025	62,348	746	1,102	89,221
Financial Assets at Fair Value Through Profit or Loss (**)	48	303	-	-	351
Interbank Money Market Placements	-	-	-	-	-
Investment Securities Available-for-Sale	25	13,042	-	-	13,067
Loans (***)	189,072	523,774	30,807	384	744,037
Investments in Subsidiaries and Associates	-	-	-	-	-
Investment Securities Held-to-Maturity	-	-	-	-	-
Hedging Purpose Financial Derivatives	-	-	-	-	-
Tangible Assets	-	-	-	-	-
Intangible Assets	-	-	-	-	-
Other Assets (*)	7,367	22,531	25	-	29,923
Total Assets (**)	226,916	815,036	31,585	29,566	1,103,103
Liabilities					
Bank Deposits	-	72,725	-	-	72,725
Foreign Currency Deposits	289,608	741,599	116	6,705	1,038,028
Interbank Money Markets	-	-	-	-	-
Funds Borrowed from Other Financial Institutions	58,172	160,438	-	-	218,610
Marketable Securities Issued	-	-	-	-	-
Miscellaneous Payables	28	1,521	-	-	1,549
Hedging Purpose Financial Derivatives	-	-	-	-	-
Other Liabilities (*)	3,458	2,648	-	464	6,570
Total Liabilities (****)	351,266	978,931	116	7,169	1,337,482
Net On Balance Sheet Position	(124,350)	(163,895)	31,469	22,397	(234,379)
Net Off Balance Sheet Position	99,362	160,779	(30,954)	1,942	231,129
Financial Derivatives (Assets) (*****)	181,881	455,469	1,689	36,188	675,227
Financial Derivatives (Liabilities) (*****)	82,519	294,690	32,643	34,246	444,098
Non-cash Loans (*****)	100,701	463,316	2,529	1,828	568,374
Prior Period					
Total Assets (**) (***)	240,815	911,406	35,461	4,070	1,191,752
Total Liabilities (**) (****)	407,642	903,460	140	7,419	1,318,661
Net On Balance Sheet Position	(166,827)	7,946	35,321	(3,349)	(126,909)
Net Off Balance Sheet Position	166,144	(12,883)	(34,606)	3,427	122,082
Financial Derivatives (Assets) (*****)	263,947	505,004	32,771	82,023	883,745
Financial Derivatives (Liabilities) (*****)	97,803	517,887	67,377	78,596	761,663
Non-cash Loans (*****)	164,825	517,780	485	510	683,600

(*) As at 30 June 2012, precious metals amounting to TL 27,146 kept at Central Bank of Turkey accounts is included in Other FC column (31 December 2011: None).

(**) As at 30 June 2012, accrual differences of derivative transactions presented in "Financial Assets At Fair Value Through Profit Or Loss" and "Negative Value Of Trading Derivatives" amounting to TL 1,357 and TL 1,862, respectively, (31 December 2011: TL 2,601 and TL 4,293) and accrual differences of value dated transactions presented under assets in "Other Assets" and under liabilities in "Other Liabilities" amounting to TL 49 and TL 21, respectively, are not included in the table (31 December 2011: TL 9 and TL 1).

(***) As at 30 June 2012, "Loans" balance includes, in addition to the balance sheet amount, foreign currency indexed loans and their accruals amounting to TL 305,724 (31 December 2011: TL 306,296).

(****) As at 30 June 2012, "Valuation differences of securities" in equity amounting to TL 439 (31 December 2011: TL 870) are not included.

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

(*****) As at 30 June 2012, FX buying and FX selling transactions with a maturity amounting to TL 18,009 and TL 13,393, respectively, under 'Asset Purchase and Sale Commitments' of off-balance sheet items are included (31 December 2011: TL 7,380 and TL 21,670). As at 30 June 2012, precious metal swap transaction amounting to TL 27,145 recorded at "Other" section of "Derivative Financial Instruments" of off-balance sheet items is included in Other FC column (31 December 2011: None).

The table below demonstrates prospective increase and decrease in equities and profit/loss as at 30 June 2012 and 31 December 2011 (excluding tax effect) on condition that 10 percent revaluation/devaluation of the foreign currencies below against TL. This analysis has been prepared under the circumstances of assumption of other variables, especially interest rates, to be constant.

	30 June 2012				31 December 2011			
	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	(355)	355	(312)	312	(581)	581	(494)	494
EURO	(2,499)	2,499	(2,499)	2,499	(68)	68	(68)	68
Other FC	2,485	(2,485)	2,485	(2,485)	79	(79)	79	(79)
Total, net	(369)	369	(326)	326	(570)	570	(483)	483

* 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 management daily monitors interest rate movements in the market and revises the Parent Bank's interest rates.

