

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
UNCONSOLIDATED FINANCIAL STATEMENTS AND REVIEW
REPORT ORIGINALLY ISSUED IN TURKISH, SEE IN NOTE I.
OF SECTION THREE)**

BURGAN BANK A.Ş.

**PUBLICLY ANNOUNCED UNCONSOLIDATED
FINANCIAL STATEMENTS AND RELATED DISCLOSURES
TOGETHER WITH INDEPENDENT LIMITED REVIEW
REPORT AT 31 MARCH 2015**

INTERIM REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

**(Convenience translation of the independent auditor’s report originally issued in Turkish,
See Note I of Section three)**

To the Board of Directors of Burgan Bank A.Ş.;

Introduction

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

Scope of Review

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

Conclusion

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

Additional paragraph for convenience translation to English

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

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

Fatma Ebru Yücel
SMMM, Partner

İstanbul, 14 May 2015

**(CONVENIENCE TRANSLATION
OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH,
SEE NOTE I. OF SECTION THREE)**

**THE UNCONSOLIDATED INTERIM FINANCIAL REPORT OF
BURGAN BANK A.Ş. AS OF 31 MARCH 2015**

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The unconsolidated three months financial report includes the following sections in accordance with the Communiqué on Financial Statements and Related Explanations and Notes that will be Publicly Announced as sanctioned by the Banking Regulation and Supervision Agency.

- **Section One** **GENERAL INFORMATION ABOUT THE BANK**
- **Section Two** **UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK**
- **Section Three** **EXPLANATIONS ON ACCOUNTING POLICIES**
- **Section Four** **INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK**
- **Section Five** **EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED
FINANCIAL STATEMENTS**
- **Section Six** **EXPLANATIONS ON INDEPENDENT LIMITED REVIEW REPORT**

The accompanying unconsolidated interim financial statements and notes to these financial statements which are expressed, unless otherwise stated, in thousands of Turkish Lira (“TL”), have been prepared and presented based on the accounting books of the Bank in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, and related appendices and interpretations of these, and have been reviewed.

14 May 2015

Mehmet N. ERTEN
Chairman of the
Board of Directors

Ali Murat DİNÇ
Member of the Board of
Directors and
General Manager

Tuba Onay ERGELEN
Finance Group Head

Ahmet CİĞA
Head of Accounting,
Tax, and
Reporting Unit

Halil Cantekin
Head of the Audit
Committee

Adrian Alejandro
GOSTUSKİ
Member of the Audit
Committee

Osama T. AL
GHOUSSEIN
Member of the Audit
Committee

Mr. Adrian Alejandro GOSTUSKI, Member of the Audit Committee, was not be able to signed due to his excuse.

Contact information of the personnel in charge of the addressing of questions about this financial report:

Name-Surname/Title : Ahmet CİĞA/Manager
Telephone Number : 0 212 371 34 84
Fax Number : 0 212 371 42 48

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(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH, SEE NOTE I. OF SECTION THREE)

BURGAN BANK A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2015

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

SECTION ONE

GENERAL INFORMATION

I. BANK'S FOUNDATION DATE, START-UP STATUTE, HISTORY ABOUT THE CHANGES IN THIS MENTIONED STATUTE:

Tekfen Yatırım ve Finansman Bankası A.Ş. was established as an "investment bank" with the permission of the Council of Ministers No. 88/13253 on 26 August 1988 and authorized to conduct finance investment and foreign trade activities. Banking operations commenced on 7 August 1989.

Bank Ekspres A.Ş. ("Bank Ekspres") was established with the permission of the Council of Ministers in decision No. 91/2316 on 22 September 1991; "The Decree of Establishment Permission" was published in the Official Gazette numbered 21017 and dated 10 October 1991. The Articles of Association was published in the Trade Registry Gazette numbered 2969 and dated 18 February 1992. The Turkish Savings Deposit and Insurance Fund ("SDIF") took over the management of Bank Ekspres A.Ş. due to the poor fiscal structure of the bank on 23 October 1998.

According to the Share Transfer Agreement signed between the SDIF and Tekfen Holding A.Ş. on 30 June 2001, 2,983.800.000 shares with a nominal value of Kr1 each and which amount to 99,46% of the capital of Bank Ekspres A.Ş. under the control of the SDIF in accordance with Banking Law were transferred to Tekfen Holding A.Ş.. Based on this agreement, the acquisition of Tekfen Yatırım ve Finansman Bankası A.Ş., where Tekfen Holding A.Ş. owns 57,69% of the Bank, by Bank Ekspres A.Ş. was permitted by the Banking Regulation and Supervision Agency's ("BRSA") decision numbered 489 dated 18 October 2001. The share transfers were realised on 26 October 2001 and the bank's name was changed to Tekfenbank Anonim Şirketi (the "Bank"), which had two main shareholders: Tekfen Holding A.Ş. with 57,30% and TST International S.A. with 40,62%.

EFG Eurobank Ergasias S.A. ("Eurobank EFG") and Tekfen Holding A.Ş. ("Tekfen Group") signed an agreement as of 8 May 2006, that anticipated Eurobank EFG to purchase Tekfen Group's 70% share in Tekfenbank and Tekfen Leasing which is fully owned by Tekfenbank; where Tekfen Group retained its strategic partnership by keeping all remaining shares. On 23 February 2007, the sale of Tekfenbank A.Ş. to Eurobank EFG Holding (Luxembourg) S.A. ("Eurobank EFG Holding") was approved by the BRSA and the sale was completed after the share transfer on 16 March 2007.

Under the agreement regarding the sale of Eurobank Ergasias S.A.'s Turkey operations to Burgan Bank S.A.K., 70% of the bank shares belonging to Eurobank EFH Holding (Luxemburg) S.A. and 29,26% of the shares belonging to Tekfen Holding A.Ş. are bought by Burgan Bank S.A.K. in 7 December 2012 in accordance with the Banking Regulation and Supervision Agency's authorization, and then 99,26% of the bank shares are turned over to Burgan Bank S.A.K. in 21 December 2012.

At the Extraordinary Board of Directors meeting on 23 January 2013, the title of the bank has been decided to change from Eurobank Tekfen A.Ş. to Burgan Bank A.Ş., and has been registered to the Turkish Trade Registry as of 25 January 2013.

(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH, SEE NOTE I. OF SECTION THREE)

BURGAN BANK A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2015

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

GENERAL INFORMATION (Continued)

II. EXPLANATION ABOUT THE BANK’S CAPITAL STRUCTURE, SHAREHOLDERS OF THE BANK WHO ARE IN CHARGE OF THE MANAGEMENT AND/OR AUDITING OF THE BANK DIRECTLY OR INDIRECTLY, CHANGES IN THESE MATTERS (IF ANY) AND THE GROUP THE BANK BELONGS TO:

Bank’s registered capital ceiling is one billion TL. There are no changes to the Bank's shareholder structure.

Founded in 1977, Burgan Bank S.A.K., as an affiliate of KIPCO Group (Kuwait Projects Company), one of the largest holding groups of the Middle East and North Africa (MENA) region, is among the significant banking groups in the region. Besides Kuwait, Burgan Bank Group also operates as a main shareholder with its affiliate banks in Algeria (Gulf Bank Algeria), Iraq (Bank of Baghdad), Jordan (Jordan Kuwait Bank) and Tunisia (Tunis International Bank).

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BURGAN BANK A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2015

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

GENERAL INFORMATION (Continued)

III. EXPLANATION ON THE BOARD OF DIRECTORS, MEMBERS OF THE AUDIT COMMITTEE, PRESIDENT AND EXECUTIVE VICE PRESIDENTS, CHANGES IN THESE MATTERS (IF ANY) AND SHARES OF THE BANK THEY POSSESS:

<u>Title</u>	<u>Name</u>	<u>Responsibility</u>	<u>Education</u>
Chairman of the Board of Directors:	Mehmet Nazmi Erten	Chairman of Board of Directors	Undergraduate
Board of Directors Members:	Faisal M.A. Al Radwan	Vice President	Undergraduate
	Eduardo Eguren Linsen	Member	Undergraduate
	Majed E.A.A. Al Ajeel	Member	Graduate
	Adrian Alejandro Gostuski	Member	Graduate
	Mehmet Alev Göçmez	Member	Graduate
	Halil Cantekin (*)	Member	Undergraduate
	Osama T. Al Ghoussein	Member	Undergraduate
	Ali Murat Dinç	Member and General Manager	Graduate
General Manager:	Ali Murat Dinç	Member and General Manager	Graduate
Vice General Managers:	Robbert J. R. Voogt	Operation, IT and Private Banking Senior Vice General Manager	Undergraduate
	Esra Aydın	Operations	Undergraduate
	Mutlu Akpara	Treasury	Graduate
	Hüseyin Cem Öge	Corporate Banking	Graduate
	Cihan Vural	Head of Internal Systems	Undergraduate
	Soner Ersoy	Information Technology	Undergraduate
	Rasim Levent Ergin	Human Resources	Graduate
	Emine Pınar Kuriş	Retail Banking	PHD
	Suat Kerem Sözügüzel	Commercial Banking	Undergraduate
	Hasan Hüseyin Uyar	Loans	Graduate
	Tuba Onay Ergelen	Finance Group Head	Undergraduate
Audit Committee:	Halil Cantekin (*)	Committee President	Undergraduate
	Adrian Alejandro Gostuski	Member	Graduate
	Osama T. Al Ghoussein	Member	Undergraduate

(*) As a result of the decision which were taken at the General Assembly dated 30 March 2015, Halil Cantekin has began to work as a Member of the Board of Directors. The date of 17 April 2015 and No:852 decision of the Board of Directors, he is appointed as a Chairman of the Audit Committee.

There is no share of the above individuals in the Bank.

(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH, SEE NOTE I. OF SECTION THREE)

BURGAN BANK A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2015

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

GENERAL INFORMATION (Continued)

IV. EXPLANATION ON SHAREHOLDERS HAVING CONTROL SHARES:

Name/Commercial title	Share Amounts	Share percentage	Paid-in Capital	Unpaid portion
Burgan Bank S.A.K.	893.324	%99,26	%99,26	%0,00

Based on the Principal Agreement, the Bank has 1.000.000 founder's shares. According to the Principal Agreement, after allocating 5% to legal reserves and distributing 5% of the paid in capital, 10% of distributable amount is distributed to the owners of the founder's shares.

V. INFORMATION ON THE BANK'S SERVICE TYPE AND FIELD OF OPERATIONS:

As of 31 March 2015, the Bank has 59 branches operating in Turkey (31 December 2014: 58). The Bank's core business activities include corporate and commercial banking, retail banking and banking services in treasury fields. As of 31 March 2015, the Bank has 1.063 (31 December 2014: 1.046) employees.

VI. CURRENT OR LIKELY ACTUAL OR LEGAL BARRIERS TO IMMEDIATE TRANSFER OF EQUITY OR REPAYMENT OF DEBTS BETWEEN PARENT BANK AND ITS SUBSIDIARIES:

None.

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

- I. Balance Sheet (Statement of Financial Position)
- II. Statement of Off Balance Sheet Contingencies and Commitments
- III. Statement of Income
- IV. Statement of Income and Expense Items Accounted Under Shareholders' Equity
- V. Statement of Changes in Shareholders' Equity
- VI. Statement of Cash Flow

(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH, SEE NOTE I. OF SECTION THREE)

BURGAN BANK A.Ş.

UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

AT 31 MARCH 2015 AND 31 DECEMBER 2014

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. BALANCE SHEET		Note (Section Five)	(31/03/2015)			(31/12/2014)		
			TL	FC	Total	TL	FC	Total
ASSETS								
I.	CASH AND BALANCES WITH CENTRAL BANK	I-a	237.222	629.427	866.649	242.104	530.757	772.861
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or LOSS (Net)	I-b	77.427	61.975	139.402	103.497	45.732	149.229
2.1	Trading Financial Assets		77.427	61.975	139.402	103.497	45.732	149.229
2.1.1	Government Debt Securities		16.447	307	16.754	48.764	278	49.042
2.1.2	Share Certificates		-	-	-	-	-	-
2.1.3	Trading Derivative Financial Assets		58.896	61.668	120.564	52.673	45.454	98.127
2.1.4	Other Marketable Securities		2.084	-	2.084	2.060	-	2.060
2.2	Financial Assets Designated at Fair Value through Profit or Loss		-	-	-	-	-	-
2.2.1	Government Debt Securities		-	-	-	-	-	-
2.2.2	Share Certificates		-	-	-	-	-	-
2.2.3	Loans		-	-	-	-	-	-
2.2.4	Other Marketable Securities		-	-	-	-	-	-
III.	BANKS	I-c	188.599	101.668	290.267	72.116	54.083	126.199
IV.	MONEY MARKETS		-	-	-	-	-	-
4.1	Interbank Money Market Placements		-	-	-	-	-	-
4.2	Receivables from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3	Receivables from Reverse Repurchase Agreements		-	-	-	-	-	-
V.	AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)	I-d	275.999	46.511	322.510	674.527	46.014	720.541
5.1	Share Certificates		7.057	-	7.057	7.057	-	7.057
5.2	Government Debt Securities		267.942	-	267.942	667.470	-	667.470
5.3	Other Marketable Securities		1.000	46.511	47.511	-	46.014	46.014
VI.	LOANS	I-e	3.518.079	3.445.089	6.963.168	3.538.497	2.909.863	6.448.360
6.1	Loans		3.445.544	3.445.089	6.890.633	3.471.587	2.909.863	6.381.450
6.1.1	Loans to Bank's Risk Group		22	-	22	2.190	-	2.190
6.1.2	Government Debt Securities		-	-	-	-	-	-
6.1.3	Other		3.445.522	3.445.089	6.890.611	3.469.397	2.909.863	6.379.260
6.2	Loans under Follow-up		153.863	-	153.863	129.874	-	129.874
6.3	Specific Provisions (-)		81.328	-	81.328	62.964	-	62.964
VII.	FACTORING RECEIVABLES	I-e	10.654	1.154	11.808	16.849	1.077	17.926
VIII.	HELD-TO-MATURITY SECURITIES (Net)	I-f	-	-	-	-	-	-
8.1	Government Debt Securities		-	-	-	-	-	-
8.2	Other Marketable Securities		-	-	-	-	-	-
IX.	INVESTMENTS IN ASSOCIATES (Net)	I-g	-	-	-	-	-	-
9.1	Consolidated Based on Equity Method		-	-	-	-	-	-
9.2	Unconsolidated		-	-	-	-	-	-
9.2.1	Financial Investments in Associates		-	-	-	-	-	-
9.2.2	Non-financial Investments in Associates		-	-	-	-	-	-
X.	SUBSIDIARIES (Net)	I-h	202.193	-	202.193	202.193	-	202.193
10.1	Unconsolidated Financial Subsidiaries		202.193	-	202.193	202.193	-	202.193
10.2	Unconsolidated non-Financial Subsidiaries		-	-	-	-	-	-
XI.	JOINT VENTURES (Net)	I-i	-	-	-	-	-	-
11.1	Consolidated Based on Equity Method		-	-	-	-	-	-
11.2	Unconsolidated		-	-	-	-	-	-
11.2.1	Financial Joint Ventures		-	-	-	-	-	-
11.2.2	Non-financial Joint Ventures		-	-	-	-	-	-
XII.	LEASE RECEIVABLES (Net)	I-j	-	-	-	-	-	-
12.1	Financial Lease Receivables		-	-	-	-	-	-
12.2	Operational Lease Receivables		-	-	-	-	-	-
12.3	Other		-	-	-	-	-	-
12.4	Unearned Income (-)		-	-	-	-	-	-
XIII.	HEDGING DERIVATIVE FINANCIAL ASSETS	I-k	4.170	-	4.170	-	-	-
13.1	Fair Value Hedge		-	-	-	-	-	-
13.2	Cash Flow Hedge		4.170	-	4.170	-	-	-
13.3	Foreign Net Investment Hedge		-	-	-	-	-	-
XIV.	PROPERTY AND EQUIPMENT (Net)		39.746	-	39.746	36.079	-	36.079
XV.	INTANGIBLE ASSETS (Net)		41.015	-	41.015	42.348	-	42.348
15.1	Goodwill		-	-	-	-	-	-
15.2	Other		41.015	-	41.015	42.348	-	42.348
XVI.	INVESTMENT PROPERTY (Net)	I-l	-	-	-	-	-	-
XVII.	TAX ASSET	I-m	11.577	-	11.577	12.212	-	12.212
17.1	Current Tax Asset		860	-	860	419	-	419
17.2	Deferred Tax Asset		10.717	-	10.717	11.793	-	11.793
XVIII.	ASSETS HELD FOR RESALE AND DISCONTINUED OPERATIONS (Net)	I-n	10.921	-	10.921	10.937	-	10.937
18.1	Held for Resale		10.921	-	10.921	10.937	-	10.937
18.2	Discontinued Operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	I-o	72.696	13.120	85.816	75.313	59.581	134.894
TOTAL ASSETS			4.690.298	4.298.944	8.989.242	5.026.672	3.647.107	8.673.779

The accompanying explanations and notes form an integral part of these financial statements.

(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH, SEE NOTE I. OF SECTION THREE)

BURGAN BANK A.Ş.

UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

AT 31 MARCH 2015 AND 31 DECEMBER 2014

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

I. BALANCE SHEET		Note (Section Five)	(31/03/2015)			(31/12/2014)		
			TL	FC	Total	TL	FC	Total
LIABILITIES								
I. DEPOSITS	II-a	2.174.624	3.359.111	5.533.735	2.173.679	3.191.442	5.365.121	
1.1 Deposits of Bank’s Risk Group		31.905	92.931	124.836	13.996	46.402	60.398	
1.2 Other		2.142.719	3.266.180	5.408.899	2.159.683	3.145.040	5.304.723	
II. TRADING DERIVATIVE FINANCIAL LIABILITIES	II-b	24.579	58.232	82.811	19.212	36.675	55.887	
III. BORROWINGS	II-c	44.557	1.547.382	1.591.939	53.341	1.265.636	1.318.977	
IV. MONEY MARKETS		134.041	-	134.041	316.618	-	316.618	
4.1 Funds from Interbank Money Market		-	-	-	-	-	-	
4.2 Funds from Istanbul Stock Exchange Money Market		-	-	-	8.002	-	8.002	
4.3 Funds Provided Under Repurchase Agreements		134.041	-	134.041	308.616	-	308.616	
V. MARKETABLE SECURITIES ISSUED (Net)		-	-	-	-	-	-	
5.1 Bills		-	-	-	-	-	-	
5.2 Asset Backed Securities		-	-	-	-	-	-	
5.3 Bonds		-	-	-	-	-	-	
VI. FUNDS		-	-	-	-	-	-	
6.1 Borrower Funds		-	-	-	-	-	-	
6.2 Other		-	-	-	-	-	-	
VII. MISCELLANEOUS PAYABLES		46.722	33.347	80.069	59.367	39.364	98.731	
VIII. OTHER LIABILITIES	II-d	90.122	5.825	95.947	90.561	4.165	94.726	
IX. FACTORING PAYABLES		-	-	-	-	-	-	
X. LEASE PAYABLES (Net)	II-e	-	-	-	-	-	-	
10.1 Financial Lease Payables		-	-	-	-	-	-	
10.2 Operational Lease Payables		-	-	-	-	-	-	
10.3 Other		-	-	-	-	-	-	
10.4 Deferred Financial Lease Expenses (-)		-	-	-	-	-	-	
XI. HEDGING DERIVATIVE FINANCIAL LIABILITIES	II-f	-	-	-	-	-	-	
11.1 Fair Value Hedge		-	-	-	-	-	-	
11.2 Cash Flow Hedge		-	-	-	-	-	-	
11.3 Foreign Net Investment Hedge		-	-	-	-	-	-	
XII. PROVISIONS	II-g	55.374	59.702	115.076	66.043	55.002	121.045	
12.1 General Loan Loss Provision		33.547	27.009	60.556	39.183	25.476	64.659	
12.2 Restructuring Provisions		-	-	-	-	-	-	
12.3 Reserve for Employee Rights		14.622	-	14.622	20.264	-	20.264	
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-	
12.5 Other Provisions		7.205	32.693	39.898	6.596	29.526	36.122	
XIII. TAX LIABILITY	II-h	16.745	-	16.745	15.275	-	15.275	
13.1 Current Tax Liability		16.745	-	16.745	15.275	-	15.275	
13.2 Deferred Tax Liability		-	-	-	-	-	-	
XIV. PAYABLES FOR ASSET HELD FOR RESALE AND DISCONTINUED OPERATIONS	II-i	-	-	-	-	-	-	
14.1 Held for Resale		-	-	-	-	-	-	
14.2 Discontinued Operations		-	-	-	-	-	-	
XV. SUBORDINATED LOANS	II-j	-	393.012	393.012	-	349.959	349.959	
XVI. SHAREHOLDERS’ EQUITY	II-k	946.024	(157)	945.867	937.075	365	937.440	
16.1 Paid-in Capital		900.000	-	900.000	900.000	-	900.000	
16.2 Capital Reserves		11.486	(157)	11.329	11.692	365	12.057	
16.2.1 Share Premium		-	-	-	-	-	-	
16.2.2 Share Cancellation Profits		-	-	-	-	-	-	
16.2.3 Marketable Securities Valuation Reserve		(332)	(157)	(489)	795	365	1.160	
16.2.4 Tangible Assets Revaluation Reserve		13.187	-	13.187	13.187	-	13.187	
16.2.5 Intangible Assets Revaluation Reserve		-	-	-	-	-	-	
16.2.6 Investment Property Revaluation Reserve		-	-	-	-	-	-	
16.2.7 Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-	
16.2.8 Hedging Reserves (Effective portion)		921	-	921	-	-	-	
16.2.9 Value Differences of Assets Held for Resale and Discontinued Operations		-	-	-	-	-	-	
16.2.10 Other Capital Reserves		(2.290)	-	(2.290)	(2.290)	-	(2.290)	
16.3 Profit Reserves		25.383	-	25.383	18.574	-	18.574	
16.3.1 Legal Reserves		11.423	-	11.423	11.423	-	11.423	
16.3.2 Status Reserves		-	-	-	-	-	-	
16.3.3 Extraordinary Reserves		13.960	-	13.960	7.151	-	7.151	
16.3.4 Other Profit Reserves		-	-	-	-	-	-	
16.4 Income or (Loss)		9.155	-	9.155	6.809	-	6.809	
16.4.1 Prior Years’ Income/ (Loss)		-	-	-	-	-	-	
16.4.2 Current Year Income/ (Loss)		9.155	-	9.155	6.809	-	6.809	
TOTAL LIABILITIES		3.532.788	5.456.454	8.989.242	3.731.171	4.942.608	8.673.779	

The accompanying explanations and notes form an integral part of these financial statements.

(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH, SEE NOTE I. OF SECTION THREE)

BURGAN BANK A.Ş.

**UNCONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AT
31 MARCH 2015 AND 31 DECEMBER 2014**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

II. OFF-BALANCE SHEET		Note(Section Five)	(31/03/2015)			(31/12/2014)		
			TL	FC	Total	TL	FC	Total
A	OFF-BALANCE SHEET COMMITMENTS (I+II+III)		4.007.076	9.193.330	13.200.406	3.592.742	8.592.505	12.185.247
I.	GUARANTEES AND WARRANTIES	III-a-2-3	510.639	732.018	1.242.657	536.481	654.271	1.190.752
1.1	Letters of Guarantee		508.292	423.097	931.389	534.698	379.343	914.041
1.1.1	Guarantees Subject to State Tender Law		8.907	46.493	55.400	10.633	18.957	29.590
1.1.2	Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3	Other Letters of Guarantee		499.385	376.604	875.989	524.065	360.386	884.451
1.2	Bank Acceptances		2.309	68.636	70.945	1.570	67.643	69.213
1.2.1	Import Letter of Acceptance		2.309	68.636	70.945	1.570	67.643	69.213
1.2.2	Other Bank Acceptances		-	-	-	-	-	-
1.3	Letters of Credit		-	200.940	200.940	-	176.485	176.485
1.3.1	Documentary Letters of Credit		-	200.940	200.940	-	176.485	176.485
1.3.2	Other Letters of Credit		-	-	-	-	-	-
1.4	Pre-financing Given as Guarantee		-	-	-	-	-	-
1.5	Endorsements		-	-	-	-	-	-
1.5.1	Endorsements to the Central Bank of the Republic of Turkey		-	-	-	-	-	-
1.5.2	Other Endorsements		-	-	-	-	-	-
1.6	Securities Issue Purchase Guarantees		-	-	-	-	-	-
1.7	Factoring Guarantees		38	-	38	213	-	213
1.8	Other Guarantees		-	39.345	39.345	-	30.800	30.800
1.9	Other Collaterals		-	-	-	-	-	-
II.	COMMITMENTS	III-a-1	648.066	271.499	919.565	583.124	214.504	797.628
2.1	Irrevocable Commitments		648.066	271.499	919.565	583.124	214.504	797.628
2.1.1	Asset Purchase and Sales Commitments		65.694	271.499	337.193	50.147	214.504	264.651
2.1.2	Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3	Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4	Commitments for Loan Limits		202.764	-	202.764	192.030	-	192.030
2.1.5	Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6	Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7	Commitments for Cheques		322.444	-	322.444	301.592	-	301.592
2.1.8	Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9	Commitments for Credit Card Limits		37.736	-	37.736	37.353	-	37.353
2.1.10	Promotion Commitments for Credit Cards and Banking Services		108	-	108	2	-	2
2.1.11	Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12	Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13	Other Irrevocable Commitments		19.320	-	19.320	2.000	-	2.000
2.2	Revocable Commitments		-	-	-	-	-	-
2.2.1	Revocable Commitments for Loan Limits		-	-	-	-	-	-
2.2.2	Other Revocable Commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS		2.848.371	8.189.813	11.038.184	2.473.137	7.723.730	10.196.867
3.1	Hedging Derivative Financial Instruments		127.650	130.670	258.320	-	-	-
3.1.1	Transactions for Fair Value Hedge		-	-	-	-	-	-
3.1.2	Transactions for Cash Flow Hedge		127.650	130.670	258.320	-	-	-
3.1.3	Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2	Trading Derivative Financial Instruments		2.720.721	8.059.143	10.779.864	2.473.137	7.723.730	10.196.867
3.2.1	Forward Foreign Currency Buy/Sell Transactions		263.608	629.290	892.898	276.160	631.993	908.153
3.2.1.1	Forward Foreign Currency Transactions-Buy		81.308	357.095	438.403	77.789	369.847	447.636
3.2.1.2	Forward Foreign Currency Transactions-Sell		182.300	272.195	454.495	198.371	262.146	460.517
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates		1.515.354	5.847.652	7.363.006	1.382.295	5.682.838	7.065.133
3.2.2.1	Foreign Currency Swap-Buy		692.478	1.285.526	1.978.004	438.212	1.426.977	1.865.189
3.2.2.2	Foreign Currency Swap-Sell		822.876	1.105.986	1.928.862	942.759	874.897	1.817.656
3.2.2.3	Interest Rate Swap-Buy		-	1.728.070	1.728.070	662	1.690.482	1.691.144
3.2.2.4	Interest Rate Swap-Sell		-	1.728.070	1.728.070	662	1.690.482	1.691.144
3.2.3	Foreign Currency, Interest rate and Securities Options		941.759	1.582.201	2.523.960	814.682	1.408.899	2.223.581
3.2.3.1	Foreign Currency Options-Buy		489.821	773.267	1.263.088	443.249	670.452	1.113.701
3.2.3.2	Foreign Currency Options-Sell		451.938	808.934	1.260.872	371.433	733.855	1.105.288
3.2.3.3	Interest Rate Options-Buy		-	-	-	-	2.296	2.296
3.2.3.4	Interest Rate Options-Sell		-	-	-	-	2.296	2.296
3.2.3.5	Securities Options-Buy		-	-	-	-	-	-
3.2.3.6	Securities Options-Sell		-	-	-	-	-	-
3.2.4	Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1	Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2	Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5	Interest Rate Futures		-	-	-	-	-	-
3.2.5.1	Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2	Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6	Other		-	-	-	-	-	-
B.	CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		21.054.908	12.088.203	33.143.111	19.791.807	10.447.301	30.239.108
IV.	ITEMS HELD IN CUSTODY		1.561.048	225.715	1.786.763	1.897.554	228.481	2.126.035
4.1	Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2	Investment Securities Held in Custody		221.235	15.261	236.496	294.942	8.820	303.762
4.3	Cheques Received for Collection		1.190.686	180.076	1.370.762	1.446.374	199.132	1.645.506
4.4	Commercial Notes Received for Collection		149.127	30.378	179.505	156.238	20.529	176.767
4.5	Other Assets Received for Collection		-	-	-	-	-	-
4.6	Assets Received for Public Offering		-	-	-	-	-	-
4.7	Other Items Under Custody		-	-	-	-	-	-
4.8	Custodians		-	-	-	-	-	-
V.	PLEDGES RECEIVED		19.491.610	11.852.034	31.343.644	17.892.003	10.209.512	28.101.515
5.1	Marketable Securities		1.043	-	1.043	28.235	-	28.235
5.2	Guarantee Notes		15.055.739	7.493.876	22.549.615	13.902.377	7.330.701	21.233.078
5.3	Commodity		368.267	9.859	378.126	326.956	18.119	345.075
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		3.871.421	3.275.521	7.146.942	3.370.793	2.467.200	5.837.993
5.6	Other Pledged Items		195.140	1.072.778	1.267.918	263.642	393.492	657.134
5.7	Pledged Items-Depository		-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		2.250	10.454	12.704	2.250	9.308	11.558
	TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		25.061.984	21.281.533	46.343.517	23.384.549	19.039.806	42.424.355

The accompanying explanations and notes form an integral part of these financial statements.

(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH, SEE NOTE I. OF SECTION THREE)

BURGAN BANK A.Ş.
UNCONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED
31 MARCH 2015 AND 2014

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

III. INCOME STATEMENT	Note (Section Five)	01/01/2015- 31/03/2015	01/01/2014- 31/03/2014
INCOME AND EXPENSE ITEMS			
I. INTEREST INCOME	IV-a	186.489	136.140
1.1 Interest on Loans		151.687	107.207
1.2 Interest Received from Reserve Requirements		455	-
1.3 Interest Received from Banks		630	52
1.4 Interest Received from Money Market Transactions		2.946	9
1.5 Interest Received from Marketable Securities Portfolio		9.982	21.131
1.5.1 Trading Financial Assets		726	2.097
1.5.2 Financial Assets at Fair Value through Profit or Loss		-	-
1.5.3 Available-for-sale Financial Assets		9.256	19.034
1.5.4 Held-to-maturity Investments		-	-
1.6 Financial Lease Income		-	-
1.7 Other Interest Income		20.789	7.741
II. INTEREST EXPENSE (-)	IV-b	115.588	93.383
2.1 Interest on Deposits (-)		68.248	46.803
2.2 Interest on Funds Borrowed (-)		13.565	11.871
2.3 Interest Expense on Money Market Transactions (-)		3.791	17.314
2.4 Interest on Securities Issued (-)		-	-
2.5 Other Interest Expenses (-)		29.984	17.395
III. NET INTEREST INCOME (I + II)		70.901	42.757
IV. NET FEES AND COMMISSIONS INCOME/EXPENSE		5.717	3.424
4.1 Fees and Commissions Received		8.665	4.936
4.1.1 Non-cash Loans		2.668	2.611
4.1.2 Other	IV-k	5.997	2.325
4.2 Fees and Commissions Paid (-)		2.948	1.512
4.2.1 Non-cash Loans (-)		2	8
4.2.2 Other (-)	IV-k	2.946	1.504
V. DIVIDEND INCOME		-	-
VI. TRADING INCOME/(LOSS) (Net)	IV-c	3.017	3.373
6.1 Trading Gains/(Losses) on Securities		2.633	225
6.2 Trading Gains/(Losses) on Derivative Financial Instruments		(10.282)	2.778
6.3 Foreign Exchange Gains/(Losses)		10.666	370
VII. OTHER OPERATING INCOME	IV-d	1.938	2.647
VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)		81.573	52.201
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	IV-e	13.748	17.538
X. OTHER OPERATING EXPENSES (-)	IV-f	57.412	47.608
XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)		10.413	(12.945)
XII. EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-
XIII. INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES		-	-
CONSOLIDATED BASED ON EQUITY METHOD		-	-
XIV. INCOME/(LOSS) ON NET MONETARY POSITION		-	-
XV. INCOME/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS (XI+...+XIV)		10.413	(12.945)
XVI. TAX PROVISION FOR CONTINUING OPERATIONS (-)	IV-g	1.258	(2.498)
16.1 Current Tax Provision	IV-h	-	-
16.2 Deferred Tax Provision		1.258	2.498
XVII. NET INCOME/(LOSS) FROM CONTINUING OPERATIONS (XV-XVI)	IV-i	9.155	(10.447)
XVIII. INCOME FROM DISCONTINUED OPERATIONS		-	-
18.1 Income from Non-Current Assets Held for Resale		-	-
18.2 Sale Income from Associates, Subsidiaries and Joint Ventures		-	-
18.3 Other Income from Discontinued Operations		-	-
XIX. EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
19.1 Expense from Non-Current Assets Held for Resale		-	-
19.2 Sale Losses from Associates, Subsidiaries and Joint Ventures		-	-
19.3 Other Expenses from Discontinued Operations		-	-
XX. INCOME/(LOSS) BEFORE TAX FROM DISCONTINUED OPERATIONS (XVIII-XIX)		-	-
XXI. TAX PROVISION FOR DISCONTINUED OPERATIONS (-)		-	-
21.1 Current tax provision		-	-
21.2 Deferred tax provision		-	-
XXII. NET INCOME/(LOSS) FROM DISCONTINUED OPERATIONS (XX-XXI)		-	-
XXIII. NET INCOME/(LOSS) (XVII+XXII)	IV-j	9.155	(10.447)
Earnings/(Loss) per share (1.000 nominal in TL full)		0,102	(0,183)

The accompanying explanations and notes form an integral part of these financial statements.

(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH, SEE NOTE I. OF SECTION THREE)

BURGAN BANK A.Ş.
UNCONSOLIDATED STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2015 AND 2014

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

IV. STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED IN EQUITY		
INCOME AND EXPENSE ITEMS ACCOUNTED IN EQUITY	31/03/2015	31/03/2014
I. ADDITIONS TO THE MARKETABLE SECURITIES VALUATION RESERVE FROM THE AVAILABLE FOR SALE FINANCIAL ASSETS	(2.061)	407
II. REVALUATION DIFFERENCES OF TANGIBLE ASSETS	-	-
III. REVALUATION DIFFERENCES OF INTANGIBLE ASSETS	-	-
IV. FOREIGN EXCHANGE TRANSLATION DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	-	-
V. INCOME/LOSS ON CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Changes)	1.151	-
VI. PROFIT/LOSS FROM FOREIGN INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Changes)	-	-
VII. EFFECTS OF CHANGES IN ACCOUNTING POLICY AND ERRORS(*)	-	-
VIII. OTHER INCOME AND EXPENSE ITEMS ACCOUNTED IN EQUITY ACCORDING TO TAS	-	-
IX. DEFERRED TAX ON VALUATION DIFFERENCES	182	(82)
X. NET INCOME/LOSS ACCOUNTED DIRECTLY IN EQUITY (I+II+...+IX)	(728)	325
XI. CURRENT PERIOD INCOME/LOSS	9.155	(10.447)
11.1 Net Change in Fair Value of Marketable Securities (Transfer to Income Statement)	1.191	(378)
11.2 Portion of Cash Flow Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	-	-
11.3 Portion of Foreign Investment Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	-	-
11.4 Other	7.964	(10.069)
XII. TOTAL (INCOME)/LOSS RELATED TO THE CURRENT PERIOD (X+XI)	8.427	(10.122)

The accompanying explanations and notes form an integral part of these financial statements.

(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH, SEE NOTE I. OF SECTION THREE)

BURGAN BANK A.Ş.

UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS AT 31 MARCH 2014

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY																	
PRIOR PERIOD 31/03/2014	Note	Paid-in Capital	Adjustment to Share Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/(Loss)	Prior Period Net Income/(Loss)	Marketable Securities Valuation Reserve	Tangible and Intangible Assets Revaluation Reserve	Bonus Shares Obtained from Investments	Hedging Reserves	Valuation Difference of AHS and Discontinued Operations	Shareholders' Equity
I. Prior Period End Balance (31/12/2013)		570.000	-	-	-	11.423	-	48.146	(1.637)	(40.995)	-	(4.414)	3.992	-	-	-	586.515
Corrections and Accounting Policy Changes Made According to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effects of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Beginning Balance (I+II)		570.000	-	-	-	11.423	-	48.146	(1.637)	(40.995)	-	(4.414)	3.992	-	-	-	586.515
Changes in the Period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Increase/Decrease due to the Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Marketable Securities Valuation Differences		-	-	-	-	-	-	-	-	-	-	325	-	-	-	-	325
VI. Hedging Reserves (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2 Foreign Investment for Purpose of Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Revaluation Differences of Tangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Revaluation Differences of Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Foreign Exchange Difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Changes due to the Disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Changes due to the Reclassification of the Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effects of Changes in Equity of Investments in Associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Capital Increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2 Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Share Premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Share Cancellation Profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Adjustment to Share Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII. Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX. Current Year Income or Loss		-	-	-	-	-	-	-	-	(10.447)	-	-	-	-	-	-	(10.447)
XX. Profit Distribution		-	-	-	-	-	-	(40.995)	-	40.995	-	-	-	-	-	-	-
20.1 Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2 Transfers to Reserves		-	-	-	-	-	-	(40.995)	-	40.995	-	-	-	-	-	-	-
20.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (I+II+III+...+XX)		570.000	-	-	-	11.423	-	7.151	(1.637)	(10.447)	-	(4.089)	3.992	-	-	-	576.393

The accompanying explanations and notes form an integral part of these financial statements.

(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH, SEE NOTE I. OF SECTION THREE)

BURGAN BANK A.Ş.

UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS AT 31 MARCH 2015

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY																	
CURRENT PERIOD 31/03/2015	Note	Paid-in Capital	Adjustment to Share Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/(Loss)	Prior Period Net Income/(Loss)	Marketable Securities Valuation Reserve	Tangible and Intangible Assets Revaluation Reserve	Bonus Shares Obtained from Investments	Hedging Reserves	Valuation Difference of AHS and Discontinued Operations	Shareholders' Equity
I. Prior Period End Balance (31/12/2014)		900.000	-	-	-	11.423	-	7.151	(2.290)	6.809	-	1.160	13.187	-	-	-	937.440
Changes in the Period																	
II. Increase/Decrease due to the Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Marketable Securities Valuation Differences		-	-	-	-	-	-	-	-	-	-	(1.649)	-	-	-	-	(1.649)
IV. Hedging Reserves (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	921	-	921
4.1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	921	-	921
4.2 Foreign Investment for Purpose of Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Revaluation Differences of Tangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Revaluation Differences of Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign Exchange Difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Changes due to the Disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Changes due to the Reclassification of the Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effects of Changes in Equity of Investments in Associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Capital Increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Share Premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share Cancellation Profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Adjustment to Share Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Current Year Income or Loss		-	-	-	-	-	-	-	-	9.155	-	-	-	-	-	-	9.155
XVIII. Profit Distribution		-	-	-	-	-	-	6.809	-	(6.809)	-	-	-	-	-	-	-
18.1 Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfers to Reserves		-	-	-	-	-	-	6.809	-	(6.809)	-	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (I+II+III+... +XVI+XVII+XVIII)		900.000	-	-	-	11.423	-	13.960	(2.290)	9.155	-	(489)	13.187	-	921	-	945.867

The accompanying explanations and notes form an integral part of these financial statements.

