

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

BURGAN BANK A.Ş.

**PUBLICLY ANNOUNCED CONSOLIDATED
FINANCIAL STATEMENTS
TOGETHER WITH REVIEW REPORT
AT 31 MARCH 2013**

**CONVENIENCE TRANSLATION OF THE INDEPENDENT AUDITOR'S
REVIEW REPORT ORIGINALLY PREPARED AND ISSUED IN TURKISH**

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

We have reviewed the accompanying consolidated balance sheet of Burgan Bank A.Ş. ("the Bank") and its consolidated subsidiaries at 31 March 2013 and the related consolidated statements of income, cash flows and changes in shareholders' equity for the period then ended. These financial statements are the responsibility of the Bank's management. Our responsibility, as independent auditors is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Uniform Chart of Accounts of banks, accounting standards and the independent audit principles in conformity with Banking Law No. 5411. Those principles require that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries concerning the Bank's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

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

Additional Paragraph for Convenience Translation:

As explained in detail in Note I. of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with articles 37 and 38 of the Banking Act No. 5411, accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
a member of
PricewaterhouseCoopers

Zeynep Uras, SMMM
Partner

Istanbul, 15 May 2013

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

**THE CONSOLIDATED FINANCIAL REPORT OF
BURGAN BANK A.Ş. AS OF 31 MARCH 2013**

Address : Esentepe Mahallesi, Büyükdere Caddesi, Tekfen Tower No:209 34394 Şişli/İstanbul
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The consolidated 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 GROUP
- **Section Two** CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP
- **Section Three** EXPLANATIONS ON ACCOUNTING POLICIES
- **Section Four** INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP
- **Section Five** EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
- **Section Six** INDEPENDENT AUDITOR'S REPORT

Investments in associates, subsidiaries and joint ventures whose financial statements have been consolidated in this reporting package are as follows:

Subsidiaries	Investment in Associates	Joint Ventures
1. Burgan Finansal Kiralama A.Ş.	-	-
2. Burgan Yatırım Menkul Değerler A.Ş.	-	-
3. Burgan Portföy Yönetimi A.Ş.	-	-

The accompanying consolidated financial statements and notes to these financial statements which are expressed, unless otherwise stated, in thousands of Turkish Lira, 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 independently audited.

15 May 2013

Mehmet N. ERTEN
Chairman of the
Board of Directors

Mehmet G. SÖNMEZ
Member of the Board of
Directors and
General Manager

A.İdil KURAL
Finance Executive
Vice President

Ahmet CİĞA
Head of Accounting,
Tax, and
Reporting Unit

Adrian Alejandro GOSTUSKİ
Member of the Audit
Committee

Halis Murat ECE
Member of the Audit
Committee

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
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**CONVENIENCE TRANSLATION OF PUBLICLY
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BURGAN BANK A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013

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

SECTION ONE

GENERAL INFORMATION

I. PARENT 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 authorised 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 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 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.

Following the Parent Bank's title change, its consolidated subsidiaries' titles have also been changed. The trading titles have been changed from EFG Finansal Kiralama A.Ş. to Burgan Finansal Kiralama A.Ş., from EFG İstanbul Equities Menkul Değerler A.Ş. to Burgan Yatırım Menkul Değerler A.Ş., from EFG İstanbul Portföy Yönetimi A.Ş. to Burgan Portföy Yönetimi A.Ş., and have been registered as of 25 January 2013.

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BURGAN BANK A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013

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

GENERAL INFORMATION (Continued)

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

There is no change in the Parent Bank’s capital and shareholding structure in 2013.

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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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013

(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 PARENT 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	Undergraduate
Board of Directors Members: (*)	Faisal H.M.H. Al Ayyar	Vice Chairman	Undergraduate
	Eduardo Eguren Linsen	Member	Undergraduate
	Faisal M.A. Al Radwan	Member	Undergraduate
	Majed E.A.A. Al Ajeel	Member	Graduate
	Adrian Alejandro Gostuski	Member	Graduate
	Mehmet Alev Göçmez	Member	Graduate
	Halis Murat Ece	Member	Undergraduate
	Mehmet Gani Sönmez	Member and General Manager	Undergraduate
General Manager:	Mehmet Gani Sönmez	Member and General Manager	Undergraduate
Vice General Managers: (*)	Bülent Nur Özkan	Senior Vice General Manager	Undergraduate
	Fatma Aliye Atalay	Private Banking	Graduate
	Esra Aydın	Operations	Undergraduate
	Mutlu Akpara	Treasury	Graduate
	Hüseyin Cem Öge	Corporate Banking	Graduate
	Fedon Hacaki	Loans	Graduate
	Ayşe İdil Kural	Financial Affairs	Undergraduate
	Cihan Vural	Internal Control and Audit	Undergraduate
	Soner Ersoy	Information Technology	Undergraduate
	Zeliha Deniz Veral	Transaction Banking	Undergraduate
	Rasim Levent Ergin	Human Resources	Graduate
Audit Committee: (*)	Adrian Alejandro Gostuski	Member	Graduate
	Halis Murat Ece	Member	Undergraduate

- (*) As of 01 February 2013, Retail Banking Vice General Manager Şebnem Dönbekçi resigned from her position.
As of 22 March 2013, Commercial Banking Vice General Manager Neşe Atabey resigned from her position.
As of 28 March 2013, Board of Directors member Cüneyt Akpınar resigned from his position.
According to the temporary 2nd Clause of 6th Article of new Turkish Commercial Code numbered 6102, the auditors Firdevs Savcı and Semih Çınar's terms of office were over with the new independent auditor assignment as of 29 March 2013.
As of 17 April 2013, Member of the Board of Directors Halis Murat Ece took office.

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

**CONVENIENCE TRANSLATION OF PUBLICLY
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BURGAN BANK A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013

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

GENERAL INFORMATION (Continued)

IV. EXPLANATION ON SHAREHOLDERS HAVING CONTROL SHARES IN THE PARENT BANK:

Name/Commercial title	Share Amounts	Share percentage	Paid-in Capital	Unpaid portion
Burgan Bank S.A.K.	565.772	%99,26	%99,26	-

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 PARENT BANK'S SERVICE TYPE AND FIELD OF OPERATIONS:

As of 31 March 2013, the Parent Bank has 60 branches operating in Turkey (31 December 2012: 60). The Parent Bank's core business activities include corporate and commercial banking, retail banking and banking services in treasury fields. As of 31 March 2013, the Group has 1.095 (31 December 2012: 1.070) 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
CONSOLIDATED FINANCIAL STATEMENTS

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

**BURGAN BANK A.Ş.
CONSOLIDATED BALANCE SHEETS (STATEMENT OF FINANCIAL POSITION)
AT 31 MARCH 2013 AND 31 DECEMBER 2012**

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

I. BALANCE SHEET	Note (Section Five)	(31/03/2013)			(31/12/2012)		
		TL	FC	Total	TL	FC	Total
ASSETS							
I. CASH AND BALANCES WITH CENTRAL BANK	I-a	112.543	299.115	411.658	203.265	159.941	363.206
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or LOSS (Net)	I-b	107.032	18.253	125.285	90.928	13.862	104.790
2.1 Trading Financial Assets		107.032	18.253	125.285	90.928	13.862	104.790
2.1.1 Government Debt Securities		81.812	213	82.025	82.343	227	82.570
2.1.2 Share Certificates		1.904	-	1.904	368	-	368
2.1.3 Trading Derivative Financial Assets		9.703	18.040	27.743	5.374	13.635	19.009
2.1.4 Other Marketable Securities		13.613	-	13.613	2.843	-	2.843
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	110	80.764	80.874	114.803	98.569	213.372
IV. MONEY MARKETS		139.886		139.886	140.695		140.695
4.1 Interbank Money Market Placements		-	-	-	-	-	-
4.2 Receivables from Istanbul Stock Exchange Money Market		9.811	-	9.811	140.695	-	140.695
4.3 Receivables from Reverse Repurchase Agreements		130.075	-	130.075	-	-	-
V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)	I-d	457.309		457.309	362.861		362.861
5.1 Share Certificates		5.169	-	5.169	5.169	-	5.169
5.2 Government Debt Securities		452.140	-	452.140	357.692	-	357.692
5.3 Other Marketable Securities		-	-	-	-	-	-
VI. LOANS	I-e	2.063.010	853.787	2.916.797	2.063.092	845.970	2.909.062
6.1 Loans		1.997.349	853.787	2.851.136	1.998.159	845.970	2.844.129
6.1.1 Loans to Bank's Risk Group		11	2	13	21	-	21
6.1.2 Government Debt Securities		-	-	-	-	-	-
6.1.3 Other		1.997.338	853.785	2.851.123	1.998.138	845.970	2.844.108
6.2 Loans under Follow-up		188.586	-	188.586	175.971	-	175.971
6.3 Specific Provisions (-)		122.925	-	122.925	111.038	-	111.038
VII. FACTORING RECEIVABLES	I-e	131.058	9.739	140.797	130.591	9.191	139.782
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						
10.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
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	38.759	213.956	252.715	38.955	205.655	244.610
12.1 Financial Lease Receivables		45.495	240.447	285.942	46.111	231.668	277.779
12.2 Operational Lease Receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned Income (-)		6.736	26.491	33.227	7.156	26.013	33.169
XIII. HEDGING DERIVATIVE FINANCIAL ASSETS	I-k						
13.1 Fair Value Hedge		-	-	-	-	-	-
13.2 Cash Flow Hedge		-	-	-	-	-	-
13.3 Foreign Net Investment Hedge		-	-	-	-	-	-
XIV. PROPERTY AND EQUIPMENT (Net)		27.849		27.849	27.276		27.276
XV. INTANGIBLE ASSETS (Net)		25.366		25.366	24.350		24.350
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		25.366	-	25.366	24.350	-	24.350
XVI. INVESTMENT PROPERTY (Net)	I-l						
XVII. TAX ASSET	I-m	11.341		11.341	9.824		9.824
17.1 Current Tax Asset		51	-	51	-	-	-
17.2 Deferred Tax Asset		11.290	-	11.290	9.824	-	9.824
XVIII. ASSETS HELD FOR RESALE AND DISCONTINUED OPERATIONS (Net)	I-n	13.022		13.022	13.005		13.005
18.1 Held for Resale		13.022	-	13.022	13.005	-	13.005
18.2 Discontinued Operations		-	-	-	-	-	-
XIX. OTHER ASSETS	I-o	30.736	24.995	55.731	68.866	21.214	90.080
TOTAL ASSETS		3.158.021	1.500.609	4.658.630	3.288.511	1.354.402	4.642.913

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

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CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED
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**BURGAN BANK A.Ş.
CONSOLIDATED BALANCE SHEETS (STATEMENT OF FINANCIAL POSITION)
AT 31 MARCH 2013 AND 31 DECEMBER 2012**

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

I. BALANCE SHEET	Note (Section Five)	(31/03/2013)			(31/12/2012)		
		TL	FC	Total	TL	FC	Total
LIABILITIES							
I. DEPOSITS	II-a	1.602.092	1.271.758	2.873.850	1.878.542	1.310.752	3.189.294
1.1 Deposits of Bank's Risk Group		2.956	744	3.700	3.281	540	3.821
1.2 Other		1.599.136	1.271.014	2.870.150	1.875.261	1.310.212	3.185.473
II. TRADING DERIVATIVE FINANCIAL LIABILITIES	II-b	11.683	15.735	27.418	8.478	12.375	20.853
III. BORROWINGS	II-c	37.793	577.852	615.645	44.717	397.293	442.010
IV. MONEY MARKETS		298.486		298.486	87.744		87.744
4.1 Funds from Interbank Money Market		-	-	-	-	-	-
4.2 Funds from Istanbul Stock Exchange Money Market		17.949	-	17.949	-	-	-
4.3 Funds Provided Under Repurchase Agreements		280.537	-	280.537	87.744	-	87.744
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		51.993	17.707	69.700	46.256	15.483	61.739
VIII. OTHER LIABILITIES	II-d	23.101	3.873	26.974	89.249	2.428	91.677
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	58.815	23.663	82.478	55.102	22.145	77.247
12.1 General Loan Loss Provision		28.014	10.993	39.007	27.303	9.793	37.096
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Rights		22.787	-	22.787	20.323	-	20.323
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5 Other Provisions		8.014	12.670	20.684	7.476	12.352	19.828
XIII. TAX LIABILITY	II-h	11.014		11.014	13.175		13.175
13.1 Current Tax Liability		11.014	-	11.014	13.175	-	13.175
13.2 Deferred Tax Liability		-	-	-	-	-	-
XIV. PAYABLES FOR ASSET HELD FOR RESALE AND DISCONTINUED OPERATIONS (Net)	II-i						
14.1 Held for Resale		-	-	-	-	-	-
14.2 Discontinued Operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS	II-j						
XVI. SHAREHOLDERS' EQUITY	II-k	653.065		653.065	659.174		659.174
16.1 Paid-in Capital		570.000	-	570.000	570.000	-	570.000
16.2 Capital Reserves		14.697	-	14.697	13.969	-	13.969
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Marketable Securities Valuation Reserve		10.913	-	10.913	10.185	-	10.185
16.2.4 Tangible Assets Revaluation Reserve		3.717	-	3.717	3.717	-	3.717
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)		-	-	-	-	-	-
16.2.9 Value Differences of Assets Held for Resale and Discontinued Operations		-	-	-	-	-	-
16.2.10 Other Capital Reserves		67	-	67	67	-	67
16.3 Profit Reserves		106.647	-	106.647	106.635	-	106.635
16.3.1 Legal Reserves		18.099	-	18.099	17.862	-	17.862
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		88.548	-	88.548	88.773	-	88.773
16.3.4 Other Profit Reserves		-	-	-	-	-	-
16.4 Income or (Loss)		(38.279)	-	(38.279)	(31.430)	-	(31.430)
16.4.1 Prior Years' Income or (Loss)		(31.442)	-	(31.442)	3.536	-	3.536
16.4.2 Current Year Income or (Loss)		(6.837)	-	(6.837)	(34.966)	-	(34.966)
16.5 Minority Shares		-	-	-	-	-	-
TOTAL LIABILITIES		2.748.042	1.910.588	4.658.630	2.882.437	1.760.476	4.642.913