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

	Up to 1 Month	1 – 3 Months	3 –12 Months	1 – 5 Years	5 Years and Over	Non-Interest Bearing (*)	Total
Current Period							
Assets							
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	-	-	-	-	-	278,963	278,963
Banks	94,865	-	-	-	-	7,369	102,234
Financial Assets at Fair Value Through Profit or Loss	2,543	1,846	2,680	171	180	1,089	8,509
Interbank Money Market Placements	5,585	-	-	-	-	-	5,585
Investment Securities Av.-for-Sale	49,133	167,155	157,602	67,935	3,021	766	445,612
Loans	1,312,554	202,305	392,538	490,756	80,265	43,333	2,521,751
Investment Securities Held-to-Mat.	-	-	-	-	-	-	-
Other Assets	98	-	-	-	-	192,128	192,226
Total Assets	1,464,778	371,306	552,820	558,862	83,466	523,648	3,554,880
Liabilities							
Bank Deposits	73,325	-	-	-	-	7	73,332
Other Deposits	1,735,524	407,681	51,020	40	-	110,150	2,304,415
Interbank Money Market Borrowings	253,835	-	-	-	-	-	253,835
Miscellaneous Payables	-	-	-	-	-	9,776	9,776
Securities Issued	-	-	-	-	-	-	-
Funds Borrowed from Other Fin.Inst.	35,375	34,608	180,739	5,914	-	-	256,636
Other Liabilities	5,739	2,204	2,743	-	-	646,200	656,886
Total Liabilities	2,103,798	444,493	234,502	5,954	-	766,133	3,554,880
Balance Sheet Long Position	-	-	318,318	552,908	83,466	-	954,692
Balance Sheet Short Position	(639,020)	(73,187)	-	-	-	(242,485)	(954,692)
Off Balance Sheet Long Position	-	-	-	-	-	-	-
Off Balance Sheet Short Position	-	-	-	-	-	-	-
Total Interest Sensitivity Gap	(639,020)	(73,187)	318,318	552,908	83,466	(242,485)	-

(*) Tangible and intangible assets amounting to TL 81,685, associates amounting to TL 1, assets to be disposed of amounting to TL 13,844, tax assets amounting to TL 4,352 and other assets amounting to TL 92,246 are presented within other assets as non-interest bearing; provisions amounting to TL 33,980, tax liability amounting to TL 10,282, other liabilities amounting to TL 66,028 and equity amounting to TL 535,910 are presented within other liabilities as non-interest bearing.

Average interest rates applied to monetary financial instruments:

	EURO %	USD %	JPY %	TL %
Current Period (*)				
Assets				
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey.	-	-	-	-
Banks	1.34	0.95	-	11.85
Financial Assets at Fair Value Through Profit or Loss	3.29	4.09	-	-
Interbank Money Market Placements	-	-	-	-
Investment Securities Available-for-Sale	4.76	6.28	-	7.07
Loans	7.20	7.62	8.36	15.08
Investment Securities Held-to-Maturity	-	-	-	-
Liabilities				
Bank Deposits	-	2.35	-	10.62
Other Deposits	4.31	4.00	0.25	11.87
Interbank Money Market Borrowings	-	-	-	6.72
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Funds Borrowed from Other Financial Institutions	3.87	3.21	-	8.13

(*) Stated at compound interest rates.

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

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

Average interest rates applied to monetary financial instruments:

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

(*) Stated at compound interest rates.

Possible effects of financial assets and debts' sentivity to interest on net income and equities in the future:

The interest rate sensitivity of the income statement as at 30 June 2012 and 31 December 2011 is calculated by the effect of possible changes in interest rates on the floating rate, non-trading financial assets and liabilities. The sensitivity of the equity is calculated by the revaluation of the available for sale securities portfolio based on possible interest rate changes. Tax effects are ignored during calculations. Other variables, especially foreign exchange rates are held constant in the analysis.

	Income Statement		Equity (*)	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
30 June 2012				
Financial assets at fair value through profit or loss	(17)	17	(17)	17
Financial assets available for sale	-	-	(2,797)	2,827
Floating rate financial liabilities	(7)	7	(7)	7
Total, net	(24)	24	(2,821)	2,851
	Income Statement		Equity (*)	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 December 2011				
Financial assets at fair value through profit or loss	(18)	18	(18)	18
Financial assets available for sale	-	-	(2,622)	2,656
Floating rate financial liabilities	(5)	4	(5)	4
Total, net	(23)	22	(2,645)	2,678

(*) Equity effect includes the sensitivity of income statement when interest rate increases or decreases 100 bp.

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.

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Presentation of assets and liabilities according to their residual maturities:

Current Period	Demand	Up to 1 month	1-3 months	3-12 Months	1-5 Years	5 years and Over	Undist. (*)	Total
Assets								
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey.	278,963	-	-	-	-	-	-	278,963
Banks	7,369	94,865	-	-	-	-	-	102,234
Financial Assets at Fair Value Through Profit or Loss	1,089	2,543	1,846	2,680	171	180	-	8,509
Interbank Money Market Placements	-	5,585	-	-	-	-	-	5,585
Investment Securities Available-for-Sale	766	-	13,659	86,271	261,673	83,243	-	445,612
Loans	-	511,828	459,533	876,183	523,110	107,764	43,333	2,521,751
Investment Securities Held-to-Maturity	-	-	-	-	-	-	-	-
Other Assets	-	84,306	-	7,437	-	4,352	96,131	192,226
Total Assets	288,187	699,127	475,038	972,571	784,954	195,539	139,464	3,554,880
Liabilities								
Bank Deposits	7	73,325	-	-	-	-	-	73,332
Other Deposits	110,150	1,735,518	407,679	50,984	84	-	-	2,304,415
Funds Borrowed from Other Financial Institutions	-	33,511	34,608	182,603	5,914	-	-	256,636
Interbank Money Markets	-	253,835	-	-	-	-	-	253,835
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	7,181	2,595	-	-	-	-	-	9,776
Other Liabilities	60,195	12,004	5,858	8,939	-	-	569,890	656,886
Total Liabilities	177,533	2,110,788	448,145	242,526	5,998	-	569,890	3,554,880
Net Liquidity Gap	110,654	(1,411,661)	26,893	730,045	778,956	195,539	(430,426)	-
Prior Period								
Total Assets	310,419	702,144	452,551	956,018	769,731	174,048	138,200	3,503,111
Total Liabilities	226,559	1,694,961	790,861	230,037	10,856	-	549,837	3,503,111
Net Liquidity Gap	83,860	(992,817)	(338,310)	725,981	758,875	174,048	(411,637)	-

