

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

**BURGAN BANK A.Ş.**

**PUBLICLY ANNOUNCED CONSOLIDATED  
FINANCIAL STATEMENTS  
TOGETHER WITH REVIEW REPORT  
AT 31 DECEMBER 2014**

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

**To the Board of Directors of Burgan Bank Anonim Şirketi:**

We have audited the consolidated balance sheet of Burgan Bank A.Ş. ("the Bank") and its consolidated subsidiaries ("the Group") at December 31, 2014 and the related consolidated income statement, consolidated statement of income and expense items accounted under shareholders' equity, consolidated statement of cash flows, consolidated statement of changes in shareholders' equity for the year then ended and a summary of significant accounting policies and other explanatory notes

**Disclosure for the responsibility of the Bank's Board of Directors:**

The Board of Directors of the Bank is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the "Regulation on the Principles and Procedures Regarding Banks' Accounting Applications and Safeguarding of Documents" published in the Official Gazette dated November 1, 2006 and numbered 26333 and Turkish Accounting Standards, Turkish Financial Reporting Standards and other regulations, circulars, communiqués and pronouncements in respect of accounting and financial reporting made by the Banking Regulation and Supervision Agency. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error and selecting and applying appropriate accounting policies.

**Disclosure for the Responsibility of the Authorized Audit Firm:**

Our responsibility, as independent auditors, is to express an opinion on these consolidated financial statements based on our audit. Our audit has been performed in accordance with "Regulation on Authorisation and Activities of Institutions to Conduct Independent Audit in Banks" published on the Official Gazette No.26333 dated 1 November 2006 and with the Independent Auditing Standards which is a part of Turkish Auditing Standards promulgated by the Public Oversight Accounting and Auditing Standards Authority ("POA"). We planned and conducted our audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the consideration of the effectiveness of internal control and appropriateness of accounting policies applied relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion stated below.

**Independent Auditors' Opinion:**

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Burgan Bank A.Ş. and its consolidated subsidiaries at 31 December 2014 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles and standards set out by regulations in conformity with articles 37 and 38 of the Banking Act No. 5411 and other regulations, circulars, communiqués and interpretations published by the BRSA on accounting and financial reporting principles.

## **Other Issue**

The consolidated financial statements of the Bank and its consolidated subsidiaries as of and for the year ended December 31, 2013 prepared in accordance with the prevailing accounting principles and standards set out by regulations in conformity with Articles 37 and 38 of the Banking Act No. 5411 were audited by another independent audit firm, who expressed an unqualified opinion in their report dated March 14, 2014.

## **Report on other responsibilities arising from regulatory requirements**

- 1) In accordance with Article 402 paragraph 4 of the Turkish Commercial Code (“TCC”) no 6102; no significant matter has come to our attention that causes us to believe that the Bank’s bookkeeping activities for the period January 1 – December 31, 2014 are not in compliance with the code and provisions of the Bank’s articles of association in relation to financial reporting.
- 2) In accordance with Article 402 paragraph 4 of the TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

## **Additional paragraph for convenience translation to English**

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

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

Fatma Ebru Yücel  
Partner, SMMM

6 March 2015  
Istanbul, Turkey

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

**THE CONSOLIDATED FINANCIAL REPORT OF  
BURGAN BANK A.Ş. AS OF 31 DECEMBER 2014**

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

- **Section One** GENERAL INFORMATION ABOUT THE GROUP
- **Section Two** CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP
- **Section Three** EXPLANATIONS ON ACCOUNTING POLICIES
- **Section Four** INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP
- **Section Five** EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
- **Section Six** OTHER EXPLANATIONS
- **Section Seven** EXPLANATIONS ON AUDIT REPORT

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

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

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

06 March 2015

Mehmet N. ERTEN  
Chairman of the  
Board of Directors

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

Tuba Onay ERGELEN  
Finance Group Head

Ahmet CIĞA  
Head of Accounting,  
Tax, and  
Reporting Unit

Halis Murat ECE  
Head of the Audit Committee

Adrian Alejandro  
GOSTUSKI  
Member of the Audit  
Committee

Osama T. AL GHOSSEIN  
Member of the Audit  
Committee

Mr. Osama T. Al Ghousein, Member of Audit Committee, was not be able to signed due to his illness.

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

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

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**BURGAN BANK A.Ş.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2014**

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

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**SECTION ONE**

**GENERAL INFORMATION**

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

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

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

According to the Share Transfer Agreement signed between the SDIF and Tekfen Holding A.Ş. on 31 December 2001, 2.983.800.000 shares with a nominal value of Kr1 each and which amount to 99,46% of the capital of Bank Ekspres A.Ş. under the control of the SDIF in accordance with Banking Law were transferred to Tekfen Holding A.Ş.. Based on this agreement, the acquisition of Tekfen Yatırım ve Finansman Bankası A.Ş., where Tekfen Holding A.Ş. owns 57,69% of the Bank, by Bank Ekspres A.Ş. was permitted by the Banking Regulation and Supervision Agency’s (“BRSA”) decision numbered 489 dated 18 October 2001. The share transfers were realised on 26 October 2001 and the bank’s name was changed to Tekfenbank Anonim Şirketi (the “Bank”), which had two main shareholders: Tekfen Holding A.Ş. with 57,30% and TST International S.A. with 40,62%.

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

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

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

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

**BURGAN BANK A.Ş.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2014**

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

**GENERAL INFORMATION (Continued)**

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

In 2014, the registered capital system has expired, and registered capital ceiling is one billion TL. There are no changes to the Bank's shareholder structure.

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

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

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

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

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**BURGAN BANK A.Ş.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2014**

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

**GENERAL INFORMATION (Continued)**

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

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

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

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

As of 31 December 2014, the Parent Bank has 58 branches operating in Turkey (31 December 2013: 60). The Parent Bank's core business activities include corporate and commercial banking, retail banking and banking services in treasury fields. As of 31 December 2014, the Group has 1.214 (31 December 2013: 1.124) employees.

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

None.



**SECTION TWO**  
**CONSOLIDATED FINANCIAL STATEMENTS**

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

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

**BURGAN BANK A.Ş.  
CONSOLIDATED BALANCE SHEETS (STATEMENT OF FINANCIAL POSITION)  
AT 31 DECEMBER 2014 AND 31 DECEMBER 2013**

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

I. BALANCE SHEET	Note (Section Five)	(31/12/2014)			(31/12/2013)		
		TL	FC	Total	TL	FC	Total
<b>ASSETS</b>							
<b>I. CASH AND BALANCES WITH CENTRAL BANK</b>	<b>I-a</b>	<b>242.111</b>	<b>530.757</b>	<b>772.868</b>	<b>165.906</b>	<b>354.748</b>	<b>520.654</b>
<b>II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or LOSS (Net)</b>	<b>I-b</b>	<b>133.525</b>	<b>45.732</b>	<b>179.257</b>	<b>181.274</b>	<b>78.633</b>	<b>259.907</b>
2.1 Trading Financial Assets		133.525	45.732	179.257	181.274	78.633	259.907
2.1.1 Government Debt Securities		58.692	278	58.970	89.451	226	89.677
2.1.2 Share Certificates		19.664	-	19.664	5.940	-	5.940
2.1.3 Trading Derivative Financial Assets		52.673	45.454	98.127	83.462	78.407	161.869
2.1.4 Other Marketable Securities		2.496	-	2.496	2.421	-	2.421
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. BANKS</b>	<b>I-c</b>	<b>72.256</b>	<b>54.192</b>	<b>126.448</b>	<b>21.178</b>	<b>41.783</b>	<b>62.961</b>
<b>IV. MONEY MARKETS</b>		<b>141.155</b>	-	<b>141.155</b>	<b>21.691</b>	-	<b>21.691</b>
4.1 Interbank Money Market Placements		-	-	-	-	-	-
4.2 Receivables from Istanbul Stock Exchange Money Market		90.142	-	90.142	21.691	-	21.691
4.3 Receivables from Reverse Repurchase Agreements		51.013	-	51.013	-	-	-
<b>V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)</b>	<b>I-d</b>	<b>679.245</b>	<b>46.014</b>	<b>725.259</b>	<b>858.254</b>	-	<b>858.254</b>
5.1 Share Certificates		11.775	-	11.775	6.648	-	6.648
5.2 Government Debt Securities		667.470	-	667.470	851.606	-	851.606
5.3 Other Marketable Securities		-	46.014	46.014	-	-	-
<b>VI. LOANS</b>	<b>I-e</b>	<b>3.591.466</b>	<b>2.909.863</b>	<b>6.501.329</b>	<b>2.610.780</b>	<b>2.012.185</b>	<b>4.622.965</b>
6.1 Loans		3.521.782	2.909.863	6.431.645	2.554.658	2.012.185	4.566.843
6.1.1 Loans to Bank's Risk Group		24	-	24	38	13.229	13.267
6.1.2 Government Debt Securities		-	-	-	-	-	-
6.1.3 Other		3.521.758	2.909.863	6.431.621	2.554.620	1.998.956	4.553.576
6.2 Loans under Follow-up		145.619	-	145.619	120.474	-	120.474
6.3 Specific Provisions (-)		75.935	-	75.935	64.352	-	64.352
<b>VII. FACTORING RECEIVABLES</b>	<b>I-e</b>	<b>16.849</b>	<b>1.077</b>	<b>17.926</b>	<b>179.325</b>	<b>4.544</b>	<b>183.869</b>
<b>VIII. HELD-TO-MATURITY SECURITIES (Net)</b>	<b>I-f</b>	-	-	-	-	-	-
8.1 Government Debt Securities		-	-	-	-	-	-
8.2 Other Marketable Securities		-	-	-	-	-	-
<b>IX. 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. SUBSIDIARIES (Net)</b>	<b>I-h</b>	-	-	-	-	-	-
10.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
<b>XI. 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. LEASE RECEIVABLES (Net)</b>	<b>I-j</b>	<b>124.328</b>	<b>571.469</b>	<b>695.797</b>	<b>47.664</b>	<b>387.362</b>	<b>435.026</b>
12.1 Financial Lease Receivables		166.221	670.521	836.742	55.360	438.409	493.769
12.2 Operational Lease Receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned Income (-)		41.893	99.052	140.945	7.696	51.047	58.743
<b>XIII. 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. PROPERTY AND EQUIPMENT (Net)</b>	<b>I-l</b>	<b>39.194</b>	-	<b>39.194</b>	<b>26.986</b>	-	<b>26.986</b>
<b>XV. INTANGIBLE ASSETS (Net)</b>	<b>I-m</b>	<b>45.543</b>	-	<b>45.543</b>	<b>26.379</b>	-	<b>26.379</b>
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		45.543	-	45.543	26.379	-	26.379
<b>XVI. INVESTMENT PROPERTY (Net)</b>	<b>I-n</b>	-	-	-	-	-	-
<b>XVII. TAX ASSET</b>	<b>I-o</b>	<b>23.129</b>	-	<b>23.129</b>	<b>25.164</b>	-	<b>25.164</b>
17.1 Current Tax Asset		5.941	-	5.941	179	-	179
17.2 Deferred Tax Asset		17.188	-	17.188	24.985	-	24.985
<b>XVIII. ASSETS HELD FOR RESALE AND DISCONTINUED OPERATIONS (Net)</b>	<b>I-p</b>	<b>10.947</b>	-	<b>10.947</b>	<b>14.003</b>	-	<b>14.003</b>
18.1 Held for Resale		10.947	-	10.947	14.003	-	14.003
18.2 Discontinued Operations		-	-	-	-	-	-
<b>XIX. OTHER ASSETS</b>	<b>I-r</b>	<b>90.992</b>	<b>117.415</b>	<b>208.407</b>	<b>65.077</b>	<b>181.421</b>	<b>246.498</b>
<b>TOTAL ASSETS</b>		<b>5.210.740</b>	<b>4.276.519</b>	<b>9.487.259</b>	<b>4.243.681</b>	<b>3.060.676</b>	<b>7.304.357</b>

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

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

**BURGAN BANK A.Ş.  
CONSOLIDATED BALANCE SHEETS (STATEMENT OF FINANCIAL POSITION)  
AT 31 DECEMBER 2014 AND 31 DECEMBER 2013**

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

I. BALANCE SHEET	Note (Section Five)	(31/12/2014)			(31/12/2013)		
		TL	FC	Total	TL	FC	Total
<b>LIABILITIES</b>							
<b>I. DEPOSITS</b>	<b>II-a</b>	<b>2.164.526</b>	<b>3.174.887</b>	<b>5.339.413</b>	<b>1.366.471</b>	<b>2.041.426</b>	<b>3.407.897</b>
1.1 Deposits of Bank's Risk Group		4.843	29.847	34.690	3.195	6.193	9.388
1.2 Other		2.159.683	3.145.040	5.304.723	1.363.276	2.035.233	3.398.509
<b>II. TRADING DERIVATIVE FINANCIAL LIABILITIES</b>	<b>II-b</b>	<b>18.267</b>	<b>36.675</b>	<b>54.942</b>	<b>18.063</b>	<b>109.162</b>	<b>127.225</b>
<b>III. BORROWINGS</b>	<b>II-c</b>	<b>158.579</b>	<b>1.762.087</b>	<b>1.920.666</b>	<b>76.743</b>	<b>1.674.699</b>	<b>1.751.442</b>
<b>IV. MONEY MARKETS</b>		<b>462.102</b>		<b>462.102</b>	<b>790.110</b>		<b>790.110</b>
4.1 Funds from Interbank Money Market		-	-	-	-	-	-
4.2 Funds from Istanbul Stock Exchange Money Market		138.143	-	138.143	53.310	-	53.310
4.3 Funds Provided Under Repurchase Agreements		323.959	-	323.959	736.800	-	736.800
<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>94.416</b>	<b>74.041</b>	<b>168.457</b>	<b>54.494</b>	<b>60.103</b>	<b>114.597</b>
<b>VIII. OTHER LIABILITIES</b>	<b>II-d</b>	<b>90.566</b>	<b>4.165</b>	<b>94.731</b>	<b>65.119</b>	<b>3.655</b>	<b>68.774</b>
<b>IX. FACTORING PAYABLES</b>							
<b>X. LEASE PAYABLES (Net)</b>	<b>II-e</b>						
10.1 Financial Lease Payables		-	-	-	-	-	-
10.2 Operational Lease Payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Financial Lease Expenses (-)		-	-	-	-	-	-
<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>70.224</b>	<b>55.002</b>	<b>125.226</b>	<b>60.414</b>	<b>58.129</b>	<b>118.543</b>
12.1 General Loan Loss Provision		39.183	25.476	64.659	32.180	15.942	48.122
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Rights		24.445	-	24.445	18.211	-	18.211
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5 Other Provisions		6.596	29.526	36.122	10.023	42.187	52.210
<b>XIII. TAX LIABILITY</b>	<b>II-h</b>	<b>18.737</b>		<b>18.737</b>	<b>14.074</b>		<b>14.074</b>
13.1 Current Tax Liability		18.737	-	18.737	14.074	-	14.074
13.2 Deferred Tax Liability		-	-	-	-	-	-
<b>XIV. PAYABLES FOR ASSET HELD FOR RESALE AND DISCONTINUED OPERATIONS (Net)</b>	<b>II-i</b>						
14.1 Held for Resale		-	-	-	-	-	-
14.2 Discontinued Operations		-	-	-	-	-	-
<b>XV. SUBORDINATED LOANS</b>	<b>II-j</b>		<b>349.959</b>	<b>349.959</b>		<b>320.478</b>	<b>320.478</b>
<b>XVI. SHAREHOLDERS' EQUITY</b>	<b>II-k</b>	<b>952.661</b>	<b>365</b>	<b>953.026</b>	<b>591.217</b>		<b>591.217</b>
16.1 Paid-in Capital		900.000	-	900.000	570.000	-	570.000
16.2 Capital Reserves		11.490	365	11.855	(2.130)	-	(2.130)
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Marketable Securities Valuation Reserve		795	365	1.160	(4.414)	-	(4.414)
16.2.4 Tangible Assets Revaluation Reserve		13.187	-	13.187	3.992	-	3.992
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		(2.492)	-	(2.492)	(1.708)	-	(1.708)
16.3 Profit Reserves(*)		69.632	-	69.632	107.272	-	107.272
16.3.1 Legal Reserves		18.397	-	18.397	18.099	-	18.099
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		51.235	-	51.235	89.173	-	89.173
16.3.4 Other Profit Reserves		-	-	-	-	-	-
16.4 Income or (Loss)		(28.461)	-	(28.461)	(83.925)	-	(83.925)
16.4.1 Prior Years' Income or (Loss)		(46.285)	-	(46.285)	(30.228)	-	(30.228)
16.4.2 Current Year Income or (Loss)(*)		17.824	-	17.824	(53.697)	-	(53.697)
16.5 Minority Shares		-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>		<b>4.030.078</b>	<b>5.457.181</b>	<b>9.487.259</b>	<b>3.036.705</b>	<b>4.267.652</b>	<b>7.304.357</b>

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

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

**BURGAN BANK A.Ş.  
CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AT  
31 DECEMBER 2014 AND 31 DECEMBER 2013**

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

II. OFF-BALANCE SHEET	Note (Section Five)	(31/12/2014)			(31/12/2013)		
		TL	FC	Total	TL	FC	Total
<b>A OFF-BALANCE SHEET COMMITMENTS (I+II+III)</b>		<b>3.569.531</b>	<b>8.572.726</b>	<b>12.142.257</b>	<b>4.151.649</b>	<b>8.882.984</b>	<b>13.034.633</b>
<b>I. GUARANTEES AND WARRANTIES</b>	<b>III-a-2-3</b>	<b>536.481</b>	<b>654.271</b>	<b>1.190.752</b>	<b>574.140</b>	<b>612.481</b>	<b>1.186.621</b>
1.1 Letters of Guarantee		534.698	379.343	914.041	573.287	197.876	771.163
1.1.1 Guarantees Subject to State Tender Law		10.633	18.957	29.590	10.202	20.787	30.989
1.1.2 Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3 Other Letters of Guarantee		524.065	360.386	884.451	563.085	177.089	740.174
1.2 Bank Acceptances		1.570	67.643	69.213	425	89.087	89.512
1.2.1 Import Letter of Acceptance		1.570	67.643	69.213	425	89.087	89.512
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credit		-	176.485	176.485	-	257.308	257.308
1.3.1 Documentary Letters of Credit		-	176.485	176.485	-	257.308	257.308
1.3.2 Other Letters of Credit		-	-	-	-	-	-
1.4 Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of the Republic of Turkey		-	-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Securities Issue Purchase Guarantees		-	-	-	-	-	-
1.7 Factoring Guarantees		213	-	213	428	324	752
1.8 Other Guarantees		-	30.800	30.800	-	67.886	67.886
1.9 Other Collaterals		-	-	-	-	-	-
<b>II. COMMITMENTS</b>	<b>III-a-1</b>	<b>543.124</b>	<b>214.504</b>	<b>757.628</b>	<b>411.658</b>	<b>16.229</b>	<b>427.887</b>
2.1 Irrevocable Commitments		543.124	214.504	757.628	411.658	16.229	427.887
2.1.1 Asset Purchase and Sales Commitments		50.147	214.504	264.651	6.429	16.229	22.658
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		152.030	-	152.030	84.629	-	84.629
2.1.5 Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7 Commitments for Cheques		301.592	-	301.592	278.991	-	278.991
2.1.8 Tax and Fund Liabilities from Export Commitments		-	-	-	18	-	18
2.1.9 Commitments for Credit Card Limits		37.353	-	37.353	41.413	-	41.413
2.1.10 Promotion Commitments for Credit Cards and Banking Services		2	-	2	-	-	-
2.1.11 Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12 Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13 Other Irrevocable Commitments		2.000	-	2.000	178	-	178
2.2 Revocable Commitments		-	-	-	-	-	-
2.2.1 Revocable Commitments for Loan Limits		-	-	-	-	-	-
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>		<b>2.489.926</b>	<b>7.703.951</b>	<b>10.193.877</b>	<b>3.165.851</b>	<b>8.254.274</b>	<b>11.420.125</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		2.489.926	7.703.951	10.193.877	3.165.851	8.254.274	11.420.125
3.2.1 Forward Foreign Currency Buy/Sell Transactions		265.022	621.522	886.544	324.928	1.024.215	1.349.143
3.2.1.1 Forward Foreign Currency Transactions-Buy		77.789	359.376	437.165	27.832	655.192	683.024
3.2.1.2 Forward Foreign Currency Transactions-Sell		187.233	262.146	449.379	297.096	369.023	666.119
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates		1.372.395	5.673.530	7.045.925	419.893	3.137.611	3.557.504
3.2.2.1 Foreign Currency Swap-Buy		438.212	1.417.669	1.855.881	108.245	894.103	1.002.348
3.2.2.2 Foreign Currency Swap-Sell		932.859	874.897	1.807.756	294.424	702.736	997.160
3.2.2.3 Interest Rate Swap-Buy		662	1.690.482	1.691.144	8.612	770.386	778.998
3.2.2.4 Interest Rate Swap-Sell		662	1.690.482	1.691.144	8.612	770.386	778.998
3.2.3 Foreign Currency, Interest rate and Securities Options		814.682	1.408.899	2.223.581	2.420.981	4.092.448	6.513.429
3.2.3.1 Foreign Currency Options-Buy		443.249	670.452	1.113.701	1.210.495	2.030.983	3.241.478
3.2.3.2 Foreign Currency Options-Sell		371.433	733.855	1.105.288	1.210.486	2.030.983	3.241.469
3.2.3.3 Interest Rate Options-Buy		-	2.296	2.296	-	15.241	15.241
3.2.3.4 Interest Rate Options-Sell		-	2.296	2.296	-	15.241	15.241
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		37.827	-	37.827	49	-	49
<b>B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>		<b>20.253.843</b>	<b>10.549.491</b>	<b>30.803.334</b>	<b>14.531.074</b>	<b>9.426.168</b>	<b>23.957.242</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>2.294.203</b>	<b>228.481</b>	<b>2.522.684</b>	<b>2.412.428</b>	<b>247.481</b>	<b>2.659.909</b>
4.1 Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2 Investment Securities Held in Custody		667.745	8.820	676.565	1.162.104	4.629	1.166.733
4.3 Cheques Received for Collection		1.446.374	199.132	1.645.506	1.143.680	182.901	1.326.581
4.4 Commercial Notes Received for Collection		156.238	20.529	176.767	90.045	23.340	113.385
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items Under Custody		23.846	-	23.846	16.599	36.611	53.210
4.8 Custodians		-	-	-	-	-	-
<b>V. PLEDGES RECEIVED</b>		<b>17.957.390</b>	<b>10.311.702</b>	<b>28.269.092</b>	<b>12.118.646</b>	<b>9.178.687</b>	<b>21.297.333</b>
5.1 Marketable Securities		28.235	-	28.235	1.043	-	1.043
5.2 Guarantee Notes		13.902.377	7.330.701	21.233.078	9.720.771	7.201.557	16.922.328
5.3 Commodity		326.956	18.119	345.075	176.920	104.413	281.333
5.4 Warranty		-	-	-	-	-	-
5.5 Immovable		3.406.143	2.526.660	5.932.803	1.945.733	1.610.462	3.556.195
5.6 Other Pledged Items		293.679	436.222	729.901	274.179	262.255	536.434
5.7 Pledged Items-Depository		-	-	-	-	-	-
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>2.250</b>	<b>9.308</b>	<b>11.558</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)</b>		<b>23.823.374</b>	<b>19.122.217</b>	<b>42.945.591</b>	<b>18.682.723</b>	<b>18.309.152</b>	<b>36.991.875</b>

