

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

**BURGAN BANK A.Ş.**

**PUBLICLY ANNOUNCED UNCONSOLIDATED  
FINANCIAL STATEMENTS  
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 unconsolidated balance sheet of Burgan Bank A.Ş. ("the Bank") at 31 March 2013 and the related unconsolidated 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 unconsolidated financial statements do not give a true and fair view of the financial position of Burgan Bank A.Ş. 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 Article 37 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 Note I. of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with Article 37 of Banking Law No. 5411, accounting principles generally accepted in countries in which the accompanying unconsolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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 UNCONSOLIDATED FINANCIAL STATEMENTS  
ORIGINALLY ISSUED IN TURKISH,  
SEE NOTE I. OF SECTION THREE**

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

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

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

The accompanying unconsolidated interim 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 GOSTUSKI  
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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**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

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**SECTION ONE**

**GENERAL INFORMATION**

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

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

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

According to the Share Transfer Agreement signed between the SDIF and Tekfen Holding A.Ş. on 30 June 2001, 2.983.800.000 shares with a nominal value of Kr1 each and which amount to 99,46% of the capital of Bank Ekspres A.Ş. under the control of the SDIF in accordance with Banking Law was 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.

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**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

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**GENERAL INFORMATION (Continued)**

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

There is no change in the 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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**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED 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 BANK THEY POSSESS:**

<u>Title</u>	<u>Name</u>	<u>Responsibility</u>	<u>Education</u>
<b>Chairman of the Board of Directors:</b>	Mehmet Nazmi Erten	Chairman	Undergraduate
<b>Board of Directors Members: (*)</b>	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
<b>General Manager:</b>	Mehmet Gani Sönmez	Member and General Manager	Undergraduate
<b>Vice General Managers: (*)</b>	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
<b>Audit Committee: (*)</b>	Adrian Alejandro Gostuski	Member	Graduate
	Halis Murat Ece	Member	Undergraduate

- (\*) As of 01 February 2013, Retail Banking Vice General Manager Şebnem Dönbekeçi 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 2<sup>nd</sup> Clause of 6<sup>th</sup> 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.



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**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED 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:**

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 BANK'S SERVICE TYPE AND FIELD OF OPERATIONS:**

As of 31 March 2013, the Bank has 60 branches operating in Turkey (31 December 2012: 60). The Bank's core business activities include corporate and commercial banking, retail banking and banking services in treasury fields. As of 31 March 2013, the Bank has 979 (31 December 2012: 976) employees.

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

None.

**SECTION TWO**  
**UNCONSOLIDATED FINANCIAL STATEMENTS**

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

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

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

I. BALANCE SHEET	ASSETS	Note (Section Five)	(31/03/2013)			(31/12/2012)		
			TL	FC	Total	TL	FC	Total
<b>I.</b>	<b>CASH AND BALANCES WITH CENTRAL BANK</b>	<b>I-a</b>	<b>112.530</b>	<b>299.115</b>	<b>411.645</b>	<b>203.261</b>	<b>159.941</b>	<b>363.202</b>
<b>II.</b>	<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or LOSS (Net)</b>	<b>I-b</b>	<b>80.346</b>	<b>18.253</b>	<b>98.599</b>	<b>76.409</b>	<b>13.862</b>	<b>90.271</b>
2.1	Trading Financial Assets		80.346	18.253	98.599	76.409	13.862	90.271
2.1.1	Government Debt Securities		70.643	213	70.856	71.015	227	71.242
2.1.2	Share Certificates		-	-	-	-	-	-
2.1.3	Trading Derivative Financial Assets		9.703	18.040	27.743	5.394	13.635	19.029
2.1.4	Other Marketable Securities		-	-	-	-	-	-
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		-	-	-	-	-	-
<b>III.</b>	<b>BANKS</b>	<b>I-c</b>	<b>53</b>	<b>80.594</b>	<b>80.647</b>	<b>114.778</b>	<b>98.479</b>	<b>213.257</b>
<b>IV.</b>	<b>MONEY MARKETS</b>		<b>130.075</b>	-	<b>130.075</b>	<b>133.074</b>	-	<b>133.074</b>
4.1	Interbank Money Market Placements		-	-	-	-	-	-
4.2	Receivables from Istanbul Stock Exchange Money Market		-	-	-	133.074	-	133.074
4.3	Receivables from Reverse Repurchase Agreements		130.075	-	130.075	-	-	-
<b>V.</b>	<b>AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)</b>	<b>I-d</b>	<b>457.301</b>	-	<b>457.301</b>	<b>362.853</b>	-	<b>362.853</b>
5.1	Share Certificates		5.161	-	5.161	5.161	-	5.161
5.2	Government Debt Securities		452.140	-	452.140	357.692	-	357.692
5.3	Other Marketable Securities		-	-	-	-	-	-
<b>VI.</b>	<b>LOANS</b>	<b>I-e</b>	<b>2.043.055</b>	<b>853.787</b>	<b>2.896.842</b>	<b>2.059.515</b>	<b>845.970</b>	<b>2.905.485</b>
6.1	Loans		1.980.531	853.787	2.834.318	1.997.797	845.970	2.843.767
6.1.1	Loans to Bank's Risk Group		1	2	13	2	-	21
6.1.2	Government Debt Securities		-	-	-	-	-	-
6.1.3	Other		1.980.520	853.785	2.834.305	1.997.776	845.970	2.843.746
6.2	Loans under Follow-up		178.608	-	178.608	166.129	-	166.129
6.3	Specific Provisions (-)		116.084	-	116.084	104.411	-	104.411
<b>VII.</b>	<b>FACTORING RECEIVABLES</b>	<b>I-e</b>	<b>131.058</b>	<b>9.739</b>	<b>140.797</b>	<b>130.591</b>	<b>9.191</b>	<b>139.782</b>
<b>VIII.</b>	<b>HELD-TO-MATURITY SECURITIES (Net)</b>	<b>I-f</b>	-	-	-	-	-	-
8.1	Government Debt Securities		-	-	-	-	-	-
8.2	Other Marketable Securities		-	-	-	-	-	-
<b>IX.</b>	<b>INVESTMENTS IN ASSOCIATES (Net)</b>	<b>I-g</b>	-	-	-	-	-	-
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		-	-	-	-	-	-
<b>X.</b>	<b>SUBSIDIARIES (Net)</b>	<b>I-h</b>	<b>88.337</b>	-	<b>88.337</b>	<b>88.337</b>	-	<b>88.337</b>
10.1	Unconsolidated Financial Subsidiaries		88.337	-	88.337	88.337	-	88.337
10.2	Unconsolidated non-Financial Subsidiaries		-	-	-	-	-	-
<b>XI.</b>	<b>JOINT VENTURES (Net)</b>	<b>I-i</b>	-	-	-	-	-	-
11.1	Consolidated Based on Equity Method		-	-	-	-	-	-
11.2	Unconsolidated		-	-	-	-	-	-
11.2.1	Financial Joint Ventures		-	-	-	-	-	-
11.2.2	Non-financial Joint Ventures		-	-	-	-	-	-
<b>XII.</b>	<b>LEASE RECEIVABLES (Net)</b>	<b>I-j</b>	-	-	-	-	-	-
12.1	Financial Lease Receivables		-	-	-	-	-	-
12.2	Operational Lease Receivables		-	-	-	-	-	-
12.3	Other		-	-	-	-	-	-
12.4	Unearned Income (-)		-	-	-	-	-	-
<b>XIII.</b>	<b>HEDGING DERIVATIVE FINANCIAL ASSETS</b>	<b>I-k</b>	-	-	-	-	-	-
13.1	Fair Value Hedge		-	-	-	-	-	-
13.2	Cash Flow Hedge		-	-	-	-	-	-
13.3	Foreign Net Investment Hedge		-	-	-	-	-	-
<b>XIV.</b>	<b>PROPERTY AND EQUIPMENT (Net)</b>		<b>24.950</b>	-	<b>24.950</b>	<b>25.033</b>	-	<b>25.033</b>
<b>XV.</b>	<b>INTANGIBLE ASSETS (Net)</b>		<b>23.094</b>	-	<b>23.094</b>	<b>22.692</b>	-	<b>22.692</b>
15.1	Goodwill		-	-	-	-	-	-
15.2	Other		23.094	-	23.094	22.692	-	22.692
<b>XVI.</b>	<b>INVESTMENT PROPERTY (Net)</b>	<b>I-l</b>	-	-	-	-	-	-
<b>XVII.</b>	<b>TAX ASSET</b>	<b>I-m</b>	<b>7.717</b>	-	<b>7.717</b>	<b>6.736</b>	-	<b>6.736</b>
17.1	Current Tax Asset		5	-	5	-	-	-
17.2	Deferred Tax Asset		7.666	-	7.666	6.736	-	6.736
<b>XVIII.</b>	<b>ASSETS HELD FOR RESALE AND DISCONTINUED OPERATIONS (Net)</b>	<b>I-n</b>	<b>12.711</b>	-	<b>12.711</b>	<b>12.694</b>	-	<b>12.694</b>
18.1	Held for Resale		12.711	-	12.711	12.694	-	12.694
18.2	Discontinued Operations		-	-	-	-	-	-
<b>XIX.</b>	<b>OTHER ASSETS</b>	<b>I-o</b>	<b>18.955</b>	<b>18.135</b>	<b>37.090</b>	<b>61.485</b>	<b>16.648</b>	<b>78.133</b>
	<b>TOTAL ASSETS</b>		<b>3.130.182</b>	<b>1.279.623</b>	<b>4.409.805</b>	<b>3.297.458</b>	<b>1.144.091</b>	<b>4.441.549</b>