(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH, SEE NOTE I. OF SECTION THREE)

BURGAN BANK A.Ş.

UNCONSOLIDATED STATEMENT OF CASH FLOW AS AT 31 MARCH 2015 AND 2014

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

VI. CASH FLOW STATEMENT	(31/03/2015)	(31/03/2014)
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1 Operating Profit Before Changes in Operating Assets and Liabilities	(22.836)	52.546
1.1.1 Interest Received	149.398	156.805
1.1.2 Interest Paid	(110.735)	(87.213)
1.1.3 Dividend Received	-	-
1.1.4 Fees and Commissions Received	5.848	3.424
1.1.5 Other Income	-	-
1.1.6 Collections from Previously Written-off Loans and Other Receivables	19.141	6.725
1.1.7 Payments to Personnel and Service Suppliers	(29.772)	(25.462)
1.1.8 Taxes Paid	(860)	(179)
1.1.9 Other	(55.856)	(1.554)
1.2 Changes in Operating Assets and Liabilities	(205.256)	(276.067)
1.2.1 Net (Increase)/Decrease in Trading Securities	31.416	63.155
1.2.2 Net (Increase)/Decrease in Fair Value Through Profit/Loss Financial Assets	-	-
1.2.3 Net (Increase)/Decrease in Due from Banks	(98.591)	(96.599)
1.2.4 Net (Increase)/Decrease in Loans	(469.142)	(32.621)
1.2.5 Net (Increase)/Decrease in Other Assets	62.124	(25.851)
1.2.6 Net Increase/(Decrease) in Bank Deposits	(110.461)	61.525
1.2.7 Net Increase/(Decrease) in Other Deposits	274.871	210.525
1.2.8 Net Increase/(Decrease) in Funds Borrowed	315.366	(138.711)
1.2.9 Net Increase/(Decrease) in Payables	-	-
1.2.10 Net Increase/(Decrease) in Other Liabilities	(210.839)	(317.490)
I. Net Cash Provided from Banking Operations	(228.092)	(223.521)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II. Net Cash Provided from Investing Activities	381.825	119.767
2.1 Cash Paid for Acquisition of Investments, Associates and Subsidiaries	-	-
2.2 Cash Obtained from Disposal of Investments, Associates and Subsidiaries	-	-
2.3 Purchases of Property and Equipment	(6.294)	(434)
2.4 Disposals of Property and Equipment	544	1.831
2.5 Cash Paid for Purchase of Investments Available-for-Sale	(1.000)	(128.066)
2.6 Cash Obtained from Sale of Investments Available-for-Sale	388.575	246.436
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 Provided from Financing Activities	-	-
3.1 Cash Obtained from Funds Borrowed and Securities Issued	-	-
3.2 Cash Used for Repayment Of Funds Borrowed and Securities Issued	-	-
3.3 Issued Capital Instruments	-	-
3.4 Dividends Paid	-	-
3.5 Payments for Finance Leases	-	-
3.6 Other	-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	5.316	274
V. Net Increase/(Decrease) in Cash and Cash Equivalents (I+II+III+IV)	159.049	(103.480)
VI. Cash and Cash Equivalents at Beginning of the Period	502.753	309.435
VII. Cash and Cash Equivalents at end of the Period	661.802	205.955

The accompanying explanations and notes form an integral part of these financial statements.

(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH, SEE NOTE I. OF SECTION THREE)

BURGAN BANK A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2015

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

SECTION THREE

ACCOUNTING POLICIES

I. BASIS OF PRESENTATION:

The unconsolidated financial statements are prepared within the scope of the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” related with Banking Act numbered 5411 published in the Official Gazette no.26333 dated 1 November 2006 and in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency (“BRSA”), and in case where a specific regulation is not made by BRSA, “Turkish Accounting Standards” (“TAS”) and “Turkish Financial Reporting Standards” (“TFRS”) and related appendices and interpretations put into effect by Public Oversight Accounting and Auditing Standards Authority (“POA”). The format and content of the publicly announced unconsolidated financial statements and notes to these statements have been prepared in accordance with the “Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements”, published in Official Gazette no. 28337, dated 28 June 2012, and amendments to this Communiqué. The Bank maintains its books in Turkish Lira in accordance with the Banking Act, Turkish Commercial Code and Turkish Tax Legislation.

The unconsolidated financial statements have been prepared in TL, under the historical cost convention as modified in accordance with inflation adjustments until 31 December 2004, except for the financial assets and liabilities which are carried at fair value.

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

The amendments of TAS and TFRS which have entered into force as of 1 January 2015 have no material impact on the the Bank’s accounting policies, financial position and performance. The amendments of TAS and TFRS, except TFRS 9 Financial Instruments, which have been published as of reporting date but have not been effective yet, have no impact on the accounting policies, financial condition and performance of the Bank. The accounting policies and valuation principles applied in the preparation of unconsolidated financial statements, are determined and applied in accordance with regulations, communiqués, explanations and circulars on accounting and financial reporting principles published by the BRSA, and in case where there is no special regulation made by the BRSA, in accordance with principles in the context of TAS and TFRS, and are consistent with the accounting policies applied in the annual financial statements of the year ended 31 December 2014. The aforementioned accounting policies and valuation principles are explained in Notes II to XXVIII below.

(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH, SEE NOTE I. OF SECTION THREE)

BURGAN BANK A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2015

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

ACCOUNTING POLICIES (Continued)

Additional paragraph for convenience translation into English:

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

II. EXPLANATIONS ON STRATEGY OF USING FINANCIAL INSTRUMENTS AND FOREIGN CURRENCY TRANSACTIONS:

The overall strategy of the Bank of using financial instruments is to sustain an optimal balance between the yield of the financial instruments and their risks. The most important funding source of the Bank is deposits. The Bank can also sustain a lengthened liability structure by using long-term borrowings from foreign financial institutions. Funds obtained from deposits and other sources are invested in high yield and quality financial assets and currency, interest rate and liquidity risks are being kept within the limits following the asset-liability management strategy. The currency, interest and liquidity risks of on-balance sheet and off-balance sheet assets and liabilities are managed accordingly within the risk limits accepted by the Bank and the related legal limits. Derivative instruments are mainly utilized for liquidity needs and for mitigating currency and interest rate risks. The position of the Bank as a result of foreign currency activities being held at minimum levels and the exposed currency risk is followed within the determined levels by the Board of Directors by considering the limits given by the Banking Law.

Foreign currency denominated monetary assets and liabilities are translated with the Bank’s foreign currency bid rates prevailing at the balance sheet date and related gains and losses arising from these translations are recognized in the income statement under the account of “Foreign exchange gains or losses”. Foreign currency denominated subsidiaries, which are accounted with acquisition cost method, are translated with the foreign exchange rates prevailing at the acquisition date.

As of 31 March 2015, foreign currency denominated balances are translated into TL using the exchange rates of TL 2,6134 , TL 2,8075 and TL 2,1714 for USD, Euro and Yen respectively.

III. EXPLANATIONS ON INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES:

Based on the “Turkish Accounting Standard for Consolidated and Separate Financial Statements” (“TAS 27”), Turkish Lira denominated investments in associates and subsidiaries are accounted at cost and are reflected to the unconsolidated financial statements after deducting the provision for impairment, if one exists.

The Bank has recognised an impairment on its subsidiary Burgan Yatırım Menkul Değerler A.Ş. amounting to TL 54.117 based on the assessment done as of 31 March 2015 (31 December 2014: 54.117 TL).

The Bank has no joint ventures as of 31 March 2015 and 31 December 2014.

(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH, SEE NOTE I. OF SECTION THREE)

BURGAN BANK A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2015

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

ACCOUNTING POLICIES (Continued)

IV. EXPLANATIONS ON FORWARD TRANSACTIONS, OPTIONS AND DERIVATIVE INSTRUMENTS:

The major derivative instruments utilized by the Bank are currency and interest rate swaps, cross currency swaps, currency options and currency forwards.

The Bank classifies its derivative instruments as “Held-for-hedging” or “Held-for-trading” in accordance with “Turkish Accounting Standard for Financial Instruments: Recognition and Measurement” (“TAS 39”). Although certain derivative transactions provide effective economic hedges under the Bank’s risk management position, in accordance with TAS 39 they are treated as derivatives “Held-for-trading”.

Derivative instruments are measured at fair value on initial recognition and subsequently remeasured at their fair values. The accounting method of the income or loss arising from derivative instruments depends on the derivative being used for hedging purposes or not and depends on the type of the item being hedged.

“Financial assets at fair value through profit or loss” are measured at fair value. If the fair value of derivative financial instruments is positive, it is disclosed under the main account “Financial assets at fair value through profit or loss” in “Trading derivative financial instruments” and if the fair value difference is negative, it is disclosed under “Trading derivative financial liabilities”. Differences in the fair value of trading derivative instruments are accounted under “Trading income/loss” in the income statement.

The fair values of the derivative financial instruments are calculated by using quoted market prices or by using discounted cash flow models. Liabilities and receivables arising from the derivative instruments are followed in the off-balance sheet accounts from their contractual values.

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

The Bank applies cash flow hedge accounting using interest swaps to hedge its FC customer deposits with an average maturity of 3 months against interest rate fluctuations. The Bank implements effectiveness tests at the balance sheet dates for hedge accounting; the effective parts are accounted as defined in TAS 39, in financial statements under equity “Hedging Funds”, whereas the amount concerning ineffective parts is associated with income statement.

In cash flow hedge accounting, when the hedging instrument expires, is executed or sold and when the hedge relationship becomes ineffective or is discontinued as a result of the hedge relationship being revoked; the hedging gains and losses that were previously recognized under equity are transferred to profit or loss when the cash flows of the hedged item are realized. In case it is one part of hedging strategy, the renewal of hedging instrument or transferring to another hedging instrument is not eliminated the hedging situation in accordance with TAS 39.

(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH, SEE NOTE I. OF SECTION THREE)

BURGAN BANK A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2015

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

ACCOUNTING POLICIES (Continued)

V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE:

Interest income and expenses are recognised in the income statement on an accrual basis by using the effective interest method. The Bank ceases accruing interest income on non-performing loans and, any interest income accruals from such loans are being reversed and no income is accounted until the collection is made according to the related regulation.

VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSE:

Fees and commission income/expenses are primarily recognized on an accrual basis or “Effective interest method” according to the nature of the fee and commission, except for certain commission income and fees for various banking services which are recorded as income at the time of collection. Contract based fees or fees received for services such as the purchase and sale of assets on behalf of a third party or legal person are recognized as income at the time of collection.

VII. EXPLANATIONS ON FINANCIAL ASSETS:

The Bank classifies and accounts its financial assets as “Fair value through profit or loss”, “Available-for-sale”, “Loans and receivables” or “Held-to-maturity”. Sales and purchases of the financial assets mentioned above are recognised at the “settlement dates”. The appropriate classification of financial assets of the Bank is determined at the time of purchase by the Bank management, taking into consideration the purpose of holding the investment.

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

This category has two subcategories: “Trading financial assets” and “Financial assets designated at fairvalue through profit/loss at initial recognition”.

Trading financial assets are financial assets which are either acquired for generating a profit from short term fluctuations in prices or are financial assets included in a portfolio aimed at short-term profit making.

Trading financial assets are initially recognised at fair value and are subsequently re-measured at their fair value. All gains and losses arising from these evaluations are recognised in the income statement. Interest earned while holding financial assets is reported as interest income and dividends received are included separately in dividend income.

Derivative financial instruments are treated as trading financial assets unless they are not designated as hedge instruments. The principles regarding the accounting of derivative financial instruments are explained in detail in Note IV. of Section Three.

(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH, SEE NOTE I. OF SECTION THREE)

BURGAN BANK A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2015

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

ACCOUNTING POLICIES (Continued)

b. Held-to-maturity financial assets:

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturity that an entity has the positive intention and ability to held-to-maturity other than those that the entity upon initial recognition designates as at fair value through profit or loss, those that the entity designates as available-for-sale; and those that meet the definition of loans and receivables. Held-to-maturity financial assets are initially recognised at cost which is considered as their fair value. The fair values of held-to-maturity financial assets on initial recognition are either the transaction prices at acquisition or the market prices of similar financial instruments. Held-to-maturity securities are carried at “amortised cost” using the effective interest method after their recognition. Interest income earned from held-to-maturity financial assets is reflected to the statement of income.

There are no financial assets that were previously classified as held-to-maturity but which cannot be subject to this classification for two years due to the violation of classification principles.

c. Loans and receivables:

Loans and receivables are financial assets which are created by providing money, services or goods to a debtor. Loans and receivables originated by the Bank are carried initially at cost and subsequently recognised at the amortised cost value calculated using the effective interest method. The expenses incurred for the assets received as collateral are not considered as transaction costs and are recognised in the expense accounts.

The Bank provides general and specific provisions based on the assessments and estimates of the management, by considering the “Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks’ Loans and Other Receivables and the Provision for These Loans and Other Receivables” published in the Official Gazette No. 26333 dated 1 November 2006. In this context, the revised credit risk, general structure of the current loan portfolio, financial conditions of the customers, non-financial information and economic conjuncture on the basis of the prudence principle are taken into consideration by the Bank in determining the estimates.

Provision expenses are deducted from the net income of the year. If there is a collection from a receivable that is provisioned previously, the amount is deducted from the “Specific Provisions” account and recorded as income to “Provision for Loan Losses and Other Receivables” shown as net with the provisions recorded in the year. Uncollectible receivables are written-off after all the legal procedures have been finalised.

d. Available-for-sale financial assets:

Financial assets available-for-sale consist of financial assets other than “Loans and receivables”, “Held-to-maturity”, “Financial assets at fair value through profit or loss” and non-derivative financial assets. Financial assets available-for-sale are recorded by adding transaction cost to acquisition cost reflecting the fair value of the financial asset.

(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH, SEE NOTE I. OF SECTION THREE)

BURGAN BANK A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2015

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

ACCOUNTING POLICIES (Continued)

After the recognition, financial assets available-for-sale are remeasured at fair value. Available-for-sale equity securities that have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value. Available-for-sale equity securities that do not have a quoted market price in an active market and whose fair values cannot be reliably measured are carried at cost, less provision for impairment.

“Unrealised gains and losses” arising from changes in the fair value of financial assets classified as available-for-sale are recognised in the shareholders’ equity as “Marketable Securities Valuation Reserve”, until there is a permanent decline in the fair values of such assets or they are disposed of. When these financial assets are disposed of or impaired, the related fair value differences accumulated in the shareholders’ equity are transferred to the income statement. When calculating CPI Indexed government bonds' discounted values, cash flows calculated through CBRT's monthly expected CPI bulletin indices are used.

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS:

Where the estimated recoverable amount of the financial asset, being the present value of the expected future cash flows discounted based on the effective interest method, or the fair value if one exists is lower than its carrying value, then it is concluded that the asset under consideration is impaired. A provision is made for the diminution in value of the impaired financial asset and it is charged against the income for the year.

The principles for the accounting of provisions for loans are explained in detail in Note VII of this Section.

IX. EXPLANATIONS ON OFFSETTING FINANCIAL ASSETS:

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Bank has a legally enforceable right to offset the recognised amounts and there is an intention to collect/pay related financial assets and liabilities on a net basis, or to realise the asset and settle the liability simultaneously.

X. EXPLANATIONS ON SALES AND REPURCHASE AGREEMENTS AND SECURITIES LENDING TRANSACTIONS:

Securities subject to repurchase agreements (“Repo”) are classified as “Financial assets at fair value through profit or loss”, “Available-for-sale” and “Held-to-maturity” according to the investment purposes of the Bank and measured according to the portfolio to which they belong. Funds obtained from repurchase agreements are accounted under “Funds Provided under Repurchase Agreements” in liabilities and the difference between the sale and repurchase price is accrued over the life of repurchase agreements using the effective interest method.

Funds given against securities purchased under agreements (“Reverse repo”) to resell are accounted under “Receivables from Reverse Repurchase Agreements” on the balance sheet. The difference between the purchase and determined resell price is accrued over the life of repurchase agreements using the “effective interest method”. The Bank has no securities lending transactions.

(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH, SEE NOTE I. OF SECTION THREE)

BURGAN BANK A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2015

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

ACCOUNTING POLICIES (Continued)

XI. EXPLANATIONS ON TANGIBLE ASSETS THAT ARE HELD FOR RESALE, DISCONTINUED OPERATIONS AND LIABILITIES REGARDING THOSE ASSETS:

Assets held-for-resale consist of tangible assets that were acquired due to non-performing receivables, and are accounted in the financial statements in accordance with the “Communiqué Regarding the Principles and Procedures for the Disposals of Immovables and Commodities Acquired due to Receivables and for Trading of Precious Metal” published in the Official Gazette dated 1 November 2006, No. 26333.

The Bank has no discontinued operations.

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS:

a. Goodwill

As of 31 March 2015 and 31 December 2014, the Bank has no goodwill.

b. Other intangible assets

Intangible assets are measured at cost on initial recognition and any directly attributable costs of setting the asset to work for its intended use are included in the initial measurement. Subsequently, intangible assets are carried at historical costs after the deduction of accumulated amortization and the provision for value decreases, if any.

Intangibles are amortised over their estimated useful lives using the straight-line method. The useful life of the asset is determined by assessing the expected useful life of the asset, technical, technological and other kinds of obsolescence and all required maintenance expenses necessary to utilize the economic benefit of the asset and differs from 3 years to 15 years.

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT:

Property and equipment is measured at its cost when initially recognised and any directly attributable costs of setting the asset in working order for its intended use are included in the initial measurement. Subsequently, property and equipment are carried at cost less accumulated depreciation and provision for value decrease, if any.

The Bank has adopted the “revaluation method” in accordance with the “Communiqué Regarding the Principles and Procedures for the Tangible Assets (“TAS 16”)” for its buildings. Independent expert appraisal values are presented in the financial statements.

Depreciation is calculated over the cost of property and equipment using the straight-line method. The depreciation rates are stated below:

Buildings	2%
Movables, Movables Acquired by Financial Leasing	5-50%

The depreciation charge for items remaining in property and equipment for less than an accounting period at the balance sheet date is calculated in proportion to the period the item remained in property and equipment.

Where the carrying amount of an asset is greater than its estimated “Recoverable amount”, it is written down to its “Recoverable amount” and the provision for the diminution in value is charged to the income statement.

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ACCOUNTING POLICIES (Continued)

Gains and losses on the disposal of property and equipment are determined by deducting the net book value of the property and equipment from its sales revenue.

Expenditures for the repair and maintenance of property and equipment are recognised as expense. The capital expenditures made in order to increase the capacity of the tangible asset or to increase its future benefits are capitalised on the cost of the tangible asset. The capital expenditures include the cost components which are used either to increase the useful life or the capacity of the asset, or the quality of the product or to decrease the costs.

XIV. EXPLANATIONS ON LEASING TRANSACTIONS:

Assets acquired under finance lease agreements are capitalised at the inception of the lease at the “lower of the fair value of the leased asset or the present value of the amount of cash consideration given for the leased asset. The Bank has implemented the “revaluation method” in accordance with the “Communiqué Regarding the Principles and Procedures for the Tangible Assets (“TAS 16”)” while revaluating the buildings.