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

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

**BURGAN BANK A.Ş.
CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AT
31 MARCH 2013 AND 31 DECEMBER 2012**

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

II. OFF-BALANCE SHEET		Note (Section Five)	(31/03/2013)			(31/12/2012)		
			TL	FC	Total	TL	FC	Total
A	OFF-BALANCE SHEET COMMITMENTS (I+II+III)		2.811.304	5.879.333	8.690.637	2.174.825	3.967.483	6.142.308
I.	GUARANTEES AND WARRANTIES	III-a-2-3	491.263	573.543	1.064.806	457.586	600.726	1.058.312
1.1	Letters of Guarantee		489.821	165.192	655.013	456.790	160.944	617.734
1.1.1	Guarantees Subject to State Tender Law		11.342	31.652	42.994	10.229	24.176	34.405
1.1.2	Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3	Other Letters of Guarantee		478.479	133.540	612.019	446.561	136.768	583.329
1.2	Bank Acceptances		951	99.627	100.578	305	94.936	95.241
1.2.1	Import Letter of Acceptance		951	99.627	100.578	305	94.936	95.241
1.2.2	Other Bank Acceptances		-	-	-	-	-	-
1.3	Letters of Credit		-	170.090	170.090	-	115.632	115.632
1.3.1	Documentary Letters of Credit		-	170.090	170.090	-	115.632	115.632
1.3.2	Other Letters of Credit		-	-	-	-	-	-
1.4	Prefinancing 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		491	411	902	491	703	1.194
1.8	Other Guarantees		-	138.223	138.223	-	228.511	228.511
1.9	Other Collaterals		-	-	-	-	-	-
II.	COMMITMENTS	III-a-1	448.540	176.323	624.863	388.334	97.174	485.508
2.1	Irrevocable Commitments		448.540	176.323	624.863	388.334	97.174	485.508
2.1.1	Asset Purchase and Sales Commitments		65.125	176.323	241.448	21.741	97.174	118.915
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		74.259	-	74.259	68.406	-	68.406
2.1.5	Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6	Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7	Commitments for Cheques		275.028	-	275.028	267.935	-	267.935
2.1.8	Tax and Fund Liabilities from Export Commitments		18	-	18	18	-	18
2.1.9	Commitments for Credit Card Limits		33.932	-	33.932	30.056	-	30.056
2.1.10	Promotion Commitments for Credit Cards and Banking Services		-	-	-	-	-	-
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		178	-	178	178	-	178
2.2	Revocable Commitments		-	-	-	-	-	-
2.2.1	Revocable Commitments for Loan Limits		-	-	-	-	-	-
2.2.2	Other Revocable Commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS		1.871.501	5.129.467	7.000.968	1.328.905	3.269.583	4.598.488
3.1	Hedging Derivative Financial Instruments		-	-	-	-	-	-
3.1.1	Transactions for Fair Value Hedge		-	-	-	-	-	-
3.1.2	Transactions for Cash Flow Hedge		-	-	-	-	-	-
3.1.3	Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2	Trading Derivative Financial Instruments		1.871.501	5.129.467	7.000.968	1.328.905	3.269.583	4.598.488
3.2.1	Forward Foreign Currency Buy/Sell Transactions		187.989	569.554	757.543	153.853	507.879	661.732
3.2.1.1	Forward Foreign Currency Transactions-Buy		75.648	298.705	374.353	51.290	276.969	328.259
3.2.1.2	Forward Foreign Currency Transactions-Sell		112.341	270.849	383.190	102.563	230.910	333.473
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates		361.794	1.145.729	1.507.523	129.900	972.942	1.102.842
3.2.2.1	Foreign Currency Swap-Buy		215.209	254.322	469.531	98.740	187.264	286.004
3.2.2.2	Foreign Currency Swap-Sell		117.435	342.007	459.442	31.160	250.730	281.890
3.2.2.3	Interest Rate Swap-Buy		14.575	274.700	289.275	-	267.474	267.474
3.2.2.4	Interest Rate Swap-Sell		14.575	274.700	289.275	-	267.474	267.474
3.2.3	Foreign Currency, Interest rate and Securities Options		1.319.621	3.414.184	4.733.805	1.044.782	1.788.762	2.833.544
3.2.3.1	Foreign Currency Options-Buy		673.146	1.671.282	2.344.428	522.391	866.782	1.389.173
3.2.3.2	Foreign Currency Options-Sell		646.473	1.695.950	2.342.423	522.391	866.782	1.389.173
3.2.3.3	Interest Rate Options-Buy		-	23.476	23.476	-	27.599	27.599
3.2.3.4	Interest Rate Options-Sell		-	23.476	23.476	-	27.599	27.599
3.2.3.5	Securities Options-Buy		1	-	-	-	-	-
3.2.3.6	Securities Options-Sell		1	-	-	-	-	-
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		2.097	-	2.097	370	-	370
B.	CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		11.862.237	7.539.258	19.401.495	11.020.489	7.662.474	18.682.963
IV.	ITEMS HELD IN CUSTODY		2.421.046	215.631	2.636.677	2.248.464	226.199	2.474.663
4.1	Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2	Investment Securities Held in Custody		1.456.729	3.564	1.460.293	1.269.037	3.514	1.272.551
4.3	Cheques Received for Collection		919.886	153.781	1.073.667	925.911	152.400	1.078.311
4.4	Commercial Notes Received for Collection		32.420	28.336	60.756	40.356	16.236	56.592
4.5	Other Assets Received for Collection		-	-	-	-	-	-
4.6	Assets Received for Public Offering		-	-	-	-	-	-
4.7	Other Items Under Custody		12.011	29.950	41.961	13.160	54.049	67.209
4.8	Custodians		-	-	-	-	-	-
V.	PLEDGES RECEIVED		9.441.191	7.322.270	16.763.461	8.772.025	7.433.769	16.205.794
5.1	Marketable Securities		1.043	-	1.043	1.043	-	1.043
5.2	Guarantee Notes		7.383.276	5.613.702	12.996.978	6.761.107	5.574.693	12.335.800
5.3	Commodity		122.147	93.583	215.730	100.159	92.679	192.838
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		1.730.231	1.415.113	3.145.344	1.721.276	1.606.598	3.327.874
5.6	Other Pledged Items		204.494	199.872	404.366	188.440	159.799	348.239
5.7	Pledged Items-Depository		-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	1.357	1.357	-	2.506	2.506
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)			14.673.541	13.418.591	28.092.132	13.195.314	11.629.957	24.825.271

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

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

BURGAN BANK A.Ş.

**CONSOLIDATED INCOME STATEMENT FOR THE THREE MONTHS PERIOD ENDED
31 MARCH 2013 AND 31 MARCH 2012**

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

III.	INCOME STATEMENT	Note (Section Five)	01/01/2013- 31/03/2013	01/01/2012- 31/03/2012
	INCOME AND EXPENSE ITEMS			
I.	INTEREST INCOME	IV-a	99.703	149.204
1.1	Interest on Loans		79.026	82.118
1.2	Interest Received from Reserve Requirements		-	-
1.3	Interest Received from Banks		91	16.975
1.4	Interest Received from Money Market Transactions		856	3.182
1.5	Interest Received from Marketable Securities Portfolio		9.103	29.715
1.5.1	Trading Financial Assets		1.359	4.611
1.5.2	Financial Assets at Fair Value through Profit or Loss		-	6
1.5.3	Available-for-sale Financial Assets		7.744	20.086
1.5.4	Held-to-maturity Investments		-	5.012
1.6	Financial Lease Income		5.205	4.902
1.7	Other Interest Income		5.422	12.312
II.	INTEREST EXPENSE (-)	IV-b	53.707	98.382
2.1	Interest on Deposits (-)		44.153	52.790
2.2	Interest on Funds Borrowed (-)		4.140	26.349
2.3	Interest Expense on Money Market Transactions (-)		976	11.586
2.4	Interest on Securities Issued (-)		-	-
2.5	Other Interest Expenses (-)		4.438	7.657
III.	NET INTEREST INCOME (I - II)		45.996	50.822
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSE		6.507	11.464
4.1	Fees and Commissions Received		7.985	13.052
4.1.1	Non-cash Loans		2.987	5.491
4.1.2	Other	IV-k	4.998	7.561
4.2	Fees and Commissions Paid (-)		1.478	1.588
4.2.1	Non-cash Loans (-)		43	48
4.2.2	Other (-)	IV-k	1.435	1.540
V.	DIVIDEND INCOME		-	-
VI.	TRADING INCOME / (LOSS) (Net)	IV-c	5.373	9.545
6.1	Trading Gains/(Losses) on Securities		98	3.395
6.2	Trading Gains/(Losses) on Derivative Financial Instruments		5.639	3.502
6.3	Foreign Exchange Gains/(Losses)		(364)	2.648
VII.	OTHER OPERATING INCOME	IV-d	1.870	2.286
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		59.746	74.117
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	IV-e	14.384	5.506
X.	OTHER OPERATING EXPENSES (-)	IV-f	53.472	44.353
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		(8.110)	24.258
XII.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		-	-
XIII.	INCOME/(LOSS) ON NET MONETARY POSITION		-	-
XV.	INCOME/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS (XI+...+XIV)	IV-g	(8.110)	24.258
XVI.	TAX PROVISION FOR CONTINUING OPERATIONS (-)	IV-h	1.273	(4.801)
16.1	Current Tax Provision		(374)	(382)
16.2	Deferred Tax Provision		1.647	(4.419)
XVII.	NET INCOME/(LOSS) FROM CONTINUING OPERATIONS (XV- XVI)		(6.837)	19.457
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	(6.837)	19.457
23.1	Income / (Loss) of the Group		(6.837)	19.457
23.2	Income / (Loss) of Minority Interest		-	-
	Earnings / (Loss) per share (1.000 nominal in TL full)		(0,120)	0,341

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
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**BURGAN BANK A.Ş.
CONSOLIDATED STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2013 AND 31 MARCH 2012**

(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	31/03/2013	31/03/2012
I. ADDITIONS TO THE MARKETABLE SECURITIES VALUATION RESERVE FROM THE AVAILABLE FOR SALE FINANCIAL ASSETS	1.348	2.976
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)	-	-
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	(270)	(595)
X. NET INCOME/LOSS ACCOUNTED DIRECTLY IN EQUITY (I+II+...+IX)	1.078	2.381
XI. CURRENT PERIOD INCOME/LOSS	(350)	198
11.1 Net Change in Fair Value of Marketable Securities (Transfer to Income Statement)	(350)	198
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	-	-
XII. TOTAL INCOME/LOSS RELATED TO THE CURRENT PERIOD (X+XI)	728	2.579

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
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IN TURKISH, SEE NOTE I. OF SECTION THREE**