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

**BURGAN BANK A.Ş.  
CONSOLIDATED INCOME STATEMENT AS AT  
31 DECEMBER 2014 AND 31 DECEMBER 2013**

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

<b>III. INCOME STATEMENT</b>		<b>Note</b>	<b>01/01/2014-</b>	<b>01/01/2013-</b>
<b>INCOME AND EXPENSE ITEMS</b>		<b>(Section</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
		<b>Five)</b>		
<b>I.</b>	<b>INTEREST INCOME</b>	<b>IV-a</b>	<b>674.020</b>	<b>441.162</b>
1.1	Interest on Loans		511.497	318.251
1.2	Interest Received from Reserve Requirements		561	-
1.3	Interest Received from Banks		1.146	625
1.4	Interest Received from Money Market Transactions		4.158	2.742
1.5	Interest Received from Marketable Securities Portfolio		65.763	63.440
1.5.1	Trading Financial Assets		3.381	10.492
1.5.2	Financial Assets at Fair Value through Profit or Loss		-	-
1.5.3	Available-for-sale Financial Assets		62.382	52.948
1.5.4	Held-to-maturity Investments		-	-
1.6	Financial Lease Income		41.547	24.290
1.7	Other Interest Income		49.348	31.814
<b>II.</b>	<b>INTEREST EXPENSE (-)</b>	<b>IV-b</b>	<b>426.553</b>	<b>256.882</b>
2.1	Interest on Deposits (-)		236.506	165.405
2.2	Interest on Funds Borrowed (-)		68.146	31.293
2.3	Interest Expense on Money Market Transactions (-)		38.673	24.213
2.4	Interest on Securities Issued (-)		-	-
2.5	Other Interest Expenses (-)		83.228	35.971
<b>III.</b>	<b>NET INTEREST INCOME (I - II)</b>		<b>247.467</b>	<b>184.280</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME/EXPENSE</b>	<b>IV-j</b>	<b>56.692</b>	<b>30.031</b>
4.1	Fees and Commissions Received		73.407	36.637
4.1.1	Non-cash Loans		10.724	10.774
4.1.2	Other	<b>IV-l</b>	62.683	25.863
4.2	Fees and Commissions Paid (-)		16.715	6.606
4.2.1	Non-cash Loans (-)		512	175
4.2.2	Other (-)	<b>IV-l</b>	16.203	6.431
<b>V.</b>	<b>DIVIDEND INCOME</b>	<b>IV-c</b>	<b>703</b>	<b>488</b>
<b>VI.</b>	<b>TRADING INCOME / (LOSS) (Net)</b>	<b>IV-d</b>	<b>36.301</b>	<b>27.542</b>
6.1	Trading Gains/(Losses) on Securities		9.006	5.457
6.2	Trading Gains/(Losses) on Derivative Financial Instruments		2.448	24.089
6.3	Foreign Exchange Gains/(Losses)		24.847	(2.004)
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	<b>IV-e</b>	<b>13.474</b>	<b>11.490</b>
<b>VIII.</b>	<b>TOTAL OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>354.637</b>	<b>253.831</b>
<b>IX.</b>	<b>PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)</b>	<b>IV-f</b>	<b>71.069</b>	<b>94.812</b>
<b>X.</b>	<b>OTHER OPERATING EXPENSES (-)(*)</b>	<b>IV-g</b>	<b>258.246</b>	<b>221.988</b>
<b>XI.</b>	<b>NET OPERATING INCOME/(LOSS) (VIII-IX-X)</b>		<b>25.322</b>	<b>(62.969)</b>
<b>XII.</b>	<b>EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD</b>		-	-
<b>XIII.</b>	<b>INCOME/(LOSS) ON NET MONETARY POSITION</b>		-	-
<b>XIV.</b>	<b>INCOME/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS (XI+...+XIV)</b>	<b>IV-h</b>	<b>25.322</b>	<b>(62.969)</b>
<b>XV.</b>	<b>TAX PROVISION FOR CONTINUING OPERATIONS (-)</b>	<b>IV-i</b>	<b>7.498</b>	<b>(9.272)</b>
16.1	Current Tax Provision (-)		3.198	2.331
16.2	Deferred Tax Provision (-)		4.300	(11.603)
<b>XVII.</b>	<b>NET INCOME/(LOSS) FROM CONTINUING OPERATIONS (XV- XVI)</b>		<b>17.824</b>	<b>(53.697)</b>
<b>XVIII.</b>	<b>INCOME FROM DISCONTINUED OPERATIONS</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>		-	-
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>XXI.</b>	<b>TAX PROVISION FOR DISCONTINUED OPERATIONS (-)</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>XXIII.</b>	<b>NET INCOME/(LOSS) (XVII+XXII)</b>	<b>IV-k</b>	<b>17.824</b>	<b>(53.697)</b>
	Earnings / (Loss) per share (1.000 nominal in TL full)		0,298	(0,942)

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

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

**BURGAN BANK A.Ş.**

**CONSOLIDATED STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED IN  
EQUITY FOR THE 31 DECEMBER 2014 AND 31 DECEMBER 2013**

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

IV. STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED IN EQUITY		
INCOME AND EXPENSE ITEMS ACCOUNTED IN EQUITY	31/12/2014	31/12/2013
I. ADDITIONS TO THE MARKETABLE SECURITIES VALUATION RESERVE FROM THE AVAILABLE FOR SALE FINANCIAL ASSETS	6.968	(18.249)
II. REVALUATION DIFFERENCES OF TANGIBLE ASSETS	11.494	344
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	(980)	115
IX. DEFERRED TAX ON VALUATION DIFFERENCES	(3.497)	3.581
X. NET INCOME/LOSS ACCOUNTED DIRECTLY IN EQUITY (I+II+...+IX)	<b>13.985</b>	<b>(14.209)</b>
XI. CURRENT PERIOD INCOME/LOSS	<b>17.824</b>	<b>(53.697)</b>
11.1 Net Change in Fair Value of Marketable Securities (Transfer to Income Statement)	(499)	(2.007)
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	18.323	(51.690)
XII. TOTAL INCOME/LOSS RELATED TO THE CURRENT PERIOD (X+XI)	<b>31.809</b>	<b>(67.906)</b>

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IN TURKISH, SEE NOTE I. OF SECTION THREE**

**BURGAN BANK A.Ş.**

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS AT 31 DECEMBER 2014**

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

<b>V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY</b>																			
PREVIOUS PERIOD 31/12/2013	Note (Section Five)	Paid-in Capital	Adjustment to Share Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves(*)	Current Period Net Income / (Loss)	Prior Period Net Income/(Loss)	Marketable Securities Valuation Reserve	Tangible and Intangible Assets Revaluation Reserve	Bonus Shares Obtained from Investments	Hedging Reserves	Valuation Difference of AHS and Discontinued Operations	Total Equity Except for Minority Interest	Minority Interest	Total Shareholders' Equity
<b>I. Prior Period End Balance</b>		570.000	-	-	-	17.862	-	89.398	(1.772)	(33.752)	3.536	10.185	3.717	-	-	-	659.174	-	659.174
<b>II. Adjustments according to TAS 8</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Adjustments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. Beginning Balance(I+II)</b>		570.000	-	-	-	17.862	-	89.398	(1.772)	(33.752)	3.536	10.185	3.717	-	-	-	659.174	-	659.174
<b>Changes in the Period</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>II. Increase/Decrease due to the Merger</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. Marketable Securities Valuation Differences</b>	(V-d)	-	-	-	-	-	-	-	-	-	-	(14.599)	-	-	-	-	(14.599)	-	(14.599)
<b>IV. Hedging Reserves (Effective Portion)</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Foreign Investment Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>V. Revaluation Differences of Tangible Assets</b>	(V-e)	-	-	-	-	-	-	-	-	-	-	-	275	-	-	-	275	-	275
<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>	(V-c)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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>		-	-	-	-	-	-	-	64	-	-	-	-	-	-	-	64	-	64
<b>XVII. Current Year Income or Loss</b>		-	-	-	-	-	-	-	-	(53.697)	-	-	-	-	-	-	(53.697)	-	(53.697)
<b>XVIII. Profit Distribution</b>		-	-	-	-	237	-	(225)	-	33.752	(33.764)	-	-	-	-	-	-	-	-
18.1 Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfers to Reserves		-	-	-	-	237	-	(225)	-	33.752	(33.764)	-	-	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Period End Balance (I+II+III+... +XVIII)</b>		570.000	-	-	-	18.099	-	89.173	(1.708)	(53.697)	(30.228)	(4.414)	3.992	-	-	-	591.217	-	591.217

(\*) The classification mentioned in the 3rd part XXVIII numbered note has been restructured in prior year statement of income.

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

**BURGAN BANK A.Ş.**

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS AT 31 DECEMBER 2014**

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

<b>V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY</b>																			
CURRENT PERIOD 31/12/2014	Note (Section Five)	Paid-in Capital	Adjustment to Share Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income / (Loss)	Prior Period Net Income/(Loss)	Marketable Securities Valuation Reserve	Tangible and Intangible Assets Revaluation Reserve	Bonus Shares Obtained from Investments	Hedging Reserves	Valuation Difference of AHS and Discontinued Operations	Total Equity Except for Minority Interest	Minority Interest	Total Shareholders' Equity
<b>I. Prior Period End Balance</b>		570.000	-	-	-	18.099	-	89.173	(1.708)	(53.697)	(30.228)	(4.414)	3.992	-	-	-	591.217	-	591.217
<b>II. Changes in the Period</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. Increase/Decrease due to the Merger</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IV. Marketable Securities Valuation Differences</b>	(V-d)	-	-	-	-	-	-	-	-	-	-	5.574	-	-	-	-	5.574	-	5.574
<b>IV. Hedging Reserves (Effective Portion)</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Foreign Investment Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>V. Revaluation Differences of Tangible Assets</b>	(V-e)	-	-	-	-	-	-	-	-	-	-	-	9.195	-	-	-	9.195	-	9.195
<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>	(V-c)	330.000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	330.000	-	330.000
12.1 Cash		330.000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	330.000	-	330.000
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>		-	-	-	-	-	-	-	(784)	-	-	-	-	-	-	-	(784)	-	(784)
<b>XVII. Current Year Income or Loss</b>		-	-	-	-	-	-	-	-	17.824	-	-	-	-	-	-	17.824	-	17.824
<b>XVIII. Profit Distribution</b>		-	-	-	-	298	-	(37.938)	-	53.697	(16.057)	-	-	-	-	-	-	-	-
18.1 Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfers to Reserves		-	-	-	-	298	-	(37.938)	-	53.697	(16.057)	-	-	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Period End Balance (I+II+III+... +XVIII)</b>		<b>900.000</b>	-	-	-	<b>18.397</b>	-	<b>51.235</b>	<b>(2.492)</b>	<b>17.824</b>	<b>(46.285)</b>	<b>1.160</b>	<b>13.187</b>	-	-	-	<b>953.026</b>	-	<b>953.026</b>

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



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

**BURGAN BANK A.Ş.**

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED  
31 DECEMBER 2014 AND 31 DECEMBER 2013**

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

VI. STATEMENT OF CASH FLOWS	Dipnot	(31/12/2014)	(31/12/2013)
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1 Operating profit before changes in operating assets and liabilities</b>		<b>58.813</b>	<b>(188.918)</b>
1.1.1 Interest received		681.234	364.866
1.1.2 Interest paid		(412.668)	(254.084)
1.1.3 Dividend received		703	488
1.1.4 Fees and commissions received		63.351	30.032
1.1.5 Other income		-	-
1.1.6 Collections from previously written-off loans and other receivables		57.819	36.978
1.1.7 Payments to personnel and service suppliers		(140.613)	(85.891)
1.1.8 Taxes paid		(5.941)	-
1.1.9 Other	VI-b	(185.072)	(281.307)
<b>1.2 Changes in operating assets and liabilities</b>		<b>(206.996)</b>	<b>559.537</b>
1.2.1 Net (increase)/decrease in trading securities		17.371	(12.105)
1.2.2 Net (increase)/decrease in fair value through profit/loss financial assets		-	-
1.2.3 Net increase/(decrease) in due from banks		(133.115)	-
1.2.4 Net (increase)/decrease in loans		(1.932.875)	(1.815.713)
1.2.5 Net (increase)/decrease in other assets		(30.701)	(184.568)
1.2.6 Net (increase)/decrease in bank deposits		(16.725)	150.997
1.2.7 Net increase/(decrease) in other deposits		1.939.005	68.591
1.2.8 Net increase/(decrease) in funds borrowed		194.056	2.328.495
1.2.9 Net increase/(decrease) in payables		-	-
1.2.10 Net increase/(decrease) in other liabilities	VI-b	(244.012)	23.840
<b>I. Net cash provided from banking operations</b>		<b>(148.183)</b>	<b>370.619</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net cash provided from investing activities</b>		<b>117.531</b>	<b>(630.980)</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		(34.525)	(13.182)
2.4 Disposals of property and equipment		(5.020)	3.278
2.5 Cash paid for purchase of investments available-for-sale		(363.311)	(621.076)
2.6 Cash obtained from sale of investments available-for-sale		520.387	-
2.7 Cash paid for purchase of investment securities		-	-
2.8 Cash obtained from sale of investment securities		-	-
2.9 Other		-	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net cash provided from financing activities</b>		<b>330.000</b>	<b>-</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		-	-
3.6 Other		330.000	-
<b>IV. Effect of change in foreign exchange rate on cash and cash equivalents</b>		<b>2.407</b>	<b>(483)</b>
<b>V. Net (increase)/decrease in cash and cash equivalents (I+II+III+IV)</b>		<b>301.755</b>	<b>(260.844)</b>
<b>VI. Cash and cash equivalents at beginning of the period</b>		<b>331.395</b>	<b>592.239</b>
<b>VII. Cash and cash equivalents at end of the period</b>		<b>633.150</b>	<b>331.395</b>

(\* According to the Bank's Board meeting decision dated 22 October 2014 ; The issued capital of the Bank will be increased from 570.000 thousand TL to 900.000 TL within the upper limit of registered capital. 1/3 of the capital increase amounting to TL 330.000 thousand was performed on November 3, 2014 and the remaining 2/3 was performed on December 15, 2014.

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

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

**BURGAN BANK A.Ş.**

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED  
31 DECEMBER 2014 AND 31 DECEMBER 2013**

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

<b>VII. PROFIT APPROPRIATION STATEMENT</b>	<b>(31/12/2014)(*)</b>	<b>(31/12/2013)(**)</b>
<b>I. DISTRIBUTION OF CURRENT YEAR INCOME(***)</b>		
1.1 CURRENT YEAR INCOME	10.647	(49.862)
1.2 TAXES AND DUTIES PAYABLE (-)	3.838	(8.867)
1.2.1 Corporate Tax (Income tax)	-	-
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties	3.838	(8.867)
<b>A. NET INCOME FOR THE YEAR (1.1-1.2)</b>	<b>6.809</b>	<b>(40.995)</b>
1.3 PRIOR YEAR LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	-
1.5 OTHER STATUTORY RESERVES (-)	-	-
<b>B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5)) (*)]</b>		<b>(40.995)</b>
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1 To Owners of Ordinary Shares	-	-
1.6.2 To Owners of Privileged Shares	-	-
1.6.3 To Owners of Preferred Shares	-	-
1.6.4 To Profit Sharing Bonds	-	-
1.6.5 To Holders of Profit and Loss Sharing Certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To Owners of Ordinary Shares	-	-
1.9.2 To Owners of Privileged Shares	-	-
1.9.3 To Owners of Preferred Shares	-	-
1.9.4 To Profit Sharing Bonds	-	-
1.9.5 To Holders of Profit and Loss Sharing Certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	-
1.11 STATUTORY RESERVES (-)	-	-
1.12 EXTRAORDINARY RESERVES	-	(40.995)
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
<b>II. DISTRIBUTION OF RESERVES</b>		
2.1 APPROPRIATED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To owners of ordinary shares	-	-
2.3.2 To owners of privileged shares	-	-
2.3.3 To owners of preferred shares	-	-
2.3.4 To profit sharing bonds	-	-
2.3.5 To holders of profit and loss sharing certificates	-	-
2.4 DIVIDENDS TO PERSONNEL (-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
<b>III. EARNINGS PER SHARE (***)</b>		
3.1 TO OWNERS OF ORDINARY SHARES	-	-
3.2 TO OWNERS OF ORDINARY SHARES ( % )	-	-
3.3 TO OWNERS OF PRIVILEGED SHARES	-	-
3.4 TO OWNERS OF PRIVILEGED SHARES ( % )	-	-
<b>IV. DIVIDEND PER SHARE</b>		
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES ( % )	-	-
4.3 TO OWNERS OF PRIVILEGED SHARES	-	-
4.4 TO OWNERS OF PRIVILEGED SHARES ( % )	-	-

(\*) Authorised body for profit appropriation of the current period is the General Assembly. On the preparation date of these financial statements, yearly ordinary meeting of the General Assembly has not been held yet.

(\*\*) Contains "Profit Appropriation Statement" approved by Bank's General Assembly held on 31 March 2014.

(\*\*\*) Profit appropriation is being done according to unconsolidated financial statements of The Parent Bank.

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**SECTION THREE**

**ACCOUNTING POLICIES**

**I. BASIS OF PRESENTATION:**

**a. The preparation of the consolidated financial statements and related notes and explanations in accordance with the Turkish Accounting Standards and Regulation on the Principles and Procedures numbered 5411 Regarding Banks' Accounting Application and Keeping Documents:**

The Group prepares financial statements and notes according to Regulation Principles and Procedures on Banks' Accounting Practice and Keeping Documents, Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRS) and annexes and comments (collectively "Turkish Accounting Standards" or "TAS") implemented by the the Public Oversight Auditing and Accounting Standards Authority (POA), other regulations, communiqués and circulars in respect of accounting and financial reporting promulgated by the Banking Regulatory and Supervision Agency (BRSA), announcements by BRSA, Turkish Commercial Code and Tax Legislation.

The format and the details of the publicly announced financial statements and related disclosures to these statements have been prepared in accordance with the "Communiqués Related to Publicly Announced Financial Statements of Banks and Explanations and Notes Related to these Financial Statements" published in the Official Gazette No. 28337 dated 28 June 2012 and changes in the related communiqué.

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

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

The amendments of TAS and TFRS which have entered into force as of 1 January 2014 have no material impact on the the Group's accounting policies, financial position and performance. The amendments of TAS and TFRS, except TFRS 9 Financial Instruments, which have been published as of reporting date but have not been effective yet, have no impact on the accounting policies, financial condition and performance of the Group. Group assesses the impact of TFRS 9 Financial Instruments standard.

The accounting policies and valuation principles applied in the preparation of consolidated financial statements are determined and applied in accordance with TAS and TFRS and are consistent with the accounting policies applied in the annual financial statements of the year ended 31 December 2014. Those accounting policies and valuation principles are explained in Notes II to XXVIII below.

**b. Explanations on changes in accounting policies and financial statement presentation:**

None.

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**ACCOUNTING POLICIES (Continued)**

**Additional paragraph for convenience translation into English:**

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

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

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

Foreign currency denominated monetary assets and liabilities are translated with the Parent Bank’s foreign currency bid rates prevailing at the balance sheet date. Gains and losses arising from such valuations are recognized in the income statement under the account of “Foreign exchange gains or losses”.

As of 31 December 2014, foreign currency denominated balances are translated into TL using the exchange rates of TL 2,3269 and TL 2,8272 and TL for USD and EURO respectively.

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

Consolidated financial statements are prepared in accordance with the “Turkish Accounting Standard for Consolidated and Separate Financial Statements” (“TAS 27”). Consolidation principles for subsidiaries:

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

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

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

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**ACCOUNTING POLICIES (Continued)**

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

The Parent Bank has recognised an impairment on its subsidiary Burgan Yatırım Menkul Değerler A.Ş. amounting to TL 54.117 based on the assessment done as of 31 December 2013 and TL 54.117 of this amount has been recorded under current period’s profit/loss.

The Group has no joint ventures or investment in associates as of 31 December 2014 and 31 December 2013.