(*) Assets on the balance sheet which are not convertible into cash in short period; tangible and intangible assets amounting to TL 81,685, associates amounting to TL 1, stationary supplies amounting to TL 601, assets to be disposed of amounting to TL 13,844, loans in follow-up amounting to TL 43,333 and liabilities on the balance sheet which are necessary for the banking operations; provisions amounting to TL 33,980 and equity amounting to TL 535,910 are included here.

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

	First Maturity Bracket		Second Maturity Bracket	
Liquidity Ratios	FC Liquidity Adequacy Ratio	Total Liquidity Adequacy Ratio	FC Liquidity Adequacy Ratio	Total Liquidity Adequacy Ratio
30 June 2012	239.9	247.0	111.7	116.4
Average (%)	223.8	219.5	109.2	120.6
Max. (%)	319.4	272.4	154.3	144.2
Min. (%)	140.4	187.3	87.7	111.9

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

30 June 2012	Book Value	Gross Nominal Outflow	Demand	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and more
Bank Deposits	73,332	73,354	7	73,347	-	-	-	-
Deposits from Customers	2,304,415	2,315,352	110,150	1,741,623	411,463	52,019	97	-
Due to Money Markets	253,835	253,835	-	253,835	-	-	-	-
Funds Borrowed	256,636	261,387	-	33,572	34,784	186,631	6,400	-
Total	2,888,218	2,903,928	110,157	2,102,377	446,247	238,650	6,497	-

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

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

Current Period	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and more	Total
Currency Derivative Instruments (I)	1,128,890	321,883	178,563	-	-	1,629,336
Forward Foreign Currency Purchases	46,522	11,101	4,049	-	-	61,672
Forward Foreign Currency Sales	46,814	11,302	4,062	-	-	62,178
Currency Swaps-Purchases	417,942	37,678	-	-	-	455,620
Currency Swaps-Sales	391,960	37,798	-	-	-	429,758
Currency Futures-Purchases	-	-	-	-	-	-
Currency Futures-Sales	-	-	-	-	-	-
Currency Options-Purchases	113,019	112,999	85,745	-	-	311,763
Currency Options-Sales	112,633	111,005	84,707	-	-	308,345
Interest Rate Derivative Instruments (II)	-	-	-	-	-	-
Forward Purchases/Sales	-	-	-	-	-	-
Interest Rate Swaps-Purchases/Sales	-	-	-	-	-	-
Interest Rate Options-Purchases/Sales	-	-	-	-	-	-
Interest Rate Futures-Purchases/Sales	-	-	-	-	-	-
Others (III)	27,145	-	-	-	-	27,145
Total (I+II+III)	1,156,035	321,883	178,563	-	-	1,656,481

As at 30 June 2012, spot foreign currency purchase and sale transactions with value date amounting to TL 22,779 and TL 22,737, respectively, are presented under "Asset Purchase and Sale Commitments" of off-balance sheet items (31 December 2011: TL 26,130 and TL 26,461).

VI. Consolidated Segment Reporting

The Group is active in three areas, namely, 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 Bank and its customers, bonds, foreign exchange transactions and hedging purpose derivative products including swaps and options. Tekstil Yatırım gives agency services in capital markets products and provides investment fund and portfolio management services.

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

Information related to the Segments of the Group:

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

Current Period	Retail Banking	Corporate Banking	Treasury, Investment Banking and Others	Total Operations
Operating Income	11,938	50,131	31,674	93,743
Operating profit of segment	590	4,580	14,210	19,380
Costs not distributed	-	-	-	-
Operating profit	-	-	-	-
Income from subsidiaries	-	-	-	-
Profit before tax	590	4,580	14,210	19,380
Tax provision (-)	-	-	3,990	3,990
Profit after tax	590	4,580	10,220	15,390
Non-controlling interests	-	-	-	-
Net Profit	590	4,580	10,220	15,390
Segment assets (*)	393,478	2,146,993	1,014,408	3,554,879
Investments in subsidiaries	-	-	1	1
Total Assets	393,478	2,146,993	1,014,409	3,554,880
Segment liabilities (*)	1,340,741	1,079,160	599,069	3,018,970
Equity	-	-	535,910	535,910
Total Liabilities	1,340,741	1,079,160	1,134,979	3,554,880
Other Segment Items	45	272	4,752	5,069
Capital expenditure	-	-	2,380	2,380
Depreciation and amortization	45	272	1,706	2,023
Impairment losses (**)	-	-	666	666
Other non-cash income-expenses	-	-	-	-
Restructuring costs	-	-	-	-

(*) Assets in others column contain tangible assets, intangible assets, assets to be disposed of, deferred tax assets and other assets not distributed. Liabilities in others column contain general provisions, reserve for employee benefits, current tax liabilities and other liabilities not distributed.