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

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

**BURGAN BANK A.Ş.  
UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)  
AT 31 MARCH 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
<b>LIABILITIES</b>							
<b>I. DEPOSITS</b>	<b>II-a</b>	<b>1.644.448</b>	<b>1.285.177</b>	<b>2.929.625</b>	<b>1.926.412</b>	<b>1.338.143</b>	<b>3.264.555</b>
1.1 Deposits of Bank's Risk Group		45.312	14.163	59.475	51.151	27.931	79.082
1.2 Other		1.599.136	1.271.014	2.870.150	1.875.261	1.310.212	3.185.473
<b>II. TRADING DERIVATIVE FINANCIAL LIABILITIES</b>	<b>II-b</b>	<b>11.683</b>	<b>15.735</b>	<b>27.418</b>	<b>8.478</b>	<b>12.375</b>	<b>20.853</b>
<b>III. BORROWINGS</b>	<b>II-c</b>	<b>36.651</b>	<b>344.356</b>	<b>381.007</b>	<b>43.402</b>	<b>159.297</b>	<b>202.699</b>
<b>IV. MONEY MARKETS</b>		<b>280.537</b>	-	<b>280.537</b>	<b>87.744</b>	-	<b>87.744</b>
4.1 Funds from Interbank Money Market		-	-	-	-	-	-
4.2 Funds from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3 Funds Provided Under Repurchase Agreements		280.537	-	280.537	87.744	-	87.744
<b>V. MARKETABLE SECURITIES ISSUED (Net)</b>		-	-	-	-	-	-
5.1 Bills		-	-	-	-	-	-
5.2 Asset Backed Securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
<b>VI. FUNDS</b>		-	-	-	-	-	-
6.1 Borrower Funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
<b>VII. MISCELLANEOUS PAYABLES</b>		<b>25.633</b>	<b>12.064</b>	<b>37.697</b>	<b>34.169</b>	<b>10.996</b>	<b>45.165</b>
<b>VIII. OTHER LIABILITIES</b>	<b>II-d</b>	<b>23.099</b>	<b>3.873</b>	<b>26.972</b>	<b>89.248</b>	<b>2.428</b>	<b>91.676</b>
<b>IX. FACTORING PAYABLES</b>		-	-	-	-	-	-
<b>X. LEASE PAYABLES (Net)</b>	<b>II-e</b>	-	-	-	-	-	-
10.1 Financial Lease Payables		-	1	1	-	1	1
10.2 Operational Lease Payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Financial Lease Expenses (-)		-	1	1	-	1	1
<b>XI. HEDGING DERIVATIVE FINANCIAL LIABILITIES</b>	<b>II-f</b>	-	-	-	-	-	-
11.1 Fair Value Hedge		-	-	-	-	-	-
11.2 Cash Flow Hedge		-	-	-	-	-	-
11.3 Foreign Net Investment Hedge		-	-	-	-	-	-
<b>XII. PROVISIONS</b>	<b>II-g</b>	<b>56.896</b>	<b>23.663</b>	<b>80.559</b>	<b>52.972</b>	<b>22.145</b>	<b>75.117</b>
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		20.868	-	20.868	18.193	-	18.193
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5 Other Provisions		8.014	12.670	20.684	7.476	12.352	19.828
<b>XIII. TAX LIABILITY</b>	<b>II-h</b>	<b>9.686</b>	-	<b>9.686</b>	<b>11.998</b>	-	<b>11.998</b>
13.1 Current Tax Liability		9.686	-	9.686	11.998	-	11.998
13.2 Deferred Tax Liability		-	-	-	-	-	-
<b>XIV. PAYABLES FOR ASSET HELD FOR RESALE AND DISCONTINUED OPERATIONS</b>	<b>II-i</b>	-	-	-	-	-	-
14.1 Held for Resale		-	-	-	-	-	-
14.2 Discontinued Operations		-	-	-	-	-	-
<b>XV. SUBORDINATED LOANS</b>	<b>II-j</b>	-	-	-	-	-	-
<b>XVI. SHAREHOLDERS' EQUITY</b>	<b>II-k</b>	<b>636.304</b>	-	<b>636.304</b>	<b>641.742</b>	-	<b>641.742</b>
16.1 Paid-in Capital		570.000	-	570.000	570.000	-	570.000
16.2 Capital Reserves		14.630	-	14.630	13.902	-	13.902
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		-	-	-	-	-	-
16.3 Profit Reserves		57.840	-	57.840	59.080	-	59.080
16.3.1 Legal Reserves		11.423	-	11.423	11.423	-	11.423
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		46.417	-	46.417	47.657	-	47.657
16.3.4 Other Profit Reserves		-	-	-	-	-	-
16.4 Income or (Loss)		(6.166)	-	(6.166)	(1.240)	-	(1.240)
16.4.1 Prior Years' Income/ (Loss)		-	-	-	-	-	-
16.4.2 Current Year Income/ (Loss)		(6.166)	-	(6.166)	(1.240)	-	(1.240)
<b>TOTAL LIABILITIES</b>		<b>2.724.937</b>	<b>1.684.868</b>	<b>4.409.805</b>	<b>2.896.165</b>	<b>1.545.384</b>	<b>4.441.549</b>

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

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

**BURGAN BANK A.Ş.  
UNCONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AT  
31 MARCH 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
<b>A</b>	<b>OFF-BALANCE SHEET COMMITMENTS (I-II+III)</b>		<b>2.841.825</b>	<b>5.879.333</b>	<b>8.721.158</b>	<b>2.198.032</b>	<b>3.971.008</b>	<b>6.169.040</b>
<b>I.</b>	<b>GUARANTEES AND WARRANTIES</b>	<b>III-a-2-3</b>	<b>491.263</b>	<b>573.543</b>	<b>1.064.806</b>	<b>457.586</b>	<b>600.726</b>	<b>1.058.312</b>
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		95	99.627	100.578	305	94.936	95.241
1.2.1	Import Letter of Acceptance		95	99.627	100.578	305	94.936	95.241
1.2.2	Other Bank Acceptances		-	-	-	-	-	-
1.3	Letters of Credit		-	-	-	-	-	-
1.3.1	Documentary Letters of Credit		-	170.090	170.090	-	115.632	115.632
1.3.2	Other Letters of Credit		-	170.090	170.090	-	115.632	115.632
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		-	-	-	-	-	-
<b>II.</b>	<b>COMMITMENTS</b>	<b>III-a-1</b>	<b>481.160</b>	<b>176.323</b>	<b>657.483</b>	<b>408.334</b>	<b>97.174</b>	<b>505.508</b>
2.1	Irrevocable Commitments		481.160	176.323	657.483	408.334	97.174	505.508
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		106.879	-	106.879	88.406	-	88.406
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		-	-	-	-	-	-
<b>III.</b>	<b>DERIVATIVE FINANCIAL INSTRUMENTS</b>		<b>1.869.402</b>	<b>5.129.467</b>	<b>6.998.869</b>	<b>1.332.112</b>	<b>3.273.108</b>	<b>4.605.220</b>
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		1.869.402	5.129.467	6.998.869	1.332.112	3.273.108	4.605.220
3.2.1	Forward Foreign Currency Buy/Sell Transactions		187.989	569.554	757.543	157.430	511.404	668.834
3.2.1.1	Forward Foreign Currency Transactions-Buy		75.648	298.705	374.353	54.867	276.969	331.836
3.2.1.2	Forward Foreign Currency Transactions-Sell		112.341	270.849	383.190	102.563	234.435	336.998
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		1.319.619	3.414.184	4.733.803	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		-	-	-	-	-	-
3.2.3.6	Securities Options-Sell		-	-	-	-	-	-
3.2.4	Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1	Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2	Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5	Interest Rate Futures		-	-	-	-	-	-
3.2.5.1	Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2	Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6	Other		-	-	-	-	-	-
<b>B.</b>	<b>CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>		<b>10.928.349</b>	<b>7.481.380</b>	<b>18.409.729</b>	<b>10.342.614</b>	<b>7.585.391</b>	<b>17.928.005</b>
<b>IV.</b>	<b>ITEMS HELD IN CUSTODY</b>		<b>1.520.984</b>	<b>215.631</b>	<b>1.736.615</b>	<b>1.605.746</b>	<b>226.199</b>	<b>1.831.945</b>
4.1	Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2	Investment Securities Held in Custody		564.329	3.564	567.893	634.592	3.514	638.106
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		4.340	29.950	34.290	4.889	54.049	58.936
4.8	Custodians		-	-	-	-	-	-
<b>V.</b>	<b>PLEDGES RECEIVED</b>		<b>9.407.365</b>	<b>7.264.392</b>	<b>16.671.757</b>	<b>8.736.868</b>	<b>7.356.686</b>	<b>16.093.554</b>
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		1.713.235	1.384.612	3.097.847	1.686.302	1.529.982	3.216.284
5.6	Other Pledged Items		187.664	172.495	360.159	188.257	159.332	347.589
5.7	Pledged Items-Depository		-	-	-	-	-	-
<b>VI.</b>	<b>ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		-	<b>1.357</b>	<b>1.357</b>	-	<b>2.506</b>	<b>2.506</b>
<b>TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)</b>			<b>13.770.174</b>	<b>13.360.713</b>	<b>27.130.887</b>	<b>12.540.646</b>	<b>11.556.399</b>	<b>24.097.045</b>