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

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

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

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

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

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

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

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**ACCOUNTING POLICIES (Continued)**

**V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE:**

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

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

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

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

**VII. EXPLANATIONS ON FINANCIAL ASSETS:**

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

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

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

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

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

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

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**ACCOUNTING POLICIES (Continued)**

**b. Held-to-maturity financial assets:**

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

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

**c. Loans and receivables:**

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

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

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

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**ACCOUNTING POLICIES (Continued)**

**d. Available-for-sale financial assets:**

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

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

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

**VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS:**

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

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

**IX. EXPLANATIONS ON OFFSETTING FINANCIAL ASSETS:**

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



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**ACCOUNTING POLICIES (Continued)**

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

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

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

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

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

The Group has no discontinued operations.

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

**a. Goodwill**

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

In line with “Turkish Financial Reporting Standard for Business Combinations” (“TFRS 3”), the goodwill is not subject to depreciation, but is tested annually for impairment and carried at cost less accumulated impairment losses, if any, in line with “Turkish Accounting Standard for Impairment on Assets” (“TAS 36”). For the purpose of impairment testing, goodwill acquired in a business combination must be allocated from the acquisition date to each of the acquirer’s cash generating units that are expected to benefit from the synergies of the business combination. Since the Group has recognised a goodwill impairment of TL63.973 regarding the goodwill from acquisition of Burgan Yatırım Menkul Değerler A.Ş. based on the assessment done as of 31 December 2012, the net carrying value of goodwill in the consolidated financial statements is null as of 31 December 2014.

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**ACCOUNTING POLICIES (Continued)**

**b. Other intangible assets**

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

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

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

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

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

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

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

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

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

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

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

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**ACCOUNTING POLICIES (Continued)**

**XIV. EXPLANATIONS ON LEASING TRANSACTIONS:**

Assets acquired under finance lease agreements are capitalized at the inception of the lease at the “lower of the fair value of the leased asset or the present value of the amount of cash consideration given for the leased asset. Leased assets are included in the property and equipment and depreciation is charged on a straight-line basis over the useful life of the asset. If there is any diminution in value of the leased asset, a “Provision for value decrease” is recognized. Liabilities arising from the leasing transactions are included in “Financial Lease Payables” on the balance sheet. Interest and foreign exchange expenses regarding lease transactions are charged to the income statement. The Group realizes financial leasing transactions in the capacity of “lessor” by means of Burgan Finansal Kiralama A.Ş. which is the consolidated subsidiary of the Group. The asset subject to financial leasing is disclosed as net financial leasing receivable in the balance sheet. The interest income is determined in a way to form a fixed revenue return ratio using net investment method related to leased asset of the lessor, and the portion of interest income which does not take part in the related term is followed under unearned interest income account.

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

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

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

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

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

**XVI. EXPLANATIONS ON CONTINGENT ASSETS:**

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

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**ACCOUNTING POLICIES (Continued)**

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

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

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

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

**XVIII. EXPLANATIONS ON TAXATION :**

**a. Current tax:**

Many clauses of Corporate Tax Law No. 5520 which are valid starting from 1 January 2006, was taken into effect after being published in the Official Gazette dated 21 June 2006 No. 26205. According to the New Tax Law, the corporate tax rate in Turkey is payable at the rate of 20% for 2014 (2013: 20%). The corporate tax rate is calculated on the total income after adjusting for certain disallowable expenses, exempt income and other allowances. No further tax is payable unless the profit is distributed.

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

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

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

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

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Tax returns are required to be filled and delivered to the related tax office until the evening of the 25th of the fourth month following the balance sheet date. Tax returns are open for five years from the beginning of the year following the date of filing during which period the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

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**ACCOUNTING POLICIES (Continued)**

**b. Deferred tax:**

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

The calculated deferred tax asset and deferred tax liability are presented as net in these financial statements for the Parent Bank and for each consolidated subsidiary separately.

**XIX. EXPLANATIONS ON BORROWINGS:**

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

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

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

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

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

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

**XXII. EXPLANATIONS ON GOVERNMENT GRANTS:**

As of 31 December 2014 and 31 December 2013, the Group has no government grants.

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

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

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

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**ACCOUNTING POLICIES (Continued)**

**XXIV. EXPLANATIONS ON EARNINGS PER SHARE:**

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

	<b>31 December 2014</b>	<b>31 December 2013</b>
Net Income / (Loss) to be Appropriated to Ordinary Shareholders	17.824	(53.697)
Weighted Average Number of Issued Ordinary Shares (Thousand)	59.802.740	57.000.000
<b>Earnings Per Ordinary Shares (Disclosed in full TL)</b>	<b>0,298</b>	<b>(0,942)</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 V of Section Five.

**XXVI. EXPLANATIONS ON CASH AND CASH EQUIVALENTS:**

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

**XXVII. EXPLANATIONS ON SEGMENT REPORTING:**

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

**XXVIII. RECLASSIFICATIONS:**

Reclassifications have been made on 31 December 2013 consolidated statement of income and expense items accounted in equity to conform to changes in presentation of 31 December 2014 consolidated financial statements.

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**SECTION FOUR**

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

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

- a. As of 31 December 2014, the consolidated capital adequacy ratio of the Group is 16,12% (31 December 2013: 13,70%) which satisfies the requirement of being above the minimum ratio of stated in the related legislation.
- b. Risk Measurement Methods for Calculation of the Capital Adequacy Ratio:

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

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

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

31 December 2014	Risk Weights								Risk Weights							
	Bank								Consolidated							
	%0	%20	%50	%75	%100	%150	%200	%250	%0	%20	%50	%75	%100	%150	%200	%250
<b>Surplus credit risk weighted</b>	1.974.227	278.223	1.512.001	602.474	5.136.501	27.538	51.147	-	1.972.430	278.223	1.610.655	635.977	5.667.252	27.585	51.147	-
<b>Risk classifications:</b>																
Claims on sovereigns and Central Banks	1.448.519	-	-	-	117.890	-	-	-	1.456.566	-	-	-	117.890	-	-	-
Claims on regional governments or local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims on administrative bodies and other non-commercial undertakings	-	-	-	-	6	-	-	-	-	-	-	-	6	-	-	-
Claims on multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims on international organizations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims on banks and intermediary institutions	235.655	120.172	96.597	-	64.408	-	-	-	225.489	120.172	189.306	-	64.514	2	-	-
Claims on corporates	232.669	151.153	49.933	-	4.032.871	3.264	-	-	232.984	151.153	49.933	-	4.716.003	3.264	-	-
Claims included in the regulatory retail portfolios	13.786	4.699	-	602.474	2.407	-	-	-	13.786	4.699	-	635.977	2.409	-	-	-
Claims secured by residential property	11.333	1.448	1.360.177	-	488.842	-	-	-	11.333	1.448	1.365.957	-	490.400	-	-	-
Past due loans	43	-	5.294	-	58.041	3.532	-	-	43	-	5.459	-	60.605	3.577	-	-
Higher risk categories decided by the Board	2.036	751	-	-	-	20.742	51.147	-	2.036	751	-	-	-	20.742	51.147	-
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	30.186	-	-	-	372.036	-	-	-	30.193	-	-	-	215.425	-	-	-

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**d. Summary information about consolidated capital adequacy ratio:**

	<b>Parent Bank</b>		<b>Consolidated</b>	
	<b>31 December 2014</b>	<b>31 December 2013</b>	<b>31 December 2014</b>	<b>31 December 2013</b>
Amount subject to credit risk (ASCR)	523.488	414.577	571.910	451.300
Amount subject to market risk (ASMR)	10.622	19.282	17.282	21.620
Amount subject to operational risk (ASOR)	29.978	21.829	35.877	26.202
<b>Shareholders' equity</b>	<b>1.251.127</b>	<b>853.691</b>	<b>1.259.575</b>	<b>854.743</b>
<b>Shareholders' equity/((ASCR+ASMR+ASOR)</b>	<b>17,74</b>	<b>14,99</b>	<b>16,12</b>	<b>13,70</b>
<b>Core Capital/((ASCR+ASMR+ASOR) *12,5*100)</b>	<b>12,57</b>		<b>11,45</b>	
<b>Seed Capital/((ASCR+ASMR+ASOR)*12,5*100)</b>	<b>13,10</b>		<b>11,99</b>	



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##### e. Information about consolidated shareholders' equity items:

CORE CAPITAL	31 December 2014
Paid-in capital following all debts in terms of claim in case of the Bank's litigation	900.000
Share premium	-
Share cancellation profits	-
Reserves	69.632
Gains recognized in equity as per TAS	14.347
Profit	17.824
Current Year Income	17.824
Prior Years Income	-
Provisions for possible risks	-
Bonus Shares From Investment in Associates, Subsidiaries and Joint Ventures that are not recognized in Profit	-
<b>Seed Capital Before Deductions</b>	<b>1.001.803</b>
<b>Deductions From Seed Capital</b>	<b>-</b>
Portion of the sum of net loss for the period and accumulated losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (-)	48.777
Leasehold improvements (-)	5.238
Goodwill or other intangible assets and deferred tax liability related to these items (-)	8.926
Net deferred tax asset/liability (-)	1.732
Shares obtained contrary to the 4th clause of the 56th article of the Law (-)	-
Direct and indirect investments in the seed capital made by the Bank (-)	-
Portion of the total of net long positions of investment made in equity elements of banks and financial institutions, 10% or less of the shareholding interests of which is owned and which are not consolidated exceeding 10% or more of the seed capital of the bank (-)	-
Portion of the total of net long positions of investment made in seed capital elements of banks and financial institutions, more than 10% of the shareholding interests of which is owned and which are not consolidated exceeding 10% of the seed capital of the bank (-)	-
Portion of offering mortgage service rights exceeding 10% of the seed capital (-)	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the seed capital (-)	-
Amount exceeding 15% of the seed capital pursuant to Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
Portion of the total of net long positions of investment made in seed capital elements of banks and financial institutions, more than 10% of the shareholding interests of which is owned and which are not consolidated exceeding 10% of the seed capital of the bank (-)	-
Exceeding amount resulting from offering mortgage service rights (-)	-
Exceeding amount resulting from deferred tax assets based on temporary differences (-)	-
Other items defined by BRSA (-)	-
Amount to be discounted from the seed capital in the case that adequate additional principal capital or supplementary capital is not available (-)	-
<b>Total Deductions From Seed Capital</b>	<b>64.673</b>
<b>Total Seed Capital</b>	<b>937.130</b>
<b>ADDITIONAL CORE CAPITAL</b>	<b>-</b>
Capital amount and related premiums corresponding to preference shares that are not included to seed capital	-
Debt instruments and premiums deemed suitable by BRSA (issued/ supplied after 1.1.2014)	-
Debt instruments and premiums deemed suitable by BRSA (issued before 1.1.2014)	-
<b>Additional Core Capital before Deductions</b>	<b>-</b>
<b>DEDUCTIONS FROM ADDITIONAL CORE CAPITAL</b>	<b>-</b>
Direct and indirect investments in the additional core capital made by the Bank (-)	-
Portion of the total of net long positions of investment made in equity elements of banks and financial institutions, 10% or less of the shareholding interests of which is owned and which are not consolidated exceeding 10% of the seed capital of the bank (-)	-
Portion of the total of net long positions of investment made in additional principal capital and supplementary capital elements of banks and financial institutions, 10% or more of the shareholding interests of which is owned and which are not consolidated exceeding 10% of the seed capital of the bank (-)	-
Other items defined by BRSA (-)	-
Amount to be discounted from the additional principal capital in the case that adequate supplementary capital is not available (-)	-
<b>Total Deductions From Additional Core Capital</b>	<b>-</b>
<b>Total Additional Core Capital</b>	<b>-</b>
<b>DEDUCTIONS FROM CORE CAPITAL</b>	<b>-</b>
Portion of goodwill and other intangible assets and the deferred tax liabilities related to these which is not discounted from the seed capital pursuant to paragraph 1 Provisional Article 2 of the Regulation on the Equity of Banks (-)	42.630
Portion of net deferred tax assets/liabilities which is not discounted from the seed capital pursuant to paragraph 1 Provisional Article 2 of the Regulation on the Equity of Banks (-)	35.704
<b>Total Core Capital</b>	<b>894.500</b>
<b>SUPPLEMENTARY CAPITAL</b>	<b>-</b>
Debt instruments and premiums deemed suitable by BRSA (issued/ supplied after 1.1.2014)	-
Debt instruments and premiums deemed suitable by BRSA (issued/ supplied before 1.1.2014)	346.728
Sources pledged to the bank by shareholders to be used in capital increases of the bank	-
General Provisions	64.659
<b>Third party shares in Supplementary Capital</b>	<b>-</b>
<b>Supplementary Capital Before Deductions</b>	<b>411.387</b>
<b>DEDUCTIONS FROM SUPPLEMENTARY CAPITAL</b>	<b>-</b>
Direct and indirect investments in the supplementary capital made by the Bank (-)	-
Portion of the total of net long positions of investment made in equity elements of banks and financial institutions, 10% or less of the shareholding interests of which is owned and which are not consolidated exceeding 10% of the seed capital of the bank (-)	-
Portion of the total of net long positions of investment made in additional principal capital and supplementary capital elements of banks and financial institutions, 10% or less of the shareholding interests of which is owned and which are not consolidated exceeding 10% of the seed capital of the bank (-)	-
Other items defined by BRSA (-)	-
<b>Total Deductions From Supplementary Capital</b>	<b>-</b>
<b>Total Supplementary Capital</b>	<b>411.387</b>
<b>CAPITAL</b>	<b>-</b>
<b>DEDUCTIONS FROM CAPITAL</b>	<b>46.312</b>
Loans granted contrary to the 50th and 51th article of the Law (-)	-
Net book value of amounts exceeding the limit mentioned in paragraph one of article 57 of the Code and property and real property acquired by the banks because of their receivables which could not be disposed of even though five years have passed since the date of their acquisition pursuant to the same article (-)	298
Loans given to banks and financial institutions, including those established abroad, and to eligible shareholders of the bank, and investments made in the borrowing instruments exported by them (-)	46.014
Amount to be discounted from equity in accordance with paragraph two of article 20 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks (-)	-
Other items defined by BRSA (-)	-
Portion of the total of net long positions of investment made in equity elements of banks and financial institutions, 10% or less of the shareholding interests of which is owned and which are not consolidated exceeding 10% of the seed capital of the bank which is not discounted from the additional principal capital and supplementary capital pursuant to paragraph 1 of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
Portion of the total of net long positions of investment made directly or indirectly in additional principal capital or supplementary capital elements of banks and financial institutions, 10% or more of the shareholding interests of which is owned and which are not consolidated which is not discounted from the additional principal capital and supplementary capital pursuant to paragraph 1 of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
Portion of the total of net long positions of investment made in seed capital elements, deferred tax assets based on temporary differences and offering mortgage service rights of banks and financial institutions, more than 10% of the shareholding interests of which is owned and which are not consolidated to be discounted from the seed capital pursuant to subparagraphs (1) and (2) of paragraph 2 of the Provisional Article 2 of the Regulation on the Equity of Banks which is not discounted from the seed capital pursuant to paragraph 1 of the Provisional Article 2 of the Regulation (-)	-
<b>EQUITY</b>	<b>1.259.575</b>
Amounts Below the Exceeding Limits in the Discount Principles	-
Amounts resulting from the net long positions of investment made in equity elements of banks and financial institutions, 10% or less of the shareholding interests of which is owned and which are not consolidated	-
Amounts resulting from the net long positions of investment made in seed capital elements of banks and financial institutions, 10% or more of the shareholding interests of which is owned and which are not consolidated	-
Amount resulting from offering mortgage service rights	-
Amount resulting from deferred tax assets based on temporary differences	23.007

(\* The subordinated loan used in the Equity account in accordance with the permission of the Banking Regulation and Supervision Agency dated December 2, 2013 possesses the nature stated in article 8 of the Regulation on the Equity of Banks which took effect on January 1, 2014. TL 2.307 thousand of this amount recognized by deduction from the subordinated loans consists of cash loans provided to the risk group in which the bank is included.

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	<b>31 December 2013</b>
<b>CORE CAPITAL</b>	
Paid-in capital	570.000
Nominal capital	570.000
Capital commitments (-)	-
Inflation adjustment to share capital	-
Share premium	-
Share cancellation profits	-
Reserves	105.564
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 (-)	83.924
Current period loss (-)	53.697
Prior period loss (-)	30.228
Operating Lease Development Cost (-)	5.718
Intangible assets (-)	26.379
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>559.542</b>
<b>SUPPLEMENTARY CAPITAL</b>	
General provisions	48.122
45% of the movables revaluation fund	-
45% of the immovables revaluation fund	1.796
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	250.016
45% of marketable securities valuation reserve	(4.414)
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>295.520</b>
<b>CAPITAL</b>	<b>855.062</b>
<b>DEDUCTIONS FROM THE CAPITAL</b>	<b>319</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 secondary subordinated loan nature purchased from them	-
Shares of banks and financial institutions final equity method applied but assets and liabilities are not consolidated	-
Loans extended as contradictory to the articles 50 and 51 of the Law	-
The net book value of bank's immovables that are over 50% of shareholders' equity and immovables or commodities that are received on behalf of the receivables from customers and are to be disposed of according to banking law article 57 as they have been held for more than five years from the acquisition date	319
Other	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>854.743</b>

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Details on Subordinated Liabilities	
Issuer	Burgan Bank S.A.K.
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	-
Governing law(s) of the instrument	BRSA
Regulatory treatment	Supplementary Capital
Transitional Basel III rules	No
Eligible at stand-alone / consolidated	Stand Alone- Consolidated
Instrument type (types to be specified by each jurisdiction)	Subordinated Loan
Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)	346.728
Par value of instrument (USD)	150.000
Accounting classification	Liability-Subordinated Loans-amortised cost
Original date of issuance	06/12/2013
Perpetual or dated	Dated
Original maturity date	10 Years
Issuer call subject to prior supervisory approval	Yes
Optional call date, contingent call dates and redemption amount	After 5th year
Subsequent call dates, if applicable	After 5th year
Coupons / dividends	3 Months
Fixed or floating dividend/coupon	Floating dividend
Coupon rate and any related index	LIBOR+3,75
Existence of a dividend stopper	-
Fully discretionary, partially discretionary or mandatory	-
Existence of step up or other incentive to redeem	-
Noncumulative or cumulative	Noncumulative
Convertible or non-convertible	None
If convertible, conversion trigger (s)	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, specify instrument type convertible into	-
If convertible, specify issuer of instrument it converts into	-
Write-down feature	None
If write-down, write-down trigger(s)	-
If write-down, full or partial	-
If write-down, permanent or temporary	-
If temporary write-down, description of write-up mechanism	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Before debt instruments to be included in supplementary capital calculation but after the deposit holders and all other creditors of the Debtor.
In compliance with article number 7 and 8 of “Own fund regulation”	None
Details of incompliances with article number 7 and 8 of “Own fund regulation”	None

**f. The Rating Process of Internal Capital Adequacy Regarding the Current and Future Operations**

During the rating process of internal capital adequacy, the concentrating risk and the interest rate risk from banking calculations, country risk, residual risk, liquidity risk and reputation risk are taken into consideration in addition to the credit risk, market risk and operational risk, which are used in the calculation of legal capital adequacy ratio. There is also a risk appetite policy approved by the Board of Directors within the scope of the ISEDES. In the Internal Capital Adequacy Assessment Process, the Bank’s capital adequacy under the stress conditions is analyzed in a variety of scenarios. At the end of Internal Capital Adequacy Assessment Process, reports are reported regularly to the BRSA.

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

**II. EXPLANATIONS ON CREDIT RISK:**

Credit risk represents the potential financial loss that the Group may incur as a result of defaults or non-fulfillment of the loan agreements obligations of counterparties.

In the credit allocation process, many financial and non-financial criteria are taken into account within the framework of the rating procedures. Main criteria are geographical and sectoral concentrations. The sectoral concentrations for loans are monitored closely in accordance with the Group’s loan policy, the rating of the companies, credit limits and guarantees are considered together, and credit risks incurred are monitored on a regular basis.

Credit rankings of borrowers that are present at loans and other accounts receivable accounts are monitored in accordance with the relevant legislation at regular intervals. Account status documents obtained for the issued credits are audited to make sure that the documents are meeting the requirements of the relevant legislation given that the cash transactions are exempted from this rule. As a result of regular monitoring of credit worthiness, credit limits have been changed when necessary. Loans and other receivables are collateralized considering the credit worthiness.

With respect to credit risk, debtor and debtor groups are subject to risk limitations envisaged in the Banking Law. There is no risk limitation in terms of geographical region while the sectoral concentration has been limited. Credit limits allocated are subject to revision at least once a year. The credit worthiness of the borrowers classified as “loans and other receivables under close monitoring” are revised at least twice a year due to Procedures and Principles regarding the regulation on determination of loans and other receivables. The credit limit is controlled by the main banking system and exceeding the specified limits is prohibited. When a revision becomes due, limits for which the credit worthiness has not been reviewed are suspended (except for cash provisions).

The Group's credit policy approved by the Board of Directors is reviewed at regular intervals. In order to maintain the credit risk under control, there are additional limitations in the scope of Group credit policies apart from the Banking Law limitations. As defined in the document of credit policy, authorization of credit extension has been delegated to branches, regional directorates, the headquarters and the credit committee. Constraints on the use of these delegations;

- Collaterals, accepted as guarantees of loans issued, are clearly stated at credit policy.
- The Group does not provide loans for arms manufacturers and traders, religious organizations, gambling companies, media companies, political organizations, sport clubs and companies operating in nuclear industry. Exceptions could be evaluated by the head office.
- Credits issued to the companies founded within last two years, real estate development companies and financial institutions as well as the investment projects , cash credit guarantees and credits for covering Group’s risks and refinancing loans are evaluated by headquarters and authorized upper management.
- Derivative products’ limits cannot be allocated in Branch authorization. Foreign currency loans and counter party / external guarantees cannot be issued by branches.