(**) Includes loss in value of marketable securities, fixed assets, assets to be disposed of 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; 60% for corporate banking, 11% for retail banking, 29% for investment banking and other segments. Gross income (operational income) of the Group is distributed between corporate banking, retail banking and investment banking and other segments as 53%, 13%, 34%, respectively.

SECTION FIVE

DISCLOSURES AND FOOTNOTES ON CONSOLIDATED FINANCIAL STATEMENTS

I. Information and disclosures related to assets

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash	13,814	10,734	14,590	13,768
Central Bank of Turkey (*)	38,645	215,770	82,371	193,012
Others	-	-	-	-
Total	52,459	226,504	96,961	206,780

b) Balances with the Central Bank of Turkey:

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits (*)	38,645	120,840	82,371	94,555
Unrestricted Time Deposits	-	-	-	-
Restricted Time Deposits	-	94,930	-	98,457
Total	38,645	215,770	82,371	193,012

(*) As at 30 June 2012, the Parent Bank keeps precious metals amounting to TL 27,146 (31 December 2011: None) as reserve deposits at Central Bank of Turkey.

c) Explanation related to reserve deposits:

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

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

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

In accordance with Communiqué No. 2011/11 “Amendment on the Reserve Requirements Scale” published in the Official Gazette No. 28076 dated 6 October 2011, new ratios for foreign currency liabilities required reserve ratios have been set based on maturity structure of deposits and are stated below:

Foreign Currency Liabilities	Required Reserve Ratio (%)
FC demand deposits, notice deposits, foreign currency private current accounts	11
FC Deposits/participation accounts up to 1 month maturity	11
FC Deposits/participation accounts up to 3 month maturity	11
FC Deposits/participation accounts up to 6 month maturity	11
FC Deposits/participation accounts up to 1 year maturity	11
FC deposits/participation accounts with 1 year and longer maturity and cumulative deposits/participation accounts	9
Special funds	Ratios corresponding to maturities
Other foreign currency accounts up to 1 year maturity	11
Other foreign currency accounts up to 3 years maturity (including 3 years)	9
Other foreign currency accounts longer than 3 years maturity	6

As at 30 June 2012 and 31 December 2011, reserve deposits are interest-free.

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

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

As at 30 June 2012 and 31 December 2011, the financial assets at fair value through profit or loss are all unrestricted.

- b) Positive value of trading derivatives:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forwards	347	40	756	102
Swaps	355	1,037	2,760	22
Futures	-	-	-	-
Options	5,010	280	18,295	2,477
Other	-	-	-	-
Total	5,712	1,357	21,811	2,601

3. Information on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic	13,013	81,857	10,162	92,376
Foreign	-	7,364	-	5,004
Foreign branches	-	-	-	-
Total	13,013	89,221	10,162	97,380

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

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Given as collateral or blocked	55,859	-	26,358	12,662
Subject to repurchase agreements	257,505	-	129,268	-
Total	313,364	-	155,626	12,662

As at 30 June 2012, investment securities available-for-sale other than those given as collateral or subject to repurchase agreements amount to TL 132,248 (31 December 2011 – TL 181,930).

b) Available-for-sale securities:

	Current Period	Prior Period
Debt instruments	445,955	351,315
Listed	426,858	334,389
Unlisted	19,097	16,926
Equity instruments	766	660
Listed	766	660
Unlisted	-	-
Impairment provision	(1,109)	(1,757)
Total	445,612	350,218

5. Information related to loans:

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

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct loans granted to shareholders	-	-	-	-
Corporate shareholders	-	-	-	-
Individual shareholders	-	-	-	-
Indirect loans granted to shareholders	41,091	14,951	45,933	4,536
Loans granted to employees	1,485	-	1,268	-
Total	42,576	14,951	47,201	4,536

- 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	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Non-specialized Loans	2,385,395	-	73,494	231
Discount Notes	44,543	-	116	-
Export Loans	204,461	-	26,733	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	136,242	-	-	-
Foreign Loans	-	-	-	-
Consumer Loans	313,377	-	15,026	-
Credit Cards	27,942	-	2,383	-
Precious Metal Loans	-	-	-	-
Other	1,658,830	-	29,236	231
Specialization Loans	19,113	-	185	-
Other Receivables	-	-	-	-
Total	2,404,508	-	73,679	231

Information about changes in the conditions of the payment plans and period of payments of standard and closely monitored loans and receivables, which are demanded to be explained in accordance with the regulation “Change in the Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves” published in the Official Gazette No. 27947 dated 28 May 2011, is stated below:

Maturity of extension	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Up to 1 year	1 year and more	Up to 1 year	1 year and more
Number of loans which have one maturity change	10	4	-	-

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	11,556	290,610	302,166
Real Estate Loans	1,940	148,348	150,288
Automotive Loans	162	6,071	6,233
Consumer Loans	9,371	135,456	144,827
Other	83	735	818
Consumer Loans-Indexed to FC	130	10,407	10,537
Real Estate Loans	130	10,252	10,382
Automotive Loans	-	-	-
Consumer Loans	-	155	155
Other	-	-	-
Consumer Loans – FC	-	12,055	12,055
Real Estate Loans	-	12,055	12,055
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Credit Cards – TL	26,587	4	26,591
Installment	5,986	4	5,990
Non Installment	20,601	-	20,601
Credit Cards – FC	221	-	221
Installment	-	-	-
Non Installment	221	-	221
Loans Given to Employees – TL	84	462	546
Real Estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	84	462	546
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	865	-	865
Installment	286	-	286
Non Installment	579	-	579
Employee Credit Cards – FC	74	-	74
Installment	-	-	-
Non Installment	74	-	74
Overdraft Account – TL (Individual)	3,099	-	3,099
Overdraft Account – FC (Individual)	-	-	-
Total	42,616	313,538	356,154