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

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

**BURGAN BANK A.Ş.**

**UNCONSOLIDATED INCOME STATEMENT FOR THE 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
	<b>INCOME AND EXPENSE ITEMS</b>			
<b>I.</b>	<b>INTEREST INCOME</b>	<b>IV-a</b>	<b>93.726</b>	<b>143.547</b>
1.1	Interest on Loans		79.040	82.118
1.2	Interest Received from Reserve Requirements		-	-
1.3	Interest Received from Banks		88	16.962
1.4	Interest Received from Money Market Transactions		856	3.182
1.5	Interest Received from Marketable Securities Portfolio		8.761	29.206
1.5.1	Trading Financial Assets		1.017	4.108
1.5.2	Financial Assets at Fair Value through Profit or Loss		-	-
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		-	-
1.7	Other Interest Income		4.981	12.079
<b>II.</b>	<b>INTEREST EXPENSE (-)</b>	<b>IV-b</b>	<b>52.166</b>	<b>98.218</b>
2.1	Interest on Deposits (-)		45.138	55.162
2.2	Interest on Funds Borrowed (-)		1.807	24.150
2.3	Interest Expense on Money Market Transactions (-)		976	11.586
2.4	Interest on Securities Issued (-)		-	-
2.5	Other Interest Expenses (-)		4.245	7.320
<b>III.</b>	<b>NET INTEREST INCOME (I + II)</b>		<b>41.560</b>	<b>45.329</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME/EXPENSE</b>		<b>3.865</b>	<b>8.236</b>
4.1	Fees and Commissions Received		4.943	9.241
4.1.1	Non-cash Loans		2.978	5.493
4.1.2	Other	<b>IV-k</b>	1.965	3.748
4.2	Fees and Commissions Paid (-)		1.078	1.005
4.2.1	Non-cash Loans (-)	<b>IV-k</b>	2	2
4.2.2	Other (-)		1.076	1.003
<b>V.</b>	<b>DIVIDEND INCOME</b>		<b>-</b>	<b>-</b>
<b>VI.</b>	<b>TRADING INCOME/( LOSS) (Net)</b>	<b>IV-c</b>	<b>5.440</b>	<b>9.709</b>
6.1	Trading Gains/(Losses) on Securities		(99)	4.498
6.2	Trading Gains/(Losses) on Derivative Financial Instruments		5.856	2.219
6.3	Foreign Exchange Gains/(Losses)		(317)	2.992
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	<b>IV-d</b>	<b>1.050</b>	<b>1.923</b>
<b>VIII.</b>	<b>TOTAL OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>51.915</b>	<b>65.197</b>
<b>IX.</b>	<b>PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)</b>	<b>IV-e</b>	<b>14.169</b>	<b>5.213</b>
<b>X.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	<b>IV-f</b>	<b>45.023</b>	<b>37.942</b>
<b>XI.</b>	<b>NET OPERATING INCOME/(LOSS) (VIII-IX-X)</b>		<b>(7.277)</b>	<b>22.042</b>
<b>XII.</b>	<b>EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER</b>		<b>-</b>	<b>-</b>
<b>XIII.</b>	<b>INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD</b>		<b>-</b>	<b>-</b>
<b>XIV.</b>	<b>INCOME/(LOSS) ON NET MONETARY POSITION</b>		<b>-</b>	<b>-</b>
<b>XV.</b>	<b>INCOME/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS (XI+...+XIV)</b>	<b>IV-g</b>	<b>(7.277)</b>	<b>22.042</b>
<b>XVI.</b>	<b>TAX PROVISION FOR CONTINUING OPERATIONS (-)</b>	<b>IV-h</b>	<b>1.111</b>	<b>(4.340)</b>
16.1	Current Tax Provision		-	-
16.2	Deferred Tax Provision		1.111	(4.340)
<b>XVII.</b>	<b>NET INCOME/(LOSS) FROM CONTINUING OPERATIONS (XV-VI)</b>		<b>(6.166)</b>	<b>17.702</b>
<b>XVIII.</b>	<b>INCOME FROM DISCONTINUED OPERATIONS</b>		<b>-</b>	<b>-</b>
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		-	-
<b>XIX.</b>	<b>EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>		<b>-</b>	<b>-</b>
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		-	-
<b>XX.</b>	<b>INCOME/(LOSS) BEFORE TAX FROM DISCONTINUED OPERATIONS (XVIII-XIX)</b>		<b>-</b>	<b>-</b>
<b>XXI.</b>	<b>TAX PROVISION FOR DISCONTINUED OPERATIONS (-)</b>		<b>-</b>	<b>-</b>
21.1	Current tax provision		-	-
21.2	Deferred tax provision		-	-
<b>XXII.</b>	<b>NET INCOME/(LOSS) FROM DISCONTINUED OPERATIONS (XX-XXI)</b>		<b>-</b>	<b>-</b>
<b>XXIII.</b>	<b>NET INCOME/(LOSS) (XVII+XXII)</b>	<b>IV-j</b>	<b>(6.166)</b>	<b>17.702</b>
	Earnings/(Loss) per share (1.000 nominal in TL full)		(0,108)	0,311

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.**

**UNCONSOLIDATED 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

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**BURGAN BANK A.Ş.  
UNCONSOLIDATED 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").)

<b>V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY</b>																	
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 Shareholders' Equity
<b>I. Prior Period End Balance</b>		570.000	-	-	-	9.555	-	12.156	-	37.369	-	(3.739)	3.445	-	-	-	628.786
<b>Changes in the Period</b>																	
<b>II. Increase/Decrease due to the Merger</b>																	
<b>III. Marketable Securities Valuation Differences</b>												2.579					2.579
<b>IV. Hedging Reserves (Effective Portion)</b>																	
4.1 Cash Flow Hedge																	
4.2 Foreign Investment for Purpose of Hedge																	
<b>V. Revaluation Differences of Tangible Assets</b>																	
<b>VI. Revaluation Differences of Intangible Assets</b>																	
<b>VII. Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures</b>																	
<b>VIII. Foreign Exchange Difference</b>																	
<b>IX. Changes due to the Disposal of Assets</b>																	
<b>X. Changes due to the Reclassification of the Assets</b>																	
<b>XI. Effects of Changes in Equity of Investments in Associates</b>																	
<b>XII. Capital Increase</b>																	
12.1 Cash																	
12.2 Internal Resources																	
<b>XIII. Share Premium</b>																	
<b>XIV. Share Cancellation Profits</b>																	
<b>XV. Adjustment to Share Capital</b>																	
<b>XVI. Other</b>																	
<b>XVII Current Year Income or Loss</b>										17.702							17.702
<b>XVIII Profit Distribution</b>										(37.369)	37.369						
18.1 Dividend Paid																	
18.2 Transfers to Reserves										(37.369)	37.369						
18.3 Other																	
<b>Period End Balance (I+II+III+...+XVI+XVII+XVIII)</b>		570.000	-	-	-	9.555	-	12.156	-	17.702	37.369	(1.160)	3.445	-	-	-	649.067

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



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UNCONSOLIDATED 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 30/09/2013	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 Shareholders' Equity
I. Prior Period End Balance		570.000	-	-	-	11.423	-	47.657	-	(1.240)	-	10.185	3.717	-	-	-	641.742
Changes in the Period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Increase/Decrease due to the Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Marketable Securities Valuation Differences		-	-	-	-	-	-	-	-	-	-	728	-	-	-	-	728
IV. Hedging Reserves (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Foreign Investment for Purpose of 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		-	-	-	-	-	-	-	-	(6.166)	-	-	-	-	-	-	(6.166)
XVIII. Profit Distribution		-	-	-	-	-	-	(1.240)	-	1.240	-	-	-	-	-	-	-
18.1 Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfers to Reserves		-	-	-	-	-	-	(1.240)	-	1.240	-	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (I+II+III+...+XVI+XVII+XVIII)		570.000	-	-	-	11.423	-	46.417	-	(6.166)	-	10.913	3.717	-	-	-	636.304

(\*) 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 TL1.729 on 31 December 2013 (31 December 2012: TL615).

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

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**BURGAN BANK A.Ş.**

**UNCONSOLIDATED STATEMENT OF CASH FLOWS 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”).)

VI. STATEMENT OF CASH FLOWS	(31/03/2013)	(31/03/2012)
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>		
<b>1.1 Operating Profit Before Changes in Operating Assets and Liabilities</b>	<b>6.425</b>	<b>29.506</b>
1.1.1 Interest Received	92.173	181.203
1.1.2 Interest Paid	(49.319)	(110.719)
1.1.3 Dividend Received	-	-
1.1.4 Fees and Commissions Received	3.865	8.236
1.1.5 Other Income	-	-
1.1.6 Collections from Previously Written-off Loans and Other Receivables	4.977	4.365
1.1.7 Payments to Personnel and Service Suppliers	(21.642)	(19.286)
1.1.8 Taxes Paid	-	-
1.1.9 Other	(23.629)	(34.293)
<b>1.2 Changes in Operating Assets and Liabilities</b>	<b>(116.666)</b>	<b>(315.052)</b>
1.2.1 Net (Increase)/Decrease in Trading Securities	190	178.176
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	2.181	(268.695)
1.2.5 Net (Increase)/Decrease in Other Assets	(76.510)	(19.859)
1.2.6 Net Increase/(Decrease) in Bank Deposits	37.865	5.712
1.2.7 Net Increase/(Decrease) in Other Deposits	(374.304)	392.259
1.2.8 Net Increase/(Decrease) in Funds Borrowed	370.564	(600.696)
1.2.9 Net Increase/(Decrease) in Payables	-	-
1.2.10 Net Increase/(Decrease) in Other Liabilities	(76.652)	(1.949)
<b>I. Net Cash Provided from Banking Operations</b>	<b>(110.241)</b>	<b>(285.546)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>II. Net Cash Provided from Investing Activities</b>	<b>(99.548)</b>	<b>515.170</b>
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	(2.975)	(967)
2.4 Disposals of Property and Equipment	371	1.031
2.5 Cash Paid for Purchase of Investments Available-for-Sale	(96.944)	-
2.6 Cash Obtained from Sale of Investments Available-for-Sale	-	342.975
2.7 Cash Paid for Purchase of Investment Securities	-	-
2.8 Cash Obtained from Sale of Investment Securities	-	172.131
2.9 Other	-	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>III. Net Cash Provided from Financing Activities</b>	<b>-</b>	<b>(639)</b>
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	-	(639)
3.6 Other	-	-
<b>IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>	<b>122</b>	<b>16.153</b>
<b>V. Net Increase/(Decrease) in Cash and Cash Equivalents (I+II+III+IV)</b>	<b>(209.667)</b>	<b>245.138</b>
<b>VI. Cash and Cash Equivalents at Beginning of the Period</b>	<b>584.502</b>	<b>703.566</b>
<b>VII. Cash and Cash Equivalents at end of the Period</b>	<b>374.835</b>	<b>948.704</b>

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**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

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**SECTION THREE**

**ACCOUNTING POLICIES**

**I. BASIS OF PRESENTATION:**

The Bank maintains its book 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 unconsolidated 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, additions and changes in the related communiqué.

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

The preparation of unconsolidated financial statements in conformity with TAS requires the use of certain critical accounting estimates by the Bank management to exercise its judgment on the assets and liabilities of the balance sheet and contingent issues as of the balance sheet date. These estimates 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 unconsolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in these unconsolidated financial statements. Accordingly, these unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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**ACCOUNTING POLICIES (Continued)**

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

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

Foreign currency denominated monetary assets and liabilities are translated with the Bank’s foreign currency bid rates prevailing at the balance sheet date. 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:**

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

The bank has recognised an impairment on its subsidiary Burgan Yatırım Menkul Değerler A.Ş. amounting to 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 Bank has no joint ventures as of 31 March 2013 and 31 December 2012.

**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 Bank 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 Bank 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 amortised to profit or loss over the period maturity.

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**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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**ACCOUNTING POLICIES (Continued)**

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 recognised in the income statement on an accrual basis by using the effective interest method.

The Bank ceases accruing interest income on non-performing loans and, any interest income accruals from such loans are being reversed and no income is accounted until the collection is made according to the related regulation.

**VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSE:**

All fees and commissions income/expenses are recognised 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 recognised 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 recognised as income at the time of collection.

**VII. EXPLANATIONS ON FINANCIAL ASSETS:**

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

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

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.

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**ACCOUNTING POLICIES (Continued)**

Trading financial assets are initially recognised 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 “amortised cost” using the effective interest method. All gains and losses arising from these evaluations are recognised in the income statement. Interest earned while holding financial assets is reported as interest income and dividends received are included separately in dividend income.

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

**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 recognised at cost which is considered as their fair value. The fair values of held-to-maturity financial assets on initial recognition are either the transaction prices at acquisition or the market prices of similar financial instruments. Held-to-maturity securities are carried at “amortised cost” using the effective interest method after their recognition. Interest income earned from held-to-maturity financial assets is reflected to the statement of income.