BURGAN BANK A.Ş.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2012

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY																			
PREVIOUS PERIOD 31/03/2012	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	Total Equity Except for Minority Interest	Minority Interest	Total Shareholders' Equity
I. Prior Period End Balance		570.000	-	-	-	14.011	-	67.214	67	25.410	3.536	(3.739)	3.445	-	-	-	679.944	-	679.944
Changes in the Period																			
II. Increase/Decrease due to the Merger																			
III. Marketable Securities Valuation Differences												2.579					2.579		2.579
IV. Hedging Reserves (Effective Portion)																			
4.1 Cash Flow Hedge																			
4.2 Foreign Investment Hedge																			
V. Revaluation Differences of Tangible Assets																			
VI. Revaluation Differences of Intangible Assets																			
VII. 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																			
XI. 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										19.457							19.457		19.457
XVIII. Profit Distribution										(37.369)	37.369								
18.1 Dividend Paid																			
18.2 Transfers to Reserves										(37.369)	37.369								
18.3 Other																			
Period End Balance (I+II+III+... +XVIII)		570.000	-	-	-	14.011	-	67.214	67	7.498	40.905	(1.160)	3.445	-	-	-	701.980	-	701.980

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

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**BURGAN BANK A.Ş.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE THREE MONTHS
PERIOD ENDED 31 MARCH 2013**

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY																				
CURRENT PERIOD 31/03/2013		Note (Section Five)	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	Total Equity Except for Minority Interest	Minority Interest	Total Shareholders' Equity
I.	Prior Period End Balance		570.000				17.862		88.773	67	(34.966)	3.536	10.185	3.717				659.174		659.174
Changes in the Period																				
II.	Increase/Decrease due to the Merger																			
III.	Marketable Securities Valuation Differences												728					728		728
IV.	Hedging Reserves (Effective Portion)																			
4.1	Cash Flow Hedge																			
4.2	Foreign Investment Hedge																			
V.	Revaluation Differences of Tangible Assets																			
VI.	Revaluation Differences of Intangible Assets																			
VII.	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																			
XI.	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										(6.837)							(6.837)		(6.837)
XVIII.	Profit Distribution						237		(225)		34.966	(34.978)								
18.1	Dividend Paid																			
18.2	Transfers to Reserves						237		(225)		34.966	(34.978)								
18.3	Other																			
Period End Balance (I+II+III+... +XVIII)			570.000				18.099		88.548	67	(6.837)	(31.442)	10.913	3.717				653.065		653.065

(*) Accounting standards stated in "Communique (No. 9) on Turkish Accounting Standard for Employee Rights" ("TAS 19") that was published in the Official Gazette numbered 28585 on 12 March 2013 by Public Oversight Accounting and Auditing Standards Authority have been effective for the period starting on 31 December 2012. These accounting standards impose retrospective beginning of the enforcement under the title "Rights and obligations date." According to TAS 19 guidelines, actual lost income reclassified under equity is TL1.867 on 31 December 2013 (31 December 2012: TL653).

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

**CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED
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**BURGAN BANK A.Ş.
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE NINE MONTHS PERIOD
ENDED 31 MARCH 2013 AND 31 MARCH 2012**

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

VI. STATEMENT OF CASH FLOWS	(31/03/2013)	(31/03/2012)
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1 Operating profit before changes in operating assets and liabilities	(2.410)	49.826
1.1.1 Interest received	89.247	203.563
1.1.2 Interest paid	(51.647)	(110.943)
1.1.3 Dividend received	-	-
1.1.4 Fees and commissions received	6.507	11.464
1.1.5 Other income	-	-
1.1.6 Collections from previously written-off loans and other receivables	6.618	29.249
1.1.7 Payments to personnel and service suppliers	(26.711)	(23.117)
1.1.8 Taxes paid	-	-
1.1.9 Other	(26.424)	(60.390)
1.2 Changes in operating assets and liabilities	(108.017)	(342.861)
1.2.1 Net (increase)/decrease in trading securities	(20.676)	190.876
1.2.2 Net (increase)/decrease in fair value through profit/loss financial assets	-	-
1.2.3 Net (increase)/decrease in due from banks	-	-
1.2.4 Net (increase)/decrease in loans	(22.833)	(267.848)
1.2.5 Net (increase)/decrease in other assets	(81.510)	(44.046)
1.2.6 Net increase/(decrease) in bank deposits	(14.541)	5.713
1.2.7 Net increase/(decrease) in other deposits	(302.411)	418.250
1.2.8 Net increase/(decrease) in funds borrowed	383.828	(626.216)
1.2.9 Net increase/(decrease) in payables	-	-
1.2.10 Net increase/(decrease) in other liabilities	(49.874)	(19.590)
I. Net cash provided from banking operations	(110.427)	(293.035)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II. Net cash provided from investing activities	(97.055)	521.005
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	(2.978)	(1.198)
2.4 Disposals of property and equipment	371	1.031
2.5 Cash paid for purchase of investments available-for-sale	(94.448)	-
2.6 Cash obtained from sale of investments available-for-sale	-	353.383
2.7 Cash paid for purchase of investment securities	-	-
2.8 Cash obtained from sale of investment securities	-	167.789
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	124	16.153
V. Net increase/decrease in cash and cash equivalents (I+II+III+IV)	(207.358)	244.123
VI. Cash and cash equivalents at beginning of the period	592.239	704.697
VII. Cash and cash equivalents at end of the period	384.881	948.820

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

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SECTION THREE

ACCOUNTING POLICIES

I. BASIS OF PRESENTATION:

The Parent Bank maintains its books of accounts in Turkish Lira in accordance with the Banking Act No. 5411 (“Banking Act”), which is effective from 1 November 2005, the Turkish Commercial Code and Turkish tax legislation.

The consolidated financial statements are prepared in accordance with the “Regulation on the Principles and Procedures Regarding Banks’ Accounting Applications and Safeguarding of Documents” published in the Official Gazette No.26333 dated 1 November 2006 by the Banking Regulation and Supervision Agency (“BRSA”) which refers to “Turkish Accounting Standards” (“TAS”) and “Turkish Financial Reporting Standards”(“TFRS”) issued by the Turkish Accounting Standards Board (“TASB”) and other decrees, notes and explanations related to the accounting and financial reporting principles (all “Turkish Accounting Standards” or “TAS”) published by the BRSA. The format and the details of the publicly announced financial statements and related disclosures to these statements have been prepared in accordance with the “Communiqués Related to Publicly Announced Financial Statements of Banks and Explanations and Notes Related to these Financial Statements” published in the Official Gazette No.28337 dated 28 June 2012 and changes in the related communiqué.

The consolidated 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 consolidated financial statements in conformity with TAS requires the use of certain critical accounting estimates by the Group management to exercise its judgment on the assets and liabilities of the balance sheet and contingent issues as of the balance sheet date. These estimates are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement.

The accounting policies and valuation principles applied in the preparation of these financial statements and valuation principles are defined and applied in accordance with TAS. Those accounting policies and valuation principles are explained in Notes II to XXVIII below.

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

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ACCOUNTING POLICIES (Continued)

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

The general strategy of the Group of using financial instruments is to sustain an optimal balance between the yield of the instruments and their risks. The most important funding source of the Bank is deposits. The Group 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 Group 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 Group 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 Parent Bank's foreign currency bid rates prevailing at the balance sheet date. Gains and losses arising from such valuations are recognized in the income statement under the account of "Foreign exchange gains or losses".

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

Consolidated financial statements are prepared in accordance with the "Turkish Accounting Standard for Consolidated and Separate Financial Statements" ("TAS 27").

Consolidation principles for subsidiaries:

Subsidiaries are entities controlled directly or indirectly by the Parent Bank.

Subsidiaries are consolidated using the full consolidation method on the grounds of materiality principle considering their operations, asset and equity sizes. Financial statements of related subsidiaries are consolidated from the date when the control is transferred to the Parent Bank.

Control means, directly or indirectly, holding the majority of the capital of an enterprise or although not having this majority, by holding privileged shares; or based on agreements made with other shareholders, holding the majority of the voting power or somehow having the power of dismissal or appointment of the majority of the members of the board of directors regarding the Parent Bank.

In the full consolidation method, 100% of subsidiaries' assets, liabilities, income, expense and off-balance sheet items are combined with the Parent Bank's assets, liabilities, income, expense and off-balance sheet items. The carrying amount of the Group's investment in each subsidiary and the Group's portion of the cost value of the capital of each subsidiary are eliminated. Intergroup balances and intergroup transactions and resulting unrealized profits and losses are eliminated. Minority interests in the net income of consolidated subsidiaries are identified and adjusted against the income of the Group in order to arrive at the net income attributable to the Group. Minority interests are presented in the consolidated balance sheet, in the shareholder's equity. Minority interests are presented separately in the Group's income.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Parent Bank.

The bank has recognised an impairment on its subsidiary Burgan Yatırım Menkul Değerler A.Ş. amounting to TL45.995 based on the assessment done as of 31 December 2012 and recorded the impairment expense in the net income/loss of the period.

The Group has no joint ventures or investment in associates as of 31 March 2013 and 31 December 2012.

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ACCOUNTING POLICIES (Continued)

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

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.

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values of hedged items.

Changes in fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedge item for which the effective interest method is used is amortized to profit or loss over the period maturity.

Certain derivative transactions, even though they provide effective economic hedges under the Group's risk management position, do not qualify for hedge accounting under the specific rules in "Turkish Accounting Standard for Financial Instruments: Recognition and Measurement ("TAS 39")" and are therefore treated as "Financial assets at fair value through profit or loss".

"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.

V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE:

Interest income and expenses are recognized in the income statement on an accrual basis by using the effective interest method.

The Group 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:

All fees and commissions income/expenses are recognized on an accrual basis, except for certain commission income and fees from various banking services, which are recorded as income at the time of collection. Fees and commissions income/expenses received/paid from/to the other institutions are recognized as transactional costs and recorded using the effective interest method. Contract-based fees or fees received in return for services such as the purchase and sale of assets on behalf of a third or legal person are recognized as income at the time of collection.

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ACCOUNTING POLICIES (Continued)

VII. EXPLANATIONS ON FINANCIAL ASSETS:

The Group 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 recognized at the "settlement dates". The appropriate classification of financial assets of the Group 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:

Financial assets, which are classified as "Financial assets at fair value through profit or loss", are trading financial assets and are either acquired for generating profit from short-term fluctuations in the price or dealer's margin, or are the financial assets included in a portfolio in which a pattern of short-term profit making exists independent from the acquisition purpose.

Trading financial assets are initially recognized at fair value and are subsequently re-measured at their fair value. However, if fair values cannot be obtained from the fair market transactions, it is accepted that the fair value cannot be measured reliably and that the financial assets are carried at "amortized cost" using the effective interest method. All gains and losses arising from these evaluations are recognized 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.

b. Held-to-maturity financial assets:

Held-to-maturity financial assets are assets that are not classified under loans and receivables and held-for-trading at the time of acquisition and are not included in available-for-sale financial assets, with fixed maturities and fixed or determinable payments where management has the intent and ability to hold the financial assets to maturity. Held-to-maturity financial assets are initially recognized 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 "amortized 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 recognized at the amortized 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 recognized in the expense accounts.

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ACCOUNTING POLICIES (Continued)

The Group 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 and changes in the related communiqué. 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 an 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 finalized.

d. Available-for-sale financial assets:

Available-for-sale financial assets are defined as financial assets other than the ones classified as "Loans and receivables", "Held-to-maturity assets" or "Financial asset at fair value through profit or loss".

Government bonds included in the available-for-sale financial assets are subsequently re-measured at fair value. When fair value calculations, based on market prices, cannot be obtained reliably, the available-for-sale financial assets are carried at amortized cost using the effective interest method. 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.

"Unrealized gains and losses" arising from changes in the fair value of financial assets classified as available-for-sale are recognized 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 CBT'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 Group has a legally enforceable right to offset the recognized amounts and there is an intention to collect/pay related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

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ACCOUNTING POLICIES (Continued)

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 Group 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 Group has no securities lending transactions.

XI. EXPLANATIONS ON ASSETS HELD FOR RESALE AND DISCONTINUED OPERATIONS:

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 Group has no discontinued operations.

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS:

a. Goodwill

The excess of the cost of an acquisition over the fair value of the Group's share of the identifiable assets, liabilities or contingent liabilities of the acquired subsidiary at the date of acquisition of the control is recorded as goodwill and represents a payment made by the acquirer in anticipation of future economic benefits from assets that are not capable of being individually identified and separately recognized. The acquirer also recognizes assets that are capable of being individually identified and separately recognized, intangible assets (i.e. trademarks) and contingent liabilities at fair value, irrespective of whether the asset had been recognized by the acquiree before the business combination; if it can be distinguished from the goodwill and if the asset's fair value can be measured reliably.