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

	Short Term	Medium or Long Term	Total
Installment Corporate Loans – TL	30,392	135,446	165,838
Business Residential Loans	-	5,171	5,171
Automotive Loans	269	11,945	12,214
Consumer Loans	5,221	9,041	14,262
Other	24,902	109,289	134,191
Installment Corporate Loans – Indexed to FC	1,175	61,966	63,141
Business Residential Loans	-	71	71
Automotive Loans	-	10,478	10,478
Consumer Loans	366	2,784	3,150
Other	809	48,633	49,442
Installment Corporate Loans – FC	-	-	-
Business Residential Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Corporate Credit Cards – TL	2,486	-	2,486
Installment	303	-	303
Non Installment	2,183	-	2,183
Corporate Credit Cards – FC	88	-	88
Installment	-	-	-
Non Installment	88	-	88
Overdraft Account – TL (Commercial)	7,344	-	7,344
Overdraft Account – FC (Commercial)	-	-	-
Total	41,485	197,412	238,897

e) Domestic and foreign loans:

	Current Period	Prior Period
Domestic loans	2,478,418	2,468,142
Foreign loans	-	-
Total	2,478,418	2,468,142

f) Loans granted to subsidiaries and associates: None.

g) Specific provisions for loans:

	Current Period	Prior Period
Specific Provisions		
Loans and Receivables with Limited Collectibility	3,447	3,662
Loans and Receivables with Doubtful Collectibility	18,595	7,796
Uncollectible Loans and Receivables	54,762	53,380
Total	76,804	64,838

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

h.1) Information on loans under follow-up, loans and other receivables those are restructured/rescheduled: None.

h.2) Information on total non-performing loans:

	Group III Loans and receivables with limited collectibility	Group IV Loans and receivables with doubtful collectibility	Group V Uncollectible loans and receivables
Balances at Beginning of Period	22,404	10,224	74,543
Additions (+)	22,597	1,746	11,186
Transfers from Other Categories of Non- Performing Loans (+)	-	26,457	3,856
Transfers to Other Categories of Non-Performing Loans (-)	26,457	3,856	-
Collections (-)	5,035	2,164	15,364
Write-offs (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Retail Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Balances at End of the Period	13,509	32,407	74,221
Specific Provisions (-)	3,447	18,595	54,762
Net Balance on Balance Sheet	10,062	13,812	19,459

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

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

	Group III Loans and receivables with limited collectibility	Group IV Loans and receivables with doubtful collectibility	Group V Uncollectible loans and receivables
Current Period (Net)	10,062	13,812	19,459
Loans Allowed to Real Persons and Corporate Bodies (Gross)	13,509	32,407	74,221
Specific provision (-)	3,447	18,595	54,762
Loans Allowed to Real Persons and Corporate Bodies (Net)	10,062	13,812	19,459
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loan and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loan and Receivables (Net)	-	-	-
Prior Period (Net)	18,742	2,428	21,163
Loans Allowed to Real Persons and Corporate Bodies (Gross)	22,404	10,224	74,543
Specific provision (-)	3,662	7,796	53,380
Loans Allowed to Real Persons and Corporate Bodies (Net)	18,742	2,428	21,163
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loan and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loan and Receivables (Net)	-	-	-

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

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

As at 30 June 2012 and 31 December 2011, there are no financial assets held-to-maturity.

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

As at 30 June 2012 and 31 December 2011, there are no financial assets held-to-maturity.

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

As at 30 June 2012 and 31 December 2011, there are no financial assets held-to-maturity.

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

As at 30 June 2012 and 31 December 2011, there are no financial assets held-to-maturity.

7. Investments in associates (Net):

Tekstil Yatırım Menkul Değerler A.Ş., the subsidiary of the Parent Bank, participated in 1% of the share capital of "Gelişen İşletmeler Piyasaları A.Ş."

8. Investments in subsidiaries (Net):

Information related to subsidiaries:

a) Information on subsidiaries not consolidated:

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

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

c) Movement of subsidiaries not consolidated:

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

(*) Activities of the non-consolidated subsidiary of the Parent bank established in Turkey, "Tasfiye Halinde Tekstil Bilişim Hizmetleri A.Ş.", have been officially ended on 25 May 2012. The write-off of the subsidiary is shown in sales line above.

d) Sectoral distribution of subsidiaries not consolidated: None.

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)	Istanbul/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
29,864	17,406	302	1,476	3,152	1,217	2,732	-

g) Movement of consolidated subsidiaries:

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

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

h) Sectoral distribution of consolidated subsidiaries:

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

i) Listed subsidiaries: None.

j) Subsidiaries disposed during the current period:

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

k) Subsidiaries purchased in the current period: None.

9. Information on joint ventures:

None.

10. Information on financial lease receivables (net):

None.

11. Information on hedging purpose derivatives:

None.

12. Information on investment properties:

None.

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 4,352 (31 December 2011: TL 4,718) which was calculated on deductible temporary differences except general provisions at 30 June 2012.

Deferred tax effects of items charged or credited to equity are also charged or credited directly to equity.