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The loans are considered as impaired receivables after 90 days delay from the reporting period or the decision of the bank that the debtor loses its credibility. According to the “Communiqué on Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves,” group II loans and 90 day-delayed loans are considered as non-performing loan and general provision is allocated.

Total amount of exposures after offsetting transactions before applying credit risk mitigations and the average exposure amounts that are classified under different risk groups and types for the relevant period:

<b>Risk Group</b>	<b>Amount</b>	<b>Average</b>
Claims on sovereigns and Central Banks	1.562.634	1.367.566
Claims on regional governments or local authorities	-	-
Claims on administrative bodies and other non-commercial undertakings	32	34
Claims on multilateral development banks	-	-
Claims on international organizations	-	-
Claims on banks and intermediary institutions	610.238	427.141
Claims on corporates	5.757.731	5.097.690
Claims included in the regulatory retail portfolios	806.781	854.951
Claims secured by residential property	1.903.742	1.315.186
Past due loans	69.684	71.065
Higher risk categories decided by the Board	74.676	61.126
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	385.327	399.573
<b>Total</b>	<b>11.170.845</b>	<b>9.594.332</b>

The Parent Bank’s derivative transactions are mainly composed of foreign exchange and interest rate swaps, money and interest options and forward transactions. The credit risks of these products are managed by deducting them from the company's credit limit, which is specified only for these types of transactions, in proportion to the term of the transaction. Market risk is managed by the Treasury.

In forward transactions no type of coercive action outside of the other party’s consent is taken. Such transactions are rare, and normally never occur.

Indemnified non-cash credits are subjected to the same risk weight as the credits which are past due date.

With regard to the credits renewed and re-structured with a new payment plan by the Parent Bank, the method adopted is the one specified by the relevant legislation. Within the framework of risk management systems a risk separation is not practiced as to the maturity of the liabilities.

The Group does not perform any kind of banking activity abroad.

When evaluated within the context of the financial operations of other financial institutions acting as active participants in the international banking market, the Group does not have significant credit risk concentration.

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In the current period, the share of the Group’s receivables due to cash loans extended to its top 100 and top 200 customers are 52% and 62% within the total cash loan portfolio (31 December 2013: 43%, 55%).

In the current period, the share of the Group’s receivables due to non-cash loans extended to its top 100 and top 200 customers are 35% and 49% within the total non-cash loans portfolio (31 December 2013: 35%, 50%).

In the current period, the share of the Group’s receivables due to the total of cash and non cash loans extended to its top 100 and top 200 customers are 49% and 60% within cash loans in balance sheet and non-cash loans in off-balance sheet (31 December 2013: 42%, 54%).

As of 31 December 2014, the Bank’s general provision for loans amounting to TL 64.659 (31 December 2013: TL 48.122).

**a. Information on types of loans and specific provisions:**

<b>31 December 2014</b>	<b>Corporate</b>	<b>Consumer</b>	<b>Credit Cards</b>	<b>Lease Receivables</b>	<b>Factoring Receivables</b>	<b>Total</b>
Standard Loans	6.047.470	102.942	17.271	687.677	13.893	<b>6.869.253</b>
Loans under close monitoring	256.861	5.908	1.193	8.120	4.033	<b>276.115</b>
Non-performing loans	124.798	1.425	1.035	15.745	2.616	<b>145.619</b>
Specific provision (-)	59.085	1.316	615	12.971	1.948	<b>75.935</b>
<b>Total</b>	<b>6.370.044</b>	<b>108.959</b>	<b>18.884</b>	<b>698.571</b>	<b>18.594</b>	<b>7.215.052</b>

<b>31 December 2013</b>	<b>Corporate</b>	<b>Consumer</b>	<b>Credit Cards</b>	<b>Lease Receivables</b>	<b>Factoring Receivables</b>	<b>Total</b>
Standard Loans	4.281.647	66.979	22.944	428.105	178.107	4.977.782
Loans under close monitoring	191.247	3.004	1.022	6.921	5.762	207.956
Non-performing loans	97.548	704	881	12.678	8.663	120.474
Specific provision (-)	49.168	646	666	8.878	4.994	64.352
<b>Total</b>	<b>4.521.274</b>	<b>70.041</b>	<b>24.181</b>	<b>438.826</b>	<b>187.538</b>	<b>5.241.860</b>

**b. Information on loans and receivables past due but not impaired**

<b>31 December 2014</b>	<b>Corporate</b>	<b>Consumer</b>	<b>Credit Cards</b>	<b>Lease Receivables</b>	<b>Factoring Receivables</b>	<b>Total</b>
Past due up to 30 days	264.061	5.290	1.194	62.230	4.341	337.116
Past due 30-60 days	9.381	1.654	-	8.067	-	19.102
Past due 60-90 days	12.650	1.025	-	10.954	-	24.629
<b>Total</b>	<b>286.092</b>	<b>7.969</b>	<b>1.194</b>	<b>81.251</b>	<b>4.341</b>	<b>380.847</b>

<b>31 December 2013</b>	<b>Corporate</b>	<b>Consumer</b>	<b>Credit Cards</b>	<b>Lease Receivables</b>	<b>Factoring Receivables</b>	<b>Total</b>
Past due up to 30 days	231.852	12.276	2.059	48.153	7.401	301.741
Past due 30-60 days	2.026	149	7	7.556	196	9.934
Past due 60-90 days	2.719	445	6	4.680	-	7.850
<b>Total</b>	<b>236.597</b>	<b>12.870</b>	<b>2.072</b>	<b>60.389</b>	<b>7.597</b>	<b>319.525</b>

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**c. Information on debt securities, treasury bills and other bills:**

<b>31 December 2014</b>	<b>Financial Assets at Fair Value through P/L (Net)</b>	<b>Available for Sale Financial Assets (Net)</b>	<b>Held to Maturity Securities (Net)</b>	<b>Total</b>
<b>Moody’s Rating</b>				
Baa3(*)	58.970	667.470	-	726.440
Ba2(**)	-	46.014	-	46.014
<b>Total</b>	<b>58.970</b>	<b>713.484</b>	-	<b>772.454</b>

<b>31 December 2013</b>	<b>Financial Assets at Fair Value through P/L (Net)</b>	<b>Available for Sale Financial Assets (Net)</b>	<b>Held to Maturity Securities (Net)</b>	<b>Total</b>
<b>Moody’s Rating</b>				
Baa3(*)	89.677	851.606	-	941.283
<b>Total</b>	<b>89.677</b>	<b>851.606</b>	-	<b>941.283</b>

(\*) Consists of Turkish Republic government bonds and treasury bills.

(\*\*) Consists of bonds issued by the Bank as a subordinated loans.

**d. Information on rating concentration:**

The Bank evaluates its credit risk based on an internal rating system and the portfolio is classified from least probability of default to highest. The information about the concentration of cash and non cash loans which are classified with the rating system is presented below.

	<b>31 December 2014</b>	<b>31 December 2013</b>
Above average (%)	9,93	12,02
Average (%)	66,59	63,78
Below average (%)	22,44	22,98
Not rated (%)	1,04	1,22

**e. Fair value of collaterals ( loans and advances to customers):**

<b>31 December 2014</b>	<b>Corporate Loans</b>	<b>Consumer Loans</b>	<b>Credit Cards</b>	<b>Lease Receivables</b>	<b>Factoring Receivables</b>	<b>Total</b>
Loans under close monitoring	187.801	945	322	-	1.524	<b>190.592</b>
Non-performing loans	45.823	145	192	1.220	525	<b>47.905</b>
<b>Total</b>	<b>233.624</b>	<b>1.090</b>	<b>514</b>	<b>1.220</b>	<b>2.049</b>	<b>238.497</b>

<b>31 December 2013</b>	<b>Corporate Loans</b>	<b>Consumer Loans</b>	<b>Credit Cards</b>	<b>Lease Receivables</b>	<b>Factoring Receivables</b>	<b>Total</b>
Loans under close monitoring	131.221	338	198	931	8.225	<b>140.913</b>
Non-performing loans	50.022	170	104	345	456	<b>51.097</b>
<b>Total</b>	<b>181.243</b>	<b>508</b>	<b>302</b>	<b>1.276</b>	<b>8.681</b>	<b>192.010</b>

<b>Type of Collaterals</b>	<b>31 December 2014</b>	<b>31 December 2013</b>
Real-estate mortgage	131.607	121.369
Pledge	71.446	44.794
Cash and cash equivalents	35.444	25.847
<b>Total</b>	<b>238.497</b>	<b>192.010</b>

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**f. Profile of significant exposures in major regions:**

	Exposure Categories (*)																Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
<b>Current Period 31 December 2014</b>																	
Domestic	1.574.456	-	6	-	-	482.776	5.128.717	685.576	1.869.490	69.684	73.747	-	-	-	-	245.616	10.130.068
EU Countries	-	-	-	-	-	99.115	33.803	128	891	-	929	-	-	-	-	-	<b>134.866</b>
OECD Countries (**)	-	-	-	-	-	9.283	-	13	-	-	-	-	-	-	-	-	<b>9.296</b>
Off-Shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	-	-	36.502	27.394	-	-	-	-	-	-	-	-	-	<b>63.896</b>
Other Countries	-	-	-	-	-	1.547	2.472	129	-	-	-	-	-	-	-	-	<b>4.148</b>
Associates, Subsidiaries and Joint –Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Assets/Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1.574.456</b>	-	<b>6</b>	-	-	<b>629.223</b>	<b>5.192.386</b>	<b>685.846</b>	<b>1.870.381</b>	<b>69.684</b>	<b>74.676</b>	-	-	-	-	<b>245.616</b>	<b>10.342.274</b>

1. Conditional and unconditional exposures to central governments or central banks
2. Conditional and unconditional exposures to regional governments or local authorities
3. Conditional and unconditional receivables from administrative units and non-commercial enterprises
4. Conditional and unconditional exposures to multilateral development banks
5. Conditional and unconditional exposures to international organisations
6. Conditional and unconditional exposures to banks and brokerage houses
7. Conditional and unconditional exposures to corporates
8. Conditional and unconditional retail exposures
9. Conditional and unconditional exposures secured by real estate property
10. Past due receivables
11. Receivables defined in high risk category by BRSA
12. Exposures in the form of bonds secured by mortgages
13. Securitization Positions
14. Short term exposures to banks, brokerage houses and corporates
15. Exposures in the form of collective investment undertakings
16. Other receivables

(\*) Includes exposure categories in the Communiqué on Measurement and Assessment of Capital Adequacy of Banks.

(\*\*) Includes OECD countries other than EU countries, USA and Canada.



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	Exposure Categories (*)																Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
<b>Previous Year 31 December 2013</b>																	
Domestic	696.296	-	12	-	-	422.886	2.344.330	730.233	787.082	64.933	31.798	-	-	-	-	332.809	5.410.379
EU Countries	-	-	-	-	-	8.673	2.240	20	-	-	-	-	-	-	-	-	10.933
OECD Countries (**)	-	-	-	-	-	6	45	-	-	-	-	-	-	-	-	-	51
Off-Shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	-	-	599	-	7	-	-	-	-	-	-	-	-	606
Other Countries	-	-	-	-	-	5.466	1.597	-	-	-	-	-	-	-	-	-	7.063
Associates, Subsidiaries and Joint –Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Assets/Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>696.296</b>	<b>-</b>	<b>12</b>	<b>-</b>	<b>-</b>	<b>437.630</b>	<b>2.348.212</b>	<b>730.260</b>	<b>787.082</b>	<b>64.933</b>	<b>31.798</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>332.809</b>	<b>5.429.032</b>

1. Conditional and unconditional exposures to central governments or central banks
2. Conditional and unconditional exposures to regional governments or local authorities
3. Conditional and unconditional receivables from administrative units and non-commercial enterprises
4. Conditional and unconditional exposures to multilateral development banks
5. Conditional and unconditional exposures to international organisations
6. Conditional and unconditional exposures to banks and brokerage houses
7. Conditional and unconditional exposures to corporates
8. Conditional and unconditional retail exposures
9. Conditional and unconditional exposures secured by real estate property
10. Past due receivables
11. Receivables defined in high risk category by BRSA
12. Exposures in the form of bonds secured by mortgages
13. Securitization Positions
14. Short term exposures to banks, brokerage houses and corporates
15. Exposures in the form of collective investment undertakings
16. Other receivables

(\*) Includes exposure categories in the Communiqué on Measurement and Assessment of Capital Adequacy of Banks.

(\*\*) Includes OECD countries other than EU countries, USA and Canada.

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**g. Risk profile by Sectors or Counterparties:**

	Exposure Categories (*)																TL	FC	Total	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16				
<b>Agriculture</b>	-	-	-	-	-	-	65.173	20.970	16.595	1.853	1	-	-	-	-	-	49.925	54.667	104.592	
Farming and Stockbreeding	-	-	-	-	-	-	54.506	18.618	10.420	1.851	1	-	-	-	-	-	39.831	45.565	85.396	
Forestry	-	-	-	-	-	-	2.135	1.018	669	2	-	-	-	-	-	-	3.632	192	3.824	
Fishery	-	-	-	-	-	-	8.532	1.334	5.506	-	-	-	-	-	-	-	6.462	8.910	15.372	
<b>Manufacturing</b>	-	-	5	-	-	-	2.168.568	233.546	555.487	25.954	514	-	-	-	-	-	1.161.083	1.822.991	2.984.074	
Mining and Quarrying	-	-	5	-	-	-	68.187	7.901	85.224	7.810	20	-	-	-	-	-	89.146	80.001	169.147	
Production	-	-	-	-	-	-	2.011.993	224.741	318.689	18.136	494	-	-	-	-	-	1.032.901	1.541.152	2.574.053	
Electricity, Gas and Water	-	-	-	-	-	-	88.388	904	151.574	8	-	-	-	-	-	-	39.036	201.838	240.874	
<b>Construction</b>	-	-	-	-	-	-	899.787	55.197	296.320	13.704	137	-	-	-	-	-	573.168	691.977	1.265.145	
<b>Services</b>	879.825	-	1	-	-	629.223	1.889.962	333.238	976.730	27.161	2.656	-	-	-	-	-	2.097.694	2.641.102	4.738.796	
Wholesale and Retail Trade	-	-	-	-	-	-	938.095	280.514	191.312	18.699	423	-	-	-	-	-	780.078	648.965	1.429.043	
Hotel, Food and Beverage services	-	-	-	-	-	-	197.940	8.121	551.126	3.523	59	-	-	-	-	-	42.499	718.270	760.769	
Transportation and Telecom	-	-	-	-	-	-	88.991	19.900	38.651	2.219	36	-	-	-	-	-	73.222	76.575	149.797	
Financial Institutions	879.825	-	-	-	-	629.223	380.800	3.090	14.635	-	29	-	-	-	-	-	1.065.110	842.492	1.907.602	
Real Estate and Rental Services	-	-	-	-	-	-	216.071	10.582	137.009	-	2.105	-	-	-	-	-	45.114	320.653	365.767	
Self-employment Services	-	-	-	-	-	-	10.212	4.190	5.970	66	-	-	-	-	-	-	20.415	23	20.438	
Educational Services	-	-	1	-	-	-	5.175	1.375	22.445	-	-	-	-	-	-	-	6.424	22.572	28.996	
Health and Social Services	-	-	-	-	-	-	52.678	5.466	15.582	2.654	4	-	-	-	-	-	64.832	11.552	76.384	
<b>Other</b>	694.631	-	-	-	-	-	168.896	42.895	25.249	1.012	71.368	-	-	-	-	-	245.616	1.106.238	1.429.667	
<b>Total</b>	<b>1.574.456</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>629.223</b>	<b>5.192.386</b>	<b>685.846</b>	<b>1.870.381</b>	<b>69.684</b>	<b>74.676</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>245.616</b>	<b>4.988.108</b>	<b>5.354.166</b>	<b>10.342.274</b>

1. Conditional and unconditional exposures to central governments or central banks
2. Conditional and unconditional exposures to regional governments or local authorities
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8. Conditional and unconditional retail exposures
9. Conditional and unconditional exposures secured by real estate property
10. Past due receivables
11. Receivables defined in high risk category by BRSA
12. Exposures in the form of bonds secured by mortgages
13. Securitization Positions
14. Short term exposures to banks, brokerage houses and corporates
15. Exposures in the form of collective investment undertakings
16. Other receivables

(\*) Includes exposure categories in the Communiqué on Measurement and Assessment of Capital Adequacy of Bank.

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**h. Analysis of maturity-bearing exposures according to remaining maturities:**

Risk classifications	Term To Maturity				
	1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year
Claims on sovereigns and Central Banks	226.759	164.046	130.893	185.102	144.600
Claims on regional governments or local authorities	-	-	-	-	-
Claims on administrative bodies and other non-commercial undertakings	-	-	-	-	32
Claims on multilateral development banks	-	-	-	-	-
Claims on international organizations	-	-	-	-	-
Claims on banks and intermediary institutions	317.516	16.262	4.658	18.630	234.170
Claims on corporates	593.817	1.123.439	448.669	713.503	2.910.582
Claims included in the regulatory retail portfolios	108.231	313.039	84.646	91.174	263.047
Claims secured by residential property	44.850	248.284	63.802	77.259	1.468.692
Past due loans	-	-	-	-	-
Higher risk categories decided by the Board	152	-	-	-	74.525
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	-	-	-	-	-
<b>Total</b>	<b>1.291.325</b>	<b>1.865.070</b>	<b>732.668</b>	<b>1.085.668</b>	<b>5.095.648</b>

**i. Information about the risk exposure categories**

As explained in the "Communiqué on Measurement and Assessment of Capital Adequacy of Banks," abovementioned receivables are calculated via third party ratings. Receivables from central governments or central banks are calculated according to the OECD's published country risks. OECD classification is used to determine the risk weights set by the regulations. When a receivable is not provided a grading, the Bank complies with the rules under the regulations.

**j. Exposures by risk weights**

Risk Weights	0%	20%	50%	75%	100%	150%	200%	250%	Deductions from Equity
<b>1.Exposures before Credit Risk Mitigation</b>									
	1.530.028	428.717	1.608.853	659.927	5.934.217	28.969	52.558	-	46.312
<b>2. Exposures after Credit Risks Mitigation(*)</b>									
	1.972.430	278.223	1.610.655	635.977	5.667.252	27.585	51.147	-	46.312

(\*) The bank mitigates the credit risk using the simple financial collateral methods.

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**k. Informations in terms of major sectors and type of counterparties:**

Major Sectors / Counterparties	Credits		Value Adjustments	Provisions
	Impaired Credits	Past Due Credits		
<b>Agriculture</b>	<b>15.356</b>	<b>5.446</b>	<b>(217)</b>	<b>(13.503)</b>
Farming and Stockbreeding	15.226	5.225	(210)	(13.375)
Forestry	127	211	(6)	(125)
Fishery	3	10	(1)	(3)
<b>Manufacturing</b>	<b>46.507</b>	<b>121.544</b>	<b>(3.231)</b>	<b>(20.553)</b>
Mining and Quarrying	13.254	4.100	(46)	(5.444)
Production	33.063	116.870	(3.163)	(14.927)
Electricity, Gas and Water	190	574	(22)	(182)
<b>Construction</b>	<b>22.698</b>	<b>57.060</b>	<b>(1.373)</b>	<b>(8.994)</b>
<b>Services</b>	<b>57.933</b>	<b>183.678</b>	<b>(5.352)</b>	<b>(30.772)</b>
Wholesale and Retail Trade	44.312	71.023	(1.960)	(25.613)
Accommodation and Dining	4.751	96.894	(3.048)	(1.228)
Transportation and Telecom	3.714	6.175	(120)	(1.495)
Financial Institutions	30	392	(10)	(30)
Real Estate and Rental Services	1.636	3.322	(42)	(1.636)
Professional Services	183	677	(16)	(117)
Educational Services	0	165	(5)	0
Health and Social Services	3.307	5.030	(151)	(653)
<b>Other</b>	<b>3.125</b>	<b>13.119</b>	<b>(211)</b>	<b>(2.113)</b>
<b>Total</b>	<b>145.619</b>	<b>380.847</b>	<b>(10.384)</b>	<b>(75.935)</b>

**l. Information about Value Adjustment and Change in Provisions:**

	Opening Balance	Provision for Period	Write off from Asset	Other Adjustments(*)	Closing Balance
<b>1. Specific Provisions (**)</b>	98.919	94.282	(39.355)	(62.202)	91.644
<b>2. General Provisions</b>	48.122	16.142	-	395	64.659

(\*) 61.708 TL shown in Other Adjustments column for “Specific Provisions” consists of released loan loss provision upon sale of Non Performing Loans to Final Varlık Yönetimi A.Ş. on 13 November 2014. Other Adjustments column consists of exchange rate differences of provisions in foreign currencies.

(\*\*) Also includes special and free provisions for non-cash loans that are classified as non-performing loans.

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**III. EXPLANATIONS ON CONSOLIDATED MARKET RISK:**

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

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

**Information on Market Risk:**

	<b>Balance</b>
(I) Capital to be Employed for General Market Risk - Standard Method	3.873
(II) Capital to be Employed for Specific Risk -Standard Method	2.536
Capital to be Employed for Specific Risk in Securitisation Positions – Standard Method	-
(III) Capital to be Employed for Currency Risk - Standard Method	4.856
(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	19
(VII) Capital to be Employed for the Other Party’s Credit Risk - Standard Method	5.998
(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)	17.282
<b>(X) Amount Subject to Market Risk (12,5 x VIII) or (12,5 x IX)</b>	<b>216.025</b>

**b. Average Market Risk Table of Calculated Market Risk during the Period at Month Ends:**

	<b>31 December 2014</b>		
	<b>Average</b>	<b>Maximum</b>	<b>Minimum</b>
Interest Rate Risk	2.915	5.486	2.516
Common Stock Risk	2.530	1.480	2.489
Currency Risk	3.569	7.938	2.483
Commodity Risk	-	-	-
Exchange Risk	-	-	-
Option Risk	48	85	49
Counterparty Credit Risk	8.028	18.004	4.882
<b>Total Amount Subject to Risk</b>	<b>213.631</b>	<b>412.430</b>	<b>155.228</b>

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**c. Information on Counterparty Credit Risk:**

In order to calculate the counterparty credit risk “Calculating Fair Value” (Annex 2) of “Communiqué on Measurement and Assessment of Capital Adequacy of Banks,” published in 28 June 2012 is taken into consideration. In accordance with the before-mentioned method, potential credit risk value is calculated and added to the renewal costs of the agreements with positive values.