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

**c. Loans and receivables:**

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

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

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

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**ACCOUNTING POLICIES (Continued)**

**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 amortised 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.

“Unrealised gains and losses” arising from changes in the fair value of financial assets classified as available-for-sale are recognised in the shareholders’ equity as “Marketable Securities Valuation Reserve”, until there is a permanent decline in the fair values of such assets or they are disposed of. When these financial assets are disposed of or impaired, the related fair value differences accumulated in the shareholders’ equity are transferred to the income statement. When calculating CPI Indexed government bonds’ discounted values, cash flows calculated through 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 Bank has a legally enforceable right to offset the recognised amounts and there is an intention to collect/pay related financial assets and liabilities on a net basis, or to realise the asset and settle the liability simultaneously.

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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 Bank and measured according to the portfolio to which they belong. Funds obtained from repurchase agreements are accounted under "Funds Provided under Repurchase Agreements" in liabilities and the difference between the sale and repurchase price is accrued over the life of repurchase agreements using the effective interest method.

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

**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 Bank has no discontinued operations.

**XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS:**

**a. Goodwill**

As of 31 March 2013 and 31 December 2012, the Bank has no goodwill.

**b. Other intangible assets**

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

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



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**ACCOUNTING POLICIES (Continued)**

**XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT:**

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

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

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 capitalised on the cost of the tangible asset. The capital expenditures include the cost components which are used either to increase the useful life or the capacity of the asset, or the quality of the product or to decrease the costs.

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**ACCOUNTING POLICIES (Continued)**

**XIV. EXPLANATIONS ON LEASING TRANSACTIONS:**

Assets acquired under finance lease agreements are capitalised at the inception of the lease at the “lower of the fair value of the leased asset or the present value of the amount of cash consideration given for the leased asset. The Bank has implemented the “revaluation method” in accordance with the “Communiqué Regarding the Principles and Procedures for the Tangible Assets (“TAS 16”)” while revaluating the buildings. The revaluation amount of the building acquired within the extent of financial lease agreement is presented in the financial statements by considering the sales commitment regarding the share transfer of the Bank.

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

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

**XV. EXPLANATIONS ON PROVISIONS AND CONTINGENT COMMITMENTS:**

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

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

**XVI. EXPLANATIONS ON CONTINGENT ASSETS:**

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

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**ACCOUNTING POLICIES (Continued)**

**XVII. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS:**

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

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

**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 2013 (2012: 20%). The corporate tax rate is calculated on the total income of the Bank after adjusting for certain disallowable expenses, exempt income and other allowances. No further tax is payable unless the profit is distributed.

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

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

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

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

**XIX. EXPLANATIONS ON BORROWINGS:**

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

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

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

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

**XXI. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES:**

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

**XXII. EXPLANATIONS ON GOVERNMENT GRANTS:**

As of 31 March 2013 and 31 December 2012, the Bank has no government grants.

**XXIII. EXPLANATIONS ON PROFIT RESERVES AND PROFIT DISTRIBUTION:**

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

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

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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 for the year to the weighted average number of shares outstanding during the period concerned.

	<b>31 March 2013</b>	<b>31 March 2012</b>
Net Income / (Loss) to be Appropriated to Ordinary Shareholders	(6.166)	17.702
Weighted Average Number of Issued Ordinary Shares (Thousand)	57.000.000	57.000.000
<b>Earnings Per Ordinary Shares (Disclosed as 1.000 nominal in full TL)</b>	<b>(0,108)</b>	<b>0,311</b>

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

**XXVIII. RECLASSIFICATIONS:**

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

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**SECTION FOUR**

**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK**

**I. EXPLANATIONS ON CAPITAL ADEQUACY RATIO:**

a. As of 31 March 2013, the unconsolidated capital adequacy ratio of the Bank is 16,71% (31 December 2012: 16,45%) 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.

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

**Information related to consolidated capital adequacy ratio:**

31 March 2013	Risk Weights (*)						
	Bank						
	0%	20%	50%	75%	100%	150%	200%
<b>Surplus credit risk weighted</b>	<b>854.854</b>	<b>58.767</b>	<b>654.821</b>	<b>672.355</b>	<b>2.579.862</b>	<b>16.160</b>	<b>19.822</b>
<b>Risk classifications:</b>							
Claims on sovereigns and Central Banks	805.278	-	-	-	45.247	-	-
Claims on regional governments or local authorities	-	-	-	-	-	-	-
Claims on administrative bodies and other non-commercial undertakings	-	-	-	-	9	-	-
Claims on multilateral development banks	-	-	-	-	-	-	-
Claims on international organizations	-	-	-	-	-	-	-
Claims on banks and intermediary institutions	40	28.799	40.731	-	71.072	-	-
Claims on corporates	19.583	26.124	-	-	2.093.161	1.622	-
Claims included in the regulatory retail portfolios	8.691	2.562	-	672.355	-	-	-
Claims secured by residential property	2.860	945	603.910	-	116.491	-	-
Past due loans	46	-	10.180	-	51.116	1.184	-
Higher risk categories decided by the Board	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	-	-

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

	<b>31 March 2013</b>	<b>31 December 2012</b>
Amount subject to credit risk (Value at Credit Risk*0.08)(ASCR)	278.974	287.158
Amount subject to market risk (ASMR)	4.623	5.045
Amount subject to operational risk (ASOR)	21.829	19.710
<b>Shareholders’ equity</b>	<b>638.013</b>	<b>641.563</b>
<b>Shareholders’ equity/((ASCR+ASMR+ASOR) *12,5*100)</b>	<b>16,71</b>	<b>16,45</b>

**e. Information about shareholders’ equity items:**

	<b>31 March 2013</b>	<b>31 December 2012</b>
<b>CORE CAPITAL</b>		
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	57.840	59.080
Adjustment of reserves	-	-
Profit	-	-
Current period profit	-	-
Prior period profit	-	-
Provisions for possible risks (up to 25% of core capital)	-	-
Profit on disposal of associates, subsidiaries and immovables to be transferred to share capital	-	-
Primary subordinated loans	-	-
Uncovered portion of loss with reserves (-)	6.166	1.240
Current period loss	6.166	1.240
Prior period loss	-	-
Operating Lease Development Cost (-)	5.823	6.597
Intangible assets (-)	23.094	22.692
Deferred tax asset amount exceeding 10% of core capital (-)	-	-
Limit exceeding amount regarding the third clause of article 56 of the Law (-)	-	-
<b>Total Core Capital</b>	<b>592.757</b>	<b>598.551</b>

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<b>SUPPLEMENTARY CAPITAL</b>	<b>31 March 2013</b>	<b>31 December 2012</b>
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 from investments in associates and subsidiaries	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)	-	-
<b>Total Supplementary Capital</b>	<b>45.591</b>	<b>43.352</b>
<b>CAPITAL</b>	<b>638.348</b>	<b>641.903</b>
<b>DEDUCTIONS FROM THE CAPITAL</b>	<b>335</b>	<b>340</b>
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	-	-
Shares of banks and financial institutions final equity method applied but assets and	-	-
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	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>638.013</b>	<b>641.563</b>

**II. EXPLANATIONS ON MARKET RISK:**

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

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

**a. Information on Market Risk:**

	<b>Balance</b>
(I) Capital to be Employed for General Market Risk - Standard Method	1.338
(II) Capital to be Employed for Specific Risk -Standard Method	17
Capital to be Employed for Specific Risk in Securitisation Positions – Standard Method	-
(III) Capital to be Employed for Currency Risk - Standard Method	485
(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	63
(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)	4.623
<b>(X) Amount Subject to Market Risk (12,5 x VIII) or (12,5 x IX)</b>	<b>57.782</b>



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**III. EXPLANATIONS ON OPERATIONAL RISK:**

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

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

**IV. EXPLANATIONS ON CURRENCY RISK:**

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

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

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

	<b>EUR</b>		<b>USD</b>	
	<b>31 March 2013</b>	<b>31 December 2012</b>	<b>31 March 2013</b>	<b>31 December 2012</b>
<b>Bid rate</b>	<b>2,3189</b>	<b>TL2,3452</b>	<b>1,8087</b>	<b>TL1,7776</b>
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 Bank’s foreign exchange bid rates for the last thirty days preceding the balance sheet date for major foreign currencies are shown below:

	<b>EUR</b>		<b>USD</b>	
	<b>31 March 2013</b>	<b>31 December 2012</b>	<b>31 March 2013</b>	<b>31 December 2012</b>
Arithmetic average- 30 days	2,3438	TL2,3340	1,8075	TL1,7797

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**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)**

**Information on currency risk of the Bank:**

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

	EUR	USD	Other FC	Total
<b>31 March 2013</b>				
<b>Assets</b>				
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	52.070	22.980	5.544	80.594
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	790	17.344	1	18.135
<b>Total Assets (*)</b>	<b>681.973</b>	<b>998.018</b>	<b>6.317</b>	<b>1.686.308</b>
<b>Liabilities</b>				
Bank Deposits	46.395	367	13	46.775
Foreign Currency Deposits	338.068	890.321	10.013	1.238.402
Funds From Interbank Money Market	-	-	-	-
Funds Borrowed From Other Financial Institutions	285.567	58.372	417	344.356
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	4.792	7.269	3	12.064
Hedging Derivative Financial Liabilities	-	-	-	-
Other Liabilities	1.552	15.052	16	16.620
<b>Total Liabilities (**)</b>	<b>676.374</b>	<b>971.381</b>	<b>10.462</b>	<b>1.658.217</b>
<b>Net On-balance Sheet Position</b>	<b>5.599</b>	<b>26.637</b>	<b>(4.145)</b>	<b>28.091</b>
<b>Net Off-balance Sheet Position</b>	<b>12.227</b>	<b>(42.419)</b>	<b>8.430</b>	<b>(21.762)</b>
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
<b>Non-Cash Loans (**)</b>	<b>149.832</b>	<b>422.950</b>	<b>761</b>	<b>573.543</b>
<b>31 December 2012</b>				
Total Assets (*)	533.093	991.815	4.434	1.529.342
Total Liabilities (*)	491.032	1.025.930	6.348	1.523.310
<b>Net On-balance Sheet Position</b>	<b>42.061</b>	<b>(34.115)</b>	<b>(1.914)</b>	<b>6.032</b>
<b>Net Off-balance Sheet Position</b>	<b>(32.093)</b>	<b>30.313</b>	<b>1.488</b>	<b>(292)</b>
Financial Derivative Assets	554.189	731.011	104.722	1.389.922
Financial Derivative Liabilities	586.282	700.698	103.234	1.390.214
<b>Non-Cash Loans (**)</b>	<b>147.089</b>	<b>452.770</b>	<b>867</b>	<b>600.726</b>