- 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 assets related to discontinued operations:

The Parent Bank has no assets held for sale and assets related to discontinued operations as at 30 June 2012 and 31 December 2011.

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 13,844 (31 December 2011: TL 13,811).

Other assets, other than assets to be disposed of, amounting to TL 92,344 (31 December 2011: TL 105,194), do not exceed 10% of total assets.

II. Information and disclosures related to liabilities

1. Information on deposits:

a) Information on maturity profile of deposits:

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

a.1) Current Period:

	Demand	Up to 1 month	1-3 Months	3-6 Months	6 Months- 1 Year	1 Year and Over	Cumulative Deposits	Total
Saving Deposits	10,605	21,463	792,286	17,471	3,011	641	36	845,513
Foreign Currency Deposits	45,329	83,448	837,239	32,688	34,148	5,168	8	1,038,028
Residents in Turkey	41,422	77,356	802,293	16,467	26,894	2,295	8	966,735
Residents Abroad	3,907	6,092	34,946	16,221	7,254	2,873	-	71,293
Public Sector Deposits	3,620	-	-	-	-	-	-	3,620
Commercial Deposits	49,256	52,966	279,972	792	535	9,781	-	393,302
Other Ins. Deposits	1,340	281	22,271	13	47	-	-	23,952
Precious Metal Deposits	-	-	-	-	-	-	-	-
Bank Deposits	7	73,325	-	-	-	-	-	73,332
Central Bank	-	-	-	-	-	-	-	-
Domestic Banks	7	73,325	-	-	-	-	-	73,332
Foreign Banks	-	-	-	-	-	-	-	-
Participation Banks	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total	110,157	231,483	1,931,768	50,964	37,741	15,590	44	2,377,747

a.2) Prior Period:

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

b. Information on Deposit Insurance:

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

Saving Deposits	Covered by Deposit Insurance Fund	Covered by Deposit Insurance Fund	Exceeding the Deposit Insurance Limit	Exceeding the Deposit Insurance Limit
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	290,598	292,406	545,587	541,627
Foreign Currency Savings Deposits	86,945	92,375	376,620	491,449
Other Saving Deposits	-	-	-	-
Foreign branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Deposits Under Foreign Insurance Coverage	-	-	-	-
Total	377,543	384,781	922,207	1,033,076

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

b.3) Savings deposits not covered by deposit insurance: TL 35,845 (31 December 2011: TL 36,665).

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

	Current Period	Prior Period
Deposits and Other Accounts at Foreign Branches	-	-
Deposits and Other Accounts belong to Major Shareholders with Their Parents, Spouse and Children under Their Wardship	22,379	22,470
Deposits and Other Accounts belong to Members of Board of Directors, CEO and Deputy CEOs with Their Parents, Spouse and Children under Their Wardship	13,466	14,195
Deposits and Other Accounts linked to Crimes Mentioned in 282 nd Article of 5237 Numbered Turkish Crime Legislation dated on 26/09/2004	-	-
Deposits belong to Off-shore Banks which are established to be engaged in offshore banking in Turkey.	-	-

2. Information on derivative financial liabilities held for trading:

Negative difference on derivatives held for trading:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forwards	505	276	2,740	1,182
Swaps	1,372	1,291	694	634
Futures	-	-	-	-
Options	5,175	295	19,046	2,477
Other	-	-	-	-
Total	7,052	1,862	22,480	4,293

3. Information on funds borrowed:

a) Information on banks and other financial institutions:

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic Banks and Institutions	38,026	53,628	36,812	55,263
Foreign Banks, Institutions and Funds	-	164,982	-	149,664
Total	38,026	218,610	36,812	204,927

b) Contractual maturities of funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-Term	29,153	210,533	29,214	137,019
Medium and Long-Term	8,873	8,077	7,598	67,908
Total	38,026	218,610	36,812	204,927

4. Information on other external resources:

Other external resources are amounting to TL 67,800 (31 December 2011: TL 81,886) and do not exceed 10% of total liabilities excluding the off-balance sheet items.

5. Obligations under financial leases:

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

As at 30 June 2012 and 31 December 2011, the Group does not have financial lease liabilities.

6. Information on liabilities arising from hedging purpose derivatives:

None.

7. Information on provisions:

a) Information on general provisions:

	Current Period	Prior Period
General Provisions		
Provisions for Loans and Receivables in Group I	18,039	17,716
Provisions for Loans and Receivables in Group II	1,459	790
Provisions for Non Cash Loans	1,457	1,592
Other	60	93
Total	21,015	20,191

b) Information on reserve for employee rights:

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

Such payments are calculated on the basis of 30 days' pay, as at 30 June 2012, at ceiling amount of TL-full 2,917 (31 December 2011: TL-full 2,732), per year of employment at the rate of pay applicable at the date of retirement of termination. The liability is not funded, since there is no funding requirement.

