

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
CONSOLIDATED FINANCIAL STATEMENTS AND
REVIEW REPORT ORIGINALLY ISSUED IN TURKISH,
SEE IN NOTE 1. OF SECTION THREE**

BURGAN BANK A.Ş.

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

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

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Burgan Bank Anonim Şirketi:

We have reviewed the consolidated balance sheet of Burgan Bank Anonim Şirketi ("the Bank") and its consolidated subsidiary as at 31 March 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 period then ended. These consolidated financial statements are the responsibility of the Bank's management. Our responsibility as independent auditors is to issue a report on these consolidated financial statements based on our review.

We conducted our review in accordance with the regulations on account and booking system and accounting and independent principles set out as per the Banking Act No.5411. Those principles require that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to applying analytical procedures to financial data and making inquiries of the Bank's management, and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not give a true and fair view of the financial position of Burgan Bank Anonim Şirketi and its consolidated subsidiary at 31 March 2014 and of the results of its operations and its cash flows for the period then ended in accordance with accounting principles and standards set out by regulations in conformity with Article 37 and 38 of Banking Law No. 5411 and other regulations, communiqués, interpretations and circulars published by the Banking Regulation and Supervision Agency on accounting and financial reporting principles.

The consolidated financial statements of the Bank and its consolidated subsidiary as of and for the three months period ended 31 March 2013 and as of and for the year ended 31 December 2013 prepared in accordance with the accounting principles and standards set out by regulations in conformity with Article 37 and 38 of the Banking Act No. 5411 were reviewed and audited, respectively, by another audit firm, who in their review report dated 15 May 2013 stated that nothing has come to their attention that causes them to believe that the consolidated financial statements of the Bank as of and for the three months ended 31 March 2013 do not give a true and fair view of the financial position, results of operations and cash flows 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, communiqués, interpretations and circulars published by the Banking Regulation and Supervision Agency ("BRSA") on accounting and financial reporting principles, and in their report dated 14 March 2014 expressed an unqualified opinion on the consolidated financial statements as of and for the year ended 31 December 2013.

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

Additional paragraph for convenience translation to English:

As explained in detail in Note I of Section Three, the effects of differences between accounting principles and standards set out by 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,
SMMM, Partner

İstanbul, Turkey
15 May 2014

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

**THE CONSOLIDATED FINANCIAL REPORT OF
BURGAN BANK A.Ş. AS OF 31 MARCH 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** INDEPENDENT AUDITOR'S REPORT

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

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

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

15 May 2014

Mehmet N. ERTEN
Chairman of the
Board of Directors

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

A.İdil KURAL
Finance Executive
Vice President

Ahmet CİĞA
Head of Accounting,
Tax, and
Reporting Unit

Halis Murat ECE
Head of the Audit Committee

Adrian Alejandro
GOSTUSKİ
Member of the Audit
Committee

Faisal H.M.H. AL AYYAR
Member of the Audit
Committee

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

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

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BURGAN BANK A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2014

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

SECTION ONE

GENERAL INFORMATION

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

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

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

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

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

Under the agreement regarding the sale of Eurobank Ergasias S.A.’s Turkey operations to Burgan Bank S.A.K., 70% of the bank shares belonging to Eurobank EFH Holding (Luxemburg) S.A. and 29,26% of the shares belonging to Tekfen Holding A.Ş. are bought by Burgan Bank 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.

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BURGAN BANK A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 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:

<u>Title</u>	<u>Name</u>	<u>Responsibility</u>	<u>Education</u>
Chairman of the Board of Directors:	Mehmet Nazmi Erten	Chairman of Board of Directors	Undergraduate
Board of Directors Members:	Faisal H.M.H. Al Ayyar	Vice President	Undergraduate
	Eduardo Eguren Linsen	Member	Undergraduate
	Faisal M.A. Al Radwan	Member	Undergraduate
	Majed E.A.A. Al Ajeel	Member	Graduate
	Adrian Alejandro Gostuski	Member	Graduate
	Mehmet Alev Göçmez	Member	Graduate
	Halis Murat Ece	Member	Undergraduate
	Ali Murat Dinç	Member and General Manager	Graduate
General Manager:	Ali Murat Dinç	Member and General Manager	Graduate
Vice General Managers: (*)	Robbert J. R. Voogt	Operation, IT and Private Banking Senior Vice General Manager	Undergraduate
	Esra Aydın	Operations	Undergraduate
	Mutlu Akpara	Treasury	Graduate
	Hüseyin Cem Öge	Corporate Banking	Graduate
	Ayşe İdil Kural	Financial Affairs	Undergraduate
	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
Audit Committee:	Halis Murat Ece	Committee President	Undergraduate
	Adrian Alejandro Gostuski	Member	Graduate
	Faisal H.M.H. Al Ayyar	Member	Undergraduate