(\*) 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: TL13.547), in liabilities "Expense Accruals of Derivative Financial Instruments" amounting to TL15.658 (31 December 2012: TL12.281), "General Provisions" amounting to TL10.993 (31 December 2012: TL9.793) 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 INTEREST RATE RISK:**

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

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

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

<b>31 March 2013</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Year</b>	<b>5 Year and Over</b>	<b>Non Interest Bearing</b>	<b>Total</b>
<b>Assets</b>							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	-	-	-	-	-	411.645	411.645
Due From Banks	60.849	-	-	-	-	19.798	80.647
Financial Assets at Fair Value Through Profit/Loss	35.358	9.857	18.184	31.971	3.229	-	98.599
Interbank Money Market Placements	130.075	-	-	-	-	-	130.075
Available-for-Sale Financial Assets	-	98.103	252.224	101.813	-	5.161	457.301
Loans	633.075	1.351.505	566.349	319.462	104.724	62.524	3.037.639
Held-to-Maturity Investments	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	193.899	193.899
<b>Total Assets</b>	<b>859.357</b>	<b>1.459.465</b>	<b>836.757</b>	<b>453.246</b>	<b>107.953</b>	<b>693.027</b>	<b>4.409.805</b>
<b>Liabilities</b>							
Bank Deposits	46.379	-	-	-	-	5.838	52.217
Other Deposits	1.401.085	773.274	521.835	12.448	-	168.766	2.877.408
Funds From Interbank Money Market	280.537	-	-	-	-	-	280.537
Miscellaneous Payables	-	-	-	-	-	37.697	37.697
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	10.237	279.349	85.217	6.204	-	-	381.007
Other Liabilities (*)	7.848	4.416	13.937	1.218	-	753.520	780.939
<b>Total Liabilities</b>	<b>1.746.086</b>	<b>1.057.039</b>	<b>620.989</b>	<b>19.870</b>	<b>-</b>	<b>965.821</b>	<b>4.409.805</b>
<b>Balance Sheet Long Position</b>	<b>-</b>	<b>402.426</b>	<b>215.768</b>	<b>433.376</b>	<b>107.953</b>	<b>-</b>	<b>1.159.524</b>
<b>Balance Sheet Short Position</b>	<b>(886.729)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(272.794)</b>	<b>(1.159.524)</b>
Off-balance Sheet Long Position	-	-	16.685	4.450	-	-	21.135
Off-balance Sheet Short Position	(9.825)	(8.157)	-	-	-	-	(17.982)
<b>Total Position</b>	<b>(896.554)</b>	<b>394.269</b>	<b>232.453</b>	<b>437.826</b>	<b>107.953</b>	<b>(272.794)</b>	<b>3.153</b>

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

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<b>31 December 2012</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Year</b>	<b>5 Year and Over</b>	<b>Non Interest Bearing</b>	<b>Total</b>
<b>Assets</b>							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	-	-	-	-	-	363.202	363.202
Due From Banks	203.552	889	-	-	-	8.816	213.257
Financial Assets at Fair Value Through Profit/Loss	18.175	15.459	50.679	5.393	565	-	90.271
Interbank Money Market Placements	123.063	10.011	-	-	-	-	133.074
Available-for-Sale Financial Assets	63.188	229.512	64.992	-	-	5.161	362.853
Loans	608.561	1.393.247	531.876	343.531	106.334	61.718	3.045.267
Held-to-Maturity Investments	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	233.625	233.625
<b>Total Assets</b>	<b>1.016.539</b>	<b>1.649.118</b>	<b>647.547</b>	<b>348.924</b>	<b>106.899</b>	<b>672.522</b>	<b>4.441.549</b>
<b>Liabilities</b>							
Bank Deposits	-	-	-	-	-	14.347	14.347
Other Deposits	1.555.899	1.053.853	421.172	12.246	-	207.038	3.250.208
Funds From Interbank Money Market	87.744	-	-	-	-	-	87.744
Miscellaneous Payables	-	-	-	-	-	45.165	45.165
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	5.587	13.740	180.651	2.721	-	-	202.699
Other Liabilities (*)	5.312	4.424	11.111	6	-	820.533	841.386
<b>Total Liabilities</b>	<b>1.654.542</b>	<b>1.072.017</b>	<b>612.934</b>	<b>14.973</b>	<b>-</b>	<b>1.087.083</b>	<b>4.441.549</b>
<b>Balance Sheet Long Position</b>	<b>-</b>	<b>577.101</b>	<b>34.613</b>	<b>333.951</b>	<b>106.899</b>	<b>-</b>	<b>1.052.564</b>
<b>Balance Sheet Short Position</b>	<b>(638.003)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(414.561)</b>	<b>(1.052.564)</b>
Off-balance Sheet Long Position	-	-	862	3.848	-	-	4.710
Off-balance Sheet Short Position	(2.338)	(3.497)	-	-	-	-	(5.835)
<b>Total Position</b>	<b>(640.341)</b>	<b>573.604</b>	<b>35.475</b>	<b>337.799</b>	<b>106.899</b>	<b>(414.561)</b>	<b>(1.125)</b>

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

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**b. Average interest rates for monetary financial instruments:**

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

<b>31 March 2013</b>	<b>EUR</b>	<b>USD</b>	<b>Yen</b>	<b>TL</b>
<b>Assets</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
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	-	6,38
Interbank Money Market Placements	-	-	-	6,19
Available-for-Sale Financial Assets	-	-	-	8,78
Loans	5,71	5,49	-	12,66
Held-to-Maturity Investments	-	-	-	-
<b>Liabilities</b>				
Bank Deposits	-	-	-	-
Other Deposits (*)	2,55	2,83	-	7,65
Funds From Interbank Money Market	-	-	-	5,50
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	1,67	3,12	-	7,37

<b>31 December 2012</b>	<b>EUR</b>	<b>USD</b>	<b>Yen</b>	<b>TL</b>
<b>Assets</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
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	-	6,05
Interbank Money Market Placements	-	-	-	6,19
Available-for-Sale Financial Assets	-	-	-	9,53
Loans	6,18	5,88	-	12,61
Held-to-Maturity Investments	-	-	-	-
<b>Liabilities</b>				
Bank Deposits	-	-	-	-
Other Deposits (*)	3,09	3,48	-	8,37
Funds From Interbank Money Market	-	-	-	4,68
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	1,21	3,51	-	7,88

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

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**c. Interest rate risk resulting from banking accounts:**

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

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

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

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

Currency	Applied Shock (+/- x basis point)*	Earnings/ Losses	Earnings/ Equities-Losses/ Equities
1. TRY	+500 bp	-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%
<b>Total (For Negative Shocks)</b>		<b>23.622</b>	<b>3,7%</b>
<b>Total (For Positive Shocks)</b>		<b>-31.768</b>	<b>-5,0%</b>

**d. Share position risk resulting from banking accounts:**

None.

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**VI. EXPLANATIONS ON LIQUIDITY RISK:**

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

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

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

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. Liquidity ratios realized in 2013 are as follows:

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

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**Breakdown of assets and liabilities according to their outstanding maturities:**

<b>31 March 2013</b>	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Year</b>	<b>5 Year and Over</b>	<b>Unclassified (*)</b>	<b>Total</b>
<b>Assets</b>								
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	17.011	394.634	-	-	-	-	-	411.645
Due From Banks	19.798	60.849	-	-	-	-	-	80.647
Financial Assets at Fair Value Through Profit or Loss	-	7.549	7.202	14.952	62.493	6.403	-	98.599
Interbank Money Market Placements	-	130.075	-	-	-	-	-	130.075
Available-for-Sale Financial Assets	-	-	31.171	59.161	361.808	-	5.161	457.301
Loans	-	441.210	1.338.608	675.726	414.847	104.724	62.524	3.037.639
Held-to-Maturity Investments	-	-	-	-	-	-	-	-
Other Assets (*)	-	11.416	317	7.953	7.864	-	166.349	193.899
<b>Total Assets</b>	<b>36.809</b>	<b>1.045.733</b>	<b>1.377.298</b>	<b>757.792</b>	<b>847.012</b>	<b>111.127</b>	<b>234.034</b>	<b>4.409.805</b>
<b>Liabilities</b>								
Bank Deposits	5.838	46.379	-	-	-	-	-	52.217
Other Deposits	168.766	1.401.085	773.274	521.835	12.448	-	-	2.877.408
Funds Borrowed From Other Financial Institutions	-	10.237	28.379	268.453	73.938	-	-	381.007
Funds From Interbank Money Market	-	280.537	-	-	-	-	-	280.537
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	-	10.749	2.668	-	-	-	24.280	37.697
Other Liabilities (**)	-	43.591	2.962	25.898	3.514	-	704.974	780.939
<b>Total Liabilities</b>	<b>174.604</b>	<b>1.792.578</b>	<b>807.283</b>	<b>816.186</b>	<b>89.900</b>	<b>-</b>	<b>729.254</b>	<b>4.409.805</b>
<b>Net Liquidity Gap</b>	<b>(137.795)</b>	<b>(746.845)</b>	<b>570.015</b>	<b>(58.394)</b>	<b>757.112</b>	<b>111.127</b>	<b>(495.220)</b>	<b>-</b>
<b>31 December 2012</b>								
Total Assets	33.531	1.189.204	1.415.341	778.025	686.012	107.100	232.336	4.441.549
Total Liabilities	221.385	1.764.026	1.071.947	553.843	88.841	6	741.501	4.441.549
<b>Net Liquidity Gap</b>	<b>(187.854)</b>	<b>(574.822)</b>	<b>343.394</b>	<b>224.182</b>	<b>597.171</b>	<b>107.094</b>	<b>(509.165)</b>	<b>-</b>

(\*) Assets that are necessary for banking activities and that cannot be liquidated in the short-term, such as fixed and intangible assets, subsidiaries, 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.

<b>Risk Group</b>	<b>Amount</b>	<b>Financial Guarantees</b>	<b>Other Material Guarantees</b>	<b>Guarantees and Loan Derivatives</b>
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	188.328	515	-	-
Claims on corporates	2.568.326	49.789	-	-
Claims included in the regulatory retail portfolios	822.230	14.233	-	3.478
Claims secured by residential property	756.320	4.012	-	1.597
Past due loans	62.526	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	472.114	-	-	-
<b>Total</b>	<b>5.751.649</b>	<b>70.293</b>	<b>-</b>	<b>5.075</b>

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**INFORMATION ON FINANCIAL ORGANIZATION (Continued)**

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

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

**Risk Management,**

Bank’s management aims to ensure that:

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

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**INFORMATION ON FINANCIAL ORGANIZATION (Continued)**

***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 banks strategy. BoD is responsible of reviewing risk limits. In case of a change is needed in risk limits, it is presented to the attention of the risk committee. After the evaluation of risk committee and Audit Committee, the proposal is sent to the sanction of Board of Directors.