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

	Current Period	Prior Period
Discount Ratio (%)	8.70	8.76
Expected Salary/ETI Liability Ceiling Increase Rate (%)	5.60	5.60

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

Movement of ETI liability is below:

	Current Period	Prior Period
Balance at Prior Period End	3,283	2,678
Current year provisions/ (reversal of provision)	1,660	1,596
Paid in current year	(777)	(991)
Balance at Current Period End	4,166	3,283

The Group also has vacation pay liability amounting TL 3,466 (31 December 2011: TL 2,889) as at 30 June 2012.

c) Provision for foreign exchange differences on foreign currency indexed loans:

As at 30 June 2012, provision for foreign exchange differences on foreign currency indexed loans amounting TL 4,168 (31 December 2011: TL 248) are netted with loans on the asset side.

d) Information on other provisions:

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

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

As at 30 June 2012, the Parent Bank has provision for credit card service promotions amounting TL 186 (31 December 2011: TL 193).

d.3) Information on other provisions:

As at 30 June 2012, there is provision for lawsuits filed against the Parent Bank amounting TL 1,868 (31 December 2011: TL 1,927).

As at 30 June 2012, the Parent Bank has provision amounting to TL 3,279 (31 December 2011: TL 3,564) for non-cash loans and irrevocable commitments that are not indemnified and not converted into cash.

8. Taxation:

a) Current tax liability: As at 30 June 2012, corporate taxes payable of the Group after deductions of prepaid taxes is TL 1,908 (31 December 2011: TL 4,326).

b) Information on taxes payable:

	Current Period	Prior Period
Corporate taxes payable	1,908	4,326
Taxation on securities	2,425	2,409
Capital gains tax on property	189	147
Banking Insurance Transaction Tax (BITT)	2,424	2,250
Taxes on foreign exchange transactions	-	-
Value added tax payable	33	46
Other	1,149	1,251
Total	8,128	10,429

c) Information on premiums payable:

	Current Period	Prior Period
Social security premiums- employee share	940	440
Social security premiums- employer share	1,012	470
Bank pension fund premium- employee share	-	-
Bank pension fund premium- employer share	-	-
Pension fund membership fees and provisions- employee share	-	-
Pension fund membership fees and provisions- employer share	-	-
Unemployment insurance- employee share	65	35
Unemployment insurance- employer share	135	58
Other	2	8
Total	2,154	1,011

d) Information on deferred tax liabilities:

Deferred tax liability is netted off with deferred tax assets.

9. Information on shareholders' equity:

a) Paid in capital:

	Current Period	Prior Period
Common Stock	420,000	420,000
Preferred Stock	-	-

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

- b) Paid-in capital amount, explanation as to whether the registered share capital system is applicable at bank; if so the amount of registered share capital: Not applicable at the Parent Bank.
- c) Information on share capital increases and their sources; other information on any increase in capital shares during the current period: None.
- d) Information on share capital increases from revaluation funds: None.
- e) Capital commitments for current financial year and following period: None.
- f) Prior period indicators of the 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:

	Current Period		Prior Period	
	TL	FC	TL	FC
Associates, subsidiaries and joint ventures	-	-	-	-
Financial assets available-for-sale	2,872	439	(289)	870
Translation gain/loss	-	-	-	-
Total	2,872	439	(289)	870

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

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

III. Information and disclosures related to consolidated income statement

1. Interest income:

a) Information on interest income received from loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest income received from loans (*)				
Short Term Loans	99,519	7,782	57,967	6,417
Medium and Long Term Loans	31,472	8,235	23,695	5,499
Loans Under Follow-Up	2,255	-	3,643	-
Source Utilization Support Fund	-	-	-	-
Total	133,246	16,017	85,305	11,916

(*) Includes fees and commissions from cash loans.

b) Information on interest income received from banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	78	-
Domestic Banks	364	242	196	201
Foreign Banks	20	65	-	125
Foreign Branches	-	-	-	-
Total	384	307	274	326

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

2. Interest expense:

a) Information on interest expense related to funds borrowed:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks (*)	1,428	3,158	962	1,128
Central Bank of Turkey	-	-	-	-
Domestic Banks	1,419	825	962	652
Foreign Banks	9	2,333	-	476
Foreign Branches	-	-	-	-
Other Institutions	-	-	-	-
Total	1,428	3,158	962	1,128

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

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

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

3. Trading income / loss (net):

	Current Period	Prior Period
Profit	213,358	145,076
Capital Market Gains	5,001	6,308
Derivative Gains	68,791	95,007
Foreign Exchange Gains	139,566	43,761
Loss (-)	(214,907)	(136,050)
Capital Market Losses	(11)	(7)
Derivative Losses	(127,940)	(84,791)
Foreign Exchange Losses	(86,956)	(51,252)

Net loss from foreign currency exchange rate changes of derivatives is amounting to TL 50,784 (2011: TL 11,454 net profit).

4. Other operating income:

“Other operating income” in the income statement is mainly comprised of collections from the receivables for which the Bank had provided allowance in the previous periods.

5. Impairment on loans and other receivables:

	Current Period	Prior Period
Specific Provisions on Loans and Other Receivables:	16,432	5,561
Loans and Receivables in Group III	3,447	323
Loans and Receivables in Group IV	9,863	3,060
Loans and Receivables in Group V	3,122	2,178
General Provision Expenses	824	3,889
Provision for Possible Losses	-	-
Impairment Losses on Securities:	666	991
Trading securities	1	213
Investment Securities Available-for-Sale	665	778
Other Impairment Losses:	-	4
Associates	-	-
Subsidiaries	-	4
Joint Ventures	-	-
Investment Securities Held-to-Maturity	-	-
Other (*)	-	625
Total	17,922	11,070