While customer counterparty credit risk limits are listed under a single limit, the limit value differ for banks according to product groups.Limits for derivate products are determined in the related authorization according to the customer type whether they are commercial or real person.

The consistency of counterparty credit risk limits gets daily checked.

There are no credit risk derivatives and credit risk protection.

**Quantitative Information on Counterparty Risk:**

	<b>Balance</b>
Agreements based on Interest Rate	16.662
Agreement based on Foreign Exchange Currency	71.419
Agreement Based on Commodity	-
Agreement Based on Shares	-
Other	10.924
Gross Positive Fair Values	<b>99.005</b>
Benefits of Netting	-
Current Net Risk Amount	-
Reserved Guarantee	-
Net Position of Derivatives	<b>99.005</b>

**IV. EXPLANATIONS ON CONSOLIDATED 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.

	<b>31.12.2012</b>	<b>31.12.2013</b>	<b>31.12.2014</b>	<b>Total/Positive Year</b>	<b>Rate (%)</b>	<b>Total</b>
<b>Gross Income</b>	32.027	38.517	37.087	3	15	35.877
<b>Amount subject to Operational Risk (Total*12,5)</b>						448.459

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**V. EXPLANATIONS ON CONSOLIDATED CURRENCY RISK:**

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

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

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

	EUR		USD	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
<b>31 December 2014 / 31 December 2013</b>				
<b>Bid rate</b>	<b>TL 2,8272</b>	<b>TL 2,9344</b>	<b>TL 2,3269</b>	<b>TL 2,1304</b>
1. Day bid rate	TL 2,8272	TL 2,9344	TL 2,3269	TL 2,1304
2. Day bid rate	TL 2,8207	TL 2,9844	TL 2,3189	TL 2,1604
3. Day bid rate	TL 2,8339	TL 2,9844	TL 2,3235	TL 2,1604
4. Day bid rate	TL 2,8255	TL 2,8693	TL 2,3182	TL 2,0957
5. Day bid rate	TL 2,8368	TL 2,8353	TL 2,3177	TL 2,0710

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

	EUR		USD	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Arithmetic average-30 days	TL 2,8245	TL 2,8345	TL 2,2941	TL 2,0681

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

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

	EUR	USD	Other FC	Total
<b>31 December 2014</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	5.023	525.332	402	530.757
Due From Banks	27.768	25.414	1.010	54.192
Financial Assets at Fair Value Through Profit or Loss	6.232	15.370	314	21.916
Interbank Money Market Placements	-	-	-	-
Available-for-sale Financial Assets	-	46.014	-	46.014
Loans (*)	1.529.096	2.007.423	16.914	3.553.433
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Held-to-Maturity Investments	-	-	-	-
Hedging Derivative Financial Assets	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets(***)	262.821	425.974	89	688.884
<b>Total Assets (*)</b>	<b>1.830.940</b>	<b>3.045.527</b>	<b>18.729</b>	<b>4.895.196</b>
<b>Liabilities</b>				
Bank Deposits	41.350	28.056	52.150	121.556
Foreign Currency Deposits	854.476	2.175.479	23.376	3.053.331
Funds From Interbank Money Market	-	-	-	-
Funds Borrowed From Other Financial Institutions (*)	379.258	1.791.978	78	2.171.314
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	36.371	37.663	7	74.041
Hedging Derivative Financial Liabilities	-	-	-	-
Other Liabilities	7.280	36.838	334	44.452
<b>Total Liabilities (*)</b>	<b>1.318.735</b>	<b>4.070.014</b>	<b>75.945</b>	<b>5.464.694</b>
<b>Net On-balance Sheet Position</b>	<b>512.205</b>	<b>(1.024.487)</b>	<b>(57.216)</b>	<b>(569.498)</b>
<b>Net Off-balance Sheet Position</b>	<b>(501.227)</b>	<b>1.021.897</b>	<b>57.589</b>	<b>578.259</b>
Financial Derivative Assets	532.574	1.884.043	138.962	2.555.579
Financial Derivative Liabilities	1.033.801	862.146	81.373	1.977.320
<b>Non-Cash Loans (**)</b>	<b>210.949</b>	<b>429.298</b>	<b>14.024</b>	<b>654.271</b>
<b>31 December 2013</b>				
Total Assets (*)	1.337.223	2.297.090	26.185	3.660.498
Total Liabilities (*)	1.112.502	2.960.730	50.988	4.124.220
<b>Net On-balance Sheet Position</b>	<b>224.721</b>	<b>(663.640)</b>	<b>(24.803)</b>	<b>(463.722)</b>
<b>Net Off-balance Sheet Position</b>	<b>(222.059)</b>	<b>677.777</b>	<b>25.173</b>	<b>480.891</b>
Financial Derivative Assets	1.306.163	2.123.913	159.994	3.590.070
Financial Derivative Liabilities	1.528.222	1.446.136	134.821	3.109.179
<b>Non-Cash Loans (**)</b>	<b>126.803</b>	<b>475.493</b>	<b>10.185</b>	<b>612.481</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 issued amounting to TL 642.493 (31 December 2013: TL 678.190) and foreign currency indexed loans received amounting to TL 59.268 (31 December 2013: TL 8.526) classified as Turkish Lira assets in the 31 December 2013 financial statements are added to the table above. Besides these, in assets "Income Accruals of Derivative Financial Instruments" amounting to TL 23.816 (31 December 2013: TL 78.368), in liabilities "Expense Accruals of Derivative Financial Instruments" amounting to TL 13.613 (31 December 2013: TL 109.116), "General Provisions" amounting to TL 25.476 (31 December 2013: TL 15.942), provisions for the specific loans amounting to TL 12.301 (31 December 2013: TL 26.900) and "Marketable Securities Valuation Reserve" amounting to TL (365) (31 December 2013: None) are not included in the table above.

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

(\*\*\*) Finance lease receivables are included.



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**Currency risk sensitivity analysis:**

As of December 31, 2014 and 2013, if foreign currencies had appreciated/depreciated by 10% against TL with all other variables held constant, the changes to occur in the net profit before tax as a result of foreign exchange losses/gains on the translation of the foreign exchange position is presented below:

	31 December 2014				31 December 2013			
	Income statement		Equity (*)		Income statement		Equity (*)	
	10% increase	10% decrease	10% increase	10% decrease	10% increase	10% decrease	10% increase	10% decrease
USD	(259)	259	(223)	223	1.414	(1.414)	1.414	(1.414)
Euro	1.098	(1.098)	1.098	(1.098)	266	(266)	266	(266)
Other FC	37	(37)	37	(37)	37	(37)	37	(37)
<b>Total, net</b>	<b>876</b>	<b>(876)</b>	<b>913</b>	<b>(913)</b>	<b>1.717</b>	<b>(1.717)</b>	<b>1.717</b>	<b>(1.717)</b>

(\*) Equity effect also includes income statement effect.

**VI. EXPLANATIONS ON CONSOLIDATED INTEREST RATE RISK:**

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

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

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

<b>31 December 2014</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	-	228.509	-	-	-	544.359	772.868
Due From Banks	110.247	-	-	-	-	16.201	126.448
Financial Assets at Fair Value Through Profit/Loss	34.119	24.046	47.658	31.026	20.248	22.160	179.257
Interbank Money Market Placements	141.155	-	-	-	-	-	141.155
Available-for-Sale Financial Assets	116.877	234.860	315.735	-	46.013	11.774	725.259
Loans	2.507.425	2.027.680	1.084.282	825.511	4.673	69.684	6.519.255
Held-to-Maturity Investments	-	-	-	-	-	-	-
Other Assets	22.279	29.531	137.388	428.318	78.281	327.220	1.023.017
<b>Total Assets</b>	<b>2.932.102</b>	<b>2.544.626</b>	<b>1.585.063</b>	<b>1.284.855</b>	<b>149.215</b>	<b>991.398</b>	<b>9.487.259</b>
<b>Liabilities</b>							
Bank Deposits	133.742	-	-	-	-	3.704	137.446
Other Deposits	2.819.468	1.657.517	294.725	79.013	-	351.244	5.201.967
Funds From Interbank Money Market	462.102	-	-	-	-	-	462.102
Miscellaneous Payables	-	-	-	-	-	168.457	168.457
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	350.452	1.405.551	514.622	-	-	-	2.270.625
Other Liabilities (*)	20.190	9.780	24.833	139	-	1.191.720	1.246.662
<b>Total Liabilities</b>	<b>3.785.954</b>	<b>3.072.848</b>	<b>834.180</b>	<b>79.152</b>	<b>-</b>	<b>1.715.125</b>	<b>9.487.259</b>
<b>Balance Sheet Long Position</b>	<b>-</b>	<b>-</b>	<b>750.883</b>	<b>1.205.703</b>	<b>149.215</b>	<b>-</b>	<b>2.105.801</b>
<b>Balance Sheet Short Position</b>	<b>(853.852)</b>	<b>(528.222)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(723.727)</b>	<b>(2.105.801)</b>
Off-balance Sheet Long Position	32.449	-	17.141	8.286	-	-	57.876
Off-balance Sheet Short Position	-	(13.519)	-	-	-	-	(13.519)
<b>Total Position</b>	<b>(821.403)</b>	<b>(541.741)</b>	<b>768.024</b>	<b>1.213.989</b>	<b>149.215</b>	<b>(723.727)</b>	<b>44.357</b>

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

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31 December 2013	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Year and Over	Non Interest Bearing	Total
<b>Assets</b>							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	-	-	-	-	-	520.654	520.654
Due From Banks	47.299	-	-	-	-	15.662	62.961
Financial Assets at Fair Value Through Profit/Loss	24.107	67.898	112.372	46.103	1.066	8.361	259.907
Interbank Money Market Placements	21.691	-	-	-	-	-	21.691
Available-for-Sale Financial Assets	61.643	404.569	275.610	109.784	-	6.648	858.254
Loans	2.125.716	1.537.647	823.017	261.009	3.323	56.122	4.806.834
Held-to-Maturity Investments	-	-	-	-	-	-	-
Other Assets	13.742	22.958	103.975	261.044	28.573	343.764	774.056
<b>Total Assets</b>	<b>2.294.198</b>	<b>2.033.072</b>	<b>1.314.974</b>	<b>677.940</b>	<b>32.962</b>	<b>951.211</b>	<b>7.304.357</b>
<b>Liabilities</b>							
Bank Deposits	150.455	-	-	-	-	14.899	165.354
Other Deposits	1.686.954	977.771	255.104	9.912	-	312.802	3.242.543
Funds From Interbank Money Market	790.110	-	-	-	-	-	790.110
Miscellaneous Payables	-	-	-	-	-	114.597	114.597
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	120.919	1.128.563	517.718	304.720	-	-	2.071.920
Other Liabilities (*)	24.296	22.640	80.289	-	-	792.608	919.833
<b>Total Liabilities</b>	<b>2.772.734</b>	<b>2.128.974</b>	<b>853.111</b>	<b>314.632</b>	<b>-</b>	<b>1.234.906</b>	<b>7.304.357</b>
<b>Balance Sheet Long Position</b>	<b>-</b>	<b>-</b>	<b>461.863</b>	<b>363.308</b>	<b>32.962</b>	<b>-</b>	<b>858.133</b>
<b>Balance Sheet Short Position</b>	<b>(478.536)</b>	<b>(95.902)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(283.695)</b>	<b>(858.133)</b>
Off-balance Sheet Long Position	-	5.399	7.776	11.767	-	-	24.942
Off-balance Sheet Short Position	(2.893)	-	-	-	-	-	(2.893)
<b>Total Position</b>	<b>(481.429)</b>	<b>(90.503)</b>	<b>469.639</b>	<b>375.075</b>	<b>32.962</b>	<b>(283.695)</b>	<b>22.049</b>

**Interest Rate Risk Sensitivity Analysis:**

Change in interest rates 31 December 2014	Effect on income statement	Effect on equity
(+) 1%	(1.883)	(6.175)
(-) 1%	2.011	6.543

Change in interest rates 31 December 2013	Effect on income statement	Effect on equity
(+) 1%	(1.369)	(9.294)
(-) 1%	1.409	9.622

The effect of changes in interest rates by (+) 1% and (-) 1% on income statement and equity is demonstrated on the above table as net off tax amounts.

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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 December 2014</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	-	-	-	1,56
Due From Banks	0,13	0,07	-	10,51
Financial Assets at Fair Value Through Profit/Loss	-	5,76	-	7,94
Interbank Money Market Placements	-	-	-	11,32
Available-for-Sale Financial Assets	-	-	-	10,14
Loans	5,13	5,64	4,00	13,50
Held-to-Maturity Investments	-	-	-	-
<b>Liabilities</b>				
Bank Deposits	0,10	0,49	-	10,40
Other Deposits (*)	2,29	2,53	-	9,71
Funds From Interbank Money Market	-	-	-	9,20
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	2,78	0,74	2,43	7,74

<b>31 December 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	-	0,37	-	7,71
Financial Assets at Fair Value Through Profit/Loss	-	5,76	-	8,80
Interbank Money Market Placements	-	-	-	8,02
Available-for-Sale Financial Assets	-	-	-	8,49
Loans	5,31	5,22	4,65	12,28
Held-to-Maturity Investments	-	-	-	-
<b>Liabilities</b>				
Bank Deposits	0,50	-	-	6,24
Other Deposits (*)	2,84	2,83	-	8,21
Funds From Interbank Money Market	-	-	-	5,67
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	2,47	2,97	2,43	6,28

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

**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.

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

Currency	Applied Shock (+/- x basis point)*	Earnings/ Losses	Earnings/ Equities-Losses/ Equities
1. TRY	+500 bp	(43.887)	(3,5)%
2. TRY	-400 bp	39.743	3,2%
3. EURO	+200 bp	(14.580)	(1,2)%
4. EURO	-200 bp	2.679	0,2%
5. USD	+200 bp	(4.827)	(0,4)%
6. USD	-200 bp	8.974	0,7%
<b>Total (For Negative Shocks)</b>		<b>51.396</b>	<b>4,1%</b>
<b>Total (For Positive Shocks)</b>		<b>(63.293)</b>	<b>(5,1)%</b>

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

None.

**VII. EXPLANATIONS ON CONSOLIDATED LIQUIDITY RISK:**

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

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

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

In accordance with the "Regulation on Measurement and Assessment of Liquidity Adequacy of the Banks", which came into effect after its publication in the Official Gazette numbered 26333 on 1 November 2006 by BRSA, weekly simple arithmetic average of total liquidity adequacy ratio related to the first maturity period, and total liquidity adequacy ratio related to the second maturity period cannot be less than a hundred percent; weekly simple arithmetic average of the foreign currency liquidity adequacy ratio related to first maturity period, and foreign currency liquidity adequacy ratio related to second maturity period cannot be less than eighty percent as of 1 June 2007. In accordance with the regulation published on 11 December 2009, for the 14 day period subject to the reserve requirement calculation the simple arithmetic average of the ratio of assets which are calculated with hundred percent weight with stock values to liabilities cannot be less than seven percent. The parent Bank's liquidity ratios realized in 2014 are as follows for the Parent Bank:

	First Maturity Period		Second Maturity Period		Stock Values
	FC	FC + TL	FC	FC + TL	FC + TL
Average (%)	138,23%	156,90%	101,97%	114,30%	11,29%
Maximum (%)	198,55%	188,28%	129,72%	129,93%	13,16%
Minimum (%)	96,44%	128,85%	82,79%	101,59%	9,71%

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

<b>31 December 2014</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	30.185	742.683	-	-	-	-	-	772.868
Due From Banks	16.201	110.247	-	-	-	-	-	126.448
Financial Assets at Fair Value Through Profit or Loss	2.061	33.068	24.779	47.029	31.972	20.248	20.100	179.257
Interbank Money Market Placements	-	141.155	-	-	-	-	-	141.155
Available-for-Sale Financial Assets	-	54.632	163.814	315.735	62.244	117.059	11.775	725.259
Loans	-	802.101	1.636.052	1.297.968	2.044.661	668.789	69.684	6.519.255
Held-to-Maturity Investments	-	-	-	-	-	-	-	-
Other Assets (**)	-	180.588	30.184	144.304	443.213	78.281	146.447	1.023.017
<b>Total Assets</b>	<b>48.447</b>	<b>2.064.474</b>	<b>1.854.829</b>	<b>1.805.036</b>	<b>2.582.090</b>	<b>884.377</b>	<b>248.006</b>	<b>9.487.259</b>
<b>Liabilities</b>								
Bank Deposits	3.704	133.742	-	-	-	-	-	137.446
Other Deposits	351.244	2.819.468	1.657.517	294.725	79.013	-	-	5.201.967
Funds Borrowed From Other Financial Institutions	-	55.160	130.830	744.735	989.941	349.959	-	2.270.625
Funds From Interbank Money Market	-	462.102	-	-	-	-	-	462.102
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	-	51.100	3.489	-	-	-	113.868	168.457
Other Liabilities (**)	-	129.409	10.429	35.560	3.909	-	1.067.355	1.246.662
<b>Total Liabilities</b>	<b>354.948</b>	<b>3.650.981</b>	<b>1.802.265</b>	<b>1.075.020</b>	<b>1.072.863</b>	<b>349.959</b>	<b>1.181.223</b>	<b>9.487.259</b>
<b>Net Liquidity Gap</b>	<b>(306.501)</b>	<b>(1.586.507)</b>	<b>52.564</b>	<b>730.016</b>	<b>1.509.227</b>	<b>534.418</b>	<b>(933.217)</b>	<b>-</b>
<b>31 December 2013</b>								
Total Assets	47.283	1.311.279	1.722.851	1.567.723	1.873.709	505.921	275.591	7.304.357
Total Liabilities	327.701	2.773.179	1.274.815	781.734	1.037.731	320.478	788.719	7.304.357
<b>Net Liquidity Gap</b>	<b>(280.418)</b>	<b>(1.461.900)</b>	<b>448.036</b>	<b>785.989</b>	<b>835.978</b>	<b>185.443</b>	<b>(513.128)</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.

**Financial liabilities according to their remaining maturities:**

<b>31 December 2014</b>	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>5 years and over</b>	<b>Total</b>
<b>Liabilities</b>						
Bank deposits	137.483	-	-	-	-	137.483
Other deposits	3.177.211	1.671.673	306.587	90.099	-	5.245.570
Borrowings	55.160	138.855	800.055	1.144.686	404.246	2.543.002
Funds from money market	462.250	-	-	-	-	462.250
<b>Total</b>	<b>3.832.104</b>	<b>1.810.528</b>	<b>1.106.642</b>	<b>1.234.785</b>	<b>404.246</b>	<b>8.388.305</b>
<b>31 December 2013</b>						
<b>Liabilities</b>						
Bank deposits	165.354	-	-	-	-	165.354
Other deposits	2.003.802	986.305	261.623	11.401	-	3.263.131
Borrowings	22.778	372.382	411.387	1.141.810	591.889	2.540.246
Funds from money market	790.274	-	-	-	-	790.274
<b>Total</b>	<b>2.982.208</b>	<b>1.358.687</b>	<b>673.010</b>	<b>1.153.211</b>	<b>591.889</b>	<b>6.759.005</b>

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**Contractual maturity analysis of the Group’s derivative instruments:**

<b>31 December 2014</b>	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>5 years and over</b>	<b>Total</b>
<b>Trading Derivative Instruments</b>						
Foreign exchange derivatives:						
- Inflow	1.170.488	1.077.162	475.607	95.569	-	<b>2.818.826</b>
- Outflow	1.156.709	1.072.702	473.443	105.155	-	<b>2.808.009</b>
Interest rate derivatives:						
- Inflow	840	1.338	5.675	6.817	-	<b>14.670</b>
- Outflow	847	739	4.241	6.221	-	<b>12.048</b>
<b>Hedging Derivative Instruments</b>						
Foreign exchange derivatives:						
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Interest rate derivatives:						
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
<b>Total cash inflow</b>	<b>1.171.328</b>	<b>1.078.500</b>	<b>481.282</b>	<b>102.386</b>	-	<b>2.833.496</b>
<b>Total cash outflow</b>	<b>1.157.556</b>	<b>1.073.441</b>	<b>477.684</b>	<b>111.376</b>	-	<b>2.820.057</b>

<b>31 December 2013</b>	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-12 months</b>	<b>1-5 years</b>	<b>5 years and over</b>	<b>Total</b>
<b>Trading Derivative Instruments</b>						
Foreign exchange derivatives:						
- Inflow	1.193.478	651.277	1.517.139	74.248	-	3.436.142
- Outflow	1.197.780	645.920	1.511.829	65.031	-	3.420.560
Interest rate derivatives:						
- Inflow	461	967	47.769	10.944	-	60.141
- Outflow	294	611	9.828	77.824	-	88.557
<b>Hedging Derivative Instruments</b>						
Foreign exchange derivatives:						
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Interest rate derivatives:						
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
<b>Total cash inflow</b>	<b>1.193.939</b>	<b>652.244</b>	<b>1.564.908</b>	<b>85.192</b>	-	<b>3.496.283</b>
<b>Total cash outflow</b>	<b>1.198.074</b>	<b>646.531</b>	<b>1.521.657</b>	<b>142.855</b>	-	<b>3.509.117</b>

**VIII. EXPLANATIONS ON SECURITIZATION EXPOSURES:**

None.