***Risk Strategy Objectives***

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

**Credit Risk Strategy**

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

**Market Risk Strategy**

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

**Operational Risk Strategy**

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

**Risk Management Unit Organization**

RMG reports to the board of directors through the audit committee. Risk management group consists of credit risk, market risk and operational risk divisions.

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**INFORMATION ON FINANCIAL ORGANIZATION (Continued)**

**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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**INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)**

**X. EXPLANATIONS ON OPERATING SEGMENTS:**

The 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.

	<b>Retail Banking</b>	<b>Corporate Banking</b>	<b>Treasury</b>	<b>Total Operations of the Bank</b>
<b>31 March 2013</b>				
Segment revenue	15.337	27.753	8.825	51.915
Unallocated costs	-	-	-	(59.192)
<b>Net Operating Profit</b>	<b>15.337</b>	<b>27.753</b>	<b>8.825</b>	<b>(7.277)</b>
Dividend income	-	-	-	-
<b>Profit Before Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(7.277)</b>
Tax expense	-	-	-	1.111
<b>Net Profit / Loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6.166)</b>
Segment assets	572.650	2.748.301	894.955	4.215.906
Investments in associates, subsidiaries and joint ventures	-	-	-	88.337
Unallocated assets	-	-	-	105.562
<b>Total Assets</b>	<b>572.650</b>	<b>2.748.301</b>	<b>894.955</b>	<b>4.409.805</b>
Segment liabilities	1.054.815	1.899.292	688.962	3.643.069
Unallocated liabilities	-	-	-	766.736
<b>Total Liabilities</b>	<b>1.054.815</b>	<b>1.899.292</b>	<b>688.962</b>	<b>4.409.805</b>

	<b>Retail Banking</b>	<b>Corporate Banking</b>	<b>Treasury</b>	<b>Total Operations of the Bank</b>
<b>31 March 2012</b>				
Segment revenue	14.410	23.562	27.225	65.197
Unallocated costs	-	-	-	(43.155)
<b>Net Operating Profit</b>	<b>14.410</b>	<b>23.562</b>	<b>27.225</b>	<b>22.042</b>
Dividend income	-	-	-	-
<b>Profit Before Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22.042</b>
Tax expense	-	-	-	(4.340)
<b>Net Profit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17.702</b>
<b>31 December 2012</b>				
Segment assets	643.476	2.690.275	874.173	4.207.924
Investments in associates, subsidiaries and joint ventures	-	-	-	88.337
Unallocated assets	-	-	-	145.288
<b>Total Assets</b>	<b>643.476</b>	<b>2.690.275</b>	<b>874.173</b>	<b>4.441.549</b>
Segment liabilities	1.190.297	2.106.783	311.296	3.608.376
Unallocated liabilities	-	-	-	833.173
<b>Total Liabilities</b>	<b>1.190.297</b>	<b>2.106.783</b>	<b>311.296</b>	<b>4.441.549</b>

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**SECTION FIVE**

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS**

**I. EXPLANATIONS AND NOTES RELATED TO ASSETS**

**a. Information related to cash and the account of 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	9.679	7.316	11.569	13.125
CBRT	102.851	291.799	191.692	146.816
Other	-	-	-	-
<b>Total</b>	<b>112.530</b>	<b>299.115</b>	<b>203.261</b>	<b>159.941</b>

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
<b>Total</b>	<b>102.851</b>	<b>291.799</b>	<b>191.692</b>	<b>146.816</b>

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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**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS  
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**b. Information on financial assets at fair value through profit or loss:**

1. 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).
2. Positive differences related to trading derivative financial assets:

	31 March 2013		31 December 2012	
	TL	FC	TL	FC
Forward Transactions	1.944	802	2.451	838
Swap Transactions	7.360	4.097	2.482	4.722
Futures Transactions	-	-	-	-
Options	399	13.141	461	8.075
Other	-	-	-	-
<b>Total</b>	<b>9.703</b>	<b>18.040</b>	<b>5.394</b>	<b>13.635</b>

**c. Information on banks:**

1. Information on banks:

	31 March 2013		31 December 2012	
	TL	FC	TL	FC
Banks				
Domestic	53	60.852	114.778	89.772
Foreign	-	19.742	-	8.707
Headquarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>53</b>	<b>80.594</b>	<b>114.778</b>	<b>98.479</b>

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

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

As of 31 March 2013, there are TL102.413 available-for-sale financial assets given as collateral/blocked (31 December 2012: TL88.396) and those subject to repurchase agreements amounts to TL274.592 (31 December 2012: TL87.918).

2. 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	5.161	5.161
Quoted on Stock Exchange	-	-
Not Quoted	5.161	5.161
Impairment Provision (-)	50	-
<b>Total</b>	<b>457.301</b>	<b>362.853</b>

**e. Explanations on loans:**

1. 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
<b>Direct Loans Granted To Shareholders</b>	-	-	-	-
Corporate Shareholders	-	-	-	-
Real Person Shareholders	-	-	-	-
<b>Indirect Loans Granted To Shareholders</b>	-	227	-	-
<b>Loans Granted To Employees</b>	3.467	-	3.582	-
<b>Total</b>	<b>3.467</b>	<b>227</b>	<b>3.582</b>	<b>-</b>



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2. 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	2.758.293	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 (*)	2.106.035	25.893	8.675	44.741	116.006	6.445
Specialised Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
<b>Total</b>	<b>2.758.293</b>	<b>29.799</b>	<b>8.675</b>	<b>50.956</b>	<b>120.947</b>	<b>6.445</b>

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

(ii)

Number of Modifications Made to Extend Payment Plan	Standard Loans and Other Receivables	Loans and Other Receivables Under Close Monitoring
1 or 2 times	16.931	120.947
3,4 or 5 times	10.222	-
Over 5 times	2.646	-
<b>Total</b>	<b>29.799</b>	<b>120.947</b>

(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
<b>Total</b>	<b>29.799</b>	<b>120.947</b>

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

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

	Short-term	Medium and long-term	Total
<b>Commercial Installments Loans-TL</b>	<b>36.401</b>	<b>205.146</b>	<b>241.547</b>
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
<b>Commercial Installments Loans-FC Indexed</b>	<b>4.186</b>	<b>43.809</b>	<b>47.995</b>
Real estate Loans		-	-
Automotive Loans		206	206
Consumer Loans	4.186	43.540	47.726
Other		63	63
<b>Commercial Installments Loans-FC</b>			
Real estate Loans		-	-
Automotive Loans		-	-
Consumer Loans		-	-
Other		-	-
<b>Corporate Credit Cards-TL</b>	<b>10.810</b>		<b>10.810</b>
With installment		-	-
Without installment	10.810	-	10.810
<b>Corporate Credit Cards-FC</b>	<b>23</b>		<b>23</b>
With installment		-	-
Without installment	23	-	23
<b>Credit Deposit Account-TL (Legal Person)</b>	<b>18.917</b>		<b>18.917</b>
<b>Credit Deposit Account-FC (Legal Person)</b>			
<b>Total</b>	<b>70.337</b>	<b>248.955</b>	<b>319.292</b>

5. Loans according to types of borrowers:

	31 March 2013	31 December 2012
Public	-	-
Private	2.975.115	2.983.549
<b>Total</b>	<b>2.975.115</b>	<b>2.983.549</b>

6. Distribution of domestic and foreign loans:

	31 March 2013	31 December 2012
Domestic Loans	2.975.115	2.983.549
Foreign Loans	-	-
<b>Total</b>	<b>2.975.115</b>	<b>2.983.549</b>

7. Loans given to investments in associates and subsidiaries:

None.

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8. Specific provisions provided against loans:

	31 March 2013	31 December 2012
Loans and Other Receivables with Limited Collectability	2.346	3.457
Loans and Other Receivables with Doubtful Collectability	13.970	10.785
Uncollectible Loans and Other Receivables	99.768	90.169
<b>Total</b>	<b>116.084</b>	<b>104.411</b>

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
<b>31 March 2013</b>			
(Gross amounts before the Specific Reserves)			
Restructured Loans and Other Receivables			-
Rescheduled Loans and Other Receivables	281	151	4.931
<b>31 December 2012</b>			
(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
<b>Prior Period End Balance</b>	<b>21.499</b>	<b>31.924</b>	<b>112.706</b>
Additions (+)	14.948	105	2.403
Transfers from Other Categories of Non performing Loans (+)	-	19.158	11.696
Transfers to Other Categories of Non-performing Loans (-)	19.158	11.696	-
Collections (-) (*)	913	1.572	2.492
Write-offs (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
<b>Balance at the End of the Period</b>	<b>16.376</b>	<b>37.919</b>	<b>124.313</b>
Specific Provision (-)	2.346	13.970	99.768
<b>Net Balance on Balance Sheet</b>	<b>14.030</b>	<b>23.949</b>	<b>24.545</b>

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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
<b>31 March 2013</b>			
Period-End Balance	1.042	4.202	27.747
Specific Provision (-)	208	1.453	17.645
<b>Net Balance on balance sheet</b>	<b>834</b>	<b>2.749</b>	<b>10.102</b>
<b>31 December 2012</b>			
Period-End Balance	2.776	2.272	27.776
Specific Provision (-)	309	1.102	17.653
<b>Net Balance on balance sheet</b>	<b>2.467</b>	<b>1.170</b>	<b>10.123</b>

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
<b>Current Period (Net)</b>	<b>14.030</b>	<b>23.949</b>	<b>24.545</b>
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)	-	-	189
Specific Provision Amount (-)	-	-	189
Other Loans and Receivables (Net)	-	-	-
<b>Prior Period (Net)</b>	<b>18.042</b>	<b>21.139</b>	<b>22.537</b>
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)	-	-	189
Specific Provision Amount (-)	-	-	189
Other Loans and Receivables (Net)	-	-	-

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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 subsidiaries that are consolidated in consolidated accounts:

	Title	Address (City/ Country)	Bank's share percentage, if different voting percentage (%)	Other shareholders' share percentage (%)
1	Burgan Finansal Kiralama A.Ş.	Istanbul/Turkey	99,99	0,01
2	Burgan Yatırım Menkul Değerler A.Ş. and its subsidiary Burgan Portföy Yönetimi A.Ş.	Istanbul/Turkey	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 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
<b>Balance at the beginning of the Period</b>	<b>88.337</b>	<b>134.332</b>
<b>Movements during the Period</b>		(45.995)
Purchases		-
Bonus Shares Obtained		-
Dividends from Current Year Income		-
Sales		-
Revaluation Increase		-
Impairment Provision		(45.995)
<b>Balance at the end of the Period</b>	<b>88.337</b>	<b>88.337</b>
<b>Capital Commitments</b>		-
<b>Share Percentage at the end of the Period (%)</b>	<b>99,99%</b>	<b>99,99%</b>

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

<b>Subsidiaries</b>	<b>31 March 2013</b>	<b>31 December 2012</b>
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	22.232	22.232
Finance Companies	-	-
Other Financial Subsidiaries	66.105	66.105
<b>Total</b>	<b>88.337</b>	<b>88.337</b>

7. Subsidiaries quoted on stock exchange:

None.