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

6. Information related to other operating expenses:

	Current Period	Prior Period
Personnel Expenses	34,427	31,422
Reserve for Employee Termination Indemnities and Vacation Pay	1,460	904
Reserve for Bank's Social Aid Fund Deficit	-	-
Impairment of Tangible Assets	-	-
Depreciation Expenses of Tangible Assets	1,728	1,924
Impairment of Intangible Assets	-	-
Impairment of Goodwill	-	-
Amortization Expenses of Intangible Assets	123	169
Impairment of Investments in Associates	-	-
Impairment of Assets to be Disposed of	-	-
Depreciation of Assets to be Disposed of	172	99
Impairment of Assets Held for Sale and Discontinued Operations	-	-
Other Operating Expenses	13,606	11,503
Operational Leases	5,667	4,650
Repair and Maintenance	659	615
Advertising	81	341
Other Expenses	7,199	5,897
Loss on Sale of Assets	15	133
Other (*)	4,910	4,906
Total	56,441	51,060

(*) Other items mainly consist of taxes, duties and charges payables other than corporate tax and SDIF premiums.

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 interim period ended 30 June 2012, current tax expense is TL 3,639 (2011: TL 3,440).

For the interim period ended 30 June 2012 deferred tax expense is TL 351 (2011: TL 396).

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

For the interim period ended 30 June 2012, deferred tax expense arising from temporary differences amounting TL 351 (2011: TL 396).

Besides, for the interim period ended 30 June 2012, the effect in the current and deferred tax amounting to TL (677) (2011: TL 922) 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 interim period ended 30 June 2012, deferred tax expense arising from temporary differences is TL 351 (2011: TL 396).

For the interim periods ended 30 June 2012 and 2011, there are no deferred tax income resulted from financial loss.

8. Information on net profit and loss:

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

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

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

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

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

1. Disclosures related to other contingent liabilities:

a) Type and amount of irrevocable commitments:

As at 30 June 2012, asset purchase and sale commitments amount to TL 45,516 (31 December 2011: TL 52,591), loan granting commitments amount to TL 39,061 (31 December 2011: TL 50,752), commitments for credit card limits amount to TL 194,884 (31 December 2011: TL 198,968), commitments for cheque payments amount to TL 89,974 (31 December 2011: TL 79,430), commitments for promotional operations re-credit cards amount to TL 508 (31 December 2011: TL 593).

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

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

As at 30 June 2012, the Group has letters of guarantee amounting to TL 802,849 (31 December 2011: TL 887,708), bills of exchange and acceptances amounting to TL 3,395 (31 December 2011: TL 7,041), letters of credit amounting to TL 214,129 (31 December 2011: TL 303,685) and other guarantees amounting to TL 71,066 (31 December 2011: TL 26,714).

c) Non-cash loans:

	Current Period	Prior Period
Non-Cash Loans Given for Cash Loan Risks	47,473	43,242
With Original Maturity of 1 Year or Less	8,173	3,492
With Original Maturity of More Than 1 Year	39,300	39,750
Other Non-Cash Loans	1,043,966	1,181,906
Total	1,091,439	1,225,148

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.

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	-	-	45,905	4,460	28	76
Balance at the End of the Period	-	-	40,931	14,939	160	12
Interest and Commission Income Received	-	-	3,359	66	-	1

(*) As described in the Article 49 of Banking Law no.5411.

The Parent Bank has TL 23,865 placements in its risk group banks as at 30 June 2012 (31 December 2011: TL 16,607). Additionally, the Parent Bank has irrevocable commitments with its risk group amounting to TL 829 as at 30 June 2012 (31 December 2011 – TL 797).

b) Prior Period:

Parent Bank's Risk Group (*)	Associates and subsidiaries		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	17,687	7,225	46	107
Balance at the End of the Period	-	-	45,905	4,460	28	76
Interest and Commission Income Received	-	-	2,230	77	-	1

(*) As described in the 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	45	57,718	72,514	1,684	1,855
Balance at the End of the Period	-	39	67,478	57,718	2,149	1,684
Interest Expense on Deposits	1	3	2,502	2,567	52	45

(*) As described in the 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 30 June 2012, the Parent Bank has forward purchase and sale transactions and options amounting to TL 19,769 and TL 19,745 (31 December 2011: TL 3,813 and TL 3,650) respectively, with the Parent Bank's risk group.

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 30 June 2012, proportion of cash loans to risk group in total loans is 1.6% (31 December 2011: 1.8%), proportion of deposits from its risk group in total deposits is 2.9% (31 December 2011: 2.4%) and proportion of derivative transactions with its risk group in total derivative transactions is 2.4% (31 December 2011: 0.3%).

- i. 50% portion of the FC reserves held for TL reserve requirements is mandatory to be kept as in USD. The remaining part may be held as EUR or USD.
- ii. The TL amount of the FC reserve deposits must be valued by using the buying FX rates published in the Official Gazette as of the calculation date of the reserves.
- iii. The short amount not exceeding 5% of the TRY reserve requirements for a given reserve period may be held in the next reserve period. The excessive amount not exceeding 5% of the TL reserve requirements for a given reserve period may be deducted from the reserves for the next period.

SECTION SIX

INDEPENDENT AUDITORS' REVIEW REPORT

I. Information on the independent auditors' review report

The consolidated financial statements as at and for the interim period ended 30 June 2012 have been reviewed by Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş (the Turkish member firm of KPMG International Cooperative, a Swiss entity) and the review report dated 9 August 2012 is presented in the introduction of this report.

II. Information and disclosures prepared by the independent auditors

None.