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**IX. 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	1.562.634	137.028	-	-
Claims on regional governments or local authorities	-	-	-	-
Claims on administrative bodies and other non-commercial undertakings	32	-	-	-
Claims on multilateral development banks	-	-	-	-
Claims on international organizations	-	-	-	-
Claims on banks and intermediary institutions	610.238	171.314	-	-
Claims on corporates	5.757.731	253.899	-	9.571
Claims included in the regulatory retail portfolios	806.781	23.524	-	6.060
Claims secured by residential property	1.903.742	12.984	-	2.133
Past due loans	69.684	43	-	-
Higher risk categories decided by the Board	74.676	2.787	-	-
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	385.327	-	-	-
<b>Total</b>	<b>11.170.845</b>	<b>601.579</b>	<b>-</b>	<b>17.764</b>



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**INFORMATION ON FINANCIAL ORGANIZATION (Continued)**

**X. EXPLANATIONS ON TARGETS AND POLICIES OF RISK MANAGEMENT:**

The Group’s risk strategy is its main component of risk management system. The board of directors is responsible for approving and periodically reviewing the risk policy of the Group 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 Group will actively seek and which risks are undesirable and should be avoided or eliminated. Group’s risk strategy aims to set out the main elements of its risk taking activities so that the Group attains its business goals within the limits prescribed by the risk appetite.

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

**Risk Management Policies**

The Group follows the following principles for a healthy risk management process:

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

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

**Risk Management,**

Group’s management aims to ensure that:

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

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**INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP (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 limits are revised and updated depending on market conditions and changes in Bank’s strategy. Board of Directors is responsible of reviewing risk limits. In case of a change is needed in risk limits, it is presented to the attention of the risk committee. After the evaluation of risk committee and Audit Committee, the proposal is sent to the sanction of Board of Directors.

***Risk Strategy Objectives***

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

**Credit Risk Strategy**

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

**Market Risk Strategy**

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

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**Operational Risk Strategy**

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

**Risk Management Unit Organization**

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

**Risk Measurement and Assessment**

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

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

**XI. EXPLANATION REGARDING THE PRESENTATION OF FINANCIAL ASSETS AND LIABILITIES AT THEIR FAIR VALUES:**

**a. Financial Assets and Liabilities at their fair values:**

The fair values of held-to-maturity assets are determined based on market prices or when this price is not available, based on market prices quoted for other securities subject to the same redemption qualifications in terms of interest, maturity and other similar conditions.

The expected fair value of the demand placements and deposits represents the amount to be paid upon request. The expected fair value of the fixed rate deposits is determined by calculating the discounted cash flow using the Parent Bank’s current interest rates as of balance sheet date.

The expected fair value of loans and receivables are determined by calculating the discounted cash flows using the Parent Bank’s current interest rates for fixed interest loans. For the loans with floating interest rates, it is assumed that the book value reflects the fair value.

The expected fair value of bank placements, money market placements and bank deposits are determined by calculating the discounted cash flows using the current market interest rates of similar assets and liabilities.

The following table summarises the book values and fair values of some financial assets and liabilities of the Group.

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**Fair value hie**

	Book Value		Fair Value	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
<b>Financial Assets</b>	<b>8.207.914</b>	<b>6.243.509</b>	<b>8.359.334</b>	<b>6.162.287</b>
Due from Money Market	141.155	21.691	141.155	21.691
Due from Banks	126.448	62.961	126.214	62.962
Available-for-Sale Financial Assets	725.259	858.254	725.259	858.254
Held-to-maturity Investments	-	-	-	-
Loans	7.215.052	5.300.603	7.366.706	5.219.380
<b>Financial Liabilities</b>	<b>7.778.495</b>	<b>5.594.414</b>	<b>7.902.014</b>	<b>5.549.044</b>
Bank Deposits	137.446	165.354	137.471	165.353
Other Deposits	5.201.967	3.242.543	5.222.068	3.244.078
Borrowings	2.270.625	2.071.920	2.374.018	2.025.016
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	168.457	114.597	168.457	114.597

**b. Fair value hierarchy:**

TFRS 7 sets a hierarchy of valuation techniques according to the observability of data used in valuation techniques, which establish basis for fair value calculations.

Aforesaid fair value hierarchy is determined as follows.

- Quoted market prices (non-adjusted) (1st level)
- Directly (by way of prices) or indirectly (derived from prices) data for the assets or liabilities, other than quoted prices in the 1st level (2nd level)
- Data not based on observable data regarding assets or liabilities (3rd level)

Fair value hierarchy of the financial assets and liabilities of the Group carried at fair value according to the foregoing principles is given in the table below:

31 December 2014	1 <sup>st</sup> Level	2 <sup>nd</sup> Level	3 <sup>rd</sup> Level	Total
Financial Assets at Fair Value Through Profit or Loss	81.130	98.127	-	179.257
Government Debt Securities	58.970	-	-	58.970
Share Certificates	19.664	-	-	19.664
Trading Derivative Financial Assets	-	98.127	-	98.127
Other Marketable Securities	2.496	-	-	2.496
Government Debt Securities(*)	667.470	57.789	-	725.256
Government Debt Securities	667.470	-	-	667.470
Other Marketable Securities	-	57.789	-	57.789
Hedging Derivative Financial Assets	-	-	-	-
<b>Total Assets</b>	<b>748.600</b>	<b>155.916</b>	<b>-</b>	<b>904.516</b>
Trading Derivative Financial Liabilities	-	54.942	-	54.942
Hedging Derivative Financial Liabilities	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>54.942</b>	<b>-</b>	<b>54.942</b>

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

<b>31 December 2013</b>	<b>1<sup>st</sup> Level</b>	<b>2<sup>nd</sup> Level</b>	<b>3<sup>rd</sup> Level</b>	<b>Total</b>
Financial Assets at Fair Value Through Profit or Loss	98.038	161.869	-	259.907
Government Debt Securities	89.677	-	-	89.677
Share Certificates	5.940	-	-	5.940
Trading Derivative Financial Assets	-	161.869	-	161.869
Other Marketable Securities	2.421	-	-	2.421
Government Debt Securities	851.606	-	-	851.606
Government Debt Securities	851.606	-	-	851.606
Other Marketable Securities	-	-	-	-
<b>Total Assets</b>	<b>949.644</b>	<b>161.869</b>	<b>-</b>	<b>1.111.513</b>
Trading Derivative Financial Liabilities	-	-	-	-
Hedging Derivative Financial Liabilities	-	127.225	-	127.225
<b>Total Liabilities</b>	<b>-</b>	<b>127.225</b>	<b>-</b>	<b>127.225</b>

(\*) As noted in the footnote VII-d, written down values of available for sale securities are reported if the such securities are not traded in the markets and if the fair market value of such securities cannot be determined for any reason.

There are no transfers between the 1st and the 2nd levels in the current year.

**XII. EXPLANATION REGARDING THE ACTIVITIES CARRIED OUT ON BEHALF AND ACCOUNT OF OTHER PARTIES:**

The Bank carries out marketable security trading and custody services on behalf of customers and on their account. The details of items held in custody is given in off-balance sheet commitments.

**XIII. EXPLANATIONS ON OPERATING SEGMENTS:**

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

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

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

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

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

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

Prior period financial information is presented as at 31 December 2013 for balance sheet and income statements items.

	<b>Retail Banking</b>	<b>Corporate and Commercial Banking</b>	<b>Treasury</b>	<b>Other(*)</b>	<b>Total Operations of the Group</b>
<b>31 December 2014</b>					
Segment revenue	85.607	155.336	35.501	77.490	353.934
Unallocated costs	-	-	-	(57.262)	(329.315)
<b>Net Operating Profit</b>	<b>85.607</b>	<b>155.336</b>	<b>35.501</b>	<b>20.228</b>	<b>24.619</b>
Dividend income	-	-	-	-	703
<b>Profit Before Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25.322</b>
Tax expense	-	-	-	-	(7.498)
<b>Net Profit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17.824</b>
Segment assets	1.372.774	5.545.266	1.314.910	1.017.839	9.250.789
Investments in associates, subsidiaries and joint ventures	-	-	-	-	-
Unallocated assets	-	-	-	-	236.470
<b>Total Assets</b>	<b>1.372.774</b>	<b>5.545.266</b>	<b>1.314.910</b>	<b>1.017.839</b>	<b>9.487.259</b>
Segment liabilities	2.079.334	3.314.558	2.041.441	1.015.673	8.451.006
Unallocated liabilities	-	-	-	-	1.036.253
<b>Total Liabilities</b>	<b>2.079.334</b>	<b>3.314.558</b>	<b>2.041.441</b>	<b>1.015.673</b>	<b>9.487.259</b>

	<b>Retail Banking</b>	<b>Corporate and Commercial Banking</b>	<b>Treasury</b>	<b>Other(*)</b>	<b>Total Operations of the Group</b>
<b>31 December 2013</b>					
Segment revenue	56.458	99.915	57.204	39.766	253.343
Unallocated costs	-	-	-	(41.853)	(316.800)
<b>Net Operating Profit</b>	<b>56.458</b>	<b>99.915</b>	<b>57.204</b>	<b>(2.087)</b>	<b>(63.457)</b>
Dividend income	-	-	-	-	488
<b>Profit Before Tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(62.969)</b>
Tax expense	-	-	-	-	9.272
<b>Net Profit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(53.697)</b>
Segment assets	781.125	4.211.251	1.435.927	608.378	7.036.681
Investments in associates, subsidiaries and joint ventures	-	-	-	-	-
Unallocated assets	-	-	-	-	267.676
<b>Total Assets</b>	<b>781.125</b>	<b>4.211.251</b>	<b>1.435.927</b>	<b>608.378</b>	<b>7.304.357</b>
Segment liabilities	1.108.990	2.319.365	2.532.494	591.969	6.552.818
Unallocated liabilities	-	-	-	-	751.539
<b>Total Liabilities</b>	<b>1.108.990</b>	<b>2.319.365</b>	<b>2.532.494</b>	<b>591.969</b>	<b>7.304.357</b>

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

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**SECTION FIVE**

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

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

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

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

	31 December 2014		31 December 2013	
	TL	FC	TL	FC
Cash/Foreign currency	13.289	16.877	10.487	20.846
CBRT	228.822	513.880	155.419	333.902
Other	-	-	-	-
<b>Total</b>	<b>242.111</b>	<b>530.757</b>	<b>165.906</b>	<b>354.748</b>

2. Information on the account of the CBRT:

	31 December 2014		31 December 2013	
	TL	FC	TL	FC
Demand Unrestricted Amount	228.822	117.891	155.419	61.278
Time Unrestricted Amount	-	-	-	-
Time Restricted Amount	-	395.989	-	272.624
<b>Total</b>	<b>228.822</b>	<b>513.880</b>	<b>155.419</b>	<b>333.902</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 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 13%, for FX deposits/FX participation accounts with 1-year and longer maturity and cumulative FX deposits/FX participation accounts it is 9%, for other FX liabilities up to 1 year maturity (including 1-year) it is 13%, for other FX liabilities up to 3-year maturity (including 3-year) it is 11%, for other FX liabilities longer than 3-year maturity it is 6%.

The Central Bank of the Republic of Turkey does not provide interest on foreign exchange required reserves but provides interest payments on a quarterly basis over required reserve amounts denominated in TL at rates determined by the Bank. The first interest payment was made on 2 January 2015. As of December 31, 2014, the interest rate for TL is 1,51 % (December 31, 2013 0%).

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

- As of 31 December 2014, none financial assets at fair value through profit or loss subject to repo transactions: None (31 December 2013: TL 30.749).
- Positive differences related to trading derivative financial assets:

	31 December 2014		31 December 2013	
	TL	FC	TL	FC
Forward Transactions	6.177	957	29.034	606
Swap Transactions	44.721	22.859	18.657	6.193
Futures Transactions	-	-	-	-
Options	1.775	21.638	35.771	71.608
Other	-	-	-	-
<b>Total</b>	<b>52.673</b>	<b>45.454</b>	<b>83.462</b>	<b>78.407</b>

**c. Information on banks:**

- Information on banks:

	31 December 2014		31 December 2013	
	TL	FC	TL	FC
Banks				
Domestic	72.256	38.338	21.178	26.233
Foreign	-	15.854	-	15.550
Headquarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>72.256</b>	<b>54.192</b>	<b>21.178</b>	<b>41.783</b>

- Information on foreign banks

	Restricted Amount		Unrestricted Amount	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
EU Countries	3.989	4.509	-	-
USA, Canada	11.149	8.008	-	-
OECD Countries (*)	630	2.446	-	-
Off-shore Banking Regions	-	-	-	-
Others	86	587	-	-
<b>Total</b>	<b>15.854</b>	<b>15.550</b>	<b>-</b>	<b>-</b>

(\*) OECD countries except EU countries, USA and Canada.



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

- Characteristics and carrying values of available-for-sale financial assets given as collateral:  
As of 31 December 2014, there are TL 69.260 available-for-sale financial assets given as collateral/blocked (31 December 2013: TL 42.600) and those subject to repurchase agreements amounts to TL 313.971 (31 December 2013: TL 732.520).

- Information on available-for-sale financial assets:

	31 December 2014	31 December 2013
Debt Securities	713.484	852.908
Quoted on Stock Exchange	667.470	852.908
Not Quoted	46.014	-
Share Certificates	11.775	6.648
Quoted on Stock Exchange	-	-
Not Quoted	11.775	6.648
Impairment Provision (-)	-	1.302
<b>Total</b>	<b>725.259</b>	<b>858.254</b>

**e. Explanations on loans:**

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

	31 December 2014		31 December 2013	
	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>	-	-	-	126
<b>Loans Granted To Employees</b>	4.570	-	4.167	-
<b>Total</b>	<b>4.570</b>	<b>-</b>	<b>4.167</b>	<b>126</b>

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**(Continued)**

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	6.181.576	52.869	4.301	267.995	162.078	12.893
Loans Given to Enterprises	-	-	-	-	-	-
Export Loans	784.668	1.871	-	52.199	6.057	-
Import Loans	-	-	-	-	-	-
Loans Given to Financial Sector	288.362	-	-	-	-	-
Consumer Loans	102.942	-	-	5.908	-	-
Credit Cards	17.271	-	-	1.193	-	-
Other (*)	4.988.333	50.998	4.301	208.695	156.021	12.893
Specialised Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
<b>Total</b>	<b>6.181.576</b>	<b>52.869</b>	<b>4.301</b>	<b>267.995</b>	<b>162.078</b>	<b>12.893</b>

(\*) The Group also has TL 17.926 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	50.214	162.078
3,4 or 5 times	1.747	-
Over 5 times	908	-
<b>Total</b>	<b>52.869</b>	<b>162.078</b>

(iii)

Extended Period of Time	Standard Loans and Other Receivables	Loans and Other Receivables Under Close Monitoring
0-6 Months	5.744	80.966
6 Months – 12 Months	1.080	26.206
1-2 Years	-	11.143
2-5 Years	46.045	43.763
5 Years and Over	-	-
<b>Total</b>	<b>52.869</b>	<b>162.078</b>

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3. Loans according to their maturity structure:

	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
Short-term Loans and Other Receivables	2.874.463	6.731	40.047	48.924
Non-specialised Loans	2.874.463	6.731	40.047	48.924
Specialised Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-Term Loans and Other Receivables	3.249.943	50.439	52.977	126.047
Non-specialised Loans	3.249.943	50.439	52.977	126.047
Specialised Loans	-	-	-	-
Other Receivables	-	-	-	-
	<b>6.124.406</b>	<b>57.170</b>	<b>93.024</b>	<b>174.971</b>

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4. 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>5.756</b>	<b>94.010</b>	<b>99.766</b>
Real estate loans	-	16.334	16.334
Automotive loans	-	674	674
Consumer loans	5.756	77.002	82.758
Other	-	-	-
<b>Consumer Loans-FC Indexed</b>	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Consumer Loans-FC</b>	-	<b>1.096</b>	<b>1.096</b>
Real estate loans	-	1.096	1.096
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Individual Credit Cards-TL</b>	<b>4.513</b>	-	<b>4.513</b>
With installments	-	-	-
Without installments	4.513	-	4.513
<b>Individual Credit Cards- FC</b>	<b>89</b>	-	<b>89</b>
With installments	-	-	-
Without installments	89	-	89
<b>Personnel Loans-TL</b>	<b>392</b>	<b>3.313</b>	<b>3.705</b>
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	392	3.313	3.705
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>860</b>	<b>2</b>	<b>862</b>
With installments	-	2	2
Without installments	860	-	860
<b>Personnel Credit Cards-FC</b>	<b>3</b>	-	<b>3</b>
With installments	-	-	-
Without installments	3	-	3
<b>Credit Deposit Account-TL (Real Person)</b>	<b>4.283</b>	-	<b>4.283</b>
<b>Credit Deposit Account-FC (Real Person)</b>	-	-	-
<b>Total</b>	<b>15.896</b>	<b>98.421</b>	<b>114.317</b>

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

	Short-term	Medium and long-term	Total
<b>Commercial Installments Loans-TL</b>	<b>47.249</b>	<b>521.249</b>	<b>568.498</b>
Real estate loans	-	17	17
Automotive loans	186	9.211	9.397
Consumer loans	45.037	450.688	495.725
Other	2.026	61.333	63.359
<b>Commercial Installments Loans-FC Indexed</b>	<b>12.737</b>	<b>83.549</b>	<b>96.286</b>
Real estate loans	-	-	-
Automotive loans	40	1.787	1.827
Consumer loans	12.697	81.762	94.459
Other	-	-	-
<b>Commercial Installments Loans-FC</b>	<b>-</b>	<b>354.471</b>	<b>354.471</b>
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	354.471	354.471
<b>Corporate Credit Cards-TL</b>	<b>12.977</b>	<b>5</b>	<b>12.982</b>
With installment	-	5	5
Without installment	12.977	-	12.977
<b>Corporate Credit Cards-FC</b>	<b>15</b>	<b>-</b>	<b>15</b>
With installment	-	-	-
Without installment	15	-	15
<b>Credit Deposit Account-TL (Legal Person)</b>	<b>49.872</b>	<b>-</b>	<b>49.872</b>
<b>Credit Deposit Account-FC (Legal Person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>122.850</b>	<b>959.274</b>	<b>1.082.124</b>

6. Loans according to types of borrowers:

	31 December 2014	31 December 2013
Public	-	-
Private	6.449.571	4.750.712
<b>Total</b>	<b>6.449.571</b>	<b>4.750.712</b>

7. Distribution of domestic and foreign loans:

	31 December 2014	31 December 2013
Domestic Loans	6.449.571	4.750.712
Foreign Loans	-	-
<b>Total</b>	<b>6.449.571</b>	<b>4.750.712</b>

8. Loans given to investments in associates and subsidiaries:

None. (31 December 2013 : None)

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9. Specific provisions provided against loans:

	31 December 2014	31 December 2013
Loans and Other Receivables with Limited Collectability	4.410	3.788
Loans and Other Receivables with Doubtful Collectability	20.950	13.788
Uncollectible Loans and Other Receivables	50.575	46.776
<b>Total</b>	<b>75.935</b>	<b>64.352</b>

10. 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 December 2014</b>			
(Gross amounts before the Specific Reserves)	-	-	-
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	31	880	5.218
<b>31 December 2013</b>			
(Gross amounts before the Specific Reserves)	-	-	-
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	2.241	110	7.928

(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>24.440</b>	<b>34.523</b>	<b>61.511</b>
Additions (+)	118.409	5.707	31.607
Transfers from Other Categories of Non-performing Loans (+)	-	85.310	62.985
Transfers to Other Categories of Non-performing Loans (-)	87.185	61.110	-
Collections (-)(**)	29.210	5.133	24.365
Write-offs (-)(*)	-	1.696	70.174
Corporate and Commercial Loans	-	1.696	69.892
Consumer Loans	-	-	97
Credit Cards	-	-	185
Other	-	-	-
<b>Balance at the End of the Period</b>	<b>26.454</b>	<b>57.601</b>	<b>61.564</b>
Specific Provision (-)	4.410	20.950	50.575
<b>Net Balance on Balance Sheet</b>	<b>22.044</b>	<b>36.651</b>	<b>10.989</b>

(\*)Non-performing receivables amounting to TL 3.726 presented under collections in the table above have been transferred to the receivables account readjusted within the framework of the related regulations and tied to a new amortization plan.

(\*\*) Consists of non-performing loans removed from assets through sale to Final Varlık Yönetim A.Ş. on November 13, 2014.

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

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and other receivables with limited collectability</b>	<b>Loans and other receivables with doubtful collectability</b>	<b>Uncollectible loans and other receivables</b>
<b>31 December 2014</b>			
Period-End Balance	4.812	1.271	14.326
Specific Provision (-)	962	634	12.751
<b>Net Balance on balance sheet</b>	<b>3.850</b>	<b>637</b>	<b>1.575</b>
<b>31 December 2013</b>			
Period-End Balance	4.135	7.427	17.720
Specific Provision (-)	783	2.757	12.554
<b>Net Balance on balance sheet</b>	<b>3.352</b>	<b>4.670</b>	<b>5.166</b>

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

	<b>III. Group</b>	<b>IV. Group</b>	<b>V. Group</b>
	<b>Loans and other receivables with limited collectability</b>	<b>Loans and other receivables with doubtful collectability</b>	<b>Uncollectible loans and other receivables</b>
<b>Current Period (Net)</b>	<b>22.044</b>	<b>36.651</b>	<b>10.989</b>
Loans Given to Real Persons and Legal Persons (Gross)	24.120	56.900	48.854
Specific Provision Amount (-)	3.943	20.600	38.421
Loans Given to Real Persons and Legal Persons (Net)	20.177	36.300	10.433
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Gross)	-	-	-
Other Loans and Receivables (Gross)	2.334	701	12.710
Specific Provision Amount (-)	467	350	12.154
Other Loans and Receivables (Net)	1.867	351	556
<b>Prior Period (Net)</b>	<b>20.652</b>	<b>20.735</b>	<b>14.735</b>
Loans Given to Real Persons and Legal Persons (Gross)	20.563	33.788	53.445
Specific Provision Amount (-)	3.057	13.420	38.997
Loans Given to Real Persons and Legal Persons (Net)	17.506	20.368	14.448
Banks (Net)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	3.877	735	8.066
Specific Provision Amount (-)	731	368	7.779
Other Loans and Receivables (Net)	3.146	367	287

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

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

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12. Explanations on the write-off policy:

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

**f. Information on held-to-maturity investments:**

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

None.