**i. Information on joint ventures:**

None.

**j. Information on lease receivables (net):**

None.

**k. Information on hedging derivative financial assets:**

None (31 December 2012: None).

**l. Information on investment property:**

None (31 December 2012: None).



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**m. Information on deferred tax asset:**

As of 31 March 2013, the Bank has netted-off the calculated deferred tax asset of TL10.211 (31 December 2012: TL9.393) and deferred tax liability of TL2.545 (31 December 2012: TL2.657) in accordance with "TAS 12" and has recorded a net deferred tax asset of TL7.666 (31 December 2012: TL6.736) in the financial statements.

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
Valuation Differences of Marketable Securities	-	-	-	-
Provision for Legal Cases	14.475	14.012	2.895	2.802
Reserve for Employment Termination Benefit and Unused Vacation	20.868	18.193	4.174	3.639
Valuation Differences of Derivative Instruments	8.072	11.029	1.614	2.206
Carried Financial Loss	7.417	-	1.484	-
Unearned Revenue	71	3.534	14	707
Other	152	196	30	39
<b>Deferred Tax Assets</b>	<b>51.055</b>	<b>46.964</b>	<b>10.211</b>	<b>9.393</b>
Difference Between Book Value and Tax Base of Tangible and Intangible Assets	12.697	13.244	2.539	2.649
Value Difference of Securities	28	40	6	8
<b>Deferred Tax Liabilities</b>	<b>12.725</b>	<b>13.284</b>	<b>2.545</b>	<b>2.657</b>
<b>Deferred Tax Assets/(Liabilities) (Net)</b>	<b>38.330</b>	<b>33.680</b>	<b>7.666</b>	<b>6.736</b>

Movement of deferred tax asset/ liabilities is presented below:

	31 March 2013	31 December 2012
<b>Balance as of 1 January</b>	<b>6.736</b>	<b>12.331</b>
Current year deferred tax expense	1.111	(2.046)
Deferred tax charged to equity (net)	(181)	(3.549)
<b>Balance at the End of the Period</b>	<b>7.666</b>	<b>6.736</b>

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

The Bank has assets held for resale amounting to TL12.711 (31 December 2012: TL12.694) and has no discontinued operations.

<b>Prior Period</b>	<b>31 March 2013</b>	<b>31 December 2012</b>
Cost	13.175	15.473
Accumulated Depreciation (-)	481	353
<b>Net Book Value</b>	<b>12.694</b>	<b>15.120</b>
<b>Current Period</b>		
Net book value at beginning of the period	12.694	15.120
Additions	1.359	7.125
Disposals (-), net	1.274	9.265
Impairment	-	14
Depreciation (-)	68	272
Cost at end of the period	13.228	13.175
Accumulated Depreciation at end of the period (-)	517	481
<b>Closing Net Book Value</b>	<b>12.711</b>	<b>12.694</b>

**o. Information on other assets:**

As of 31 March 2013, other assets amount to TL37.090 (31 December 2012: TL78.133) and do not exceed 10% of the total assets excluding off-balance sheet commitments.

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**II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES**

**a. Information on deposits:**

1. Information on maturity structure of deposits:

i. 31 March 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	91.057	-	69.654	885.900	121.351	29.221	41.219	-	1.238.402
Residents in Turkey	78.722	-	69.654	881.565	120.009	27.398	40.586	-	1.217.934
Residents Abroad	12.335	-	-	4.335	1.342	1.823	633	-	20.468
Public Sector Deposits	7.360	-	-	65.180	-	-	-	-	72.540
Commercial Deposits	52.867	-	24.352	188.426	51.504	101.742	32.187	-	451.078
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	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>174.604</b>	<b>-</b>	<b>153.916</b>	<b>1.662.477</b>	<b>374.090</b>	<b>349.269</b>	<b>215.269</b>	<b>-</b>	<b>2.929.625</b>

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	100.592	-	94.180	924.960	154.276	32.332	31.405	-	1.337.745
Residents in Turkey	93.887	-	94.180	898.998	153.195	30.605	30.823	-	1.301.688
Residents Abroad	6.705	-	-	25.962	1.081	1.727	582	-	36.057
Public Sector Deposits	18.264	-	-	71.878	-	-	-	-	90.142
Commercial Deposits	67.904	-	38.559	245.159	86.299	95.365	21.332	-	554.618
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	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>221.385</b>	<b>-</b>	<b>144.417</b>	<b>2.042.929</b>	<b>377.005</b>	<b>299.217</b>	<b>179.602</b>	<b>-</b>	<b>3.264.555</b>

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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 2012	31 December 2012	31 March 2013	31 December 2012
<b>Saving Deposits</b>				
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	-	-	-	-
<b>Total</b>	<b>387.121</b>	<b>251.908</b>	<b>1.060.707</b>	<b>1.478.048</b>

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

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

	31 March 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	-	-
<b>Total</b>	<b>3.266</b>	<b>3.370</b>

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**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 Transactions	1.583	2.893	2.465	3.558
Futures Transactions	-	-	-	-
Options	193	12.378	166	8.376
Other	-	-	-	-
<b>Total</b>	<b>11.683</b>	<b>15.735</b>	<b>8.478</b>	<b>12.375</b>

**c. Information on borrowings:**

1. Information on banks and other financial institutions:

	31 March 2013		31 December 2012	
	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	-	281.099	-	92.632
<b>Total</b>	<b>36.651</b>	<b>344.356</b>	<b>43.402</b>	<b>159.297</b>

2. Information on maturity structure of borrowings:

	31 March 2013		31 December 2012	
	TL	FC	TL	FC
Short-term	36.651	67.135	43.402	73.567
Medium and Long-term	-	277.221	-	85.730
<b>Total</b>	<b>36.651</b>	<b>344.356</b>	<b>43.402</b>	<b>159.297</b>

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

The Bank's main funding sources are deposits and borrowings. As of 31 March 2013, deposits from Bank's risk group comprise 2% (31 December 2012: 2%) of total deposits. Borrowings from Bank's risk group comprise %46 (31 December 2012: None) of total borrowings.

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**d. Information on other liabilities:**

Other liabilities amounting to TL26.972 (31 December 2012: TL91.676) 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 Bank.

	31 March 2013		31 December 2012	
	Gross	Net	Gross	Net
Less than 1 year	1	-	1	-
Between 1-4 years	-	-	-	-
More than 4 years	-	-	-	-
<b>Total</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>

**f. Information on hedging derivative financial liabilities:**

None.

**g. Information on provisions:**

1. Information on general provisions:

	31 March 2013	31 December 2012
<b>General Provisions</b>	<b>39.007</b>	<b>37.096</b>
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

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2. Information on reserve for employment termination benefits:

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

The payment amount which is one month's salary for each working year is restricted to TL3.125,01 (31 December 2012: TL3.033,98). 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 Bank. There are assumptions in the calculation as discount rate, employee turnover and expected salary increases. In this context, the following actuarial assumptions were used in the calculation of total liabilities.

	31 March 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	7.016	4.977
Provisions Recognised During the Period	427	2.880
Paid During the Period (-)	133	841
<b>Balance at the End of the Period</b>	<b>7.310</b>	<b>7.016</b>

In addition, as of 31 March 2013 the Bank has accounted for vacation rights provision amounting to TL1.706 (31 December 2012: TL1.406) and personnel bonus provision amounting to TL11.852 (31 December 2012: TL9.771).

3. Other provisions:

i) Information on provisions for possible risks:

None.

ii) Information on other provisions:

The Bank set aside reserves amounting to TL14.475 (31 December 2012: TL14.012) for lawsuits, TL2.643 (31 December 2012: TL2.538) for non-cash loans, TL3.400 (31 December 2012: TL3.115) for customer cheques commitments, TL53 (31 December 2012: TL52) for credit card loyalty points and TL113 (31 December 2012: TL111) for other receivables.

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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: TL3.730) 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 bank provided no corporate tax provision (31 December 2012: TL2.108).

2. Information on taxes payable:

	<b>31 March 2013</b>	<b>31 December 2012</b>
Corporate Tax Payable	-	2.108
Taxation of Marketable Securities	3.045	3.635
Property Tax	137	148
Banking Insurance Transaction Tax	2.294	2.675
Value Added Tax Payable	83	250
Other	1.263	1.686
<b>Total</b>	<b>6.822</b>	<b>10.502</b>

3. Information on premium payables:

	<b>31 March 2013</b>	<b>31 December 2012</b>
Social Security Premiums–Employee	1.160	566
Social Security Premiums–Employer	1.461	812
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	81	39
Unemployment Insurance–Employer	162	79
Other	-	-
<b>Total</b>	<b>2.864</b>	<b>1.496</b>

4. As of 31 March 2013, the Bank has netted-off the calculated deferred tax asset of TL10.211 (31 December 2012: TL9.393) and deferred tax liability of TL2.545 (31 December 2012: TL2.657) in accordance with “TAS 12” and has recorded a net deferred tax asset of TL7.666 (31 December 2012: TL6.736) in the financial statements.

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

None.

**j. Information about subordinated loans:**

None.



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**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 Bank's profitability, prior period indicators on liquidity and uncertainty on these indicators:

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

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

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

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8. Information on marketable securities valuation reserve:

	31 March 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	-	-	-	-
<b>Total</b>	<b>10.913</b>	-	<b>10.185</b>	-

9. Information on tangible assets revaluation reserve:

	31 March 2013		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	-	-	-	-
<b>Total</b>	<b>3.717</b>	-	<b>3.717</b>	-

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

According to the General Assembly meeting decision on 29 March 2013, the loss of 2012 amounting to TL1.240 has been allocated from extraordinary reserves.