In line with "Turkish Financial Reporting Standard for Business Combinations" ("TFRS 3"), the goodwill is not subject to depreciation, but is tested annually for impairment and carried at cost less accumulated impairment losses, if any, in line with "Turkish Accounting Standard for Impairment on Assets" ("TAS 36"). For the purpose of impairment testing, goodwill acquired in a business combination must be allocated from the acquisition date to each of the acquirer's cash generating units that are expected to benefit from the synergies of the business combination. Since the Group has recognised a goodwill impairment of TL63.973 regarding the goodwill from acquisition of Burgan Yatırım Menkul Değerler A.Ş. based on the assessment done as of 31 December 2012, the net carrying value of goodwill in the consolidated financial statements is null as of 31 March 2013.

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ACCOUNTING POLICIES (Continued)

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 amortized 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 recognized 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 Group 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. However, the revaluation amount of the building acquired within the context of the financial lease agreement explained in detail in Section V is presented in the financial statements by considering the sales option regarding the share transfer of the Group.

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.

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 renewal 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 capitalized 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.

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ACCOUNTING POLICIES (Continued)

XIV. EXPLANATIONS ON LEASING TRANSACTIONS:

Assets acquired under finance lease agreements are capitalized 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. 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 recognized. 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 Group realizes financial leasing transactions in the capacity of "lessor" by means of Burgan Finansal Kiralama A.Ş. which is the consolidated subsidiary of the Group. The asset subject to financial leasing is disclosed as net financial leasing receivable in the balance sheet. The interest income is determined in a way to form a fixed revenue return ratio using net investment method related to leased asset of the lessor, and the portion of interest income which does not take part in the related term is followed under unearned interest income account.

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

The Group provides specific provisions for lease receivables based on the assessments and estimates of the management, by considering the "Communiqué Related to Principles and Procedures on Determining Provisions for Financial Lease Receivables, Factoring Receivables and Receivables of Financing Companies" published in the Official Gazette No. 26588 dated 20 July 2007 and changes in the related communiqué.

XV. EXPLANATIONS ON PROVISIONS AND CONTINGENT COMMITMENTS:

Provisions and contingent liabilities except for the specific and general provisions recognized 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 recognized when the Group 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 recognized 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 Group, 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 recognized in financial statements since this may result in the recognition of income that may never be realized. 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 recognized 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 Group 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 Group arising from this liability.

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 2012 (2011: 20%). The corporate tax rate is calculated on the total income 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.

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.

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ACCOUNTING POLICIES (Continued)

b. Deferred tax:

The Group 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 for the Parent Bank and for each consolidated subsidiary separately.

XIX. EXPLANATIONS ON BORROWINGS:

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

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

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".

XXII. EXPLANATIONS ON GOVERNMENT GRANTS:

As of 31 March 2013 and 31 December 2012, the Group 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.

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ACCOUNTING POLICIES (Continued)

XXIV. EXPLANATIONS ON EARNINGS PER SHARE:

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

	31 March 2013	31 March 2012
Net Income / (Loss) to be Appropriated to Ordinary Shareholders	(6.837)	19.457
Weighted Average Number of Issued Ordinary Shares (Thousand)	57.000.000	57.000.000
Earnings Per Ordinary Shares (Disclosed as 1.000 nominal in full TL))	(0,120)	0,341

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:

For the purpose of these financial statements, shareholders, key management personnel and board members together with their families and companies controlled by/affiliated with them, and associated companies are considered and referred to as related parties in accordance with "Turkish Accounting Standard for Related Parties" ("TAS 24"). The transactions with related parties are disclosed in detail 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 and time deposits at banks with original maturity periods of less than three months.

XXVII. EXPLANATIONS ON SEGMENT REPORTING:

Operational field is distinguishable section of the Group 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 VII in Section Four.

XXVIII. RECLASSIFICATIONS:

Reclassifications have been made on 31 December 2012 consolidated balance sheet and 31 March 2012 consolidated income statement, to conform to changes in presentation of 31 March 2013 consolidated financial statements.

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SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP

I. EXPLANATIONS ON CONSOLIDATED CAPITAL ADEQUACY RATIO:

a. As of 31 March 2013, the consolidated capital adequacy ratio of the Group is 15,73% (31 December 2012: 15,76%) which satisfies the requirement of being above both the minimum ratio of 8% stated in the related legislation and the targeted capital requirement stated in BRSA 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.

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.

c. Information related to consolidated capital adequacy ratio:

31.03.2013	Risk Weights							Risk Weights						
	Bank							Consolidated						
	0%	20%	50%	75%	100%	150%	200%	0%	20%	50%	75%	100%	150%	200%
Surplus credit risk weighted	854.854	58.767	654.821	672.355	2.579.862	16.160	19.822	854.917	60.276	663.230	662.578	2.791.675	16.184	19.822
Risk classifications:														
Claims on sovereigns and Central Banks	805.278	-	-	-	45.247	-	-	805.278	-	-	-	45.247	-	-
Claims on regional governments or local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims on administrative bodies and other non-commercial undertakings	-	-	-	-	9	-	-	-	-	-	-	9	-	-
Claims on multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims on international organizations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims on banks and intermediary institutions	40	28.799	40.731	-	71.072	-	-	40	28.799	47.143	-	70.194	-	-
Claims on corporates	19.583	26.124	-	-	2.093.161	1.622	-	19.953	27.624	-	-	2.367.213	1.622	-
Claims included in the regulatory retail portfolios	8.691	2.562	-	672.355	-	-	-	8.291	2.571	662.578	-	-	-	-
Claims secured by residential property	2.860	945	603.910	-	116.491	-	-	2.940	945	605.862	-	118.196	-	-
Past due loans	46	-	10.180	-	51.116	1.184	-	46	-	10.225	-	54.226	1.208	-
Higher risk categories decided by the Board	1.361	337	-	-	-	13.354	19.822	1.361	337	-	-	-	13.354	19.822
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	16.995	-	-	-	202.766	-	-	17.008	-	-	-	136.590	-	-

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d. Summary information about consolidated capital adequacy ratio:

	Parent Bank		Consolidated	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
Amount subject to credit risk (Value at Credit Risk*0.08)(ASCR)	278.974	287.158	295.696	301.276
Amount subject to market risk (ASMR)	4.623	5.045	9.271	5.913
Amount subject to operational risk (ASOR)	21.829	19.710	26.202	25.628
Shareholders' equity	638.013	641.563	651.122	655.818
Shareholders' equity/((ASCR+ASMR+ASOR)*12,5*100)	16,71	16,45	15,73	15,76

e. Information about consolidated shareholders' equity items:

	31 March 2013	31 December 2012
CORE CAPITAL		
Paid-in capital	570.000	570.000
Nominal capital	570.000	570.000
Capital commitments (-)	-	-
Inflation adjustment to share capital	-	-
Share premium	-	-
Share cancellation profits	-	-
Reserves	106.647	106.635
Adjustment of reserves	-	-
Profit	-	3.536
Current period profit	-	-
Prior period profit	-	3.536
Provisions for possible risks (up to 25% of core capital)	-	-
Profit on disposal of associates, subsidiaries and immovables to be	67	67
Primary subordinated loans	-	-
Uncovered portion of loss with reserves (-)	38.279	34.966
Current period loss (-)	6.837	34.966
Prior period loss (-)	31.442	-
Operating Lease Development Cost (-)	7.203	8.116
Intangible assets (-)	25.366	24.350
Deferred tax asset amount exceeding 10% of core capital (-)	-	-
Limit exceeding amount regarding the third clause of article 56 of the Law (-)	-	-
Total Core Capital	605.866	612.806

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SUPPLEMENTARY CAPITAL	31 March 2013	31 December 2012
General provisions	39.007	37.096
45% of the movables revaluation fund	-	-
45% of the immovables revaluation fund	1.673	1.673
Bonus shares of investment in associates, subsidiaries and joint ventures	-	-
Primary subordinated loans that are not considered in the calculation of core capital	-	-
Secondary subordinated loans	-	-
45% of marketable securities valuation reserve	4.911	4.583
Inflation adjustment of capital reserve, profit reserve and prior years' income or loss (Except inflation adjustment of legal reserves, status reserves and extraordinary reserves)	-	-
Total Supplementary Capital	45.591	43.352
CAPITAL	651.457	656.158
DEDUCTIONS FROM THE CAPITAL	335	340
Shares in unconsolidated banks and financial institutions	-	-
The secondary subordinated loans extended to banks, financial institutions (domestic or foreign) or significant shareholders of the bank and the debt instruments of a primary or secondary subordinated loan nature purchased from them	-	-
Shares of banks and financial institutions final equity method applied but assets and liabilities are not consolidated	-	-
Loans extended as contradictory to the articles 50 and 51 of the Law	-	-
The net book value of bank's immovables that are over 50% of shareholders' equity and immovables or commodities that are received on behalf of the receivables from customers and are to be disposed of according to banking law article 57 as they have been held for more than five years from the acquisition date	335	340
Other	-	-
TOTAL SHAREHOLDERS' EQUITY	651.122	655.818

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II. EXPLANATIONS ON CONSOLIDATED 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	5.769
(II) Capital to be Employed for Specific Risk -Standard Method	512
Capital to be Employed for Specific Risk in Securitisation Positions – Standard Method	-
(III) Capital to be Employed for Currency Risk - Standard Method	199
(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	71
(VII) Capital to be Employed for the Other Party's Credit Risk - Standard Method	2.720
(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)	9.271
(X) Amount Subject to Market Risk (12,5 x VIII) or (12,5 x IX)	115.888

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III. EXPLANATIONS ON CONSOLIDATED OPERATIONAL RISK:

Operational Risks is the potential losses that can arise as a result of inadequacies or errors in internal processes, systems or personal and potential losses due to external events including legal risks.

As of 31 March 2013, the Group calculates the amount subject to operational risk based on “Basic Indicator Method” by using the last three year-end gross income balances of the Group, in accordance with Regulation Regarding Measurement and Evaluation of Banks’ Capital Adequacy Ratio.

IV. EXPLANATIONS ON CONSOLIDATED CURRENCY RISK:

The difference between the Group’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 Group due to the free floating currency regime.

The Parent 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 2013	31 December 2012	31 March 2013	31 December 2012
31 March 2013/ 31 December 2012				
Bid rate	2,3189	TL2,3452	1,8087	TL1,7776
1. Day bid rate	2,3189	TL2,3452	1,8087	TL1,7776
2. Day bid rate	2,3206	TL2,3517	1,8137	TL1,7826
3. Day bid rate	2,3257	TL2,3657	1,8176	TL1,7829
4. Day bid rate	2,3379	TL2,3566	1,8168	TL1,7848
5. Day bid rate	2,3551	TL2,3586	1,8140	TL1,7877

The simple arithmetic average of the Parent 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 2013	31 December 2012	31 March 2013	31 December 2012
Arithmetic average-30 days	2,3438	TL2,3340	1,8075	TL1,7797

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Information on currency risk of the Group:

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

	EUR	USD	Other FC	Total
31 March 2013				
Assets				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	73.049	225.971	95	299.115
Due From Banks	52.222	22.998	5.544	80.764
Financial Assets at Fair Value Through Profit or Loss	-	286	-	286
Interbank Money Market Placements	-	-	-	-
Available-for-sale Financial Assets	-	-	-	-
Loans (*)	556.064	731.437	677	1.288.178
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Held-to-Maturity Investments	-	-	-	-
Hedging Derivative Financial Assets	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	118.942	119.734	275	238.951
Total Assets (*)	800.277	1.100.426	6.591	1.907.294
Liabilities				
Bank Deposits	46.395	367	13	46.775
Foreign Currency Deposits	329.464	885.530	9.989	1.224.983
Funds From Interbank Money Market	-	-	-	-
Funds Borrowed From Other Financial Institutions (*)	410.556	166.624	672	577.852
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	8.623	9.081	3	17.707
Hedging Derivative Financial Liabilities	-	-	-	-
Other Liabilities	1.552	15.052	16	16.620
Total Liabilities (*)	796.590	1.076.654	10.693	1.883.937
Net On-balance Sheet Position	3.687	23.772	(4.102)	23.357
Net Off-balance Sheet Position	12.227	(42.419)	8.430	(21.762)
Financial Derivative Assets	994.180	1.198.822	150.836	2.343.838
Financial Derivative Liabilities	981.953	1.241.241	142.406	2.365.600
Non-Cash Loans (**)	149.832	422.950	761	573.543
31 December 2012				
Total Assets (*)	653.412	1.081.481	4.760	1.739.653
Total Liabilities (*)	615.235	1.116.567	6.600	1.738.402
Net On-balance Sheet Position	38.177	(35.086)	(1.840)	1.251
Net Off-balance Sheet Position	(29.279)	31.024	1.488	3.233
Financial Derivative Assets	554.189	731.011	104.722	1.389.922
Financial Derivative Liabilities	583.468	699.987	103.234	1.386.689
Non-Cash Loans (**)	147.089	452.770	867	600.726