(*) Corporate and Commercial Banking Senior Deputy General Manager Bülent Nur Özkan has registered as of March 31, 2014. Commercial Banking Deputy General Manager Suat Kerem Sözügüzel and Loans Deputy Genel Manager Hasan Hüseyin Uyar have started their duties on 1 April 2014. Private Banking Deputy Fatma Aliye Atalay has registered as of April 30, 2014.

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

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

BURGAN BANK A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 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.	565.772	%99,26	%99,26	-

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

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

As of 31 March 2014, the Parent Bank has 60 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 March 2014, the Group has 1.137 (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

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

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

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

I. BALANCE SHEET	Note (Section Five)	(31/03/2014)			(31/12/2013)		
		TL	FC	Total	TL	FC	Total
ASSETS							
I. CASH AND BALANCES WITH CENTRAL BANK	I-a	104.609	443.543	548.152	165.906	354.748	520.654
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or LOSS (Net)	I-b	101.599	59.470	161.069	181.274	78.633	259.907
2.1 Trading Financial Assets		101.599	59.470	161.069	181.274	78.633	259.907
2.1.1 Government Debt Securities		25.978	233	26.211	89.451	226	89.677
2.1.2 Share Certificates		10.293	-	10.293	5.940	-	5.940
2.1.3 Trading Derivative Financial Assets		62.721	59.237	121.958	83.462	78.407	161.869
2.1.4 Other Marketable Securities		2.607	-	2.607	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		-	-	-	-	-	-
III. BANKS	I-c	385	30.616	31.001	21.178	41.783	62.961
IV. MONEY MARKETS		43.226	-	43.226	21.691	-	21.691
4.1 Interbank Money Market Placements		-	-	-	-	-	-
4.2 Receivables from Istanbul Stock Exchange Money Market		43.226	-	43.226	21.691	-	21.691
4.3 Receivables from Reverse Repurchase Agreements		-	-	-	-	-	-
V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)	I-d	734.089	-	734.089	858.254	-	858.254
5.1 Share Certificates		6.648	-	6.648	6.648	-	6.648
5.2 Government Debt Securities		727.441	-	727.441	851.606	-	851.606
5.3 Other Marketable Securities		-	-	-	-	-	-
VI. LOANS	I-e	2.690.166	1.874.000	4.564.166	2.610.780	2.012.185	4.622.965
6.1 Loans		2.637.473	1.874.000	4.511.473	2.554.658	2.012.185	4.566.843
6.1.1 Loans to Bank's Risk Group		23	33.065	33.088	38	13.229	13.267
6.1.2 Government Debt Securities		-	-	-	-	-	-
6.1.3 Other		2.637.450	1.840.935	4.478.385	2.554.620	1.998.956	4.553.576
6.2 Loans under Follow-up		145.724	-	145.724	120.474	-	120.474
6.3 Specific Provisions (-)		93.031	-	93.031	64.352	-	64.352
VII. FACTORING RECEIVABLES	I-e	183.232	4.510	187.742	179.325	4.544	183.869
VIII. HELD-TO-MATURITY SECURITIES (Net)	I-f	-	-	-	-	-	-
8.1 Government Debt Securities		-	-	-	-	-	-
8.2 Other Marketable Securities		-	-	-	-	-	-
IX. INVESTMENTS IN ASSOCIATES (Net)	I-g	-	-	-	-	-	-
9.1 Consolidated Based on Equity Method		-	-	-	-	-	-
9.2 Unconsolidated		-	-	-	-	-	-
9.2.1 Financial Investments in Associates		-	-	-	-	-	-
9.2.2 Non-financial Investments in Associates		-	-	-	-	-	-
X. SUBSIDIARIES (Net)	I-h	-	-	-	-	-	-
10.1 Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
XI. JOINT VENTURES (Net)	I-i	-	-	-	-	-	-
11.1 Consolidated Based on Equity Method		-	-	-	-	-	-
11.2 Unconsolidated		-	-	-	-	-	-
11.2.1 Financial Joint Ventures		-	-	-	-	-	-
11.2.2 Non-Financial Joint Ventures		-	-	-	-	-	-
XII. LEASE RECEIVABLES (Net)	I-j	48.949	478.413	527.362	47.664	387.362	435.026
12.1 Financial Lease Receivables		57.907	561.556	619.463	55.360	438.409	493.769
12.2 Operational Lease Receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned Income (-)		8.958	83.143	92.101	7.696	51.047	58.743
XIII. HEDGING DERIVATIVE FINANCIAL ASSETS	I-k	-	-	-	-	-	-
13.1 Fair Value Hedge		-	-	-	-	-	-
13.2 Cash Flow Hedge		-	-	-	-	-	-
13.3 Foreign Net Investment Hedge		-	-	-	-	-	-
XIV. PROPERTY AND EQUIPMENT (Net)		25.761	-	25.761	26.986	-	26.986
XV. INTANGIBLE ASSETS (Net)		25.889	-	25.889	26.379	-	26.379
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		25.889	-	25.889	26.379	-	26.379
XVI. INVESTMENT PROPERTY (Net)	I-l	-	-	-	-	-	-
XVII. TAX ASSET	I-m	27.901	-	27.901	25.164	-	25.164
17.1 Current Tax Asset		179	-	179	179	-	179
17.2 Deferred Tax Asset		27.722	-	27.722	24.985	-	24.985
XVIII. ASSETS HELD FOR RESALE AND DISCONTINUED OPERATIONS (Net)	I-n	10.059	-	10.059	14.003	-	14.003
18.1 Held for Resale		10.059	-	10.059	14.003	-	14.003
18.2 Discontinued Operations		-	-	-	-	-	-
XIX. OTHER ASSETS	I-o	117.265	187.879	305.144	65.077	181.421	246.498
TOTAL ASSETS		4.113.130	3.078.431	7.191.561	4.243.681	3.060.676	7.304.357