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

**a. Information on off balance sheet commitments:**

1. The amount and type of irrevocable commitments:

	31 March 2013	31 December 2012
Commitments for cheques	275.028	267.935
Foreign currency buy/sell commitments	241.249	118.915
Loan limit commitments	106.879	88.406
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
<b>Total</b>	<b>657.483</b>	<b>505.508</b>

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	115.632
Other guarantees	138.223	228.511
Bank acceptance loans	100.578	95.241
Factoring guarantees	902	1.194
<b>Total</b>	<b>1.064.806</b>	<b>1.058.312</b>

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

	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
<b>Total</b>	<b>489.821</b>	<b>165.192</b>

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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
<b>Total</b>	<b>1.064.806</b>	<b>1.058.312</b>

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

	Group I		Group II	
	TL	FC	TL	FC
<b>Non-cash Loans (*)</b>				
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	-	-
<b>Total</b>	<b>473.160</b>	<b>565.789</b>	<b>12.158</b>	<b>6.613</b>

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

**b. Investment Funds:**

As of 31 March 2013, the Bank is the founder of 3 investment funds (31 December 2012: 3) with a total fund value of TL33.941 (31 December 2012: TL24.360). 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 Bank is TL19.697 (31 December 2012: TL19.264) and the Bank 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 INCOME STATEMENT**

**a. Information on interest income:**

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

	31 March 2013		31 March 2012	
	TL	FC	TL	FC
<b>Interest Income on Loans</b>				
Short-term Loans	52.095	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	-	-	-	-
<b>Total</b>	<b>66.049</b>	<b>12.991</b>	<b>67.578</b>	<b>14.540</b>

(\*) 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	48	38	5	38
From Foreign Banks	-	2	16.723	196
Headquarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>48</b>	<b>40</b>	<b>16.728</b>	<b>234</b>

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

	31 March 2013	31 March 2012
Interest income received from investments in associates and subsidiaries	14	-

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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	735	1.072	22.942	1.208
The CBRT	-	-	-	-
Domestic Banks	735	540	574	352
Foreign Banks	-	532	22.368	856
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	-	-	-
<b>Total</b>	<b>735</b>	<b>1.072</b>	<b>22.942</b>	<b>1.208</b>

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

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

	31 March 2013	31 March 2012
Interest Paid to Investment in Associates and Subsidiaries	985	2.379

**3. Interest expense on issued marketable securities:**

None.

**4. 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		
<b>Turkish Currency</b>								
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	-	512	4.715	1.446	2.510	708	-	9.891
Other Deposits	-	130	1.298	798	238	-	-	2.464
7 Day Notice Deposits	-	-	-	-	-	-	-	-
<b>Total</b>	<b>4</b>	<b>885</b>	<b>18.949</b>	<b>4.745</b>	<b>6.946</b>	<b>3.819</b>	<b>-</b>	<b>35.348</b>
<b>Foreign Currency</b>								
Foreign Currency Account	-	554	7.063	1.429	335	397	-	9.778
Bank Deposits	-	12	-	-	-	-	-	12
7 Day Notice Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>566</b>	<b>7.063</b>	<b>1.429</b>	<b>335</b>	<b>397</b>	<b>-</b>	<b>9.790</b>
<b>Sum Total</b>	<b>4</b>	<b>1.451</b>	<b>26.012</b>	<b>6.174</b>	<b>7.281</b>	<b>4.216</b>	<b>-</b>	<b>45.138</b>

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

	31 March 2013	31 March 2012
<b>Income</b>	<b>561.412</b>	<b>796.347</b>
Income from Capital Market Transactions	1.481	5.525
Income From Derivative Financial Transactions	18.947	11.492
Foreign Exchange Gains (*)	540.984	779.330
<b>Loss (-)</b>	<b>555.972</b>	<b>786.638</b>
Loss from Capital Market Transactions	1.580	1.027
Loss From Derivative Financial Transactions	13.091	9.273
Foreign Exchange Loss (*)	541.301	776.338
<b>Net Income/(Loss)</b>	<b>5.440</b>	<b>9.709</b>

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

**d. Information on other operating income:**

As of 31 March 2013, the Bank's other operating income is TL1.050 (31 March 2012: TL1.923). TL371 (31 March 2012: TL1.024) of the amount is composed of profit from sales of the fixed assets that were classified as Asset Held for Resale.

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

	31 March 2013	31 March 2012
Specific Provisions for Loans and Other Receivables	12.056	3.023
III. Group Loans and Receivables	1.830	2.469
IV. Group Loans and Receivables	4.604	1.778
V. Group Loans and Receivables	5.622	(1.224)
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	-	-
<b>Total</b>	<b>14.169</b>	<b>5.213</b>

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**f. Information related to other operating expenses:**

	<b>31 March 2013</b>	<b>31 March 2012</b>
Personnel Expenses	21.642	19.286
Reserve For Employee Termination Benefits(*)	727	843
Bank Social Aid Pension Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	1.746	1.834
Impairment Expenses of Intangible Assets	-	-
Amortisation Expenses of Intangible Assets	905	680
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	15.365	11.221
Operational Lease Expenses	3.861	3.681
Maintenance Expenses	159	116
Advertising Expenses	2.640	84
Other Expense	8.705	7.340
Loss on Sales of Assets	-	-
Other	4.570	4.002
<b>Total</b>	<b>45.023</b>	<b>37.942</b>

(\*) As of 31 March 2013, the employee unused vacation provision expense is TL300 (31 March 2012: TL308).

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

The Bank has no discontinued operations. The Bank's net income/(loss) before taxes from continuing operations is TL7.277.

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

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

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

As of 31 March 2013, the Bank has no current tax expense amounting and deferred tax expense amounting to TL1.111.

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

The Bank has TL1.484 tax income from carried financial loss TL412 from temporary differences and TL785 deferred tax expense from closed temporary differences amounting to net TL1.111 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 Bank has TL373 tax expense arising from temporary differences and TL1.484 deferred tax income from carried financial loss.



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

The Bank 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.

**k. Information on other income and expenses:**

As of 31 March 2013, the Bank's fee and commission income amounts to TL4.943 (31 March 2012: TL9.241) and TL1.965 (31 March 2012: TL3.748) the related amount is classified under "Other fee and commission income" account.

	31 March 2013	31 March 2012
<b>Other Fee and Commissions Received</b>		
Credit Card and Pos Takas Commission	546	551
Account Operating Fees	296	287
Insurance Commissions	280	135
Transfer Commissions	244	302
Commissions on Investment Fund Services	100	88
Commissions from Correspondent Banks	84	91
Ortak Nokta Commissions	27	23
Letter of Credit Commissions	5	8
Other	383	2.363
<b>Total</b>	<b>1.965</b>	<b>3.748</b>

As of 31 March 2013, Bank's fee and commission expense amounts to TL1.078 (31 March 2012: TL1.005) and TL1.076 (31 March 2012: TL1.003) of the related amount is classified under "Other fee and commission expense" account.

	31 March 2013	31 March 2012
<b>Other Fee and Commissions Given</b>		
Credit Card Transaction Commission	602	639
Ortak Nokta Commissions	111	156
EFT Commissions	93	102
Commissions Granted to Correspondent Banks	69	33
Transfer Commissions	24	27
Other	177	46
<b>Total</b>	<b>1.076</b>	<b>1.003</b>

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

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

Prior period financial information is presented as at 31 December 2012 for balance sheet and 31 March 2012 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:

Banks' Risk Group (*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
<b>Loans and Other Receivables</b>						
Balance at the Beginning of the Period	-	12.239	-	-	21	-
Balance at the End of the Period	-	18.298	-	227	13	-
<b>Interest and Commission Income Received</b>	<b>14</b>	<b>11</b>	-	-	-	-

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

2. 31 December 2012:

Banks' Risk Group (*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
<b>Loans and Other Receivables</b>						
Balance at the Beginning of the Period	-	13.177	36	35.225	92	-
Balance at the End of the Period	-	12.239	-	-	21	-
<b>Interest and Commission Income Received</b>	<b>-</b>	<b>6</b>	<b>22</b>	<b>19</b>	<b>-</b>	<b>-</b>

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

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

Banks' Risk Group(*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Deposit</b>						
Beginning of the Period	75.261	98.399	445	485.949	3.376	89.989
End of the Period	55.775	75.261	431	445	3.269	3.376
<b>Interest Expense on Deposits</b>	<b>985</b>	<b>2.379</b>	<b>3</b>	<b>12.337</b>	<b>105</b>	<b>1.730</b>

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

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**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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

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

Banks' Risk Group(*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Repurchase Transactions</b>						
Beginning of the Period	-	-	-	-	108	99
End of the Period	-	-	-	-	157	108
<b>Interest Expense on Repurchase Transactions</b>	-	-	-	-	<b>1</b>	<b>1</b>

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

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

Banks' Risk Group(*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Transactions for trading purposes</b>						
Beginning of the Period	3.577	-	-	1.519.894	-	-
Balance at the end of the period	-	3.577	-	-	-	-
<b>Total Profit/Loss</b>	-	<b>(25)</b>	-	<b>30.758</b>	-	-
<b>Transactions for hedging purposes</b>						
Beginning of the Period	-	-	-	-	-	-
Balance at the end of the period	-	-	-	-	-	-
<b>Total Profit/Loss</b>	-	-	-	-	-	-

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

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

**b. With respect to the Bank's risk group:**

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

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

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

	<b>Total Risk Group</b>	<b>Share in Financial Statements (%)</b>
Borrowings	174.183	45,72
Deposit	59.475	2,03
Non-cash loans	18.525	1,74
Funds from repurchase transactions	157	0,06
Loans	13	-

As of 31 March 2013, the Bank has realized interest expense amounting to TL265 (31 December 2012: None) on loans borrowed from the direct and indirect shareholders of the Bank.

3. Equity accounting transactions: None.
4. Information on transactions such as purchase-sale of immovable and other assets, purchase-sale of service, agent agreements, financial lease agreements, transfer of the information gained as a result of research and development, license agreements, financing (including loans and cash or in kind capital), guarantees, collaterals and management contracts:

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

The Bank, has financial leasing agreements with Burgan Finansal Kiralama A.Ş. As of 31 March 2013, there is no net financial leasing payables arising from these agreements (31 December 2012: None). There is no interest expense amount paid for the related financial leasing agreements (31 March 2012: TL4).

According to the Joint Expense Sharing Agreement with the Bank and its subsidiaries; the Bank has TL6 from Burgan Finansal Kiralama A.Ş., and TL11 from Burgan Yatırım Menkul Değerler A.Ş. as other operating income.

In accordance with the limits in Banking Law, cash and non-cash loans are allocated to the Bank's risk group and the amount composes 0,45% (31 December 2012: 0,30%) of the Bank'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 Bank is included.

**c. Information on benefits provided to top management:**

Top management of the Bank 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 TL2.879 (31 March 2012: TL2.312), 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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**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2013**

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**SECTION SIX**

**EXPLANATIONS ON INDEPENDENT AUDITOR'S REPORT**

**I. EXPLANATIONS ON INDEPENDENT AUDITOR'S REPORT**

The unconsolidated 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 independent auditor's report dated 15 May 2013 has been presented prior to the unconsolidated financial statements.

**II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITOR**

None.

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