(*) 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 TL424.652 (31 December 2012: TL398.798) classified as Turkish Lira assets in the 31 March 2013 financial statements are added to the table above. Besides this, in assets "Income Accruals of Derivative Financial Instruments" amounting to TL17.967 (31 December 2012: TL 13.547), in liabilities "Expense Accruals of Derivative Financial Instruments" amounting to TL15.658 (31 December 2012: TL 12.281), "General Provisions" amounting to TL10.993 (31 December 2012: TL 9.793) 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 CONSOLIDATED 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 Group'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 Parent 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 2013	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	-	-	-	-	-	411.658	411.658
Due From Banks	61.076	-	-	-	-	19.798	80.874
Financial Assets at Fair Value Through Profit/Loss	35.358	17.991	21.219	31.971	3.229	15.517	125.285
Interbank Money Market Placements	139.886	-	-	-	-	-	139.886
Available-for-Sale Financial Assets	-	98.103	252.224	101.813	-	5.169	457.309
Loans	649.893	1.351.505	566.349	319.462	104.724	65.661	3.057.594
Held-to-Maturity Investments	-	-	-	-	-	-	-
Other Assets	12.448	16.025	69.865	150.827	3.550	133.309	386.024
Total Assets	898.661	1.483.624	909.657	604.073	111.503	651.112	4.658.630
Liabilities							
Bank Deposits	46.379	-	-	-	-	5.838	52.217
Other Deposits	1.346.078	773.274	521.835	12.448	-	167.998	2.821.633
Funds From Interbank Money Market	298.486	-	-	-	-	-	298.486
Miscellaneous Payables	-	-	-	-	-	69.700	69.700
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	13.432	285.493	106.175	210.545	-	-	615.645
Other Liabilities (*)	7.848	4.416	13.937	1.218	-	773.530	800.949
Total Liabilities	1.712.223	1.063.183	641.947	224.211	-	1.017.066	4.658.630
Balance Sheet Long Position	-	420.441	267.710	379.862	111.503	-	1.179.516
Balance Sheet Short Position	(813.562)	-	-	-	-	(365.954)	(1.179.516)
Off-balance Sheet Long Position	-	-	16.685	4.450	-	-	21.135
Off-balance Sheet Short Position	(9.825)	(8.157)	-	-	-	-	(17.982)
Total Position	(823.387)	412.284	284.395	384.312	111.503	(365.954)	3.153

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

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31 December 2012	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	-	-	-	-	-	363.206	363.206
Due From Banks	203.552	889	-	-	-	8.931	213.372
Financial Assets at Fair Value Through Profit/Loss	18.156	23.825	53.640	5.393	565	3.211	104.790
Interbank Money Market Placements	130.684	10.011	-	-	-	-	140.695
Available-for-Sale Financial Assets	63.188	229.512	64.992	-	-	5.169	362.861
Loans	608.923	1.393.247	531.876	343.531	106.334	64.933	3.048.844
Held-to-Maturity Investments	-	-	-	-	-	-	-
Other Assets	11.598	15.524	67.413	148.840	1.235	164.535	409.145
Total Assets	1.036.101	1.673.008	717.921	497.764	108.134	609.985	4.642.913
Liabilities							
Bank Deposits	-	-	-	-	-	14.347	14.347
Other Deposits	1.482.445	1.053.853	421.172	12.246	-	205.231	3.174.947
Funds From Interbank Money Market	87.744	-	-	-	-	-	87.744
Miscellaneous Payables	-	-	-	-	-	61.739	61.739
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	9.718	16.972	207.839	204.068	3.413	-	442.010
Other Liabilities (*)	5.312	4.424	11.111	6	-	841.273	862.126
Total Liabilities	1.585.219	1.075.249	640.122	216.320	3.413	1.122.590	4.642.913
Balance Sheet Long Position	-	597.759	77.799	281.444	104.721	-	1.061.723
Balance Sheet Short Position	(549.118)	-	-	-	-	(512.605)	(1.061.723)
Off-balance Sheet Long Position	-	-	862	3.848	-	-	4.710
Off-balance Sheet Short Position	(2.390)	(3.497)	-	-	-	-	(5.887)
Total Position	(551.508)	594.262	78.661	285.292	104.721	(512.605)	(1.177)

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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 2013	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	-	-	-	-
Due From Banks	0,32	0,31	-	-
Financial Assets at Fair Value Through Profit/Loss	-	5,83	-	6,74
Interbank Money Market Placements	-	-	-	6,18
Available-for-Sale Financial Assets	-	-	-	8,78
Loans	6,03	5,93	4,65	12,73
Held-to-Maturity Investments	-	-	-	-
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits (*)	2,59	2,84	-	7,66
Funds From Interbank Money Market	-	-	-	5,50
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	2,62	3,63	2,43	7,52

31 December 2012	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	-	-	-	-
Due From Banks	-	0,28	-	5,46
Financial Assets at Fair Value Through Profit/Loss	-	5,83	-	6,46
Interbank Money Market Placements	-	-	-	6,18
Available-for-Sale Financial Assets	-	-	-	9,53
Loans	6,41	6,21	4,65	12,66
Held-to-Maturity Investments	-	-	-	-
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits (*)	3,12	3,49	-	8,39
Funds From Interbank Money Market	-	-	-	4,68
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	3,14	3,78	2,43	8,01

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

c. Interest rate risk resulting from banking accounts:

- 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.

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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	-21.839	-3,4%
2. TRY	-400 bp	20.211	3,2%
3. EURO	+200 bp	-7.311	-1,1%
4. EURO	-200 bp	2.655	0,4%
5. USD	+200 bp	-2.618	-0,4%
6. USD	-200 bp	756	0,1%
Total (For Negative Shocks)		23.622	3,7%
Total (For Positive Shocks)		-31.768	-5,0%

d. Share position risk resulting from banking accounts:

None.

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VI. EXPLANATIONS ON CONSOLIDATED 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 Parent 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 utilized at a minimum level. The Group does not need these funds due to the existing liquidity position but utilizes the funds for the opportunities of short-term transactions.

In accordance with the "Regulation on Measurement and Assessment of Liquidity Adequacy of the Banks", which came into effect after its publication in the Official Gazette numbered 26333 on 1 November 2006 by BRSA, weekly simple arithmetic average of total liquidity adequacy ratio related to the first maturity period, and total liquidity adequacy ratio related to the second maturity period cannot be less than a hundred percent; weekly simple arithmetic average of the foreign currency liquidity adequacy ratio related to first maturity period, and foreign currency liquidity adequacy ratio related to second maturity period cannot be less than eighty percent as of 1 June 2007. In accordance with the regulation published on 11 December 2009, for the 14 day period subject to the reserve requirement calculation the simple arithmetic average of the ratio of assets which are calculated with hundred percent weight with stock values to liabilities cannot be less than seven percent. The parent Bank's liquidity ratios realized in 2013 are as follows for the Parent Bank:

	First Maturity Period		Second Maturity Period		Stock Values
	FC	FC + TL	FC	FC + TL	FC + TL
Average (%)	150,03%	218,36%	96,47%	136,02%	11,29%
Maximum (%)	209,80%	283,37%	111,26%	160,64%	12,20%
Minimum (%)	106,53%	174,81%	85,37%	120,33%	9,92%

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Breakdown of assets and liabilities according to their outstanding maturities:

31 March 2013	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	17.024	394.634	-	-	-	-	-	411.658
Due From Banks	19.798	61.076	-	-	-	-	-	80.874
Financial Assets at Fair Value Through Profit or Loss	15.517	7.549	7.202	23.086	65.528	6.403	-	125.285
Interbank Money Market Placements	-	139.886	-	-	-	-	-	139.886
Available-for-Sale Financial Assets	-	-	31.171	59.161	361.808	-	5.169	457.309
Loans	-	458.028	1.338.608	675.726	414.847	104.724	65.661	3.057.594
Held-to-Maturity Investments	-	-	-	-	-	-	-	-
Other Assets (**)	-	28.956	28.937	77.863	163.200	3.550	83.518	386.024
Total Assets	52.339	1.090.129	1.405.918	835.836	1.005.383	114.677	154.348	4.658.630
Liabilities								
Bank Deposits	5.838	46.379	-	-	-	-	-	52.217
Other Deposits	167.998	1.346.078	773.274	521.835	12.448	-	-	2.821.633
Funds Borrowed From Other Financial Institutions	-	13.432	34.523	289.411	274.932	3.347	-	615.645
Funds From Interbank Money Market	-	298.486	-	-	-	-	-	298.486
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	-	34.892	2.668	-	-	-	32.140	69.700
Other Liabilities (**)	-	44.545	3.658	25.898	3.514	-	723.334	800.949
Total Liabilities	173.836	1.783.812	814.123	837.144	290.894	3.347	755.474	4.658.630
Net Liquidity Gap	(121.497)	(693.683)	591.795	(1.308)	714.489	111.330	(601.126)	-
31 December 2012								
Total Assets	33.650	1.211.735	1.438.889	853.849	841.786	108.335	154.669	4.642.913
Total Liabilities	219.578	1.706.487	1.075.855	581.051	290.188	3.419	766.335	4.642.913
Net Liquidity Gap	(185.928)	(494.752)	363.034	272.798	551.598	104.916	(611.666)	-

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

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

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VII. EXPLANATIONS ON SECURITIZATION EXPOSURES:

None.

VIII. EXPLANATIONS ON LOAN RISK MITIGATION TECHNIQUES:

Bank does not perform net-off of 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. Legal validity of mortgages is sustained by mortgage’s timely and fair approval.

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	846.885	-	-	-
Claims on regional governments or local authorities	-	-	-	-
Claims on administrative bodies and other non-commercial undertakings	46	-	-	-
Claims on multilateral development banks	-	-	-	-
Claims on international organizations	-	-	-	-
Claims on banks and intermediary institutions	163.501	892	-	-
Claims on corporates	2.847.025	65.697	-	-
Claims included in the regulatory retail portfolios	809.247	13.926	-	3.478
Claims secured by residential property	760.177	4.092	-	1.597
Past due loans	65.705	46	-	-
Higher risk categories decided by the Board	34.874	1.698	-	-
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	405.951	-	-	-
Total	5.933.411	86.351	-	5.075

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IX. EXPLANATIONS ON TARGETS AND POLICIES OF RISK MANAGEMENT:

Burgan Bank defines risk as the deviation from anticipated outcomes that may affect the value, capital or earnings of the bank. As a result, risk stems from its exposure to external or internal risk factors in conducting its business activities. 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 Group follows the following principles for a healthy risk management process:

- The Board of Directors is responsible for approving and periodically reviewing the risk policy of the Group
- 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 Group 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 Group has defined certain principles and policies to ensure the efficient monitoring of market risks.
- The Group 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. Decision taking is based on delegated authority.
- Appropriate systems and processes are in place to monitor all exposures, both on or off-balance sheet.
- The Group promotes an open risk culture under which all material risks are communicated to the appropriate authorities of the Group as well as to the Board of Directors. The Group 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 Group.

Sound risk management is a key element of the Burgan Bank in its effort to achieve its business goals. The Group has established a comprehensive risk management framework in order to ensure that risk taking which is inherent in the Group 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,

Group's management aims to ensure that:

- Risk taken by the Group 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 Group to absorb losses,
- Risk is adequately mitigated by the introduction and implementation of proper risk management systems and procedures,
- Risk awareness is promoted throughout all units of the Group, 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. Board of Directors 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 Group shall engage in lending activities towards legal entities and individuals which exhibit satisfactory creditworthiness and financial standing.
- The Group 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 Group will assume credit risk of which it has a good understanding and is capable to manage, either at individual or at portfolio level.
- Credit risk shall be priced accordingly so that the risk/ reward ratio is optimised.
- The Group shall require that credit exposures are adequately covered by satisfactory collateral. Unsecured exposures shall be taken with prudence.
- The Group shall avoid significant concentrations of credit risk, either to single or groups of borrowers or sectors of the economy or geographic areas.
- The Group 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 Group aims to ensure the efficient monitoring of market risks that emanate from its overall activities.
- The Group shall maintain a prudent approach in managing its exposure to market risk and liquidity risk.
- The Group shall be protected against unforeseen market losses through the independent identification, assessment and understanding of the market risks inherent in the business.