Leased assets are included in the property and equipment and depreciation is charged on a straight-line basis over the useful life of the asset. If there is any diminution in value of the leased asset, a “Provision for value decrease” is recognised. Liabilities arising from the leasing transactions are included in “Financial Lease Payables” on the balance sheet. Interest and foreign exchange expenses regarding lease transactions are charged to the income statement. The Bank does not provide financial leasing services as a “Lessor”

Transactions regarding operational lease agreements are accounted on an accrual basis in accordance with the terms of the related contracts.

XV. EXPLANATIONS ON PROVISIONS AND CONTINGENT COMMITMENTS:

Provisions and contingent liabilities except for the specific and general provisions recognised for loans and other receivables are accounted in accordance with the “Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets” (“TAS 37”).

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The provision for contingent liabilities arising from past events should be recognised in the same period of occurrence in accordance with the “Matching principle”. When the amount of the obligation cannot be estimated and there is no possibility of an outflow of resources from the Bank, it is considered that a “Contingent” liability exists and it is disclosed in the related notes to the financial statements.

XVI. EXPLANATIONS ON CONTINGENT ASSETS:

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. Contingent assets are disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised in the financial statements in which the change occurs.

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ACCOUNTING POLICIES (Continued)

XVII. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS:

Obligations related to employee termination and vacation rights are accounted for in accordance with "Turkish Accounting Standard for Employee Rights" ("TAS 19") and are classified under "Reserve for Employee Rights" account in the balance sheet.

Under the Turkish Labour Law, the Bank is required to pay a specific amount to the employees who have retired or whose employment is terminated other than the reasons specified in the Turkish Labour Law. The reserve for employment termination benefits represents the present value of the estimated total reserve for the future probable obligation of the Bank arising from this liability.

According to the TAS 19 that is revised by Public Oversight Accounting and Auditing Standards Authority with the Communiqué published in Official Gazette on 12 March 2013 numbered 28585, in the calculation of the employment termination benefit liabilities of the Bank, the recognition option of the actuarial gains and losses derived from the changes in actuarial assumptions or the differences between actuarial assumptions and realizations in the income statement has been eliminated which is effective for annual periods beginning on or after 1 January 2013. The earlier application of the revision is permitted in the section of the transition and effective date of the standard and therefore the Bank has recognised the actuarial gains and losses that occur in related reporting periods in the "Statement of Income and Expense Items Accounted in Equity" and presented in "Other Reserves" item in the Shareholders Equity section.

XVIII. EXPLANATIONS ON TAXATION:

a. Current tax:

Many clauses of Corporate Tax Law No. 5520 which are valid starting from 1 January 2006, was taken into effect after being published in the Official Gazette dated 21 June 2006 No. 26205. According to the New Tax Law, the corporate tax rate in Turkey is payable at the rate of 20% for 2015 (2014: 20%). The corporate tax rate is calculated on the total income of the Bank after adjusting for certain disallowable expenses, exempt income and other allowances. No further tax is payable unless the profit is distributed.

Dividends paid to non-resident corporations, which have a place of business in Turkey or to resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as profit distribution and thus does not incur withholding tax.

Corporations are required to pay advance corporate tax quarterly at a rate of 20% on their corporate income. Advance tax is declared by the 14th and paid by the 17th day of the second month following each calendar quarter end. Advance tax paid by corporations which is for the current period is credited against the annual corporation tax calculated on their annual corporate income in the following year. Despite the offset, if there is temporary prepaid tax remaining, this balance can be refunded or used to offset any other financial liabilities to the government.

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A 75% portion of the capital gains derived from the sale of equity investments and immovable properties held for at least two years is tax exempt, if such gains are added to paid-in capital or held in a special account under shareholder’s equity for five years.

Under the Turkish Corporate Tax Law, losses can be carried forward to offset against future taxable income for up to five years. Losses cannot be carried back to offset profits from previous periods.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Tax returns are required to be filled and delivered to the related tax office until the evening of the 25th of the fourth month following the balance sheet date. Tax returns are open for five years from the beginning of the year following the date of filing during which period 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 tax:

The Bank calculates and accounts for deferred income taxes for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with “Turkish Accounting Standard for Income Taxes” (“TAS 12”) and the related decrees of the BRSA concerning income taxes. In the deferred tax calculation, the enacted tax rate, in accordance with the tax legislation, is used as of the balance sheet date.

The calculated deferred tax asset and deferred tax liability are presented as net in these financial statements.

XIX. EXPLANATIONS ON BORROWINGS:

Trading and derivative financial liabilities are valued with their fair values and the other financial liabilities are carried at “amortised cost” using the effective interest method.

The Bank utilises various hedging techniques to minimise the currency, interest rate and liquidity risks of its financial liabilities. No convertible bonds have been issued by the Bank.

XX. EXPLANATIONS ON SHARE CERTIFICATES AND ISSUANCE OF SHARE CERTIFICATES:

Transaction costs regarding the issuance of share certificates are accounted under shareholders’ equity after eliminating the tax effects.

XXI. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES:

Avalized drafts and acceptances shown as liabilities against assets are included in the “Off-balance sheet commitments”

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ACCOUNTING POLICIES (Continued)

XXII. EXPLANATIONS ON GOVERNMENT GRANTS:

As of 31 March 2015 and 31 December 2014, the Bank has no government grants.

XXIII. EXPLANATIONS ON PROFIT RESERVES AND PROFIT DISTRIBUTION:

Retained earnings as per the statutory financial statements other than legal reserves are available for distribution, subject to the legal reserve requirement referred to below.

Under the Turkish Commercial Code (“TCC”) the legal reserves are composed of first and second reserves. The TCC requires first reserves to be 5% of the profit until the total reserve is equal to 20% of issued and fully paid-in share capital. Second reserves are required to be 10% of all cash profit distributions that are in excess of 5% of the issued and fully paid-in share capital. However holding companies are exempt from this application. According to the Turkish Commercial Code, legal reserves can only be used to compensate accumulated losses and cannot be used for other purposes unless they exceed 50% of paid-in capital.

The date of 30 March 2015, in the Ordinary General Assembly, it was decided to the profit of the 2014, TL 6.809, is classified in extraordinary reserves.

XXIV. EXPLANATIONS ON EARNINGS PER SHARE:

Earnings per share disclosed in the income statement are calculated by dividing net profit for the year to the weighted average number of shares outstanding during the period concerned.

	31 March 2015	31 March 2014
Net Income / (Loss) to be Appropriated to Ordinary Shareholders	9.155	(10.447)
Weighted Average Number of Issued Ordinary Shares (Thousand)	90.000.000	57.000.000
Earnings Per Ordinary Shares (Disclosed as 1.000 nominal in full TL)	0,102	(0,183)

Based on the Principal Agreement, the Bank has 1.000.000 founder's shares. According to the Principal Agreement, after allocating 5% to legal reserves and distributing 5% of the paid in capital, 10% of distributable amount is distributed to the owners of the founder's shares.

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares (“bonus shares”) to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect to bonus shares issued without a corresponding change in resources by giving them a retroactive effect for the year in which they were issued and for each earlier period.

XXV. EXPLANATIONS ON RELATED PARTIES:

Parties defined in Article 49 of the Banking Law No.5411, Bank’s senior management and Board Members are deemed as related parties. Transactions regarding related parties are presented in Note V of Section Five.

XXVI. EXPLANATIONS ON CASH AND CASH EQUIVALENTS:

For the purposes of the cash flow statement, cash includes cash effectives, cash in transit, purchased cheques and demand deposits including balances with the Central Bank; and cash equivalents include interbank money market placements, time deposits at banks with original maturity periods of less than three months and investments on marketable securities other than common stocks.

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ACCOUNTING POLICIES (Continued)

XXVII. EXPLANATIONS ON SEGMENT REPORTING:

Operational field is distinguishable section of the Bank that has different characteristics from other operational fields per earning and conducts the presentation of service group, associated bank products or a unique product. Operating segments are disclosed in Note XIII in Section Four.

XXVIII. RECLASSIFICATIONS:

None.

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SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK

I. EXPLANATIONS ON CAPITAL ADEQUACY RATIO:

a. As of 31 March 2015, the unconsolidated capital adequacy ratio of the Bank is 17,05% (31 December 2014: 17,74%) which satisfies the requirement of being above the minimum ratio of stated in the related legislation.

b. Risk Measurement Methods for Calculation of the Capital Adequacy Ratio:

The capital adequacy ratio of the Bank is calculated using the capital required for loan risk, market risk and operational risk. The standard method for measurement of credit and market risk is used as the main indicator in measuring the operational risk. The core credit risk value for the calculation of the capital to mitigate the credit risk loss is computed using the valuation of risk weights and non-cash loans for the loan conversion ratio in accordance with the regulations and “Communiqué on Calculation of Risk Weighted Amounts for Securitizations” published in the Official Gazette dated 28 June 2012 numbered 28337 and “Communiqué on Credit Risk Mitigation Techniques” dated 1 July 2012.

c. The capital adequacy ratio is calculated using “Communiqué on Measurement and Assessment of Capital Adequacy of Banks,” “Communiqué on Shareholders’ Equity of Banks,” (together “Communiqué on Capital Adequacy”) published in 28 June 2012. The information for the “risk weighted assets” and “shareholders equity” regarding the measurement of capital adequacy of the Bank is presented below.

Information related to consolidated capital adequacy ratio:

31 March 2015	Risk Weights (*)							
	Bank							
	0%	20%	50%	75%	100%	150%	200%	250%
Surplus credit risk weighted	1.400.409	447.396	1.710.690	851.426	5.265.902	36.271	52.186	-
Risk classifications:								
Claims on sovereigns and Central Banks	1.133.495	-	-	-	121.848	-	-	-
Claims on regional governments or local authorities	-	-	-	-	-	-	-	-
Claims on administrative bodies and other non-commercial undertakings	-	-	-	-	7	-	-	-
Claims on multilateral development banks	-	-	-	-	-	-	-	-
Claims on international organizations	-	-	-	-	-	-	-	-
Claims on banks and intermediary institutions	65.917	284.955	65.135	-	45.795	1	-	-
Claims on corporates	144.380	152.561	18.601	-	4.124.350	5.363	-	-
Claims included in the regulatory retail portfolios	14.715	6.955	2.050	851.426	3.114	-	-	-
Claims secured by residential property	9.733	2.053	1.617.905	-	548.994	-	-	-
Past due loans	21	-	6.999	-	57.151	8.364	-	-
Higher risk categories decided by the Board	3.476	872	-	-	-	22.543	52.186	-
Secured by mortgages	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-
Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-	-	-	-	-	-	-
Undertakings for collective investments in mutual funds	-	-	-	-	-	-	-	-
Other Receivables	28.672	-	-	-	364.643	-	-	-

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d. Summary information about capital adequacy ratio (“CAR”):

	31 March 2015	31 December 2014
Capital requirement for credit risk (Amount subject to credit risk *0,08) (ASCR)	560.646	523.488
Amount subject to market risk (ASMR)	12.807	10.622
Amount subject to operational risk (ASOR)	35.364	29.978
Shareholders' equity	1.297.397	1.251.127
Shareholders' equity/((ASCR+ASMR+ASOR)*12,5*100)	17,05	17,74
Core Capital/((ASCR+ASMR+ASOR) *12,5*100)	11,76	12,57
Seed Capital/((ASCR+ASMR+ASOR)*12,5*100)	12,12	13,10

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e. Information about shareholders' equity items:

CORE CAPITAL	31 March 2015	31 December 2014
Paid-in capital following all debts in terms of claim in case of the Bank's litigation	900.000	900.000
Share premium	-	-
Share cancellation profits	-	-
Reserves	25.383	18.574
Gains recognized in equity as per TAS	14.108	14.347
Profit	9.155	6.809
Current Year Income	9.155	6.809
Prior Years Income	-	-
Provisions for possible risks	-	-
Bonus Shares from Investment in Associates, Subsidiaries and Joint Ventures that are not recognized in profit	-	-
Seed Capital Before Deductions	948.646	939.730
Deductions From Seed Capital		
Portion of the sum of net loss for the period and accumulated losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (-)	2.779	2.290
Leasehold improvements (-)	5.762	4.167
Goodwill or other intangible assets and deferred tax liability related to these items (-)	16.225	8.359
Net deferred tax asset/liability (-)	1.829	1.085
Shares obtained contrary to the 4th clause of the 56th article of the Law (-)	-	-
Direct and indirect investments in the seed capital made by the Bank (-)	-	-
Portion of the total of net long positions of investment made in equity elements of banks and financial institutions, 10% or less of the shareholding interests of which is owned and which are not consolidated exceeding 10% of the seed capital of the bank (-)	-	-
Portion of the total of net long positions of investment made in seed capital elements of banks and financial institutions, more than 10% of the shareholding interests of which is owned and which are not consolidated exceeding 10% of the seed capital of the bank (-)	-	-
Portion of offering mortgage service rights exceeding 10% of the seed capital (-)	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the seed capital (-)	-	-
Amount exceeding 15% of the seed capital pursuant to Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	-
Portion of the total of net long positions of investment made in seed capital elements of banks and financial institutions, more than 10% of the shareholding interests of which is owned and which are not consolidated exceeding 10% of the seed capital of the bank (-)	-	-
Exceeding amount resulting from offering mortgage service rights (-)	-	-
Exceeding amount resulting from deferred tax assets based on temporary differences (-)	-	-
Other items defined by BRSA (-)	-	-
Amount to be discounted from the seed capital in the case that adequate additional principal capital or supplementary capital is not available (-)	-	-
Total Deductions From Seed Capital	26.595	15.901
Total Seed Capital	922.051	923.829
ADDITIONAL CORE CAPITAL		
Capital amount and related premiums corresponding to preference shares that are not included to seed capital	-	-
Debt instruments and premiums deemed suitable by BRSA (issued/ supplied after 1.1.2014)	-	-
Debt instruments and premiums deemed suitable by BRSA (issued before 1.1.2014)	-	-
Additional Core Capital before Deductions	-	-
DEDUCTIONS FROM ADDITIONAL CORE CAPITAL		
Direct and indirect investments in the additional core capital made by the Bank (-)	-	-
Portion of the total of net long positions of investment made in equity elements of banks and financial institutions, 10% or less of the shareholding interests of which is owned and which are not consolidated exceeding 10% of the seed capital of the bank (-)	-	-
Portion of the total of net long positions of investment made in additional principal capital and supplementary capital elements of banks and financial institutions, 10% or more of the shareholding interests of which is owned and which are not consolidated exceeding 10% of the seed capital of the bank (-)	-	-
Other items defined by BRSA (-)	-	-
Amount to be discounted from the additional principal capital in the case that adequate supplementary capital is not available (-)	-	-
Total Deductions From Additional Core Capital	-	-
Total Additional Core Capital	-	-
DEDUCTIONS FROM CORE CAPITAL	27.081	37.777
Portion of goodwill and other intangible assets and the deferred tax liabilities related to these which is not discounted from the seed capital pursuant to paragraph 1 Provisional Article 2 of the Regulation on the Equity of Banks (-)	24.337	33.438
Portion of net deferred tax assets/liabilities which is not discounted from the seed capital pursuant to paragraph 1 Provisional Article 2 of the Regulation on the Equity of Banks (-)	2.744	4.339
Total Core Capital	894.970	886.052
SUPPLEMENTARY CAPITAL		
Debt instruments and premiums deemed suitable by BRSA (issued/ supplied after 1.1.2014)	-	-
Debt instruments and premiums deemed suitable by BRSA (issued/ supplied before 1.1.2014)	388.674	346.728
Sources pledged to the bank by shareholders to be used in capital increases of the bank	-	-
General Provisions	60.556	64.659
Supplementary Capital Before Deductions	449.230	411.387
DEDUCTIONS FROM SUPPLEMENTARY CAPITAL		
Direct and indirect investments in the supplementary capital made by the Bank (-)	-	-
Portion of the total of net long positions of investment made in equity elements of banks and financial institutions, 10% or less of the shareholding interests of which is owned and which are not consolidated exceeding 10% of the seed capital of the bank (-)	-	-
Portion of the total of net long positions of investment made in additional principal capital and supplementary capital elements of banks and financial institutions, 10% or less of the shareholding interests of which is owned and which are not consolidated exceeding 10% of the seed capital of the bank (-)	-	-
Other items defined by BRSA (-)	-	-
Total Deductions From Supplementary Capital	-	-
Total Supplementary Capital	449.230	411.387
DEDUCTIONS FROM CAPITAL	46.803	46.312
Loans granted contrary to the 50th and 51th article of the Law (-)	-	-
Net book value of amounts exceeding the limit mentioned in paragraph one of article 57 of the Code and property and real property acquired by the banks because of their receivables which could not be disposed of even though five years have passed since the date of their acquisition pursuant to the same article (-)	292	298
Loans given to banks and financial institutions, including those established abroad, and to eligible shareholders of the bank, and investments made in the borrowing instruments exported by them (-)	46.511	46.014
Amount to be discounted from equity in accordance with paragraph two of article 20 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks (-)	-	-
Other items defined by BRSA (-)	-	-
Portion of the total of net long positions of investment made in equity elements of banks and financial institutions, 10% or less of the shareholding interests of which is owned and which are not consolidated exceeding 10% of the seed capital of the bank which is not discounted from the additional principal capital and supplementary capital pursuant to paragraph 1 of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	-
Portion of the total of net long positions of investment made directly or indirectly in additional principal capital or supplementary capital elements of banks and financial institutions, 10% or more of the shareholding interests of which is owned and which are not consolidated which is not discounted from the additional principal capital and supplementary capital pursuant to paragraph 1 of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-	-
Portion of the total of net long positions of investment made in seed capital elements, deferred tax assets based on temporary differences and offering mortgage service rights of banks and financial institutions, more than 10% of the shareholding interests of which is owned and which are not consolidated to be discounted from the seed capital pursuant to subparagraphs (1) and (2) of paragraph 2 of the Provisional Article 2 of the Regulation on the Equity of Banks which is not discounted from the seed capital pursuant to paragraph 1 of the Provisional Article 2 of the Regulation (-)	-	-
EQUITY	1.297.397	1.251.127
Amounts Below the Exceeding Limits in the Discount Principles		
Amounts resulting from the net long positions of investment made in equity elements of banks and financial institutions, 10% or less of the shareholding interests of which is owned and which are not consolidated	-	-
Amounts resulting from the net long positions of investment made in seed capital elements of banks and financial institutions, 10% or more of the shareholding interests of which is owned and which are not consolidated	-	-
Amount resulting from offering mortgage service rights	-	-
Amount resulting from deferred tax assets based on temporary differences	18.897	19.335

(*) The subordinated loan used in the Equity account in accordance with the permission of the Banking Regulation and Supervision Agency dated December 2, 2013 possesses the nature stated in article 8 of the Regulation on the Equity of Banks which took effect on January 1, 2014. TL 3.336 thousand of this amount recognized by deduction from the subordinated loans consists of cash loans provided to the risk group in which the bank is included.