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

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

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

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

I. BALANCE SHEET	Note (Section Five)	(31/03/2014)			(31/12/2013)		
		TL	FC	Total	TL	FC	Total
LIABILITIES							
I. DEPOSITS	II-a	1.550.476	2.119.266	3.669.742	1.366.471	2.041.426	3.407.897
1.1 Deposits of Bank's Risk Group		4.798	2.201	6.999	3.195	6.193	9.388
1.2 Other		1.545.678	2.117.065	3.662.743	1.363.276	2.035.233	3.398.509
II. TRADING DERIVATIVE FINANCIAL LIABILITIES	II-b	21.044	78.291	99.335	18.063	109.162	127.225
III. BORROWINGS	II-c	107.614	1.540.690	1.648.304	76.743	1.674.699	1.751.442
IV. MONEY MARKETS		487.040		487.040	790.110		790.110
4.1 Funds from Interbank Money Market		-	-	-	-	-	-
4.2 Funds from Istanbul Stock Exchange Money Market		96.360	-	96.360	53.310	-	53.310
4.3 Funds Provided Under Repurchase Agreements		390.680	-	390.680	736.800	-	736.800
V. MARKETABLE SECURITIES ISSUED (Net)							
5.1 Bills		-	-	-	-	-	-
5.2 Asset Backed Securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
VI. FUNDS							
6.1 Borrower Funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
VII. MISCELLANEOUS PAYABLES		62.400	79.222	141.622	54.494	60.103	114.597
VIII. OTHER LIABILITIES	II-d	110.606	7.649	118.255	65.119	3.655	68.774
IX. FACTORING PAYABLES							
X. LEASE PAYABLES (Net)	II-e						
10.1 Financial Lease Payables		-	-	-	-	-	-
10.2 Operational Lease Payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Financial Lease Expenses (-)		-	-	-	-	-	-
XI. HEDGING DERIVATIVE FINANCIAL LIABILITIES	II-f						
11.1 Fair Value Hedge		-	-	-	-	-	-
11.2 Cash Flow Hedge		-	-	-	-	-	-
11.3 Foreign Net Investment Hedge		-	-	-	-	-	-
XII. PROVISIONS	II-g	64.466	43.060	107.526	60.414	58.129	118.543
12.1 General Loan Loss Provision		33.650	16.187	49.837	32.180	15.942	48.122
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Rights		19.981	-	19.981	18.211	-	18.211
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5 Other Provisions		10.835	26.873	37.708	10.023	42.187	52.210
XIII. TAX LIABILITY	II-h	14.286		14.286	14.074		14.074
13.1 Current Tax Liability		14.286	-	14.286	14.074	-	14.074
13.2 Deferred Tax Liability		-	-	-	-	-	-
XIV. PAYABLES FOR ASSET HELD FOR RESALE AND DISCONTINUED OPERATIONS (Net)	II-i						
14.1 Held for Resale		-	-	-	-	-	-
14.2 Discontinued Operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS	II-j		324.282	324.282		320.478	320.478
XVI. SHAREHOLDERS' EQUITY	II-k	581.169		581.169	591.217		591.217
16.1 Paid-in Capital		570.000	-	570.000	570.000	-	570.000
16.2 Capital Reserves		(1.805)	-	(1.805)	(2.130)	-	(2.130)
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Marketable Securities Valuation Reserve		(4.089)	-	(4.089)	(4.414)	-	(4.414)