Operational Risk Strategy

- The Group aims to keep operational risk at acceptable levels.
- Operational risk levels shall be closely monitored in respect to their severity and frequency.
- The Group 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. Risk management group consists of credit risk, market risk and operational risk divisions.

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Risk Measurement and Assessment

Burgan Bank, applies internal systems for the measurement of credit risk. These systems assign a specific rating to every borrower/ counterparty (1-11 scale) which reflects the creditworthiness of the particular borrower and consequently the ability to repay funds on a timely manner. Credit rating takes under consideration both quantitative and qualitative factors.

FX position limits, bond portfolio limits and VaR limits are monitored daily. Interest rate gap limits are monitored monthly. All market risk limit utilizations are reported to the ALCO and Risk Committee.

Market Risk Unit runs stress tests on a regular basis and presents the results to BoD, ALCO and Risk Committee. The stress test describes the effects of defined changes in yield curves, credit spreads and FX rates on certain on-balance and off-balance items.

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X. EXPLANATIONS ON OPERATING SEGMENTS:

The Parent Bank manages its banking operations through three main business units: retail banking, corporate 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 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 2012 for balance sheet and 31 March 2013 for income statements items.

	Retail Banking	Corporate Banking	Treasury	Other(*)	Total Operations of the Group
31 March 2013					
Segment revenue	15.337	27.753	8.825	7.83	59.746
Unallocated costs	-	-	-	(8.664)	(67.856)
Net Operating Profit	15.337	27.753	8.825	(833)	(8.110)
Dividend income	-	-	-	-	-
Profit Before Tax	-	-	-	-	(8.110)
Tax expense	-	-	-	-	1.273
Net Profit	-	-	-	-	(6.837)
Segment assets	572.650	2.748.302	894.955	337.165	4.553.072
Unallocated assets	-	-	-	-	105.558
Total Assets	572.650	2.748.302	894.955	337.165	4.658.630
Segment liabilities	1.054.815	1.843.440	688.962	337.165	3.924.382
Unallocated liabilities	-	-	-	-	734.248
Total Liabilities	1.054.815	1.843.440	688.962	337.165	4.658.630

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	Retail Banking	Corporate Banking	Treasury	Other(*)	Total Operations of the Group
31 March 2012					
Segment revenue	14.410	23.562	27.225	8.920	74.117
Unallocated costs	-	-	-	(6.703)	(49.859)
Net Operating Profit	14.410	23.562	27.225	2.217	24.258
Dividend income	-	-	-	-	-
Profit Before Tax	-	-	-	-	24.258
Tax expense	-	-	-	-	(4.801)
Net Profit	-	-	-	-	19.457
31 December 2012					
Segment assets	643.476	2.690.276	874.173	289.704	4.497.629
Unallocated assets	-	-	-	-	145.284
Total Assets	643.476	2.690.276	874.173	289.704	4.642.913
Segment liabilities	1.190.297	2.031.425	311.296	289.704	3.822.722
Unallocated liabilities	-	-	-	-	820.191
Total Liabilities	1.190.297	2.031.425	311.296	289.704	4.642.913

(*) Other includes operations of subsidiaries of the Bank which are Burgan Finansal Kiralama A.Ş. and Burgan Yatırım Menkul Değerler A.Ş. and its subsidiary Burgan Portföy Yönetimi A.Ş.

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SECTION FIVE

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS

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

1. Information on cash and the account of the CBRT:

	31 March 2013		31 December 2012	
	TL	FC	TL	FC
Cash/Foreign currency	9.692	7.316	11.573	13.125
CBRT	102.851	291.799	191.692	146.816
Other	-	-	-	-
Total	112.543	299.115	203.265	159.941

2. Information on the account of the CBRT:

	31 March 2013		31 December 2012	
	TL	FC	TL	FC
Demand Unrestricted Amount	102.851	45.248	191.692	22.766
Time Unrestricted Amount	-	-	-	-
Time Restricted Amount	-	246.551	-	124.050
Total	102.851	291.799	191.692	146.816

3. Information on reserve requirements:

As of balance sheet date, according to CBRT’s “Required Reserves Announcement “ No 2005/1, required reserves ratios for commercial banks operating in Turkey, are as follows; for demand deposits, notice deposits and private current accounts, deposits/participation accounts up to 1-month, up to 3 month it is 11,5%, for deposits/participation accounts up to 6-month maturity (including 6-month) 8,5%, for deposits/participation accounts up to 1-year maturity is 6,5%, for deposits/participation accounts with 1-year and longer maturity and cumulative deposits/participation accounts 5%, for liabilities other than deposits/participation funds it is 5% , for liabilities other than deposits/participation funds accounts up to 1-year maturity is 11,5%, for liabilities other than deposits/participation funds accounts up to 1-year maturity is 8% and for liabilities other than deposits/participation funds accounts longer than 3-year maturity is 5%. For FX demand deposits, notice deposits and FX private current accounts, deposits/participation accounts up to 1-month, up to 3-month, up to 6-month and up to 1-year maturities it is 12,5%, for FX deposits/FX participation accounts with 1-year and longer maturity and cumulative FX deposits/FX participation accounts it is 10%, for other FX liabilities up to 1 year maturity (including 1-year) it is 12,5%, for other FX liabilities up to 3-year maturity (including 3-year) it is 10,5%, for other FX liabilities longer than 3-year maturity it is 6%.

No interest is charged by CBRT for Turkish Lira and foreign currency denominated reserve requirements.

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

- As of 31 March 2013, there are no financial assets at fair value through profit or loss subject to repo transactions (31 December 2012:None).
- Positive differences related to trading derivative financial assets:

	31 March 2013		31 December 2012	
	TL	FC	TL	FC
Forward Transactions	1,944	802	2,431	838
Swap Transactions	7,360	4,097	2,482	4,722
Futures Transactions	-	-	-	-
Options	399	13,141	461	8,075
Other	-	-	-	-
Total	9,703	18,040	5,374	13,635

c. Information on banks:

- Information on banks:

	31 March 2013		31 December 2012	
	TL	FC	TL	FC
Banks				
Domestic	110	61,022	114,803	89,862
Foreign	-	19,742	-	8,707
Headquarters and Branches Abroad	-	-	-	-
Total	110	80,764	114,803	98,569

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

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

As of 31 March 2013, there are TL102.413 available-for-sale financial assets given as collateral/blocked (31 December 2012: TL 88.396) and those subject to repurchase agreements amounts to TL274.592 (31 December 2012: TL 87.918).

- Information on available-for-sale financial assets:

	31 March 2013	31 December 2012
Debt Securities	452,190	357,692
Quoted on Stock Exchange	452,190	357,692
Not Quoted	-	-
Share Certificates	5,169	5,169
Quoted on Stock Exchange	-	-
Not Quoted	5,169	5,169
Impairment Provision (-)	50	-
Total	457,309	362,861

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e. Explanations on loans:

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

	31 March 2013		31 December 2012 (*)	
	Cash	Non-cash	Cash	Non-cash
Direct Loans Granted To Shareholders	-	-	-	-
Corporate Shareholders	-	-	-	-
Real Person Shareholders	-	-	-	-
Indirect Loans Granted To Shareholders	-	227	-	-
Loans Granted To Employees	3.467	-	3.582	-
Total	3.467	227	3.582	-

- Information on the first and second group loans and other receivables including 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	2.775.111	29.799	8.675	50.956	120.947	6.445
Loans Given to Enterprises	-	-	-	-	-	-
Export Loans	574.274	3.906	-	2.930	4.766	-
Import Loans	-	-	-	-	-	-
Loans Given to Financial Sector	16.550	-	-	-	-	-
Consumer Loans	45.044	-	-	2.698	175	-
Credit Cards	16.390	-	-	587	-	-
Other (*)	2.122.853	25.893	8.675	44.741	116.006	6.445
Specialised Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	2.775.111	29.799	8.675	50.956	120.947	6.445

(*) The Group also has TL140.797 factoring loans in the Other account.

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(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	16.931	120.947
3,4 or 5 times	10.222	-
Over 5 times	2.646	-
Total	29.799	120.947

(iii)

Extended Period of Time	Standard Loans and Other Receivables	Loans and Other Receivables Under Close Monitoring
0-6 Months	18.141	57.903
6 Months – 12 Months	11.658	21.111
1-2 Years	-	16.292
2-5 Years	-	19.534
5 Years and Over	-	6.107
Total	29.799	120.947

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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	2.038	40.957	42.995
Real estate loans	-	4.671	4.671
Automotive loans	-	637	637
Consumer loans	2.038	35.649	37.687
Other	-	-	-
Consumer Loans-FC Indexed	-	1.165	1.165
Real estate loans	-	1.165	1.165
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Individual Credit Cards-TL	5.346	-	5.346
With installments	-	-	-
Without installments	5.346	-	5.346
Individual Credit Cards- FC	21	-	21
With installments	-	-	-
Without installments	21	-	21
Personnel Loans-TL	363	2.327	2.690
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	363	2.327	2.690
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	773	-	773
With installments	-	-	-
Without installments	773	-	773
Personnel Credit Cards-FC	4	-	4
With installments	-	-	-
Without installments	4	-	4
Credit Deposit Account-TL (Real Person)	1.067	-	1.067
Credit Deposit Account-FC (Real Person)	-	-	-
Total	9.612	44.449	54.061

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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	36.401	205.146	241.547
Real estate loans	-	652	652
Automotive loans	5	2.105	2.110
Consumer loans	26.441	171.062	197.503
Other	9.955	31.327	41.282
Commercial Installments Loans-FC Indexed	4.186	43.809	47.995
Real estate loans	-	-	-
Automotive loans	-	206	206
Consumer loans	4.186	43.540	47.726
Other	-	63	63
Commercial Installments Loans-FC	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Corporate Credit Cards-TL	10.810	-	10.810
With installment	-	-	-
Without installment	10.810	-	10.810
Corporate Credit Cards-FC	23	-	23
With installment	-	-	-
Without installment	23	-	23
Credit Deposit Account-TL (Legal Person)	18.917	-	18.917
Credit Deposit Account-FC (Legal Person)	-	-	-
Total	70.337	248.955	319.292

5. Loans according to types of borrowers:

	31 March 2013	31 December 2012
Public	-	-
Private	2.991.933	2.983.911
Total	2.991.933	2.983.911

6. Distribution of domestic and foreign loans:

	31 March 2013	31 December 2012
Domestic Loans	2.991.933	2.983.911
Foreign Loans	-	-
Total	2.991.933	2.983.911

7. Loans given to investments in associates and subsidiaries:

None (31 December 2012: None).

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8. Specific provisions provided against loans:

	31 March 2013	31 December 2012
Loans and Other Receivables with Limited Collectability	3.013	4.167
Loans and Other Receivables with Doubtful Collectability	14.116	10.884
Uncollectible Loans and Other Receivables	105.796	95.987
Total	122.925	111.038

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 2013			
(Gross amounts before the Specific Reserves)			
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	281	151	4.931
31 December 2012			
(Gross amounts before the Specific Reserves)			
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	127	145	4.485

(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	24.986	32.121	118.864
Additions (+)	16.703	109	2.421
Transfers from Other Categories of Non-performing Loans (+)	-	19.431	11.878
Transfers to Other Categories of Non-performing Loans (-)	19.431	11.878	-
Collections (-)	2.301	1.572	2.745
Write-offs (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Balance at the End of the Period	19.957	38.211	130.418
Specific Provision (-)	3.013	14.116	105.796
Net Balance on Balance Sheet	16.944	24.095	24.622

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(iii). Information on non-performing loans granted as foreign currency loans:

	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 2013			
Period-End Balance	4.623	4.494	33.852
Specific Provision (-)	875	1.599	23.673
Net Balance on balance sheet	3.748	2.895	10.179
31 December 2012			
Period-End Balance	6.263	2.469	33.934
Specific Provision (-)	1.019	1.201	23.471
Net Balance on balance sheet	5.244	1.268	10.463

(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)	16.944	24.095	24.622
Loans Given to Real Persons and Legal Persons (Gross)	16.376	37.919	124.124
Specific Provision Amount (-)	2.346	13.970	99.579
Loans Given to Real Persons and Legal Persons (Net)	14.030	23.949	24.545
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	3.581	292	6.294
Specific Provision Amount (-)	667	146	6.217
Other Loans and Receivables (Net)	2.914	146	77
Prior Period (Net)	20.819	21.237	22.877
Loans Given to Real Persons and Legal Persons (Gross)	21.499	31.924	112.517
Specific Provision Amount (-)	3.457	10.785	89.980
Loans Given to Real Persons and Legal Persons (Net)	18.042	21.139	22.537
Banks (Net)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	3.487	197	6.347
Specific Provision Amount (-)	710	99	6.007
Other Loans and Receivables (Net)	2.777	98	340

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f. Information on held-to-maturity investments:

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

None.