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Details on Subordinated Liabilities	
Issuer	Burgan Bank S.A.K.
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	-
Governing law(s) of the instrument	BRSA
Regulatory treatment	Supplementary Capital
Transitional Basel III rules	No
Eligible at stand-alone / consolidated	Stand Alone- Consolidated
Instrument type (types to be specified by each jurisdiction)	Subordinated Loan
Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)	388.674
Par value of instrument (USD)	150.000
Accounting classification	Liability-Subordinated Loans-amortised cost
Original date of issuance	06/12/2013
Perpetual or dated	Dated
Original maturity date	10 Years
Issuer call subject to prior supervisory approval	Yes
Optional call date, contingent call dates and redemption amount	After 5th year
Subsequent call dates, if applicable	After 5th year
Coupons / dividends	3 Months
Fixed or floating dividend/coupon	Floating dividend
Coupon rate and any related index	LIBOR+3,75
Existence of a dividend stopper	-
Fully discretionary, partially discretionary or mandatory	-
Existence of step up or other incentive to redeem	-
Noncumulative or cumulative	Noncumulative
Convertible or non-convertible	None
If convertible, conversion trigger (s)	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, specify instrument type convertible into	-
If convertible, specify issuer of instrument it converts into	-
Write-down feature	None
If write-down, write-down trigger(s)	-
If write-down, full or partial	-
If write-down, permanent or temporary	-
If temporary write-down, description of write-up mechanism	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Before debt instruments to be included in supplementary capital calculate ion but after the deposit holders and all other creditors of the Debtor.
In compliance with article number 7 and 8 of “Own fund regulation”	None
Details of incompliances with article number 7 and 8 of “Own fund regulation”	None

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II. EXPLANATIONS ON MARKET RISK:

The market risk is the potential losses that can occur from the fluctuations of foreign currency rates, interest rates, market prices of stocks and commodity. Risk calculations are performed by both the standard method and the internal method. Position limits and maximum loss limits of held to maturity, available for sale and trading portfolios, derivative and foreign currency positions are followed up properly according to the treasury risk parameters set which are approved by Board of Directors.

The below table represents the details of the market risk calculation in accordance with the “Regulation Regarding Measurement and Evaluation of Banks’ Capital Adequacy Ratio” dated 28 June 2012, namely “Calculation of Market Risk with Standard Method”.

a. Information on Market Risk:

	Balance
(I) Capital to be Employed for General Market Risk - Standard Method	3.566
(II) Capital to be Employed for Specific Risk -Standard Method	25
Capital to be Employed for Specific Risk in Securitisation Positions – Standard Method	-
(III) Capital to be Employed for Currency Risk - Standard Method	2.494
(IV) Capital to be Employed for Commodity Risk - Standard Method	-
(V) Capital to be Employed for Clearance Risk - Standard Method	-
(VI) Capital to be Employed for Market Risk Due to Options - Standard Method	1
(VII) Capital to be Employed for the Other Party’s Credit Risk - Standard Method	6.721
(VIII) Total Capital to be Employed for Market Risk for Banks Applying Risk Measurement Model	-
(IX) Total Capital to be Employed for Market Risk (I+II+III+IV+V+VI+VII)	12.807
(X) Amount Subject to Market Risk (12,5 x VIII) or (12,5 x IX)	160.088

III. EXPLANATIONS ON OPERATIONAL RISK:

The real value of operational risk is calculated once a year in accordance with “Regulation for Measuring and Evaluating Capital Adequacy of Banks” published in 26 June 2012 Official Gazette No.28337 and “Basic Indicator Approach” dated 1 July 2012.

The annual gross revenue income is calculated by deducting the profit/loss that is generated from available for sale securities that are hold to securities until maturity and extraordinary income, operating expense for support services and amount collected from insurances from sum of net values of interest and non-interest income.

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IV. EXPLANATIONS ON CURRENCY RISK:

The difference between the Bank’s foreign currency denominated and foreign currency indexed on- and off-balance sheet assets and liabilities is defined as the “Net Foreign Currency Position” and it is the basis of currency risk. Another important dimension of the currency risk is the change in the exchange rates of different foreign currencies in “Net Foreign Currency Position” (cross currency risk).

A series of limits for the tenure of spot and forward foreign exchange positions is set in the risk parameters section of the budget approved by the Board of Directors annually. There is a conservative foreign currency position management policy in the Bank due to the free floating currency regime.

The Bank’s publicly announced foreign exchange bid rates as of the date of the financial statements and for the last five days prior to that date:

	EUR		USD	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
31 March 2015/ 31 December 2014 Bid rate	TL 2,8075	TL 2,8272	TL 2,6134	TL 2,3269
1. Day bid rate	TL 2,8075	TL 2,8272	TL 2,6134	TL 2,3269
2. Day bid rate	TL 2,8309	TL 2,8207	TL 2,6102	TL 2,3189
3. Day bid rate	TL 2,8292	TL 2,8339	TL 2,6107	TL 2,3235
4. Day bid rate	TL 2,8595	TL 2,8255	TL 2,5962	TL 2,3182
5. Day bid rate	TL 2,8036	TL 2,8368	TL 2,5555	TL 2,3177

The simple arithmetic average of the Bank’s foreign exchange bid rates for the last thirty days preceding the balance sheet date for major foreign currencies are shown below:

	EUR		USD	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Arithmetic average- 30 days	TL 2,8043	TL 2,8245	TL 2,5932	TL 2,2941

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Information on currency risk of the Bank:

The Bank’s real foreign currency position, both in financial and economic terms, is presented in the table below:

	EUR	USD	Other FC	Total
31 March 2015				
Assets				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	5.345	623.656	426	629.427
Due From Banks	11.415	88.222	2.031	101.668
Financial Assets at Fair Value Through Profit or Loss	10.210	26.317	235	36.762
Interbank Money Market Placements	-	-	-	-
Available-for-sale Financial Assets	-	46.511	-	46.511
Loans (*)	1.551.655	2.614.031	28.798	4.194.484
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Held-to-maturity Investments	-	-	-	-
Hedging Derivative Financial Assets	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	2.098	11.017	5	13.120
Total Assets (*)	1.580.723	3.409.754	31.495	5.021.972
Liabilities				
Bank Deposits	237	27.891	14	28.142
Foreign Currency Deposits	741.179	2.563.687	26.103	3.330.969
Funds From Interbank Money Market	-	-	-	-
Funds Borrowed From Other Financial Institutions	176.101	1.760.436	3.857	1.940.394
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	3.855	29.338	154	33.347
Hedging Derivative Financial Liabilities	-	-	-	-
Other Liabilities	11.011	49.492	287	60.790
Total Liabilities (*)	932.383	4.430.844	30.415	5.393.642
Net On-balance Sheet Position	648.340	(1.021.090)	1.080	(371.670)
Net Off-balance Sheet Position	(650.576)	1.009.615	659	359.698
Financial Derivative Assets	542.725	2.043.549	96.161	2.682.435
Financial Derivative Liabilities	1.193.301	1.033.934	95.502	2.322.737
Non-Cash Loans (**)	223.812	500.595	7.611	732.018
31 December 2014				
Total Assets (*)	1.568.041	2.679.102	18.641	4.265.784
Total Liabilities (*)	1.064.706	3.750.247	75.900	4.890.853
Net On-balance Sheet Position	503.335	(1.071.145)	(57.259)	(625.069)
Net Off-balance Sheet Position	(501.227)	1.041.676	57.589	598.038
Financial Derivative Assets	532.574	1.903.822	138.962	2.575.358
Financial Derivative Liabilities	1.033.801	862.146	81.373	1.977.320
Non-Cash Loans (**)	210.949	429.298	14.024	654.271

(*) The above table shows the Bank’s foreign currency net position based on main currencies. Foreign currency indexed assets, classified as Turkish Lira assets in the financial statements according to the Uniform Chart of Accounts, are considered as foreign currency assets for the calculation of Net Foreign Currency Position. Due to this, foreign currency indexed loans amounting to TL 748.241 (31 December 2014: TL 642.493) classified as Turkish Lira assets in the 31 March 2015 financial statements are added to the table above. Besides this, in assets “Income Accruals of Derivative Financial Instruments” amounting to TL 25.213 (31 December 2014: TL 23.816), in liabilities “Expense Accruals of Derivative Financial Instruments” amounting to TL 22.759 (31 December 2014: TL 13.613), “General Provisions” amounting to TL 27.009 (31 December 2014: TL 25.476), provisions for the specific loans amounting to TL 13.201 (31 December 2014: TL 12.301) and “Marketable Securities Valuation Reserve” amounting to TL (157) (31 December 2014: TL 365) are not included in the table above.

(**) Non-cash loans are not included in the total of “Net Off-Balance Sheet Position”.

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V. EXPLANATIONS ON INTEREST RATE RISK:

Interest rate risk is the risk that expresses the effects of fluctuations in the market interest rates on the value increase/decrease of the Bank’s interest rate sensitive assets and liabilities. The interest sensitivity of risks regarding the interest rate both on the on-balance sheet and off-balance sheet are monitored following several analyses and are discussed in Asset and Liability Committee bi weekly.

The Bank closely monitors the maturity gap between liabilities and assets that may arise in the balance sheet to manage the interest rate risk better. Liquidity management is critical in the combination of investments, available-for-sale assets and the trading portfolio. Through using these precautions, the possible loss effects on the shareholders’ equity due to both credit risk and interest risk during the volatile periods of the market are minimized.

a. Interest rate sensitivity of assets, liabilities and off-balance sheet items based on repricing dates:

31 March 2015	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Year and Over	Non Interest Bearing	Total
Assets							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	-	221.085	-	-	-	645.564	866.649
Due From Banks	231.277	-	-	-	-	58.990	290.267
Financial Assets at Fair Value Through Profit/Loss (*)	14.494	5.953	105.167	14.817	1.057	2.084	143.572
Interbank Money Market Placements	-	-	-	-	-	-	-
Available-for-Sale Financial Assets	72.501	61.850	134.592	-	46.511	7.056	322.510
Loans	2.217.703	1.927.815	1.571.968	1.178.684	6.271	72.535	6.974.976
Held-to-Maturity Investments	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	391.268	391.268
Total Assets	2.535.975	2.216.703	1.811.727	1.193.501	53.839	1.177.497	8.989.242
Liabilities							
Bank Deposits	23.260	-	-	-	-	5.404	28.664
Other Deposits	2.720.712	1.964.348	364.007	90.140	-	365.864	5.505.071
Funds From Interbank Money Market	134.041	-	-	-	-	-	134.041
Miscellaneous Payables	-	-	-	-	-	80.069	80.069
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	363.039	1.068.350	547.695	5.867	-	-	1.984.951
Other Liabilities (**)	12.718	2.650	67.058	384	-	1.173.636	1.256.446
Total Liabilities	3.253.770	3.035.348	978.760	96.391	-	1.624.973	8.989.242
Balance Sheet Long Position	-	-	832.967	1.097.110	53.839	-	1.983.916
Balance Sheet Short Position	(717.795)	(818.645)	-	-	-	(447.476)	(1.983.916)
Off-balance Sheet Long Position	12.480	1.547	21.656	3.010	-	-	38.693
Off-balance Sheet Short Position	-	-	-	-	-	-	-
Total Position	(705.315)	(817.098)	854.623	1.100.120	53.839	(447.476)	38.693

(*) The 3-12 months maturity period of Financial Assets at Fair Value Through Profit/Loss includes hedging derivative financial assets amounting to TL 4.170.

(**)Shareholders’ Equity is presented in Non Interest Bearing column.

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31 December 2014	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Year and Over	Non Interest Bearing	Total
Assets							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	-	228.509	-	-	-	544.352	772.861
Due From Banks	110.247	-	-	-	-	15.952	126.199
Financial Assets at Fair Value Through Profit/Loss	33.174	15.063	47.658	31.026	20.248	2.060	149.229
Interbank Money Market Placements	-	-	-	-	-	-	-
Available-for-Sale Financial Assets	116.877	234.860	315.735	-	46.013	7.056	720.541
Loans	2.457.230	2.027.680	1.084.282	825.511	4.673	66.910	6.466.286
Held-to-Maturity Investments	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	438.663	438.663
Total Assets	2.717.528	2.506.112	1.447.675	856.537	70.934	1.074.993	8.673.779
Liabilities							
Bank Deposits	133.742	-	-	-	-	3.704	137.446
Other Deposits	2.844.199	1.657.517	294.725	79.013	-	352.221	5.227.675
Funds From Interbank Money Market	316.618	-	-	-	-	-	316.618
Miscellaneous Payables	-	-	-	-	-	98.731	98.731
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	308.703	1.032.082	328.151	-	-	-	1.668.936
Other Liabilities (*)	20.190	10.725	24.833	139	-	1.168.486	1.224.373
Total Liabilities	3.623.452	2.700.324	647.709	79.152	-	1.623.142	8.673.779
Balance Sheet Long Position	-	-	799.966	777.385	70.934	-	1.648.285
Balance Sheet Short Position	(905.924)	(194.212)	-	-	-	(548.149)	(1.648.285)
Off-balance Sheet Long Position	32.449	-	17.141	8.286	-	-	57.876
Off-balance Sheet Short Position	-	(14.778)	-	-	-	-	(14.778)
Total Position	(873.475)	(208.990)	817.107	785.671	70.934	(548.149)	43.098

(*) Shareholders' Equity is presented in Non Interest Bearing column.

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b. Average interest rates for monetary financial instruments:

Below the average interest rates are calculated by weighting the simple rates with their principals.

31 March 2015	EUR	USD	Yen	TL
Assets	%	%	%	%
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	-	-	-	1,65
Due From Banks	-	2,61	-	10,60
Financial Assets at Fair Value Through Profit/Loss	-	11,19	-	8,92
Interbank Money Market Placements	-	-	-	-
Available-for-Sale Financial Assets	-	6,42	-	6,43
Loans	5,21	5,67	-	13,75
Held-to-Maturity Investments	-	-	-	-
Liabilities				
Bank Deposits	-	0,37	-	0,25
Other Deposits (*)	2,36	2,68	-	10,67
Funds From Interbank Money Market	-	-	-	6,43
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	1,93	2,76	-	7,17

31 December 2014	EUR	USD	Yen	TL
Assets	%	%	%	%
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	-	-	-	1,56
Due From Banks	0,13	0,07	-	10,51
Financial Assets at Fair Value Through Profit/Loss	-	5,76	-	7,92
Interbank Money Market Placements	-	-	-	-
Available-for-Sale Financial Assets	-	-	-	10,14
Loans	5,09	5,69	-	13,51
Held-to-Maturity Investments	-	-	-	-
Liabilities				
Bank Deposits	0,10	0,49	-	10,40
Other Deposits (*)	2,29	2,52	-	9,70
Funds From Interbank Money Market	-	-	-	8,31
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	1,50	2,78	-	7,12

(*) Demand deposits are included in the calculation of the weighted average interest rates.

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c. Interest rate risk resulting from banking accounts:

1. The measurement frequency of the interest rate risk with important estimations including those relating to the quality of the interest rate resulting from banking accounts, advance loan repayment and movements of deposits other than time deposits is explained by the following:

Interest rate risk resulting from the banking accounts is measured according to the month-end balance in accordance with "Regulation No. 28034 on Measurement and Evaluation of Interest Rate Risk resulting from Banking Accounts with Standard Shock Method", dated 23 August 2011.

Interest sensitive items are taken into consideration in accordance with the re-pricing period and depending on the estimated cash flows. Demand deposits are taken into account based on the core deposit calculations. The change calculated by implementing interest rate shocks on the differences created in accordance with the re-pricing periods of the assets and liabilities in the banking accounts is proportioned to the equities.

2. The table below presents the economic value differences resulting from fluctuations in interest rates in accordance with the "Regulation on Measurement and Evaluation of Interest Rate Risk resulting from Banking Accounts with Standard Shock Method" under sections divided into different currencies.

Currency	Applied Shock (+/- x basis point)*	Earnings/ Losses	Earnings/ Equities-Losses/ Equities
1. TRY	+500 bp	(32.769)	(2,5)%
2. TRY	-400 bp	29.221	2,3%
3. EURO	+200 bp	(15.689)	(1,2)%
4. EURO	-200 bp	1.816	0,1%
5. USD	+200 bp	(8.239)	(0,6)%
6. USD	-200 bp	8.956	0,7%
Total (For Negative Shocks)		39.993	3,1%
Total (For Positive Shocks)		(56.697)	(4,3)%

d. Equity share position risk resulting from banking accounts:

None.

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VI. EXPLANATIONS ON LIQUIDITY RISK:

Liquidity risk is the risk arising from not having adequate cash or not having adequate cash inflows to fund cash outflows on time due to the imbalance of cash flows. This risk is eliminated by having banks and placements with short-term maturities, liquid and sellable marketable securities portfolios and sound equity structure, and unused borrowing resources. When volatility in the markets arises, the Board of Directors can decrease the limits of all existing placements without considering the credit worthiness.

The Bank’s management and Asset Liability Committee follow-up the interest margin on the diversified maturities between assets and liabilities, and monitor the model studies to measure the possible margin cost of the payments and sudden outflows in the scope of scenario analyses.

The Central Bank, ISE Repo Market, Interbank Money Market and banks’ transaction limits which can be used for sudden outflows in the short-term are utilised at a minimum level. The Bank does not need these funds due to the existing liquidity position but utilises the funds for the opportunities of short-term transactions.

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

Current Period-31 March 2015	Unconsolidated Liquidity Leverage Ratio		Consolidated Liquidity Leverage Ratio	
	FC	FC+TL	FC	FC + TL
Average (%)	86,81	87,96	82,18	82,64
Maximum (%)	136,39	97,81	106,93	87,81
Minimum (%)	51,78	74,74	54,47	72,37

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Breakdown of assets and liabilities according to their outstanding maturities:

31 March 2015	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Year and Over	Unclassified (***)	Total
Assets								
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	28.656	837.993	-	-	-	-	-	866.649
Due From Banks	58.990	231.277	-	-	-	-	-	290.267
Financial Assets at Fair Value Through Profit or Loss (*)	2.084	14.495	5.953	104.398	15.585	1.057	-	143.572
Interbank Money Market Placements	-	-	-	-	-	-	-	-
Available-for-Sale Financial Assets	-	72.500	60.851	4.796	130.795	46.511	7.057	322.510
Loans	-	542.080	1.582.267	1.342.618	2.663.641	771.835	72.535	6.974.976
Held-to-Maturity Investments	-	-	-	-	-	-	-	-
Other Assets (**)	-	59.692	247	10.835	13.035	-	307.459	391.268
Total Assets	89.730	1.758.037	1.649.318	1.462.647	2.823.056	819.403	387.051	8.989.242
Liabilities								
Bank Deposits	5.404	23.260	-	-	-	-	-	28.664
Other Deposits	365.864	2.720.712	1.964.348	364.007	90.140	-	-	5.505.071
Funds Borrowed From Other Financial Institutions	-	100.414	48.317	688.316	754.892	393.012	-	1.984.951
Funds From Interbank Money Market	-	134.041	-	-	-	-	-	134.041
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	-	3.181	3.917	-	-	-	72.971	80.069
Other Liabilities (***)	-	125.412	2.588	66.688	5.042	-	1.056.716	1.256.446
Total Liabilities	371.268	3.107.020	2.019.170	1.119.011	850.074	393.012	1.129.687	8.989.242
Net Liquidity Gap	(281.538)	(1.348.983)	(369.852)	343.636	1.972.982	426.391	(742.636)	-
31 December 2014								
Total Assets	48.191	1.769.636	1.815.184	1.667.615	2.150.797	806.096	416.260	8.673.779
Total Liabilities	355.925	3.464.188	1.771.902	913.699	703.940	349.959	1.114.166	8.673.779
Net Liquidity Gap	(307.734)	(1.694.552)	43.282	753.916	1.446.857	456.137	(697.906)	-

(*) The 3-12 months maturity period of Financial Assets at Fair Value Through Profit or Loss includes hedging derivative financial assets amounting to TL 4.170.

(**) Assets that are necessary for banking activities and that cannot be liquidated in the short-term, such as fixed and intangible assets, subsidiary associates stationary stocks are classified in this column.

(***) Shareholders' equity is presented under "Other liabilities" item in the "Unclassified" column.

VII. EXPLANATIONS ON SECURITIZATION EXPOSURES:

None.

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VIII. EXPLANATIONS ON LOAN RISK MITIGATION TECHNIQUES:

Bank does not perform net-off balance sheet and off-balance sheet items in credit risk mitigation. In terms of credit risk mitigation the Bank uses real estate as main collateral type, which is reported under different risk class. Mortgages are registered in line with the legal requirements.