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.

**g. Information on investments in associates (Net):**

None.

**h. Information on subsidiaries (Net):**

1. Information on unconsolidated subsidiaries:

None.

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

None.

3. Information on consolidated subsidiaries:

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

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

(	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit / Loss	Prior Period Profit / Loss	Fair value
1	752.442	115.957	79	42.845	-	12.163	5.968	-
2 (*)	292.355	101.904	3.140	8.738	-	4.053	(7.814)	-

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



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5. Movement schedules of subsidiaries:

	31 December 2014	31 December 2013
<b>Balance at the beginning of the Period</b>	<b>99.193</b>	<b>88.337</b>
<b>Movements during the Period (*)</b>	<b>103.000</b>	<b>10.856</b>
Purchases	97.799	-
Bonus Shares Obtained	5.201	18.978
Dividends from Current Year Income	-	-
Sales	-	-
Revaluation Increase	-	-
Impairment Provision	-	(8.122)
<b>Balance at the end of the Period</b>	<b>202.193</b>	<b>99.193</b>
<b>Capital Commitments</b>	<b>-</b>	<b>-</b>
<b>Share Percentage at the end of the Period (%)</b>	<b>%99,99</b>	<b>%99,99</b>

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

Subsidiaries	31 December 2014	31 December 2013
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	104.210	41.210
Finance Companies	-	-
Other Financial Subsidiaries	97.983	57.983
<b>Total</b>	<b>202.193</b>	<b>99.193</b>

7. Subsidiaries quoted on stock exchange:

None. (31 December 2013 : None)

**i. Information on joint ventures:**

None. (31 December 2013 : None)

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

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

	31 December 2014		31 December 2013	
	Gross	Net	Gross	Net
Less than 1 year	235.542	189.197	171.356	145.359
Between 1-4 years	447.229	373.364	259.853	233.432
More than 4 years	153.971	133.236	62.560	56.235
<b>Total</b>	<b>836.742</b>	<b>695.797</b>	<b>493.769</b>	<b>435.026</b>

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

As of 31 December 2014, there are no positive differences related with hedging derivative financial assets (31 December 2013: None).

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**l. Information on investment property:**

	<b>Immovables</b>	<b>Motor Vehicles</b>	<b>Other Tangible Assets</b>	<b>Total</b>
<b>31 December 2012</b>				
Cost	8.557	203	49.149	57.909
Accumulated depreciation (-)	1.557	163	28.913	30.633
<b>Net book value</b>	<b>7.000</b>	<b>40</b>	<b>20.236</b>	<b>27.276</b>
<b>31 December 2013</b>				
Net book value at beginning of the period	7.000	40	20.236	27.276
Additions	-	-	6.749	6.749
Disposals (-), (net)	-	-	13	13
Impairment	-	-	-	-
Depreciation (-)	144	9	7.217	7.370
Revaluation Increase	344	-	-	344
Cost at Period End	8.901	154	55.783	64.838
Accumulated Depreciation at Period End (-)	1.701	123	36.028	37.852
<b>Closing Net Book Value at Period End</b>	<b>7.200</b>	<b>31</b>	<b>19.755</b>	<b>26.986</b>

	<b>Immovables</b>	<b>Motor Vehicles</b>	<b>Other Tangible Assets</b>	<b>Total</b>
<b>31 December 2013</b>				
Cost	8.901	154	55.783	64.838
Accumulated depreciation (-)	1.701	123	36.028	37.852
<b>Net book value</b>	<b>7.200</b>	<b>31</b>	<b>19.755</b>	<b>26.986</b>
<b>31 December 2014</b>				
Net book value at beginning of the period	7.200	31	19.755	26.986
Additions	1.706	73	6.091	7.870
Disposals (-), (net)	-	-	70	70
Impairment	-	-	-	-
Depreciation (-)	400	22	6.665	7.087
Revaluation Increase	11.495	-	-	11.495
Cost at Period End	22.101	227	60.875	83.203
Accumulated Depreciation at Period End (-)	2.100	145	41.764	44.009
<b>Closing Net Book Value at Period End</b>	<b>20.001</b>	<b>82</b>	<b>19.111</b>	<b>39.194</b>

**m. Information on intangible assets:**

**1. Book value and accumulated depreciation at the beginning and at the end of the period:**

	<b>31 December 2014</b>	<b>31 December 2013</b>
Gross Book Value	65.891	41.408
Accumulated Depreciation (-)	20.348	15.029
<b>Net Book Value</b>	<b>45.543</b>	<b>26.379</b>

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2. Information on movements between the beginning and end of the period:

	31 December 2014	31 December 2013
<b>Beginning of the Period</b>	<b>26.379</b>	<b>24.350</b>
Internally Generated Amounts	-	-
Additions due to Mergers, Transfers and Acquisitions	24.457	6.433
Disposals	-	-
Amount Accounted under Revaluation Reserve	-	-
Impairment	-	-
Impairment Reversal	-	-
Amortisation (-)	5.293	4.404
Net Foreign Currency Difference From Foreign Investments in Associates	-	-
Other Changes in Book Value	-	-
<b>End of the Period</b>	<b>45.543</b>	<b>26.379</b>

**n. Information on investment property:**

None.

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

As of 31 December 2014, the Group has netted-off the calculated deferred tax asset of TL 31.878 (31 December 2013: TL 30.937) and deferred tax liability of TL 14.690 (31 December 2013: TL 5.952) in accordance with “TAS 12” and has recorded a net deferred tax asset of TL 17.188 (31 December 2013: TL 24.985) in the financial statements. As of 31 December 2014 the Group has no deferred tax liability (31 December 2013: None).

As of 31 December 2014 and 31 December 2013, the details of accumulated temporary differences and deferred tax assets and liabilities are presented below:

	Accumulated Temporary Differences		Deferred Tax Assets/Liabilities	
	31 December 2014	31 December 2013	31 December 2014	31 December 2013
Carried Financial Loss (*)	77.787	76.281	15.557	15.256
Provision for Legal Cases	20.191	17.402	4.038	3.480
Provisions for Possible Risks	12.301	26.900	2.460	5.380
Reserve for Employee Rights	24.445	18.211	4.889	3.642
Other Provisions	12.844	10.172	2.569	2.034
Unearned Revenue	11.387	5.278	2.277	1.056
Other	439	443	88	89
<b>Deferred Tax Assets</b>	<b>159.394</b>	<b>154.687</b>	<b>31.878</b>	<b>30.937</b>
Difference Between Book Value and Tax Base of Tangible and Intangible Assets	27.787	15.592	5.557	3.118
Valuation Differences of Derivative Instruments	39.312	14.057	7.862	2.811
Other	6.357	117	1.271	23
<b>Deferred Tax Liabilities</b>	<b>73.456</b>	<b>29.766</b>	<b>14.690</b>	<b>5.952</b>
<b>Deferred Tax Assets / (Liabilities) (Net)</b>	<b>85.938</b>	<b>124.921</b>	<b>17.188</b>	<b>24.985</b>

(\*) Bank’s financial losses carried forward amounting to TL 8.308 is usable in the corporate tax calculations until 2017, TL 68.445 until 2018 and TL 1.034 TL until 2019.

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Movement of deferred tax asset/ liabilities is presented below:

	31 December 2014	31 December 2013
<b>Balance as of 1 January</b>	<b>24.985</b>	<b>9.824</b>
Current year deferred tax income/(expense) (net)	(4.300)	11.603
Deferred tax charged to equity (net)	(3.497)	3.558
<b>Balance at the End of the Period</b>	<b>17.188</b>	<b>24.985</b>

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

The Group has assets held for resale amounting to TL 10.947 (31 December 2013: TL 14.003) and has no discontinued operations.

	31 December 2014	31 December 2013
<b>Prior Period End:</b>		
Cost	14.659	13.486
Accumulated Depreciation (-)	656	481
<b>Net Book Value</b>	<b>14.003</b>	<b>13.005</b>
<b>Current Year End:</b>		
Net book value at beginning of the period	14.003	13.005
Additions	2.198	4.797
Disposals (-)	5.020	3.507
Impairment	-	-
Depreciation (-)	234	292
Cost	11.683	14.659
Accumulated Depreciation (-)	736	656
<b>Closing Net Book Value</b>	<b>10.947</b>	<b>14.003</b>

**q. Information on other assets:**

As of 31 December 2014, other assets amount to TL 208.407 (31 December 2013: TL 246.498) and do not exceed 10% of the total balance sheet excluding off-balance sheet commitments.

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

**a. Information on deposits:**

1. Information on maturity structure of deposits:

i. 31 December 2014:

	Demand	With 7 days notifications	Up to 1 month	1-3 months	3-66 months - 1 year	1 year and over	Accum. Deposit	Total
Saving Deposits	26.205	-	31.543	904.464	132.127	97.074	68.794	1.260.207
Foreign Currency Deposits	190.141	-	264.279	1.980.390	519.656	39.173	59.692	3.053.331
Residents in Turkey	171.026	-	249.935	1.964.688	514.125	36.433	25.576	2.961.783
Residents Abroad	19.115	-	14.344	15.702	5.531	2.740	34.116	91.548
Public Sector Deposits	17.111	-	-	-	-	-	-	17.111
Commercial Deposits	116.082	-	101.524	361.234	74.700	33.621	91.673	778.834
Other Institutions Deposits	1.705	-	883	64.223	25.582	91	-	92.484
Precious Metal Deposits	-	-	-	-	-	-	-	-
Bank Deposits	3.704	-	133.742	-	-	-	-	137.446
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	106	-	69.368	-	-	-	-	69.474
Foreign Banks	3.598	-	64.374	-	-	-	-	67.972
Special Financial Institutions	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Total</b>	<b>354.948</b>	<b>-</b>	<b>531.971</b>	<b>3.310.311</b>	<b>752.065</b>	<b>169.959</b>	<b>220.159</b>	<b>5.339.413</b>

ii. 31 December 2013:

	Demand	With 7 days notifications	Up to 1 month	1-3 months	3-66 months - 1 year	1 year and over	Accum. Deposit	Total
Saving Deposits	22.112	-	18.901	584.467	99.102	37.058	47.242	808.882
Foreign Currency Deposits	177.958	-	121.954	1.229.506	276.114	86.363	33.866	1.925.761
Residents in Turkey	154.032	-	121.954	1.219.902	274.536	83.223	33.303	1.886.950
Residents Abroad	23.926	-	-	9.604	1.578	3.140	563	38.811
Public Sector Deposits	36.753	-	-	258	-	-	-	37.011
Commercial Deposits	74.480	-	57.209	154.732	41.549	27.397	62.687	418.054
Other Institutions Deposits	1.499	-	2.233	35.732	13.371	-	-	52.835
Precious Metal Deposits	-	-	-	-	-	-	-	-
Bank Deposits	14.899	-	150.455	-	-	-	-	165.354
The CBRT	-	-	-	-	-	-	-	-
Domestic Banks	102	-	126.980	-	-	-	-	127.082
Foreign Banks	14.797	-	23.475	-	-	-	-	38.272
Special Financial Institutions	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<b>Total</b>	<b>327.701</b>	<b>-</b>	<b>350.752</b>	<b>2.004.695</b>	<b>430.136</b>	<b>150.818</b>	<b>143.795</b>	<b>3.407.897</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 December 2014	31 December 2013	31 December 2014	31 December 2013
<b>Saving Deposits</b>				
Saving Deposits	407.705	299.714	852.502	509.168
Foreign Currency Savings Deposit	121.979	81.428	1.533.681	604.784
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>529.684</b>	<b>381.142</b>	<b>2.386.183</b>	<b>1.113.952</b>

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

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

	31 December 2014	31 December 2013
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	12.778	3.750
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>12.778</b>	<b>3.750</b>

**b. Information on trading derivative financial liabilities:**

Schedule of negative differences concerning trading derivative financial liabilities:

Trading Derivative Financial Liabilities	31 December 2014		31 December 2013	
	TL	FC	TL	FC
Forward Transactions	6.925	9.147	4.390	298
Swap Agreements	11.294	4.466	12.740	2.829
Futures Transactions	-	-	-	-
Options	48	23.062	933	106.035
Other	-	-	-	-
<b>Total</b>	<b>18.267</b>	<b>36.675</b>	<b>18.063</b>	<b>109.162</b>

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**c. Information on borrowings:**

1. Information on banks and other financial institutions:

	31 December 2014		31 December 2013	
	TL	FC	TL	FC
The CBRT Borrowings	-	-	-	-
From Domestic Banks and Institutions	157.275	197.555	76.743	86.562
From Foreign Banks, Institutions and Funds	1.304	1.564.532	-	1.588.137
<b>Total</b>	<b>158.579</b>	<b>1.762.087</b>	<b>76.743</b>	<b>1.674.699</b>

2. Information on maturity structure of borrowings:

	31 December 2014		31 December 2013	
	TL	FC	TL	FC
Short-term	78.840	140.460	76.743	219.474
Medium and Long-term	79.739	1.621.627	-	1.455.225
<b>Total</b>	<b>158.579</b>	<b>1.762.087</b>	<b>76.743</b>	<b>1.674.699</b>

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

The Group’s main funding sources are deposits and borrowings. As of 31 December 2014, deposits and borrowings from Group’s risk group comprise 0,6% (31 December 2013: 0,3%) of total deposits. Besides this, Borrowings from Bank’s risk group comprise 57% (31 December 2013: 68%) of subordinated and other borrowings.

**d. Information on other foreign liabilities:**

Other foreign liabilities amounting to TL 94.731 (31 December 2013: TL 68.774) do not exceed 10% of the total balance sheet excluding off-balance sheet commitments.

**e. Information on financial lease agreements:**

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

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

None.

**g. Information on provisions:**

1. Information on general provisions:

	31 December 2014	31 December 2013
<b>General Provisions</b>	<b>64.659</b>	<b>48.122</b>
Provisions for First Group Loans and Receivables	48.904	35.165
Additional Provision for Loans and Receivables with Extended Maturities	2.601	3.924
Provisions for Second Group Loans and Receivables	10.325	8.022
Additional Provision for Loans and Receivables with Extended Maturities	8.167	6.894
Provisions for Non-Cash Loans	2.745	2.598
Other	2.685	2.337

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(Continued)**

2. Information on reserve for employment termination benefits:

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

The payment amount which is one month's salary for each working year is restricted to TL 3.438,22 (31 December 2013: TL 3.254,44). Employee termination benefits are not funded as there is no funding requirement.

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

	31 December 2014	31 December 2013
Discount rate (%)	2,45	3,10
Salary increase rate (%)	7,00	7,40
Average remaining work period (Year)	11,86	11,11

Movement of reserve for employment termination benefits during the period:

	31 December 2014	31 December 2013
As of January 1	8.024	7.866
Service cost	1.634	1.246
Interest cost	679	548
Settlement cost	596	205
Actuarial loss/gain	980	(80)
Benefits paid	2.842	1.761
<b>Total</b>	<b>9.071</b>	<b>8.024</b>

In addition, as of 31 December 2014 the Group has accounted for vacation rights provision amounting to TL2.474 (31 December 2013: TL 2.155) and personnel bonus provision amounting to TL 12.900 (31 December 2013: TL 8.032).



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3. Other provisions:

(i) Information on provisions for possible risks:

	31 December 2014	31 December 2013
Provisions for possible risks (*)	12.301	26.900
<b>Total</b>	<b>12.301</b>	<b>26.900</b>

(\*) The Group sets aside a provision for possible risks related to loan portfolio.

(ii) Information on other provisions:

The Group set aside reserves amounting to TL 20.191 (31 December 2013: TL 17.402) for lawsuits, TL 2.818 (31 December 2013: TL 2.937) for non-cash loans, TL 590 (31 December 2013: TL 4.730) for customer cheques commitments, TL 76 (31 December 2013: TL 108) for credit card loyalty points and TL 146 (31 December 2013: TL 133) for other receivables.

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

As of 31 December 2014, the provision related to the foreign currency difference of foreign indexed loans amounts to TL 2.858 (31 December 2013: TL 55) and is netted from the loan amount in the financial statements.

**h. Information on taxes payable:**

1. Information on tax provision:

As of 31 December 2014, the corporate tax provision is TL 1.435 (31 December 2013: TL 686).

2. Information on taxes payable:

	31 December 2014	31 December 2013
Corporate Tax Payable	1.435	686
Taxation of Marketable Securities	5.970	4.400
Property Tax	187	161
Banking Insurance Transaction Tax	4.543	3.997
Value Added Tax Payable	352	224
Other	3.747	2.591
<b>Total</b>	<b>16.234</b>	<b>12.059</b>

3. Information on premium payables:

	31 December 2014	31 December 2013
Social Security Premiums-Employee	1.132	894
Social Security Premiums-Employer	1.201	982
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	57	46
Unemployment Insurance-Employer	113	93
Other	-	-
<b>Total</b>	<b>2.503</b>	<b>2.015</b>

4. Information on deferred tax liability:

As of 31 December 2014, the Group has netted-off the calculated deferred tax asset of TL 31.878 (31 December 2013: TL 30.937) and deferred tax liability of TL 14.690 (31 December 2013: TL 5.952) in accordance with “TAS 12” and has recorded a net deferred tax asset of TL 17.188 (31 December 2013: TL 24.985) in the financial statements. As of 31 December 2014 the Group has no deferred tax liability (31 December 2013: None).

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

None.

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**j. Information on subordinated loans:**

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

Issuing Institution	Amount	Opening Date	Vade	Interest Rate (%)
Burgan Bank S.A.K.	USD 150.000.000	06 December 2013	04 December 2023	LIBOR+3,75

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

**1. Information on subordinated loans:**

	31 December 2014		31 December 2013	
	TL	FC	TL	FC
Domestic Banks	-	-	-	-
Other Domestic	-	-	-	-
Foreign Banks	-	349.959	-	320.478
Other Foreign	-	-	-	-
<b>Total</b>	-	<b>349.959</b>	-	<b>320.478</b>

**k. Information on shareholders’ equity:**

**1. Presentation of paid-in capital:**

	31 December 2014	31 December 2013
Common Stock	900.000	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:**

Capital System	Paid-in Capital	Ceiling
Registered Capital	900.000	1.000.000

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

Date of Increase	Amount of Increase	Cash	Profit Reserves Subject to Increase	Capital Reserves Subject to Increase
03 November 14	110.000	110.000	-	-
15 December 14	220.000	220.000	-	-

**4. Information on capital increases from capital reserves during the current period:**

None.

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

None.

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

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

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

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

8. Information on marketable securities valuation reserve:

	31 December 2014		31 December 2013	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	795	365	(4.414)	-
Foreign Currency Difference	-	-	-	-
<b>Total</b>	<b>795</b>	<b>365</b>	<b>(4.414)</b>	-

9. Information on tangible assets revaluation reserve:

	31 December 2014		31 December 2013	
	TL	FC	TL	FC
Movables	-	-	-	-
Immovables	13.187	-	3.992	-
Common Stocks of Investments in Associates, Subsidiaries that will be added to the Capital and Sales Income from Immovables	-	-	-	-
<b>Total</b>	<b>13.187</b>	-	<b>3.992</b>	-

10. Information on distribution of retained earnings:

Among the overall loss amounting to TL 53.697 for 2013, TL 16.057 was allocated under previous year’s loss, TL 298 was allocated as legal reserves, TL 469 was classified as extraordinary reserves and TL 38.407 of this amount was netted by extraordinary reserves.