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

None.

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

None.

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

None.

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

None.

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g. Information on investments in associates (Net):

None.

h. Information on subsidiaries (Net):

1. Information on unconsolidated subsidiaries:

None.

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

None.

3. Information on consolidated subsidiaries:

	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	99,99	0,01

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	285.052	41.438	22	5.468	-	1.412	1.476	-
2 (*)	107.965	63.742	2.981	1.508	342	(2.083)	279	-

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

5. Movement schedules of subsidiaries:

	31 March 2013	31 December 2012
Balance at the beginning of the Period	88.337	134.332
Movements during the Period		(45.995)
Purchases	-	-
Bonus Shares Obtained	-	-
Dividends from Current Year Income	-	-
Sales	-	-
Revaluation Increase	-	-
Impairment Provision	-	(45.995)
Balance at the end of the Period	88.337	88.337
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 2013	31 December 2012
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	22.232	22.232
Finance Companies	-	-
Other Financial Subsidiaries	66.105	66.105
Total	88.337	88.337

7. Subsidiaries quoted on stock exchange:

None.

i. Information on joint ventures:

None.

j. Information on lease receivables (net):

Presentation of financial lease receivables based on their days to maturity:

	31 March 2013		31 December 2012	
	Gross	Net	Gross	Net
Less than 1 year	114.832	98.403	111.248	94.558
Between 1-4 years	160.368	144.271	160.309	144.280
More than 4 years	10.742	10.041	6.222	5.772
Total	285.942	252.715	277.779	244.610

k. Information on hedging derivative financial assets:

As of 31 March 2013, there are no positive differences related with hedging derivative financial assets (31 December 2012: None).

l. Information on investment property:

None.

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m. Information on deferred tax asset:

As of 31 March 2013, the Group has netted-off the calculated deferred tax asset of TL14.008 (31 December 2012: TL12.633) and deferred tax liability of TL2.718 (31 December 2012: TL2.809) in accordance with “TAS 12” and has recorded a net deferred tax asset of TL11.290 (31 December 2012: TL9.824) in the financial statements. As of 31 March 2013 the Group has not a deferred tax liability (31 December 2012: None).

As of 31 March 2013 and 31 December 2012, the details of accumulated temporary differences and deferred tax assets and liabilities are presented below:

	Accumulated Temporary Differences		Deferred Tax Assets/Liabilities	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
Reserve for Employee Rights	22.427	20.323	4.485	4.064
Carried Financial Loss	18.157	7.788	3.631	1.558
Provision for Legal Cases	14.475	14.012	2.895	2.802
Valuation Differences of Derivative Instruments	8.072	11.029	1.614	2.206
Other Provisions	6.019	5.802	1.204	1.160
Unearned Revenue	71	3.534	14	707
Other	824	680	165	136
Deferred Tax Assets	70.045	63.168	14.008	12.633
Difference Between Book Value and Tax Base of Tangible and Intangible Assets	13.395	14.017	2.679	2.803
Value Difference of Securities	101	31	20	6
Other	96	-	19	-
Deferred Tax Liabilities	13.592	14.048	2.718	2.809
Deferred Tax Assets / (Liabilities) (Net)	56.453	49.120	11.290	9.824

Movement of deferred tax asset/ liabilities is presented below:

	31 March 2013	31 December 2012
Balance as of 1 January	9.824	14.316
Current year deferred tax income/(expense) (net)	1.647	(943)
Deferred tax charged to equity (net)	(181)	(3.549)
Balance at the End of the Period	11.290	9.824

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

The Group has assets held for resale amounting to TL13.022 (31 December 2012: TL13.005) and has no discontinued operations.

Prior Period End:	31 March 2013	31 December 2012
Cost	13.486	15.473
Accumulated Depreciation (-)	48	353
Net Book Value	13.005	15.120
Current Year End:		
Net book value at beginning of the period	13.005	15.120
Additions	1.359	7.436
Disposals (-)	1.274	9.265
Impairment		14
Depreciation (-)	68	272
Cost	13.539	13.486
Accumulated Depreciation (-)	517	481
Closing Net Book Value	13.022	13.005

o. Information on other assets:

As of 31 March 2013, other assets amount to TL55.731 (31 December 2012: TL90.080) and do not exceed 10% of the total balance sheet excluding off-balance sheet commitments.

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II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES

a. Information on deposits:

1. Information on maturity structure of deposits:

i. 31 March 2013:

	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	16.240	-	12.709	483.032	149.601	217.224	141.859	-	1.020.665
Foreign Currency Deposits	90.772	-	60.453	881.966	121.351	29.221	41.219	-	1.224.982
Residents in Turkey	78.437	-	60.453	877.631	120.009	27.398	40.586	-	1.204.514
Residents Abroad	12.335	-	-	4.335	1.342	1.823	633	-	20.468
Public Sector Deposits	7.360	-	-	65.180	-	-	-	-	72.540
Commercial Deposits	52.384	-	23.176	147.730	51.504	101.742	32.187	-	408.723
Other Institutions Deposits	1.242	-	822	39.939	51.634	1.082	4	-	94.723
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	5.838	-	46.379	-	-	-	-	-	52.217
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	67	-	46.379	-	-	-	-	-	46.446
Foreign Banks	5.771	-	-	-	-	-	-	-	5.771
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	173.836	-	143.539	1.617.847	374.090	349.269	215.269	-	2.873.850

ii. 31 December 2012:

	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	19.411	-	10.430	704.618	112.374	161.263	126.861	-	1.134.957
Foreign Currency Deposits	98.981	-	82.371	906.092	154.276	32.332	31.405	-	1.305.457
Residents in Turkey	92.276	-	82.371	880.130	153.195	30.605	30.823	-	1.269.400
Residents Abroad	6.705	-	-	25.962	1.081	1.727	582	-	36.057
Public Sector Deposits	18.264	-	-	71.878	-	-	-	-	90.142
Commercial Deposits	67.708	-	36.945	203.996	86.299	95.365	21.332	-	511.645
Other Institutions Deposits	867	-	1.248	96.314	24.056	10.257	4	-	132.746
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	14.347	-	-	-	-	-	-	-	14.347
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	45	-	-	-	-	-	-	-	45
Foreign Banks	14.302	-	-	-	-	-	-	-	14.302
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	219.578	-	130.994	1.982.898	377.005	299.217	179.602	-	3.189.294

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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 2013	31 December 2012	31 March 2013	31 December 2012
Saving Deposits				
Saving Deposits	317.231	205.376	703.434	929.581
Foreign Currency Savings Deposit	69.890	46.532	357.273	548.467
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	387.121	251.908	1.060.707	1.478.048

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

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

	31 March 2013	31 December 2012
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	3.266	3.370
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	3.266	3.370

b. Information on trading derivative financial liabilities:

Schedule of negative differences concerning trading derivative financial liabilities:

Trading Derivative Financial Liabilities	31 March 2013		31 December 2012	
	TL	FC	TL	FC
Forward Transactions	9.907	464	5.847	441
Swap Agreements	1.583	2.893	2.465	3.558
Futures Transactions	-	-	-	-
Options	193	12.378	166	8.376
Other	-	-	-	-
Total	11.683	15.735	8.478	12.375

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c. Information on borrowings:

1. Information on banks and other financial institutions:

	31 December 2012		31 December 2011	
	TL	FC	TL	FC
The CBRT Borrowings	-	-	-	-
From Domestic Banks and Institutions	36.651	63.257	43.402	66.665
From Foreign Banks, Institutions and Funds	1.142	514.595	1.315	330.628
Total	37.793	577.852	44.717	397.293

2. Information on maturity structure of borrowings:

	31 December 2012		31 December 2011	
	TL	FC	TL	FC
Short-term	36.651	97.432	43.402	108.118
Medium and Long-term	1.142	480.420	1.315	289.175
Total	37.793	577.852	44.717	397.293

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

The Group’s main funding sources are deposits and borrowings. As of 31 March 2013, deposits and borrowings from Group’s risk group comprise 0,1% (31 December 2012: 0,1%) of total deposits and 45% (31 December 2012: 24%) of total borrowings.

d. Information on other foreign liabilities:

Other foreign liabilities amounting to TL26.974 (31 December 2012: TL91.677) do not exceed 10% of the total balance sheet excluding off-balance sheet commitments.

e. Information on financial lease agreements:

The contingent rent installments of financial lease contracts are determined by the price of commodity, market interest rates and the maturity of funding. The financial leasing contracts do not have any conditions which place significant commitments on the Group.

f. Information on hedging derivative financial liabilities:

None.

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g. Information on provisions:

1. Information on general provisions:

	31 December 2012	31 December 2011
General Provisions	39.007	37.096
Provisions for First Group Loans and Receivables	28.197	27.948
Additional Provision for Loans and Receivables with Extended Maturities	1.490	1.856
Provisions for Second Group Loans and Receivables	7.262	5.746
Additional Provision for Loans and Receivables with Extended Maturities	6.047	3.359
Provisions for Non-Cash Loans	2.142	2.070
Other	1.406	1.332

2. Information on reserve for employment termination benefits:

Under the Turkish Labour Law, the Group 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 to the working period before retirement were enacted.

The payment amount which is one month's salary for each working year is restricted to TL3.125,01 (31 December 2012: TL 3.033,98). 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 Group. 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 2013	31 December 2012
Discount rate (%)	2,50	2,50
Salary increase rate (%)	6,00	6,00
Average remaining work period (Year)	12,38	12,38

Movement of reserve for employment termination benefits during the period:

	31 March 2013	31 December 2012
Prior Period Ending Balance	7.866	5.664
Additions due to acquisition during the period	470	3.202
Paid During the Period (-)	243	1.000
Balance at the End of the Period	8.093	7.866

In addition, as of 31 March 2013 the Group has accounted for vacation rights provision amounting to TL2.261 (31 December 2012: TL1.858) and personnel bonus provision amounting to TL12.433 (31 December 2012: TL10.599).

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3. Other provisions:

(i) Information on provisions for possible risks:

None.

(ii) Information on other provisions:

The Group set aside reserves amounting to TL14.475 (31 December 2012: TL 14.012) for lawsuits, TL2.643 (31 December 2012: TL 2.538) for non-cash loans, TL3.400 (31 December 2012: TL 3.115) for customer cheques commitments, TL53 (31 December 2012: TL 52) for credit card loyalty points and TL113 (31 December 2012: TL 111) for other receivables.

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

As of 31 March 2013, the provision related to the foreign currency difference of foreign indexed loans amounts to TL2.482 (31 December 2012: TL 3.730) 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 2013, the corporate tax provision is TL374 (31 December 2012: TL 2.462).

2. Information on taxes payable:

	31 March 2013	31 December 2011
Corporate Tax Payable	374	2.462
Taxation of Marketable Securities	3.054	3.644
Property Tax	137	148
Banking Insurance Transaction Tax	2.343	2.724
Value Added Tax Payable	110	409
Other	1.944	2.109
Total	7.962	11.496

3. Information on premium payables:

	31 March 2013	31 December 2012
Social Security Premiums-Employee	1.322	726
Social Security Premiums-Employer	1.484	832
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	82	40
Unemployment Insurance-Employer	164	81
Other	-	-
Total	3.052	1.679

4. Information on deferred tax liability:

As of 31 March 2013, the Group has netted-off the calculated deferred tax asset of TL14.008 (31 December 2012: TL 12.633) and deferred tax liability of TL2.718 (31 December 2012: TL 2.809) in accordance with "TAS 12" and has recorded a net deferred tax asset of TL11.290 (31 December 2012: TL 9.824) in the financial statements. As of 31 March 2013 the Group has no deferred tax liability (31 December 2012: None).

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

None.

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j. Information on subordinated loans:

None.

k. Information on shareholders' equity:

1. Presentation of paid-in capital:

	31 March 2013	31 December 2012
Common Stock	570.000	570.000
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:

The Bank has paid-in-capital of TL570.000 and does not apply the registered share capital system.

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

None.

4. 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 interim period:

None.

6. Information on capital by considering the Group'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 Group within several risk limits and legal limits.