Guarantor entity’s credit risk value is to be considered in credit risk mitigation process in cases where bank credit customers obtained guarantee from other entities. There are no collaterals of potential high risk at the bank except real estate. Changes in values of the collaterals considerably that are important in market conditions are monitored.

The Bank implements loan risk mitigation based on the basic financial guarantee method as per the Communiqué on Loan Risk Mitigation Techniques. In loan risk mitigation, cash and cash equivalent assets and debt instruments with a high level of loan quality are used.

Total risk amounts relating to each of the risk groups and guaranteed with loan derivatives after in-balance and out-of-balance offsetting are presented in the table below.

Risk Group	Amount	Financial Guarantees	Other Material Guarantees	Guarantees and Loan Derivatives
Claims on sovereigns and Central Banks	1.245.261	131.714	-	-
Claims on regional governments or local authorities	-	-	-	-
Claims on administrative bodies and other non-commercial undertakings	34	-	-	-
Claims on multilateral development banks	-	-	-	-
Claims on international organizations	-	-	-	-
Claims on banks and intermediary institutions	502.491	2.241	-	-
Claims on corporates	5.038.256	166.165	-	8.633
Claims included in the regulatory retail portfolios	1.093.274	27.696	-	8.304
Claims secured by residential property	2.211.423	12.245	-	1.778
Past due loans	72.535	21	-	-
Higher risk categories decided by the Board	79.078	4.348	-	-
Secured by mortgages	-	-	-	-
Securitization positions	-	-	-	-
Short-term claims and short-term corporate claims on banks and intermediary institutions	-	-	-	-
Undertakings for collective investments in mutual funds	-	-	-	-
Other Receivables	541.371	-	-	-
Total	10.783.723	344.430	-	18.715

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IX. EXPLANATIONS ON TARGETS AND POLICIES OF RISK MANAGEMENT:

The Bank’s risk strategy is its main component of risk management system. The board of directors is responsible for approving and periodically reviewing the risk policy of the bank to ensure its in line with corporate strategy and strategic goals. A basic component of the risk strategy is the risk appetite; the risk appetite defines which risks and into what extent the Bank will actively seek and which risks are undesirable and should be avoided or eliminated. Burgan Bank’s risk strategy aims to set out the main elements of its risk taking activities so that the Bank attains its business goals within the limits prescribed by the risk appetite.

The Bank regards the formulation of a clear and realistic risk strategy as an essential part of its overall corporate strategy and as the foundation upon which all risk management policies are to be based.

Risk Management Policies

The Bank adapts following principles for a healthy risk management process:

- The Board of Directors is responsible for approving and periodically reviewing the risk policy of the Bank.
- Senior management is responsible for the implementation of the risk policy approved by the Board of Directors and for the development of systems and procedures for identifying, measuring, monitoring and mitigating risk.
- The Bank has defined appropriate credit underwriting criteria, ensuring a thorough understanding of the borrower or counterparty, as well as the purpose and structure of the exposure, and its source of repayment.
- The Bank has defined certain principles and policies to ensure the efficient monitoring of market risks.
- The Bank is carrying out its business by setting procedures which clearly define the responsibility and accountability of all business units engaged in a particular type of business or transaction.
- Appropriate systems and processes are in place to monitor all exposures, both on or off-balance sheet.
- The Bank promotes an open risk culture under which all material risks are communicated to the appropriate authorities of the Bank as well as to the Board of Directors. The Bank considers risk transparency as an essential element of its approach to risk management.
- Risk management supervision is independent from any business decisions, in order to ensure sound risk governance and avoid conflicts of interest.
- Risk management is properly resourced in order to carry out its mission, given the risk appetite of the Bank.

Sound risk management is a key element of Burgan bank in its effort to achieve its business goals. The Bank has established a comprehensive risk management framework in order to ensure that risk taking which is inherent in the Bank business activities remains always within desirable and controlled parameters. The risk management framework includes clearly defined processes for the approval and authorisation of all risk taking activities plus a risk oversight function in order to ensure independent monitoring and measurement of risk.

Risk Management

Bank’s management aims to ensure that:

- Risk taken by the Bank is always in line with the risk appetite as defined by the Board of Directors,
- Total risk taken does not exceed the ability of the Bank to absorb losses,
- Risk is adequately mitigated by the implementation of proper risk management systems and procedures,
- Risk awareness is constituted among all units of the Bank, and
- Appropriate risk transparency is implemented and all risk figures are properly communicated across all relevant business units as well as to the Board of Directors.

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Risk Limits

Risk limits are specified for quantified risk categories in line with the level of risk that the bank is exposed to. In this respect, limits are determined in credit, market and operational risk categories. Risk limits are determined by the Board of Directors. Risk management systems have the capacity of monitoring the conformity of the pre-defined limits.

Risk limits are revised and updated depending on market conditions and changes in bank’s strategy. BoD is responsible of reviewing risk limits. In case of a change is needed in risk limits, it is presented to the attention of the risk committee. After the evaluation of risk committee and Audit Committee, the proposal is sent to the sanction of Board of Directors.

Risk Strategy Objectives

The objectives of the Bank’s risk strategy with regard to the main risk categories are presented below:

Credit Risk Strategy

- The Bank shall engage in lending activities towards legal entities and individuals which exhibit satisfactory creditworthiness and financial standing.
- The Bank shall maintain a diversified credit portfolio. As such, all business sectors where opportunities for profitable growth exist may be eligible for lending purposes. However the effect of economic cycles and other endogenous or exogenous factors must always be taken under consideration in any credit decision.
- The Bank will assume credit risk of which it has a good understanding and is capable to manage, either at individual or at portfolio level.
- The Bank shall require that credit exposures are adequately covered by satisfactory collateral. Unsecured exposures shall be taken with prudence.
- The Bank shall avoid significant concentrations of credit risk, either to single or groups of borrowers or sectors of the economy.
- The Bank aims to extend credit facilities towards customers with a satisfactory credit history and successful overall track record. As such, the Bank shall proceed with financing of start-ups & new ventures with outmost care and on exceptional cases.

Market Risk Strategy

- The Bank aims to ensure the efficient monitoring of market risks that emanate from its overall activities.
- The Bank shall maintain a prudent approach in managing its exposure to market risk and liquidity risk.
- The Bank shall be protected against unforeseen market losses through the independent identification, assessment and understanding of the market risks inherent in the business.

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Operational Risk Strategy

- The Bank aims to keep operational risk at acceptable levels.
- Operational risk levels shall be closely monitored in respect to their severity and frequency.
- The Bank shall ensure that adequate control functions are established in order to minimize operational risk levels.

Risk Management Unit Organization

RMG reports to the Board of Directors through audit committee. The risk management group consists of credit risk, decision support systems and modelling market risk, operational risk and treasury divisions.

Risk Measurement and Reporting

Burgan Bank applies specifically tailored rating system for the measurement of credit risk. This system assigns a specific rating to every borrower/ counterparty’s ability to repay funds on a timely manner which reflects the creditworthiness of the borrower. Rating system considers both quantitative and qualitative factors.

Foreign currency position limits, bond portfolio limits and RMD limits are daily monitored. Interest rate gap limits are monitored monthly. All market risk limit utilizations are reported to the ALCO and Risk and Audit Committee. Market Risk Unit runs stress tests on a regular basis and presents the results to BoD, ALCO and Risk and Audit Committee. The stress tests describe the effects of defined changes in yield curves, credit spreads and foreign currency rates on certain on-balance and off-balance items.

Risk Prevention and Risk Reduction Policy with Process Regarding to Continuous Monitoring of Their Effectiveness

Bank has policies relating to the effectiveness and control of the collaterals management process within the scope of reducing loan risk, which is the biggest exposed risk. The principle, which is regarding to market value of the assets received as securities that are being monitored and followed, is adopted. The collaterals, which are accepted by bank, are listed in the credit policy within this scope. The compliance with existing procedures and legal validity of the collaterals regarding to collateral management, are controlled by the Internal Control and Internal Audit Units. At the same time, the reason of lost date regarding to these issues are analyzed in the Operational Risk Database and the relevant unit are informed and it is ensured that necessary measures are taken.

In addition, Interest Swaps and/or Cross Rate Swap is used in order to manage Structural Interest Rate Risk arising from Banking account and Currency Swap is used in order to manage Liquidity risk by Treasury and Capital Markets Asset and Liability Management Department. Board approved risk appetite is determined for Structural Interest Rate Risk and Liquidity Risk, the relevant policies are revised at least once a year. The process controls are carried out by the Internal Control and Internal Audit Unit controls for mentioned risks and risk management effectiveness is controlled.

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X. EXPLANATIONS ON HEDGE TRANSACTIONS

The Bank applies cash flow hedge accounting using interest swaps to hedge its FC customer deposits with an average maturity of 3 months against interest rate fluctuations. The Bank implements effectiveness tests at the balance sheet dates for hedge accounting; the effective parts are accounted as defined in TAS 39, in financial statements under equity “Hedging Funds”, whereas the amount concerning ineffective parts is associated with income statement.

The swaps, of which carrying amount is TL 4.170, as of balance sheet date, are subjected to hedge accounting as hedging instruments. As a result of mentioned hedging account, the fair value in the amount of TL 921 (31 March 2014: None) after tax is recognized under the equity. Ineffective part is not available (31 March 2014: None). It was associated with the income statement.

When hedge accounting of cash flow hedges cannot be maintained effectively as defined in TAS 39, the accounting application is ended. In case of deterioration of efficiency, the effective amounts, which are recognized under the equity due to the risk hedge accounting, are eliminated from equities in the periods or periods, when cash flow effects profit and losses (periods, when interest income or expenses are recognized) as re-classification adjustment and then it is re-classified in the profit and loss. There is no amount, which is transferred to income statement due to the swaps, of which effectiveness is damaged or closed in the current period (31 March 2014: None).

It is determined in the measurements carried out as of the date of 31 March 2015 that above mentioned cash flow hedging transactions are effective.

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XI. EXPLANATIONS ON OPERATING SEGMENTS:

The Bank manages its banking operations through three main business units: retail banking, corporate and commercial banking and treasury.

Retail banking provides products and services to individual and small business customers. Products and services include primarily deposit, loan, credit card, automatic payment services, internet banking and other various banking services.

Corporate and commercial banking provides loan, deposit, cash management products, foreign trade products, non-cash loans, foreign currency transaction services and other corporate banking services to corporate clients.

Treasury transactions include fixed income security investments, fund management, foreign currency transactions, money market transactions, derivative transactions and other related services.

Stated balance sheet and income statement items based on operating segments:

Prior period financial information is presented as at 31 December 2014 for balance sheet and as at 31 March 2014 for income statements items.

	Retail Banking	Corporate and Commercial Banking	Treasury	Total Operations of the Bank
31 March 2015				
Segment revenue	21.354	56.048	4.171	81.573
Unallocated costs	-	-	-	(71.160)
Net Operating Profit	21.354	56.048	4.171	10.413
Dividend income	-	-	-	-
Profit Before Tax	-	-	-	10.413
Tax expense	-	-	-	(1.258)
Net Profit	-	-	-	9.155
Segment assets	1.440.894	6.047.651	1.109.430	8.597.974
Investments in associates, subsidiaries and joint ventures	-	-	-	202.193
Unallocated assets	-	-	-	189.074
Total Assets	1.440.894	6.047.651	1.109.430	8.989.242
Segment liabilities	2.449.768	3.132.181	2.201.803	7.783.751
Unallocated liabilities	-	-	-	1.205.490
Total Liabilities	2.449.768	3.132.181	2.201.803	8.989.242

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	Retail Banking	Corporate and Commercial Banking	Treasury	Total Operations of the Bank
31 March 2014				
Segment revenue	15.957	32.066	4.178	52.201
Unallocated costs	-	-	-	(65.146)
Net Operating Profit	15.957	32.066	4.178	(12.945)
Dividend income	-	-	-	-
Profit Before Tax	-	-	-	(12.945)
Tax expense	-	-	-	2.498
Net Profit	-	-	-	(10.447)
31 December 2014				
Segment assets	1.372.774	5.547.432	1.314.910	8.235.116
Investments in associates, subsidiaries and joint ventures	-	-	-	202.193
Unallocated assets	-	-	-	236.470
Total Assets	1.372.774	5.547.432	1.314.910	8.673.779
Segment liabilities	2.079.334	3.343.682	2.041.441	7.464.457
Unallocated liabilities	-	-	-	1.209.322
Total Liabilities	2.079.334	3.343.682	2.041.441	8.673.779

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SECTION FIVE

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND NOTES RELATED TO ASSETS

a. Information related to cash and the account of Central Bank of the Republic of Turkey (“CBRT”):

1. Information on cash and the account of CBRT:

	31 March 2015		31 December 2014	
	TL	FC	TL	FC
Cash/Foreign currency	15.664	12.974	13.282	16.877
CBRT	221.558	616.453	228.822	513.880
Other	-	-	-	-
Total	237.222	629.427	242.104	530.757

2. Information on the account of CBRT:

	31 March 2015		31 December 2014	
	TL	FC	TL	FC
Demand Unrestricted Amount	221.558	121.848	228.822	117.891
Time Unrestricted Amount	-	-	-	-
Time Restricted Amount	-	494.605	-	395.989
Total	221.558	616.453	228.822	513.880

3. Information on reserve requirements:

In accordance with the “Communiqué Regarding the Reserve Requirements no. 2013/15, the Bank is required to maintain reserves in CBRT for TL and foreign currency liabilities. The reserve requirements can be maintained as TL, USD and standard. Starting from November 2014, interest is paid on reserve requirements held in TL. There is no interest payment on reserve requirements held in FC.

The reserve rates for TL liabilities vary between 5% and 11,5% for TL deposits and other liabilities according to their maturities as of 31 March 2015 (31 December 2014: 5% and 11,5% for all TL liabilities). The reserve rates for foreign currency liabilities vary between 6% and 20% for deposit and other foreign currency liabilities according to their maturities as of 31 March 2015 (31 December 2014: 6% and 13% for all foreign currency liabilities).

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b. Information on financial assets at fair value through profit or loss:

1. As of 31 March 2015, there aren't any financial assets at fair value through profit or loss subject to repo transactions. (31 December 2014: None).
2. Positive differences related to derivative financial instruments held for trading:

	31 March 2015		31 December 2014	
	TL	FC	TL	FC
Forward Transactions	9.735	1.643	6.177	957
Swap Transactions	48.248	23.569	44.721	22.859
Futures Transactions	-	-	-	-
Options	913	36.456	1.775	21.638
Other	-	-	-	-
Total	58.896	61.668	52.673	45.454

c. Information on banks:

1. Information on banks:

	31 March 2015		31 December 2014	
	TL	FC	TL	FC
Banks				
Domestic	188.599	62.723	72.116	38.229
Foreign	-	38.945	-	15.854
Headquarters and Branches Abroad	-	-	-	-
Total	188.599	101.668	72.116	54.083

d. Information on available-for-sale financial assets:

1. Characteristics and carrying values of available-for-sale financial assets given as collateral:

As of 31 March 2015, there are TL 110.291 available-for-sale financial assets given as collateral/blocked (31 December 2014: TL 69.260) and those subject to repurchase agreements amounts to TL 134.230 (31 December 2014: TL 313.971).

2. Information on available-for-sale financial assets:

	31 March 2015		31 December 2014	
	TL	FC	TL	FC
Debt Securities		315.453		713.484
Quoted on Stock Exchange		267.942		667.470
Not Quoted		47.511		46.014
Share Certificates		7.057		7.057
Quoted on Stock Exchange		-		-
Not Quoted		7.057		7.057
Impairment Provision (-)		-		-
Total		322.510		720.541

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e. Explanations on loans:

1. Information on all types of loan or advance balances given to shareholders and employees of the Bank:

	31 March 2015		31 December 2014	
	Cash	Non-cash	Cash	Non-cash
Direct Loans Granted to Shareholders	-	876	-	-
Corporate Shareholders	-	876	-	-
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees	4.833	-	4.570	-
Total	4.833	876	4.570	-

2. Information on the first and second group loans and other receivables including the loans that have been restructured or rescheduled and other receivables:

(i)

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	
		Loans with Restructured Payment Plans	Other		Loans with Restructured Payment Plans	Other
Non-Specialised Loans	6.608.334	5.089	3.972	294.107	195.924	6.806
Loans Given to Enterprises	-	-	-	-	-	-
Export Loans	836.705	692	-	18.186	13.834	-
Import Loans	-	-	-	-	-	-
Loans Given to Financial Sector	211.938	-	-	-	-	-
Consumer Loans	113.863	-	-	5.844	-	-
Credit Cards	15.349	-	-	1.328	-	-
Other (*)	5.430.479	4.397	3.972	268.749	182.090	6.806
Specialised Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	6.608.334	5.089	3.972	294.107	195.924	6.806

(*) The Bank also has TL 11.808 factoring receivables in the Other account.

(ii)

Number of Modifications Made to Extend Payment Plan	Standard Loans and Other Receivables	Loans and Other Receivables Under Close Monitoring
1 or 2 times	2.231	195.924
3, 4 or 5 times	2.087	-
Over 5 times	771	-
Total	5.089	195.924

(iii)

Extended Period of Time	Standard Loans and Other Receivables	Loans and Other Receivables Under Close Monitoring
0-6 Months	4.233	53.814
6 Months – 12 Months	392	29.662
1-2 Years	-	12.958
2-5 Years	-	93.690
5 Years and Over	464	5.800
Total	5.089	195.924

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3. Information on consumer loans, individual credit cards, personnel loans and personnel credit cards:

	Short- term	Medium and Long-term	Total
Consumer Loans-TL	6.297	103.604	109.901
Real estate loans	-	21.322	21.322
Automotive loans	-	753	753
Consumer loans	6.297	81.529	87.826
Other	-	-	-
Consumer Loans-FC Indexed	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	793	793
Real estate loans	-	793	793
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Individual Credit Cards-TL	4.371	-	4.371
With instalments	-	-	-
Without instalments	4.371	-	4.371
Individual Credit Cards- FC	115	-	115
With instalments	-	-	-
Without instalments	115	-	115
Personnel Loans-TL	416	3.580	3.996
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	416	3.580	3.996
Other	-	-	-
Personnel Loans-FC Indexed	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	827	2	829
With instalments	-	2	2
Without instalments	827	-	827
Personnel Credit Cards-FC	8	-	8
With instalments	-	-	-
Without instalments	8	-	8
Credit Deposit Account-TL (Real Person)	5.017	-	5.017
Credit Deposit Account-FC (Real Person)	-	-	-
Total	17.051	107.979	125.030

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4. Information on commercial installment loans and corporate credit cards:

	Short-term	Medium and long-term	Total
Commercial Installments Loans-TL	59.897	664.081	723.978
Real estate Loans	-	4	4
Automotive Loans	323	12.918	13.241
Consumer Loans	59.574	651.159	710.733
Other	-	-	-
Commercial Installments Loans-FC Indexed	29.308	48.041	77.349
Real estate Loans	-	-	326
Automotive Loans	326	635	961
Consumer Loans	28.982	47.406	76.388
Other	-	-	-
Commercial Installments Loans-FC	-	567.466	567.466
Real estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	567.466	567.466
Other	-	-	-
Corporate Credit Cards-TL	11.338	5	11.343
With instalment	-	5	5
Without instalment	11.338	-	11.338
Corporate Credit Cards-FC	11	-	11
With instalment	-	-	-
Without instalment	11	-	11
Credit Deposit Account-TL (Legal Person)	53.510	-	53.510
Credit Deposit Account-FC (Legal Person)	-	-	-
Total	154.064	1.279.593	1.433.657