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

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

1. The amount and type of irrevocable commitments:

	<b>31 December 2014</b>	<b>31 December 2013</b>
Foreign currency buy/sell commitments	301.592	278.991
Commitments for cheques	264.651	22.658
Loan limit commitments	152.030	84.629
Commitments for credit card limits	37.353	41.413
Tax and fund obligations arising from export commitments	2.000	178
Promotions for the credit cards and their care services	2	-
Blocked cheques given to customers	-	18
<b>Total</b>	<b>757.628</b>	<b>427.887</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:

	<b>31 December 2014</b>	<b>31 December 2013</b>
Letter of guarantees	914.041	771.163
Letter of credits	176.485	257.308
Bank acceptance loans	69.213	89.512
Other guarantees	30.800	67.886
Factoring guarantees	213	752
<b>Total</b>	<b>1.190.752</b>	<b>1.186.621</b>

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

	<b>TL</b>	<b>FC</b>
Irrevocable letters of guarantee	436.268	193.467
Guarantees given to customs	35.769	27.466
Revocable letters of guarantee	32.745	41.033
Letters of guarantee given in advance	8.269	73.206
Other letters of guarantee	21.647	44.171
<b>Total</b>	<b>534.698</b>	<b>379.343</b>

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

	31 December 2014	31 December 2013
Non-cash loans given against cash loans	88.246	84.207
With original maturity of 1 year or less than 1 year	-	-
With original maturity of more than 1 year	88.246	84.207
Other non-cash loans	1.102.506	1.102.414
<b>Total</b>	<b>1.190.752</b>	<b>1.186.621</b>

ii. Information on concentration on non cash loans:

	31 December 2014				31 December 2013			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
<b>Agricultural</b>	<b>7.320</b>	<b>1,36</b>	<b>11.338</b>	<b>1,73</b>	<b>3.421</b>	<b>0,60</b>	<b>8.146</b>	<b>1,33</b>
Farming and Livestock	6.543	1,22	11.338	1,73	3.038	0,53	8.125	1,33
Forestry	514	0,10	-	-	120	0,02	-	-
Fishing	263	0,05	-	-	263	0,05	21	-
<b>Manufacturing</b>	<b>200.490</b>	<b>37,37</b>	<b>295.653</b>	<b>45,19</b>	<b>252.784</b>	<b>44,03</b>	<b>411.340</b>	<b>67,16</b>
Mining	24.721	4,61	39.678	6,06	28.456	4,96	42.423	6,93
Production	168.557	31,42	247.421	37,82	217.619	37,90	368.910	60,23
Electric, Gas, Water	7.212	1,34	8.554	1,31	6.709	1,17	7	-
<b>Construction</b>	<b>112.447</b>	<b>20,96</b>	<b>157.113</b>	<b>24,01</b>	<b>131.336</b>	<b>22,88</b>	<b>29.649</b>	<b>4,84</b>
<b>Services</b>	<b>205.600</b>	<b>38,32</b>	<b>186.313</b>	<b>28,48</b>	<b>170.632</b>	<b>29,72</b>	<b>150.069</b>	<b>24,50</b>
Wholesale and Retail Trade	113.114	21,08	71.429	10,92	106.353	18,52	52.586	8,59
Hotel and Food Services	6.133	1,14	11.531	1,76	2.507	0,44	7.472	1,22
Transportation and Telecommunication	18.622	3,47	24.237	3,70	13.454	2,34	23.891	3,90
Financial Institutions	40.458	7,54	43.661	6,67	29.132	5,07	27.504	4,49
Real Estate and Leasing Ser.	15.927	2,97	29.303	4,48	13.312	2,32	20.844	3,40
Professional Services	5.217	0,97	47	0,01	3.492	0,61	43	0,01
Education Services	66	0,01	-	-	100	0,02	3.404	0,56
Health and Social Services	6.063	1,13	6.105	0,93	2.282	0,40	14.325	2,34
<b>Other</b>	<b>10.624</b>	<b>1,99</b>	<b>3.854</b>	<b>0,59</b>	<b>15.967</b>	<b>2,78</b>	<b>13.277</b>	<b>2,17</b>
<b>Total</b>	<b>536.481</b>	<b>100,00</b>	<b>654.271</b>	<b>100,00</b>	<b>574.140</b>	<b>100,00</b>	<b>612.481</b>	<b>100,00</b>

iii. 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	512.841	374.792	14.238	4.513
Bank Acceptances	1.570	67.643	-	-
Letters of Credit	-	176.485	-	-
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	173	-	40	-
Other Commitments and Contingencies	-	29.901	-	899
<b>Total</b>	<b>514.584</b>	<b>648.821</b>	<b>14.278</b>	<b>5.412</b>

(\*) In addition to non-cash loans stated above, the Group has non-cash loans classified as non-performing loans, amounting to TL 7.657. As of 31 December 2014, the Group has recorded a TL 2.818 provision regarding these risks.

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**b. Investment Funds:**

	31 December 2014	31 December 2013
<b>Types of Trading Transactions</b>		
<b>Foreign currency related derivative transactions (I)</b>	<b>6.769.170</b>	<b>9.831.598</b>
Currency forward transactions	886.544	1.349.143
Currency swap transactions	3.663.637	1.999.508
Futures transactions	-	-
Options	2.218.989	6.482.947
<b>Interest related derivative transactions (II)</b>	<b>3.386.880</b>	<b>1.588.478</b>
Forward rate agreements	-	-
Interest rate swaps	3.382.288	1.557.996
Interest rate options	4.592	30.482
Interest rate futures	-	-
<b>Other Trading Derivative Instruments (III)</b>	<b>37.827</b>	<b>49</b>
<b>A. Total trading derivative transactions (I+II+III)</b>	<b>10.193.877</b>	<b>11.420.125</b>
<b>Types of hedging transactions</b>		
Fair value hedges	-	-
Cash flow hedges	-	-
Foreign currency investment hedges	-	-
<b>B. Total hedging related derivatives</b>	<b>-</b>	<b>-</b>
<b>Total derivative transactions (A+B)</b>	<b>10.193.877</b>	<b>11.420.125</b>

**c. Investment Funds:**

As of 31 December 2014, the Group is the founder of 6 investment funds (31 December 2013: 5) with a total fund value of TL 31.546 (31 December 2013: TL 25.773). The shares of the investment funds established in accordance with the Capital Markets Board legislation are kept dematerialized by Central Registry Agency Inc..

**d. Information on contingent assets and contingent liabilities:**

As of 31 December 2014, the total amount of legal cases against the Group is TL 51.784 (31 December 2013: TL 48.783) and the Group sets aside a provision of TL 20.191 (31 December 2013: TL 17.402) regarding these risks. Due to the delayed reply to e-foreclosure sent by Gökpinar Tax Administration, , negative declaratory action has been claimed at “Denizli Tax Authority” and “Denizli Civil Court of General Jurisdiction” for cancellation of the payment order of TL 25.459, which was notified to the Bank. The transactions have been stopped with obtaining injunction in response to 15% collateral. The law cases in local courts have resulted in favor of the Bank. The cases are at the appeal phase. As a result, the Bank did not book any provision.

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

**MOODY'S (Dated on 10 September 2014)**

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

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**IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED INCOME STATEMENT**

**a. Information on interest income:**

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

	31 December 2014		31 December 2013	
	TL	FC	TL	FC
<b>Interest Income on Loans</b>				
Short-term Loans	299.264	21.773	196.199	26.146
Medium/Long-term Loans	87.511	98.009	58.671	35.609
Interest on Loans Under Follow-up	4.940	-	1.626	-
Premiums Received from Resource Utilisation Support Fund	-	-	-	-
<b>Total</b>	<b>391.715</b>	<b>119.782</b>	<b>256.496</b>	<b>61.755</b>

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

**2. Information on interest income on banks:**

	31 December 2014		31 December 2013	
	TL	FC	TL	FC
From the CBRT	-	-	-	-
From Domestic Banks	1.070	63	481	117
From Foreign Banks	-	13	16	11
Headquarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>1.070</b>	<b>76</b>	<b>497</b>	<b>128</b>

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

	31 December 2014		31 December 2013	
	TL	FC	TL	FC
From Trading Financial Assets	3.363	18	10.480	12
From Financial Assets At Fair Value Through Profit or Loss	-	-	-	-
From Available-for-Sale Financial Assets	61.361	1.021	52.948	-
From Held-to-Maturity Investments	-	-	-	-
<b>Total</b>	<b>64.724</b>	<b>1.039</b>	<b>63.428</b>	<b>12</b>

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

None (31 December 2013: None).

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**b. Information on interest expense:**

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

	31 December 2014		31 December 2013	
	TL	FC	TL	FC
Banks	10.705	57.441	3.008	28.285
The CBRT	-	-	-	-
Domestic Banks	10.669	1.618	3.008	2.043
Foreign Banks	36	55.823	-	26.242
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	-	-	-
<b>Total</b>	<b>10.705</b>	<b>57.441</b>	<b>3.008</b>	<b>28.285</b>

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

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

None (31 December 2013: None).

**3. Information on interest expense on issued securities**

None (31 December 2013: 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	8	2.023	-	-	-	-	-	2.031
Savings Deposits	-	1.896	80.997	13.410	7.271	4.941	-	108.515
Public Deposits	-	-	2.479	-	-	-	-	2.479
Commercial Deposits	-	8.273	31.901	9.337	3.891	6.521	-	59.923
Other Deposits	-	85	6.004	3.223	5	-	-	9.317
7 Day Notice Deposits	-	-	-	-	-	-	-	-
<b>Total</b>	<b>8</b>	<b>12.277</b>	<b>121.381</b>	<b>25.970</b>	<b>11.167</b>	<b>11.462</b>	<b>-</b>	<b>182.265</b>
<b>Foreign Currency</b>								
Foreign Currency Account	-	2.047	40.870	7.930	1.400	1.740	-	53.987
Bank Deposits	-	254	-	-	-	-	-	254
7 Day Notice Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>2.301</b>	<b>40.870</b>	<b>7.930</b>	<b>1.400</b>	<b>1.740</b>	<b>-</b>	<b>54.241</b>
<b>Sum Total</b>	<b>8</b>	<b>14.578</b>	<b>162.251</b>	<b>33.900</b>	<b>12.567</b>	<b>13.202</b>	<b>-</b>	<b>236.506</b>



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**c. Information on dividend income:**

	31 December 2014	31 December 2013
Trading Financial Assets	-	-
Financial Assets at Fair Value through Profit or Loss	-	-
Available-for-Sale Financial Assets	703	488
Other	-	-
<b>Total</b>	<b>703</b>	<b>488</b>

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

	31 December 2014	31 December 2013
<b>Income</b>	<b>5.931.255</b>	<b>3.362.866</b>
Income from Capital Market Transactions	38.509	30.651
From Derivative Financial Transactions	53.006	142.562
Foreign Exchange Gains(*)	5.839.740	3.189.653
<b>Loss (-)</b>	<b>5.894.954</b>	<b>3.335.324</b>
Loss from Capital Market Transactions	29.503	25.194
From Derivative Financial Transactions	50.558	118.473
Foreign Exchange Loss(*)	5.814.893	3.191.657
<b>Net Income/(Loss)</b>	<b>36.301</b>	<b>27.542</b>

(\*) The net foreign exchange profit from foreign exchange gain/loss regarding to derivative financial transactions included in foreign exchange profit is TL 52.688 (31 December 2013: TL 36.568 profit).

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

As of 31 December 2014, the Group’s other operating income is TL 13.474 (31 December 2013: TL 8.043). TL 3.705 (31 December 2013: TL 1.374) of the amount is composed of profit from sales of the fixed assets that were classified as Asset Held for Resale of the Parent Bank.

**f. Provision expenses related to loans and other receivables:**

	31 December 2014	31 December 2013
Specific Provisions for Loans and Other Receivables	48.394	59.675
III. Group Loans and Receivables	13.832	8.344
IV. Group Loans and Receivables	16.359	17.612
V. Group Loans and Receivables	18.203	33.719
General Provision Expenses	16.142	8.237
Provision Expense for Possible Risks	6.533	26.900
Marketable Securities Impairment Expense	-	-
Financial Assets at Fair Value Through Profit or Loss	-	-
Available-for-sale Financial Assets	-	-
Investments in Associates, Subsidiaries and Held-to-Maturity Securities Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Held-to-Maturity Investments	-	-
Other	-	-
<b>Total</b>	<b>71.069</b>	<b>94.812</b>

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

	31 December 2014	31 December 2013
Personnel Expenses	140.113	117.110
Reserve For Employee Termination Benefits	3.260	2.296
Bank Social Aid Pension Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	7.087	7.369
Impairment Expenses of Intangible Assets	-	-
Impairment Expense of Goodwill	-	-
Amortisation Expenses of Intangible Assets	5.293	4.404
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	234	292
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	81.735	70.578
Operational Lease Expenses	23.813	18.608
Maintenance Expenses	2.466	2.348
Advertising Expenses	598	3.833
Other Expense	54.858	45.789
Loss on Sales of Assets	187	8
Other	20.337	19.931
<b>Total</b>	<b>258.246</b>	<b>221.988</b>

(\*) As of 31 December 2014, the employee unused vacation provision expense is TL 351 (31 December 2013: TL 297).

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

The Group has no discontinued operations. The Group’s net loss before taxes from continuing operations is TL 25.322.

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

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

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

As of 31 December 2014, the Group has current tax expense amounting to TL 3.198 and deferred tax income amounting to TL 4.300.

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

The Group has TL 1.501 deferred tax income from temporary differences, TL 601 deferred tax income from carried financial loss, TL 6.402 deferred tax expense and income due to temporary differences closed to net TL 4.300 deferred tax income.

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**EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS  
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3. Information on recognition of temporary difference, financial loss, diminution of tax and exceptions on income statement:

As of 31 December 2014, the Group has TL 4.901 deferred tax expense arising from temporary differences and TL 601 deferred tax income as a result of carried financial loss.

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

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

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

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

None.

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

None.

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

As of 31 December 2014, the Group’s fee and commission income amounts to TL 73.407 (31 December 2013: TL 36.637) and TL 62.683 (31 December 2013: TL 25.863) of the related amount is classified under “Other fee and commission income” account.

	31 December 2014	31 December 2013
<b>Other Fee and Commissions Received</b>		
Commissions From Brokerage Activity-Leveraged Trading	13.934	-
Credit Card and POS Transaction Commission	9.352	2.345
Commissions From Brokerage Activity in Istanbul Stock Exchange	8.373	11.716
Commissions From Brokerage Activity in Turkish Derivative Exchange	8.061	1.157
Insurance Commissions	2.052	1.838
Account Operating Fees	1.512	1.135
Transfer Commissions	1.253	1.010
Commissions on Investment Fund Services	1.010	569
Commissions from Correspondent Banks	463	399
Ortak Nokta Commissions	105	122
Letter of Credit Commissions	21	20
Investment Consultancy Fees	2	3.681
Other	16.545	1.871
<b>Total</b>	<b>62.683</b>	<b>25.863</b>

As of 31 December 2014, Group’s fee and commission expense amounts to TL 16.715 (31 December 2013: TL 6.606) and TL 16.203 (31 December 2013: TL 6.431) of the related amount is classified under “Other” account.

	31 December 2014	31 December 2013
<b>Other Fee and Commissions Given</b>		
Credit Card Transaction Commission	9.102	2.881
Stock Exchange Contribution Expenses	1.572	1.305
EFT Commissions	556	470
Commissions Granted to Correspondent Banks	482	438
Ortak Nokta Clearing Commissions	241	401
Transfer Commissions	140	104
Other	4.110	832
<b>Total</b>	<b>16.203</b>	<b>6.431</b>

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**V. EXPLANATIONS AND NOTES RELATED TO CHANGES IN SHAREHOLDERS’ EQUITY**

**a. Information on change in the shareholder structure of the Parent Bank:**

There is no change in Bank’s partnership structure in 2014.

**b. Information on distribution of profit:**

Among the overall loss amounting to TL 53.697 for 2013, TL 16.057 was allocated under previous year’s loss, TL 298 was allocated as legal reserves, TL 469 was classified as extraordinary reserves and TL 38.407 of this amount was netted by extraordinary reserves.

**c. Information on capital increase:**

Capital of the Bank has been increased to 900.000 TL by 110.000 TL on November 3,2014 and 220.000 TL on December 15,2014.

**d. Information on valuation differences of marketable securities:**

Unrealized gains and losses” arising from changes in the fair value of securities classified as available-for-sale are not recognized in current year income statements; they are recognized in the “Marketable securities valuation reserve” account under equity, until the financial assets are sold, disposed or impaired.

	31 December 2014		31 December 2013	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	795	365	(4.414)	-
Foreign Currency Difference	-	-	-	-
<b>Total</b>	<b>795</b>	<b>365</b>	<b>(4.414)</b>	<b>-</b>

**e. Information on revaluation differences of tangible and intangible assets :**

The reversal from revaluation reserve to their fair value for immovables amounting to TL 9.195 net of tax (31 December 2013: TL 275) is accounted under “Revaluation differences of tangible assets and intangible assets”.

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**VI. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED STATEMENT OF CASH  
FLOWS**

**a. Information on cash and cash equivalent assets:**

Components of cash and cash equivalents and the accounting policy applied in their determination:

Cash, foreign currency, cash in transit and purchased bank cheques together with demand deposits at banks including the CBRT are defined as “Cash”; interbank money market and time deposits in banks with original maturities of less than three months are defined as “Cash Equivalents”.

(i). Cash and cash equivalents at the beginning of period:

	31 December 2014	31 December 2013
<b>Cash</b>	<b>263.688</b>	<b>248.073</b>
Cash, Foreign Currency and Other	31.333	24.698
Demand Deposits in Banks	232.355	223.375
<b>Cash Equivalents</b>	<b>67.707</b>	<b>344.166</b>
Interbank Money Market	21.691	140.629
Time Deposits in Bank	46.016	203.537
<b>Total Cash and Cash Equivalents</b>	<b>331.395</b>	<b>592.239</b>

The total amount from the operations that occurred in the prior period is the total cash and cash equivalents amount at the beginning of the current period.

(ii). Cash and cash equivalents at the end of the period:

	31 December 2014	31 December 2013
<b>Cash</b>	<b>393.945</b>	<b>263.688</b>
Cash, Foreign Currency and Other	30.166	31.333
Demand Deposits in Banks	363.779	232.355
<b>Cash Equivalents</b>	<b>239.205</b>	<b>67.707</b>
Interbank Money Market	130.141	21.691
Time Deposits in Bank	109.064	46.016
<b>Total Cash and Cash Equivalents</b>	<b>633.150</b>	<b>331.395</b>

**b. Information on other items presented in the statement of cash flows and the effects of the change in foreign exchange rates on cash and cash equivalents :**

“Other” items presented in “Net operating income before changes in operating assets and liabilities” amount to TL 185.072 (31 December 2013: negative TL281.307) and mainly consists of other operating income excluding collections from non-performing loans, other operating expenses excluding personnel expenses and foreign exchange gain and loss items.

“Net increase/decrease in liabilities” items presented in “Changes in operating assets and liabilities” amount to TL 244.012 (31 December 2013: positive TL 23.840) and consist of changes in other liabilities and miscellaneous payables.

As of 31 December 2014, the effect of change in foreign exchange rate on cash and cash equivalents is calculated as approximately positive TL 2.407 (31 December 2013: negative TL 483).

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**VII. EXPLANATIONS AND NOTES RELATED TO GROUP’S RISK GROUP**

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

Prior period financial information is presented as at 31 December 2013 for balance sheet and 31 December 2013 for income statements items.

1. 31 December 2014:

Groups’ Risk Group (*) Loans and Other Receivables	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Balance at the Beginning of the Period		18.786	-	126	13.267	892
Balance at the End of the Period		18.079	-	-	24	26.972
<b>Interest and Commission Income Received</b>					1.237	

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

2. 31 December 2013:

Groups’ Risk Group (*) Loans and Other Receivables	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Balance at the Beginning of the Period	-	12.239	-	-	21	-
Balance at the End of the Period	-	18.786	-	126	13.267	892
<b>Interest and Commission Income Received</b>					32	2

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

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

Groups’ Risk Group(*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		Other real and legal persons that have been included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Deposit</b>						
Beginning of the Period	-	-	576	445	8.812	3.376
End of the Period	-	-	21.433	576	13.257	8.812
<b>Interest Expense on Deposits</b>			30	25	412	420

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

Groups’ Risk Group(*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		Other real and legal persons that have been included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Repurchase Transactions</b>						
Beginning of the Period	-	-	-	-	-	108
End of the Period	-	-	-	-	-	-
<b>Interest Expense on Repurchase Transactions</b>						2

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

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

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

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

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

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

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

	<b>Total Risk Group</b>	<b>Share in Financial Statements (%)</b>
Borrowings	1.292.917	56,94
Non-cash loans	45.051	3,78
Deposit	34.690	0,65
Banks and Other Financial Institutions	85	0,07
Loans	24	0,00

As of 31 December 2014, the Goup has realized interest expense amounting to TL 35.723 (31 December 2013: 5.873) on loans borrowed from the direct shareholders.

As of 31 December 2014, the Bank has realized dividend profit amounting to TL 5.201 from it’s subsidiary company Burgan Finansal Kiralama A.Ş.

3. Equity accounting transactions:  
None.



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

In accordance with the limits in Banking Law, cash and non-cash loans are allocated to the Group's risk group and the amount composes 0,58% (31 December 2013: 0,55%) of the Group's total cash and non-cash loans.

As of 31 December 2014 there are no purchase-sales transactions on any assets including real-estate with the risk group consisting the Bank.

As of 31 December 2014 there are no agreements related to transfer and management of the information gathered from the research and development with the risk group that the Parent Bank is included.

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

Top management of the Bank is composed of the Board of Directors, General Manager and Vice General Managers. The sum of benefits paid to top management, totals TL 18.640 (31 December 2013: TL 12.273) which include total gross salary, travel, meal, health, life insurance and other expenses.

**VIII. EXPLANATIONS AND NOTES RELATED TO THE DOMESTIC, FOREIGN, OFF-SHORE BRANCHES AND FOREIGN REPRESENTATIVES OF THE PARENT BANK**

- a. Information on domestic, foreign branches and foreign representatives:

	Number	Employee number			
Domestic Branch	58	1.046			
			<b>Country of Incorporation</b>		
Foreign Representative	-	-	-		
				<b>Total Asset</b>	<b>Statutory share capital</b>
Foreign Branch	-	-	-	-	-
Off-Shore Banking Region Branch	-	-	-	-	-

- b. There is no event that would affect opening or closing a domestic branch, a foreign branch or a representative office.

**IX. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS**

In the Bank's Board of Directors meeting dated February 24, 2015 it has been decided to incorporate Burgan Faktoring A.Ş. trade named company with total TL 20.000.000 worth capital in cash in order to operate in factoring activities and authorize head office obtaining the necessary permissions for the incorporation of the company in question and for the preparation of the Articles of Association of the said Company as well as other all works and transactions required.

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**SECTION SIX**

**OTHER EXPLANATIONS**

**I. OTHER EXPLANATIONS RELATED TO BANK’S OPERATIONS**

None.

**SECTION SEVEN**

**EXPLANATIONS ON REVIEW REPORT**

**I. EXPLANATIONS ON REVIEW REPORT**

The consolidated financial statements for the period ended 31 December 2014 have been reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of Ernst&Young) and the auditor’s report dated March 6, 2014 has been presented prior to the consolidated financial statements.

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

None.

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