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

Based on the Principal Agreement, the Group 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 2013		31 December 2012	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures			-	-
Valuation Difference	10.913		10.185	-
Foreign Currency Difference			-	-
Total	10.913		10.185	-

9. Information on tangible assets revaluation reserve:

	31 March 2012		31 December 2012	
	TL	FC	TL	FC
Movables	-	-	-	-
Immovables	3.717	-	3.717	-
Common Stocks of Investments in Associates, Subsidiaries that will be added to the Capital and Sales Income from Immovables	-	-	-	-
Total	3.717		3.717	

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

The loss of 2012 amounting to TL34.966 has been allocated as TL34.978 the previous year’s loss, TL237 legal reserves and TL4.490 extraordinary reserves, TL4.715 of previous year’s loss has been allocated from extraordinary reserves.

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

a. Information on off balance sheet commitments:

1. The amount and type of irrevocable commitments:

	31 March 2013	31 December 2011
Commitments for cheques	275.028	267.935
Foreign currency buy/sell commitments	241.249	118.915
Loan limit commitments	74.259	68.406
Commitments for credit card limits	33.932	30.056
Time securities purchase and sale commitments	199	-
Blocked cheques given to customers	178	178
Tax and fund obligations arising from export commitments	18	18
Total	624.863	485.508

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 2013	31 December 2012
Letter of guarantees	655.013	617.734
Letter of credits	170.090	228.511
Other guarantees	138.223	115.632
Bank acceptance loans	100.578	95.241
Factoring guarantees	902	1.194
Total	1.064.806	1.058.312

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

	TL	FC
Irrevocable letters of guarantee	400.587	118.105
Guarantees given to customs	52.805	1.368
Revocable letters of guarantee	19.718	2.913
Letters of guarantee given in advance	13.680	28.054
Other letters of guarantee	3.031	14.752
Total	489.821	165.192

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

	31 March 2013	31 December 2012
Non-cash loans given against cash loans	155.724	246.591
With original maturity of 1 year or less than 1 year	-	-
With original maturity of more than 1 year	155.724	246.591
Other non-cash loans	909.082	811.721
Total	1.064.806	1.058.312

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	471.718	158.414	12.090	6.546
Bank Acceptances	951	99.627	-	-
Letters of Credit	-	170.023	-	67
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	491	343	68	-
Other Commitments and Contingencies	-	137.382	-	-
Total	473.160	565.789	12.158	6.613

(*) In addition to non-cash loans stated above, the Group has non-cash loans classified as non-performing loans, amounting to TL7.086. As of 31 March 2013, the Group has recorded a TL2.643 provision regarding these risks.

b. Investment Funds:

As of 31 March 2013, the Group is the founder of 5 investment funds (31 December 2012: 5) with a total fund value of TL34.881 (31 December 2012: TL25.319). 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 2013, the total amount of legal cases against the Group is TL19.697 (31 December 2012: TL19.264) and the Group sets aside a provision of TL14.475 (31 December 2012: TL14.012) regarding these risks.

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

MOODY'S (Dated on 11 February 2013)

Category	Rating	Outlook
(Financial Strength Rating)	D-	Negative
(Long Term Foreign Currency)	Ba2	Stable
(Short Term Foreign Currency)	Not Prime	-
(Long Term Local Currency)	Ba2	Stable
(Short Term Local Currency)	Not Prime	-

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IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED INCOME STATEMENT

a. Information on interest income:

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

	31 March 2013		31 March 2012	
	TL	FC	TL	FC
Interest Income on Loans				
Short-term Loans	52.081	6.662	55.088	7.572
Medium/Long-term Loans	13.737	6.329	12.240	6.968
Interest on Loans Under Follow-up	217	-	250	-
Premiums Received from Resource Utilisation Support Fund	-	-	-	-
Total	66.035	12.991	67.578	14.540

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

2. Information on interest income on banks:

	31 March 2013		31 March 2012	
	TL	FC	TL	FC
From the CBRT	-	-	-	-
From Domestic Banks	51	38	18	38
From Foreign Banks	-	2	16.723	196
Headquarters and Branches Abroad	-	-	-	-
Total	51	40	16.741	234

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

None (31 March 2012: None).

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b. Information on interest expense:

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

	31 March 2013		31 March 2012	
	TL	FC	TL	FC
Banks	736	3.404	22.942	3.407
The CBRT	-	-	-	-
Domestic Banks	736	540	574	352
Foreign Banks	-	2.864	22.368	3.055
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	-	-	-
Total	736	3.404	22.942	3.407

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

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

None (31 March 2012: None).

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

Account Name	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	12	-	-	-	-	-	16
Savings Deposits	-	231	11.629	2.501	4.198	3.111	-	21.670
Public Deposits	-	-	1.307	-	-	-	-	1.307
Commercial Deposits	-	300	4.131	1.446	2.510	708	-	9.095
Other Deposits	-	130	1.298	798	238	-	-	2.464
7 Day Notice Deposits	-	-	-	-	-	-	-	-
Total	4	673	18.365	4.745	6.946	3.819	-	34.552
Foreign Currency								
Foreign Currency Account	-	530	6.898	1.429	335	397	-	9.589
Bank Deposits	-	12	-	-	-	-	-	12
7 Day Notice Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-
Total	-	542	6.898	1.429	335	397	-	9.601
Sum Total	4	1.215	25.263	6.174	7.281	4.216	-	44.153

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

	31 March 2013	31 March 2012
Income	563.377	797.806
Income from Capital Market Transactions	3.149	5.697
From Derivative Financial Transactions	19.216	12.775
Foreign Exchange Gains	541.012	779.334
Loss (-)	558.004	788.261
Loss from Capital Market Transactions	3.051	2.302
From Derivative Financial Transactions	13.577	9.273
Foreign Exchange Loss	541.376	776.686
Net Income/(Loss)	5.373	9.545

(*) The net foreign exchange profit from foreign exchange gain regarding to derivative financial transactions included in foreign exchange gains/loss is TL1.512 (31 March 2012: TL4.555 Profit).

d. Information on other operating income:

As of 31 March 2013, the Group's other operating income is TL1.870 (31 March 2012: TL2.286). TL371 of the amount is composed of profit from sales of the fixed assets that were classified as Asset Held for Resale of the Parent Bank.

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e. Provision expenses related to loans and other receivables:

	31 March 2012	31 March 2012
Specific Provisions for Loans and Other Receivables	12.271	3.316
III. Group Loans and Receivables	1.874	2.661
IV. Group Loans and Receivables	4.687	1.770
V. Group Loans and Receivables	5.710	(1.115)
General Provision Expenses	1.871	2.175
Provision Expense for Possible Risks	-	-
Marketable Securities Impairment Expense	242	15
Financial Assets at Fair Value Through Profit or Loss	242	15
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	14.384	5.506

f. Information related to other operating expenses:

	31 March 2013	31 March 2012
Personnel Expenses	26.711	23.117
Reserve For Employee Termination Benefits (*)	863	850
Bank Social Aid Pension Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	1.934	1.996
Impairment Expenses of Intangible Assets	-	-
Impairment Expense of Goodwill	-	-
Amortisation Expenses of Intangible Assets	1.054	775
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	68	76
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	18.190	13.134
Operational Lease Expenses	4.225	4.016
Maintenance Expenses	901	271
Advertising Expenses	2.640	84
Other Expense	10.424	8.763
Loss on Sales of Assets	-	-
Other	4.652	4.405
Total	53.472	44.353

(*) As of 31 March 2013, the employee unused vacation provision expense is TL393 (31 March 2012: TL268).

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g. Information on net income / (loss) before taxes from discontinued and continuing operations:

The Group has no discontinued operations. The Group's net income/(loss) before taxes from continuing operations is TL8.110.

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

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

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

As of 31 March 2013, the Group has current tax expense amounting to TL374 and deferred tax income amounting to TL1.647.

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

The Group has 963TL deferred tax income from temporary differences, TL3.631 deferred tax income from carried financial loss, TL2.947 deferred tax expense and income due to temporary differences closed to net TL1.647 deferred tax income.

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

As of 31 March 2013, the Group has TL1.984 deferred tax expense arising from temporary differences and TL3.631 deferred tax income as a result of carried financial loss.

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

The Group has no discontinued operations and the below article (j) 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.

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

k. Information on other income and expenses:

As of 31 March 2013, the Group’s fee and commission income amounts to TL7.985 (31 March 2012: TL13.052) and TL4.998 (31 March 2012: TL7.561) of the related amount is classified under “Other fee and commission income” account.

	31 March 2013	31 March 2012
Other Fee and Commissions Received		
Common Stock Brokerage Commissions	2.129	1.866
Credit Card and Pos Takas Commission	546	551
Investment Advisory Fees	496	726
Account Operating Fees	296	287
Insurance Commissions	280	135
Transfer Commissions	244	302
Turkish Derivatives Exchange Brokerage Commissions	165	1.087
Commissions on Investment Fund Services	151	135
Commissions from Correspondent Banks	84	91
Ortak Nokta Commissions	27	23
Letter of Credit Commissions	5	8
Other	575	2.350
Total	4.998	7.561

As of 31 March 2013, Group’s fee and commission expense amounts to TL1.478 (31 March 2012: TL1.588) and TL1.435 (31 March 2012: TL1.540) of the related amount is classified under “Other fee and commission expense” account.

	31 March 2013	31 March 2012
Other Fee and Commissions Given		
Credit Card Transaction Commission	602	639
Stock Exchange Contribution Expenses	200	344
Ortak Nokta Clearing Commissions	111	156
EFT Commissions	93	102
Commissions Granted to Correspondent Banks	69	33
Transfer Commissions	24	27
Other	336	239
Total	1.435	1.540

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V. EXPLANATIONS AND NOTES RELATED TO GROUP'S RISK GROUP

a. The volume of transactions relating to the Group's risk group, outstanding loan and deposit transactions and profit and loss of the period:

Prior period financial information is presented as of 31 December 2012 for balance sheet and as at 31 March 2013 for income statements items regarding values derived by its risk group and ownership structure. Moreover, current period data depicts the values derived by the Bank's new risk group.

1. 31 March 2013:

Groups' Risk Group (*) Loans and Other Receivables	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Balance at the Beginning of the Period	-	12.239	-	-	21	-
Balance at the End of the Period	-	18.298	-	227	13	-
Interest and Commission Income Received	-	-	-	-	-	-

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

2. 31 December 2012:

Groups' Risk Group (*) Loans and Other Receivables	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Balance at the Beginning of the Period	-	13.177	36	35.225	92	-
Balance at the End of the Period	-	12.239	-	-	21	-
Interest and Commission Income Received	-	-	22	19	-	-

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

3. Information on deposits and repurchase transactions of the Group's risk group:

Groups' Risk Group(*) Deposit	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		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
Beginning of the Period	-	-	445	485.949	3.376	89.989
End of the Period	-	-	431	445	3.269	3.376
Interest Expense on Deposits	-	-	3	12.337	105	1.730

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

Groups' Risk Group(*) Repurchase Transactions	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		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
Beginning of the Period	-	-	-	-	108	99
End of the Period	-	-	-	-	157	108
Interest Expense on Repurchase Transactions	-	-	-	-	1	1

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

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

Groups’ Risk Group(*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		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	-	-	-	1.519.894	-	-
Balance at the end of the period	-	-	-	-	-	-
Total Profit/Loss	-	-	-	30.758	-	-
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.

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

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

The Group 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	279.264	45,36
Non-cash loans	18.525	1,74
Deposit	3.700	0,13
Funds from repurchase transactions	157	0,06
Loans	13	-

As of 31 March 2013, the Group has realized interest expense amounting to TL1.292 on loans borrowed from the direct and indirect shareholders of the Bank.

3. Equity accounting transactions: None.

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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:

In accordance with the limits in Banking Law, cash and non-cash loans are allocated to the Group's risk group and the amount composes 0,45% (31 December 2012: 1,01%) of the Group's total cash and non-cash loans.

As of 31 March 2013 there are no purchase-sales transactions on any assets including real - estate with the risk group consisting the Bank.

As of 31 March 2013 there are no agreements related to transfer and management of the information gathered from the research and development with the risk group that the Parent Bank is included.

c. Information on benefits provided to top management:

As of 31 March 2013, top management of the Group is composed of the Chairman of the Board, General Manager and Vice General Managers. The sum of gross salaries and other benefits paid to top management, totals TL4.144 (31 March 2012: TL5.348), and it includes annual gross wages along with other payments, transportation, food, health care and life insurance as well as other benefits such as car expenses.

VI. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

None.

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SECTION SIX

EXPLANATIONS ON INDEPENDENT AUDITOR’S REPORT

I. EXPLANATIONS ON INDEPENDENT AUDITOR’S REPORT

The consolidated financial statements for the period ended 31 March 2013 have been reviewed by Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of PricewaterhouseCoopers) and the auditor’s report dated 15 May 2013 has been presented prior to the consolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITOR

None.

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