5. Loans according to types of borrowers:

	31 March 2015	31 December 2014
Public	4.500	-
Private	6.897.941	6.399.376
Total	6.902.441	6.399.376

6. Distribution of domestic and foreign loans:

	31 March 2015	31 December 2014
Domestic Loans	6.783.519	6.399.376
Foreign Loans	118.922	-
Total	6.902.441	6.399.376

7. Loans given to associates and subsidiaries;

	31 March 2015	31 December 2014
Direct Loans given to associates and subsidiaries	-	2.166
Indirect Loans given to associates and subsidiaries	-	-
Total	-	2.166

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8. Specific provisions provided against loans:

	31 March 2015	31 December 2014
Loans and Other Receivables with Limited Collectability	4.224	3.943
Loans and Other Receivables with Doubtful Collectability	16.399	20.600
Uncollectible Loans and Other Receivables	60.705	38.421
Total	81.328	62.964

9. Information on non-performing loans (Net):

i. Information on non-performing loans restructured or rescheduled and other receivables:

	III. Group Loans and other receivables with limited collectability	IV. Group Loans and other receivables with doubtful collectability	V. Group Uncollectible loans and other receivables
31 March 2015			
(Gross amounts before the Specific Reserves)	-	-	-
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	20	1.705	2.809
31 December 2014			
(Gross amounts before the Specific Reserves)	-	-	-
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	31	880	5.218

ii. Information on the movement of total non-performing loans:

	III. Group Loans and other receivables with limited collectability	IV. Group Loans and other receivables with doubtful collectability	V. Group Uncollectible loans and other receivables
Prior Period End Balance	24.120	56.900	48.854
Additions (+)	38.344	929	3.857
Transfers from Other Categories of Non performing Loans (+)	-	15.601	27.992
Transfers to Other Categories of Non-performing Loans (-)	15.601	27.992	-
Collections (-)	10.850	1.165	7.126
Write-offs (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Balance at the End of the Period	36.013	44.273	73.577
Specific Provision (-)	4.224	16.399	60.705
Net Balance on Balance Sheet	31.789	27.874	12.872

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
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iii. Information on non-performing loans granted as foreign currency loans:

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	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
31 March 2015			
Period-End Balance	287	2.756	608
Specific Provision (-)	57	1.376	344
Net Balance on balance sheet	230	1.380	264
31 December 2014			
Period-End Balance	2.478	570	1.616
Specific Provision (-)	495	284	597
Net Balance on balance sheet	1.983	286	1.019

iv. Information on non-performing loans based on types of borrowers:

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
Current Period (Net)	31.789	27.874	12.872
Loans Given to Real Persons and Legal Persons (Gross)	36.013	44.273	73.577
Specific Provision Amount (-)	4.224	16.399	60.705
Loans Given to Real Persons and Legal Persons (Net)	31.789	27.874	12.872
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	20.177	36.300	10.433
Loans Given to Real Persons and Legal Persons (Gross)	24.120	56.900	48.854
Specific Provision Amount (-)	3.943	20.600	38.421
Loans Given to Real Persons and Legal Persons (Net)	20.177	36.300	10.433
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

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10. Policy followed-up for the collection of uncollectible loans and other receivables:

The Bank aims to collect uncollectible loans and other receivables through the liquidation of collaterals by legal procedures

11. Explanations on the write-off policy:

The write off transactions from the Bank's assets are performed in accordance with the regulation.

f. Information on held-to-maturity investments:

1. Information on held-to-maturity financial assets subject to repurchase agreements:

None (31 December 2014: None).

2. Information on held-to-maturity financial assets given as collateral/blocked:

None (31 December 2014: None).

3. Information on government debt securities held-to-maturity:

None (31 December 2014: None).

4. Information on investment securities held-to-maturity:

None (31 December 2014: None).

5. Movement of held-to-maturity investments within the period:

None (31 December 2014: None).

g. Information on investments in associates (Net):

None (31 December 2014: None).

h. Information on subsidiaries (Net):

1. Information on unconsolidated subsidiaries:

None (31 December 2014: None).

2. Main financial figures of the unconsolidated subsidiaries in order of the above table:

None (31 December 2014: None).

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3. Information on subsidiaries that are consolidated in consolidated accounts:

	Title	Address (City/ Country)	Bank's share percentage, if different voting percentage (%)	Other shareholders' share percentage (%)
1	Burgan Finansal Kiralama A.Ş.	Istanbul/Turkey	99,99	0,01
2	Burgan Yatırım Menkul Değerler A.Ş. and its subsidiary Burgan Portföy Yönetimi A.Ş.	Istanbul/Turkey	100,00	0,00

4. Main financial figures of the consolidated subsidiaries in the order of the above table:

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit / Loss	Prior Period Profit / Loss	Fair value
1	881.220	122.252	103	15.328	-	6.295	1.894	-
2 (*)	297.667	103.953	3.203	3.792	491	2.049	(1.820)	-

(*)The consolidated values of Burgan Yatırım Menkul Değerler A.Ş. and its subsidiary Burgan Portföy Yönetimi A.Ş..

5. Movement schedules of subsidiaries:

	31 March 2015	31 December 2014
Balance at the beginning of the Period	202.193	99.193
Movements during the Period		103.000
Purchases	-	97.799
Bonus Shares Obtained	-	5.201
Dividends from Current Year Income	-	-
Sales	-	-
Revaluation Increase	-	-
Impairment Provision	-	-
Balance at the end of the Period	202.193	202.193
Capital Commitments	-	-
Share Percentage at the end of the Period (%)	%99,99	%99,99

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6. Sectoral information on consolidated financial subsidiaries and the related carrying amounts:

Subsidiaries	31 March 2015	31 December 2014
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	104.210	104.210
Finance Companies	-	-
Other Financial Subsidiaries	97.983	97.983
Total	202.193	202.193

7. Subsidiaries quoted on stock exchange:

None (31 December 2014: None).

i. Information on joint ventures:

None (31 December 2014: None).

j. Information on lease receivables (net):

None (31 December 2014: None).

k. Information on hedging derivative financial assets:

	31 March 2015		31 December 2014	
	TL	FC	TL	FC
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	4.170	-	-	-
Foreign Net Investment Hedge	-	-	-	-
Total	4.170	-	-	-

l. Information on investment property:

None (31 December 2014: None).

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m. Information on deferred tax asset:

As of 31 March 2015, the Bank has netted-off the calculated deferred tax asset of TL 23.701 (31 December 2014: TL 24.759) and deferred tax liability of TL 12.984 (31 December 2014: TL 12.966) in accordance with “TAS 12” and has recorded a net deferred tax asset of TL 10.717 (31 December 2014: TL 11.793) in the financial statements.

As of 31 March 2015 and 31 December 2014, the details of accumulated temporary differences and deferred tax assets and liabilities are presented below:

	Accumulated Temporary Differences		Deferred Tax Assets/Liabilities	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Carried Financial Loss (*)	55.351	59.407	11.070	11.881
Provision for Legal Cases	22.939	20.191	4.588	4.038
Provisions for Possible Risks	13.201	12.301	2.640	2.460
Reserve for Employment Termination Benefit, Unused Vacation and Bonus Payments	14.622	20.264	2.924	4.053
Valuation Differences of Derivative Instruments	-	-	-	-
Unearned Revenue	11.973	11.387	2.395	2.277
Other	415	244	84	50
Deferred Tax Assets	118.501	123.794	23.701	24.759
Difference Between Book Value and Tax Base of Tangible and Intangible Assets	23.893	25.005	4.779	5.001
Valuation Differences of Derivative Instruments	37.262	39.312	7.452	7.862
Other	3.760	511	753	103
Deferred Tax Liabilities	64.915	64.828	12.984	12.966
Deferred Tax Assets/(Liabilities) (Net)	53.586	58.966	10.717	11.793

(*)TL 55.351 of the financial losses carried forward amounting to TL 45.469 is usable in the corporate tax calculations until 2018 and TL 9.882 until 2019.

Movement of deferred tax asset/ liabilities is presented below:

	31 March 2015	31 December 2014
Balance as of 1 January	11.793	19.161
Current year deferred tax expense	(1.258)	(3.838)
Deferred tax charged to equity (net)	182	(3.530)
Balance at the End of the Period	10.717	11.793

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n. Information on assets held for resale and discontinued operations:

The Bank has assets held for resale amounting to TL 10.921 (31 December 2014: TL 10.937) and has no discontinued operations.

Prior Period	31 March 2015	31 December 2014
Cost	11.673	14.348
Accumulated Depreciation (-)	736	656
Net Book Value	10.937	13.692
Current Period		
Net book value at beginning of the period	10.937	13.692
Additions	618	2.198
Disposals (-), net	544	4.719
Impairment (-)	-	-
Depreciation (-)	90	234
Cost at end of the period	11.729	11.673
Accumulated Depreciation at end of the period (-)	808	736
Closing Net Book Value	10.921	10.937

o. Information on other assets:

As of 31 March 2015, other assets amount to TL 85.816 (31 December 2014: TL 134.894) and does not exceed 10% of the total assets excluding off-balance sheet commitments.

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II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES

a. Information on deposits:

1. Information on maturity structure of deposits:

i. 31 March 2015:

	Demand	With 7 days notifications	Up to 1 month	1-3 months	3-6 months	6 months - 1 year	1 year and over	Accum. Deposit	Total
Saving Deposits	25.943	-	77.352	924.059	136.321	140.932	84.934	-	1.389.541
Foreign Currency Deposits	182.764	-	175.911	2.369.228	416.672	103.566	82.828	-	3.330.969
Residents in Turkey	153.779	-	175.243	2.345.893	411.121	100.621	44.747	-	3.231.404
Residents Abroad	28.985	-	668	23.335	5.551	2.945	38.081	-	99.565
Public Sector Deposits	25.121	-	-	25.233	-	-	-	-	50.354
Commercial Deposits	129.806	-	101.655	254.448	61.736	47.537	91.002	-	686.184
Other Institutions Deposits	2.230	-	3.931	15.677	26.080	89	16	-	48.023
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	5.404	-	23.260	-	-	-	-	-	28.664
CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	96	-	-	-	-	-	-	-	96
Foreign Banks	5.308	-	23.260	-	-	-	-	-	28.568
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	371.268	-	382.109	3.588.645	640.809	292.124	258.780	-	5.533.735

ii. 31 December 2014:

	Demand	With 7 days notifications	Up to 1 month	1-3 months	3-6 months	6 months - 1 year	1 year and over	Accum. Deposit	Total
Saving Deposits	26.205	-	31.543	904.464	132.127	97.074	68.794	-	1.260.207
Foreign Currency Deposits	190.296	-	279.323	1.981.746	519.656	39.173	59.692	-	3.069.886
Residents in Turkey	171.181	-	264.979	1.966.044	514.125	36.433	25.576	-	2.978.338
Residents Abroad	19.115	-	14.344	15.702	5.531	2.740	34.116	-	91.548
Public Sector Deposits	17.111	-	-	-	-	-	-	-	17.111
Commercial Deposits	116.904	-	105.738	365.351	74.700	33.621	91.673	-	787.987
Other Institutions Deposits	1.705	-	883	64.223	25.582	91	-	-	92.484
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	3.704	-	133.742	-	-	-	-	-	137.446
CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	106	-	69.368	-	-	-	-	-	69.474
Foreign Banks	3.598	-	64.374	-	-	-	-	-	67.972
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	355.925	-	551.229	3.315.784	752.065	169.959	220.159	-	5.365.121

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2. Information on saving deposits insurance:

i. Information on saving deposits under the guarantee of the saving deposits insurance fund and exceeding the limit of deposit insurance fund:

	Under the guarantee of deposit insurance		Exceeding limit of the deposit insurance	
	31 March 2015	31 December 2014	31 March 2015	31 December 2014
Saving Deposits				
Saving Deposits	442.882	407.705	946.659	852.502
Foreign Currency Savings Deposit	141.373	121.979	1.731.449	1.533.681
Other Deposits in the Form of Savings Deposits	-	-	-	-
Foreign Branches’ Deposits Under Foreign Authorities’ Insurance	-	-	-	-
Off-shore Banking Regions’ Deposits Under Foreign Authorities’ Insurance	-	-	-	-
Total	584.255	529.684	2.678.108	2.386.183

ii. There are no deposits covered under foreign authorities’ insurance since the Bank is incorporated in Turkey.

3. Saving deposits of real persons which are not under the guarantee of saving deposit insurance fund:

	31 March 2015	31 December 2014
Deposits and Other Accounts in Foreign Branches	-	-
Deposits and Other Accounts of Main Shareholders and their Families	-	-
Deposits and Other Accounts of President of Board of Directors, Members of Board of Directors, Vice General Managers and Their Families	15.673	12.778
Deposits and Other Accounts of Property Assets Value due to Crime which is in the Scope of Article 282 of Numbered 5237 “TCK” Dated 26/9/2004	-	-
Deposits in Banks Incorporated in Turkey Exclusively for Off-shore Banking Operations	-	-
Total	15.673	12.778

b. Information on trading derivative financial liabilities:

Schedule of negative differences concerning derivative financial liabilities held for trading:

Derivative Financial Liabilities Held for Trading	31 March 2015		31 December 2014	
	TL	FC	TL	FC
Forward Transactions	7.466	15.308	7.870	9.147
Swap Transactions	16.989	7.451	11.294	4.466
Futures Transactions	-	-	-	-
Options	124	35.473	48	23.062
Other	-	-	-	-
Total	24.579	58.232	19.212	36.675

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(Continued)**

c. Information on borrowings:

1. Information on banks and other financial institutions:

	31 March 2015		31 December 2014	
	TL	FC	TL	FC
CBRT Borrowings	-	-	-	-
From Domestic Banks and Institutions	44.557	44.663	52.037	37.556
From Foreign Banks, Institutions and Funds	-	1.502.719	1.304	1.228.080
Total	44.557	1.547.382	53.341	1.265.636

2. Information on maturity structure of borrowings:

	31 March 2015		31 December 2014	
	TL	FC	TL	FC
Short-term	44.557	281.262	53.341	140.460
Medium and Long-term	-	1.266.120	-	1.125.176
Total	44.557	1.547.382	53.341	1.265.636

3. Additional information on the major concentration of the Bank’s liabilities:

The Bank’s main funding sources are deposits and borrowings. As of 31 March 2015, deposits from Bank’s risk group comprise 0,4% (31 December 2014: 1%) of total deposits. Besides this, borrowings from Bank’s risk group comprise 55% (31 December 2014: 56%) of subordinated and other borrowings.

d. Information on other liabilities:

Other liabilities amounting to TL 95.947 (31 December 2014: TL 94.726) do not exceed 10% of the total of the balance sheet excluding off-balance sheet commitments.

e. Information on financial lease agreements:

None (31December 2014: None).

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f. Information on hedging derivative financial liabilities:

None (31 December 2014: None).

g. Information on provisions:

1. Information on general provisions:

	31 March 2015	31 December 2014
General Provisions	60.556	64.659
Provisions for First Group Loans and Receivables	45.725	48.904
Additional Provision for Loans and Receivables with Extended Maturities	217	2.601
Provisions for Second Group Loans and Receivables	11.937	10.325
Additional Provision for Loans and Receivables with Extended Maturities	9.842	8.167
Provisions for Non-Cash Loans	2.737	2.745
Other	157	2.685

2. Information on reserve for employment termination benefits:

Under the Turkish Labour Law, the Bank is required to pay a specific amount to the employees who have been working more than one year, when employment is terminated due to obligatory reasons or they retire, when they have fulfilled 25 working years (women 20) and are eligible for retirement (for women 58 years, for men 60 years), when they have been called up for military service or when they die. After the amendment of legislation on 23 May 2002, some of the transition process articles related with the working period before retirement was enacted.

The payment amount which is one month’s salary for each working year is restricted to TL 3.541,37 (31 December 2014: TL 3.438,22). Employee termination benefits are not funded as there is no funding requirement.

In accordance with Turkish Labour Law, the reserve has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of its employees. TAS 19 necessitates the actuarial valuation methods to calculate liabilities of enterprises. Independent actuaries are used in determining the liability of the Bank. There are assumptions in the calculation as discount rate, employee turnover and expected salary increases. In this context, the following actuarial assumptions were used in the calculation of total liabilities.

	31 March 2015	31 December 2014
Discount rate (%)	2,45	2,45
Salary increase rate (%)	7,00	7,00
Average remaining work period (Year)	11,86	11,86

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Movement of reserve for employment termination benefits during the period:

	31 March 2015	31 December 2014
Prior Period Ending Balance	7.862	7.086
Service Cost	922	1.229
Interest Cost	-	679
Settlement Cost	-	596
Actuarial Loss/Gain	-	816
Benefits Paid	(391)	(2.544)
Balance at the End of the Period	8.393	7.862

In addition, as of 31 March 2015 the Bank has accounted for vacation rights provision and personnel bonus provision amounting to TL 6.229 (31 December 2014: TL 12.402).

3. Other provisions:

i) Information on provisions for possible risks:

	31 March 2015	31 December 2014
Provisions for potential risks (*)	13.201	12.301
Total	13.201	12.301

(*) Provisions for the Bank’s potential risks in credit portfolio.

ii) Information on other provisions:

The Bank set aside reserves amounting to TL 22.939 (31 December 2014: TL 20.191) for lawsuits, TL 2.436 (31 December 2014: TL 2.818) for non-cash loans, TL 1.030 (31 December 2014: TL 590) for customer cheques commitments, TL 129 (31 December 2014: TL 76) for credit card loyalty points and TL 163 (31 December 2014: TL 146) for other receivables.

4. Information on provisions related with foreign currency difference of foreign indexed loans:

As of 31 March 2015, the provision related to the foreign currency difference of foreign indexed loans amounts to TL 2.854 (31 December 2014: TL 2.858) and is netted from the loan amount in the financial statements.

h. Information on taxes payable:

1. Information on tax provision:

As of 31 March 2015, the Bank provided no corporate tax provision.(31 December 2014: None).

2. Information on taxes payable:

	31 March 2015	31 December 2014
Corporate Tax Payable	-	-
Taxation of Marketable Securities	7.939	5.968
Property Tax	242	187
Banking Insurance Transaction Tax	4.172	4.448
Value Added Tax Payable	252	333
Other	1.848	2.248
Total	14.453	13.184

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3. Information on premium payables:

	31 March 2015	31 December 2014
Social Security Premiums-Employee	847	773
Social Security Premiums-Employer	1.267	1.155
Bank Social Aid Pension Fund Premiums-Employee	-	-
Bank Social Aid Pension Fund Premiums-Employer	-	-
Pension Fund Membership Fee and Provisions-Employee	-	-
Pension Fund Membership Fee and Provisions-Employer	-	-
Unemployment Insurance-Employee	59	54
Unemployment Insurance-Employer	119	109
Other	-	-
Total	2.292	2.091

4. As of 31 March 2015, the Bank has netted-off the calculated deferred tax asset of TL 23.701 (31 December 2014: TL 24.759) and deferred tax liability of TL 12.984 (31 December 2014: TL 12.966) in accordance with “TAS 12” and has recorded a net deferred tax asset of TL 10.717 (31 December 2014: TL 11.793) in the financial statements.

i. Information on payables for assets held for resale and discontinued operations:

None.

j. Information about subordinated loans:

Detailed explanation on subordinated loans including quantity, maturity, interest rate, issuing institution, option to be converted into stock certificate:

Issuing Institution	Amount	Value Date	Maturity Date	Interest Rate(%)
Burgan Bank S.A.K.	USD 150.000.000	6 December 2013	4 December 2023	LIBOR+3,75

The subordinated loan does not have the option to be converted into stock certificate.

1. Information about subordinated loans:

	31 March 2015		31 December 2014	
	TL	FC	TL	FC
Domestic Banks	-	-	-	-
Domestic Other Institutions	-	-	-	-
Foreign Banks	-	393.012	-	349.959
Foreign Other Institutions	-	-	-	-
Total	-	393.012	-	349.959

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k. Information on shareholders’ equity:

1. Presentation of paid-in capital:

	31 March 2015	31 December 2014
Common Stock	900.000	900.000
Preferred Stock	-	-

2. Paid-in capital amount, explanation as to whether the registered share capital system is applied and if so, amount of registered share capital ceiling:

Capital System	Paid-in Capital	Limit
Registered Capital	900.000	1.000.000

3. Information on the share capital increases during the period and their sources:

None.

4. None. Information on capital increases from capital reserves during the current period:

None.

5. Information on capital commitments, up until the end of the fiscal year and the subsequent period:

None.

6. Information on capital by considering the Bank’s profitability, prior period indicators on liquidity and uncertainty on these indicators:

The interest, liquidity, and foreign exchange risk on on-balance sheet and off-balance sheet assets and liabilities are managed by the Bank within several risk limits and legal limits.

7. Information on privileges given to shares representing the capital:

Based on the Principal Agreement, the Bank has 1.000.000 founder's shares. According to the Principal Agreement, after allocating 5% to legal reserves and distributing 5% of the paid in capital, 10% of distributable amount is distributed to the owners of the founder's shares.

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8. Information on marketable securities valuation reserve:

	31 March 2015		31 December 2014	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	(332)	(157)	795	365
Foreign Currency Translation Difference	-	-	-	-
Total	(332)	(157)	795	365

9. Information on tangible assets revaluation reserve:

	31 March 2015		31 December 2014	
	TL	FC	TL	FC
Movables	-	-	-	-
Immovables	13.187	-	13.187	-
Common Stocks of Investments in Associates, Subsidiaries that will be added to the Capital and Sales Income from Immovables	-	-	-	-
Total	13.187	-	13.187	-

10. Information on distribution of prior year’s profit:

The date of 30 March 2015, in the Ordinary General Assembly, it was decided to the profit of the 2014, TL 6.809, is classified in extraordinary reserves.

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III. EXPLANATIONS AND NOTES RELATED TO OFF-BALANCE SHEET ACCOUNTS

a. Information on off balance sheet commitments:

1. The amount and type of irrevocable commitments:

	31 March 2015	31 December 2014
Foreign currency buy/sell commitments	336.970	264.651
Commitments for cheques	322.444	301.592
Loan limit commitments	202.764	192.030
Commitments for credit card limits	37.736	37.353
Blocked cheques given to customers	19.320	2.000
Term securities purchase commitments	223	-
Promotions for the credit cards and their care services	108	2
Tax and fund obligations arising from export commitments	-	-
Total	919.565	797.628

2. Type and amount of probable losses and obligations arising from off-balance sheet items:

There are no probable losses and obligations arising from off-balance sheet items. Obligations arising from off-balance sheet are disclosed in “Off-balance sheet commitments”.

i. Non-cash loans including guarantees, bank avalized and acceptance loans, collaterals that are accepted as financial commitments and other letters of credit:

	31 March 2015	31 December 2014
Letter of guarantees	931.389	914.041
Letter of credits	200.940	176.485
Bank acceptance loans	70.945	69.213
Other guarantees	39.345	30.800
Factoring guarantees	38	213
Total	1.242.657	1.190.752

ii. Revocable, irrevocable guarantees, contingencies and other similar commitments:

	TL	FC
Irrevocable letters of guarantee	402.139	221.337
Guarantees given to customs	39.313	27.275
Revocable letters of guarantee	35.329	19.687
Letters of guarantee given in advance	7.235	98.975
Other letters of guarantee	24.276	55.823
Total	508.292	423.097

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3. i. Total amount of non-cash loans:

	31 March 2015	31 December 2014
Non-cash loans given against cash loans	114.463	88.246
With original maturity of 1 year or less than 1 year	-	-
With original maturity of more than 1 year	114.463	88.246
Other non-cash loans	1.128.194	1.102.506
Total	1.242.657	1.190.752

ii. Information on non-cash loans classified in 1st and 2nd group:

	Group I		Group II	
	TL	FC	TL	FC
Non-cash Loans (*)				
Letters of Guarantee	487.634	416.136	18.322	6.923
Bank Acceptances	2.309	68.636	-	-
Letters of Credit	-	200.940	-	-
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	38	-	-	-
Other Commitments and Contingencies	-	37.337	-	2.008
Total	485.981	723.049	18.322	8.931

(*) In addition to non-cash loans stated above, the Bank has non-cash loans classified as non-performing loans, amounting to TL 6.374. As of 31 March 2015, the Bank has recorded a provision amounting to TL 2.436 regarding these risks.

b. Investment Funds:

As of 31 March 2015, the Bank is the founder of 3 investment funds (31 December 2014: 3) with a total fund value of TL 27.271 (31 December 2014: TL 22.689). The shares of the investment funds established in accordance with the Capital Markets Board legislation are kept dematerialized by Central Registry Agency, Inc..

c. Information on contingent assets and contingent liabilities:

As of 31 March 2015, the total amount of legal cases against the Bank is TL 48.799 (31 December 2014: TL 51.784) and the Bank sets aside a provision of TL 22.939 (31 December 2014: TL 20.191) regarding these risks. Due to the delayed reply to e-foreclosure sent by Gökpinar Tax Administration, negative declaratory action has been claimed at “Denizli Tax Authority” and “Denizli Civil Court of General Jurisdiction” for cancellation of the payment order of TL 25.459, which was notified to the Bank. The transactions have been stopped with obtaining injunction in response to 15% collateral. The law cases in local courts have resulted in favor of the Bank. The cases are at the appeal phase. As a result, the Bank did not book any provision.

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d. Brief information on the Bank’s rating given by International Rating Institutions:

MOODY'S (Dated on 8 April 2015)

Category	Rating	Outlook
(Long Term Foreign Currency)	Ba2	Monitoring
(Short Term Foreign Currency)	Not Prime	-
(Long Term Local Currency)	Ba2	Monitoring
(Short Term Local Currency)	Not Prime	-

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IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT

a. Information on interest income:

1. Information on interest income on loans (*):

	31 March 2015		31 March 2014	
	TL	FC	TL	FC
Interest Income on Loans				
Short-term Loans	77.789	4.053	62.342	6.682
Medium/Long-term Loans	27.560	40.212	19.409	18.092
Interest on Loans Under Follow-up	2.073	-	682	-
Premiums Received from Resource Utilisation Support Fund	-	-	-	-
Total	107.422	44.265	82.433	24.774

(*) Includes fee and commission income related with cash loans.

2. Information on interest income on banks:

	31 March 2015		31 March 2014	
	TL	FC	TL	FC
From the CBRT	-	-	-	-
From Domestic Banks	603	22	26	23
From Foreign Banks	-	5	-	3
Headquarters and Branches Abroad	-	-	-	-
Total	603	27	26	26

3. Information on interest income on marketable securities:

	31 March 2015		31 March 2014	
	TL	FC	TL	FC
From Trading Financial Assets	722	4	2.092	5
From Financial Assets At Fair Value Through Profit or Loss	-	-	-	-
From Available-for-Sale Financial Assets	8.494	762	19.034	-
From Held-to-Maturity Investments	-	-	-	-
Total	9.216	766	21.126	5

4. Information on interest income received from investments in associates and subsidiaries:

	31 March 2015	31 March 2014
Interest Received From Investments in Associates and Subsidiaries	8	221

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b. Information on interest expense:

1. Information on interest expense on borrowings (*):

	31 March 2015		31 March 2014	
	TL	FC	TL	FC
Banks	868	12.697	798	11.073
The CBRT	-	-	-	-
Domestic Banks	853	229	798	513
Foreign Banks	15	12.468	-	10.560
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	-	-	-
Total	868	12.697	798	11.073

(*) Includes fee and commission expense related with cash loans.

2. Information on interest expense given to investments in associates and subsidiaries:

	31 March 2015	31 March 2014
Interest Paid to Investment in Associates and Subsidiaries	192	214

3. Interest expense on issued marketable securities:

None (31 December 2014: None).

4. Information on interest rate and maturity structure of deposits:

	Demand Deposit	Time Deposit					Accum. Deposit	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
Turkish Currency								
Bank Deposits	4	142	-	-	-	-	-	146
Savings Deposits	-	1.041	23.237	4.153	3.276	2.040	-	33.747
Public Deposits	-	-	163	-	-	-	-	163
Commercial Deposits	-	1.975	6.248	1.882	1.062	2.409	-	13.576
Other Deposits	-	42	598	974	2	-	-	1.616
7 Day Notice Deposits	-	-	-	-	-	-	-	-
Total	4	3.200	30.246	7.009	4.340	4.449	-	49.248
Foreign Currency								
Foreign Currency Account	-	585	13.647	3.710	505	493	-	18.940
Bank Deposits	-	60	-	-	-	-	-	60
7 Day Notice Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-
Total	-	645	13.647	3.710	505	493	-	19.000
Sum Total	4	3.845	43.893	10.719	4.845	4.942	-	68.248

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c. Information on trading loss/income (Net):

	31 March 2015	31 March 2014
Income	3.175.401	1.576.360
Income from Capital Market Transactions	4.773	1.258
Income From Derivative Financial Transactions	17.348	22.370
Foreign Exchange Gains	3.153.280	1.552.732
Loss (-)	3.172.384	1.572.987
Loss from Capital Market Transactions	2.140	1.033
Loss From Derivative Financial Transactions	27.630	19.592
Foreign Exchange Loss	3.142.614	1.552.362
Net Income/(Loss)	3.017	3.373

d. Information on other operating income:

As of 31 March 2015, the Bank’s other operating income is TL 1.938 (31 March 2014: TL 2.647). TL 264 (31 March 2014: TL 1.831) amount of the other operating income is composed of the profit from sales of the fixed assets that were classified as Asset Held for Resale.

e. Provision expenses related to loans and other receivables of the Bank:

	31 March 2015	31 March 2014
Specific Provisions for Loans and Other Receivables	16.433	12.488
III. Group Loans and Receivables	2.974	4.810
IV. Group Loans and Receivables	3.951	3.394
V. Group Loans and Receivables	9.508	4.284
General Provision Expenses	(3.664)	1.540
Provision Expense for Possible Risks	979	3.510
Marketable Securities Impairment Expense	-	-
Financial Assets at Fair Value Through Profit or Loss	-	-
Available-for-sale Financial Assets	-	-
Investments in Associates, Subsidiaries and Held-to-Maturity Securities	-	-
Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Held-to-maturity Investments	-	-
Other	-	-
Total	13.748	17.538

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f. Information related to other operating expenses:

	31 March 2015	31 March 2014
Personnel Expenses	29.772	25.462
Reserve For Employee Termination Benefits(*)	1.323	1.159
Bank Social Aid Pension Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	1.725	1.481
Impairment Expenses of Intangible Assets	-	-
Amortisation Expenses of Intangible Assets	1.618	995
Impairment Expenses of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held For Resale	-	-
Depreciation Expenses of Assets Held for Resale	90	60
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	17.677	15.032
Operational Lease Expenses	6.108	5.067
Maintenance Expenses	180	202
Advertising Expenses	88	157
Other Expense	11.301	9.606
Loss on Sales of Assets	-	-
Other	5.207	3.419
Total	57.412	47.608

(*) As of 31 March 2015, the employee vacation fee provision is TL 401 (31 March 2014: TL 283).

g. Information on provision for taxes from discontinued or continuing operations:

The Bank has no discontinued operations. The Bank’s net in profit before tax from continuing operations is TL 10.413 (31 March 2014: TL 12.945 loss before tax).

h. Information on provision for taxes from discontinued or continuing operations:

The Bank has no discontinued operations and the explanations below represent the provision for taxes of continuing operations.

1. Information on calculated current tax income or expense and deferred tax income or expense:

As of 31 March 2015, the Bank has no current tax expense amounting and deferred tax expense amounting to TL 1.258 (31 March 2014: TL 2.498 deferred tax income).

2. Explanations on deferred tax income or expense arising from the temporary differences occurred or have been closed:

The Bank has TL 2.210 from temporary differences income and TL 801 tax income from carried financial loss, TL 2.647 deferred tax expense from closed temporary differences amounting to net TL 1.258 deferred tax expense.

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3. Information on recognition of temporary difference, financial loss, diminution of tax and exceptions on income statement:

As of 31 March 2015, the Bank has TL 437 tax expense arising from temporary differences and TL 801 deferred tax expense from carried financial loss.

i. Information on continuing and discontinued operations' current period net profit/(loss):

The Bank has no discontinued operations and the below article (k) represents the current period net profit and loss from continuing operations.

j. Information on net income/(loss) for the period:

1. If the disclosure of usual banking transactions, income and expenditure items' composition is necessary to understand the annual performance of Bank, the composition and amount of these items:

None.

2. If an estimation change significantly affects the profit or has the probability of affecting the profit of following period, the effect for related periods:

None.

k. Information on other income and expenses:

- (i) Interest income amounts to TL 186.489 (31 March 2014: TL 136.140) and TL 20.789 (31 March 2014: TL 7.741) of this amount is classified as "Other Interest Income" in the income statement of Bank in the current period.

	31 Mart 2015	31 Mart 2014
Other Interest Income		
Interest Income Related to Derivative Transactions	20.398	7.349
Other	391	392
Total	20.789	7.741

- (ii) Interest expense amounts to TL 115.588 (31 March 2014: TL 93.393), TL 29.984 (31 March 2014: TL 17.395) of this amount is classified as "Other Interest Expense" in the income statement of Bank in the current period.

	31 Mart 2015	31 Mart 2014
Other Interest Expense		
Interest Expense Related to Derivative Transactions	29.505	17.045
Other	479	350
Total	29.984	17.395

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- (iii) As of 31 March 2015, the Bank’s fee and commission income amounts to TL 8.665 (31 March 2014: TL 4.936) and TL 5.997 (31 March 2014: TL 2.325) the related amount is classified under “Other fee and commission income” account.

	31 March 2015	31 March 2014
Other Fee and Commissions Received		
Credit Card and POS Transaction Commission	2.545	793
Account Operating Fees	515	297
Insurance Commissions	409	311
Transfer Commissions	313	265
Commissions from Correspondent Banks	82	152
Ortak Nokta Commissions	32	25
Commissions on Investment Fund Services	19	61
Letter of Credit Commissions	9	5
Other	2.073	416
Total	5.997	2.325

- (iv) As of 31 March 2015, Bank’s fee and commission expense amounts to TL 2.948 (31 March 2014: TL 1.512) and TL 2.946 (31 March 2014: TL 1.504) of the related amount is classified under “Other fee and commission expense” account.

	31 March 2015	31 March 2014
Other Fee and Commissions Given		
Credit Card Transaction Commission	2.380	940
EFT Commissions	159	137
Commissions Granted to Correspondent Banks	138	135
Ortak Nokta Commissions	56	55
Transfer Commissions	36	29
Other	177	208
Total	2.946	1.504

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V. EXPLANATIONS AND NOTES RELATED TO BANK’S RISK GROUP

- a. **The volume of transactions relating to the Bank’s risk group, outstanding loan and deposit transactions and profit and loss of the period:**

Prior period financial information is presented as at 31 December 2014 for balance sheet and 31 March 2014 for income statements items.

1. 31 March 2015:

Banks’ Risk Group (*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	2.166	18.079	-	-	24	26.972
Balance at the End of the Period	-	18.673	-	876	22	18.112
Interest and Commission Income Received	8	6	-	-	-	-

(*) Defined in Article 49 of subsection 2 of the Banking Act No. 5411.

31 December 2014:

Banks’ Risk Group (*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	16.409	18.786	-	126	13.267	892
Balance at the End of the Period	2.166	18.079	-	-	24	26.972
Interest and Commission Income Received	221	8	-	-	812	-

(*) Defined in Article 49 of subsection 2 of the Banking Act No. 5411.

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2. Information on deposits and repurchase transactions of the Bank’s risk group:

Banks’ Risk Group(*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposit						
Beginning of the Period	25.708	20.798	21.433	576	13.257	8.813
End of the Period	83.232	25.708	25.424	21.433	16.180	13.257
Interest Expense on Deposits	192	109	1	-	210	103

(*) Defined in Article 49 of subsection 2 of the Banking Act No. 5411.

Banks’ Risk Group(*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Repurchase Transactions						
Beginning of the Period	12.452	-	-	-	-	108
End of the Period	-	12.452	-	-	-	-
Interest Expense on Repurchase Transactions	-	105	-	-	-	-

(*) Defined in Article 49 of subsection 2 of the Banking Act No. 5411.

3. Information on forward and option agreements and other similar agreement with the Bank’s risk group:

Banks’ Risk Group(*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions for trading purposes						
Beginning of the Period	19.779	16.724	-	-	-	-
Balance at the end of the period	-	19.779	-	-	-	-
Total Profit/Loss	-	978	-	-	-	-
Transactions for hedging purposes						
Beginning of the Period	-	-	-	-	-	-
Balance at the end of the period	-	-	-	-	-	-
Total Profit/Loss	-	-	-	-	-	-

(*) Defined in Article 49 of subsection 2 of the Banking Act No. 5411.

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b. With respect to the Bank’s risk group:

1. The relations with entities that are included in the Bank’s risk group and controlled by the Bank:

The Bank performs various transactions with related parties during its banking activities. These are commercial transactions realised with market prices.

2. The type of transaction, the amount and its ratio to total transaction volume, the amount of significant items and their ratios to total items, pricing policy and other issues:

	Total Risk Group	Share in Financial Statements (%)
Borrowings	1.047.703	52,78
Deposit	124.836	2,26
Non-cash loans	37.661	3,03
Loans	1.222	0,42
Banks and Other Institutions	22	0,00

As of 31 March 2015, the Bank has realized interest expense amounting to TL 12.048 (31 March 2014: TL 11.227) on loans borrowed from the direct shareholders of the Bank.

3. Equity accounting transactions:

None.

4. Information on transactions such as purchase-sale of immovable and other assets, purchase-sale of service, agent agreements, financial lease agreements, transfer of the information gained as a result of research and development, license agreements, financing (including loans and cash or in kind capital), guarantees, collaterals and management contracts:

The Bank, has financial leasing agreements with Burgan Finansal Kiralama A.Ş. As of 31 March 2015, there are no financial leasing payables arising from these agreements (31 December 2014: None). There are no interest expense paid for the related financial leasing agreements (31 March 2014: 7 TL).

According to the Joint Expense Sharing Agreement with the Bank and its subsidiaries; the Bank has TL 75 (31 March 2014: TL 20) from Burgan Finansal Kiralama A.Ş., and TL 69 (31 March 2014: TL 84) from Burgan Yatırım Menkul Değerler A.Ş. as other operating income.

In accordance with the limits in Banking Law, cash and non-cash loans are allocated to the Bank’s risk group and the amount composes 0,46% (31 December 2014: 0,62%) of the Bank’s total cash and non-cash loans.

As of 31 March 2015 there are no purchase-sales transactions on any assets including real - estate with the risk group consisting the Bank.

As of 31 March 2015 there are no agreements related to transfer and management of the information gathered from the research and development with the risk group that the Bank is included.

(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH, SEE NOTE I. OF SECTION THREE)

BURGAN BANK A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2015

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

c. Information on benefits provided to top management:

Top management of the Bank is composed of the Board of Directors, General Manager and Vice General Managers. The sum of benefits paid to top management, totals TL 5.449 (31 March 2014: TL 4.139) which include total gross salary, travel, meal, health, life insurance and other expenses.

VI. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

None.

SECTION SIX

EXPLANATIONS ON INDEPENDENT LIMITED REVIEW REPORT

I. EXPLANATIONS ON INDEPENDENT LIMITED REVIEW REPORT

The unconsolidated financial statements as of 31 March 2015 and for the three month interim period then ended have been reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of Ernst&Young Global Limited) and the independent limited review report dated May 14, 2015 has been presented prior to the unconsolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITOR

None.

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