16.2.4 Tangible Assets Revaluation Reserve		3.992	-	3.992	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		(1.708)	-	(1.708)	(1.708)	-	(1.708)
16.3 Profit Reserves(*)		64.431	-	64.431	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		46.034	-	46.034	89.173	-	89.173
16.3.4 Other Profit Reserves		-	-	-	-	-	-
16.4 Income or (Loss)		(51.457)	-	(51.457)	(83.925)	-	(83.925)
16.4.1 Prior Years' Income or (Loss)		(41.084)	-	(41.084)	(30.228)	-	(30.228)
16.4.2 Current Year Income or (Loss)(*)		(10.373)	-	(10.373)	(53.697)	-	(53.697)
16.5 Minority Shares		-	-	-	-	-	-
TOTAL LIABILITIES		2.999.101	4.192.460	7.191.561	3.036.705	4.267.652	7.304.357

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

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

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

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

II. OFF-BALANCE SHEET	Note (Section Five)	(31/03/2014)			(31/12/2013)		
		TL	FC	Total	TL	FC	Total
A OFF-BALANCE SHEET COMMITMENTS (I+II+III)		3.933.323	9.476.445	13.409.768	4.151.649	8.882.984	13.034.633
I. GUARANTEES AND WARRANTIES	III-a-2-3	560.107	659.681	1.219.788	574.140	612.481	1.186.621
1.1 Letters of Guarantee		559.471	283.853	843.324	573.287	197.876	771.163
1.1.1 Guarantees Subject to State Tender Law		9.481	20.516	29.997	10.202	20.787	30.989
1.1.2 Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3 Other Letters of Guarantee		549.990	263.337	813.327	563.085	177.089	740.174
1.2 Bank Acceptances		208	107.458	107.666	425	89.087	89.512
1.2.1 Import Letter of Acceptance		208	107.458	107.666	425	89.087	89.512
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credit		-	211.852	211.852	-	257.308	257.308
1.3.1 Documentary Letters of Credit		-	211.852	211.852	-	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		428	296	724	428	324	752
1.8 Other Guarantees		-	56.222	56.222	-	67.886	67.886
1.9 Other Collaterals		-	-	-	-	-	-
II. COMMITMENTS	III-a-1	630.463	665.165	1.295.628	411.658	16.229	427.887
2.1 Irrevocable Commitments		630.463	665.165	1.295.628	411.658	16.229	427.887
2.1.1 Asset Purchase and Sales Commitments		192.149	665.165	857.314	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		91.326	-	91.326	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		302.676	-	302.676	278.991	-	278.991
2.1.8 Tax and Fund Liabilities from Export Commitments		18	-	18	18	-	18
2.1.9 Commitments for Credit Card Limits		44.115	-	44.115	41.413	-	41.413
2.1.10 Promotion Commitments for Credit Cards and Banking Services		1	-	1	-	-	-
2.1.11 Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12 Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13 Other Irrevocable Commitments		178	-	178	178	-	178
2.2 Revocable Commitments		-	-	-	-	-	-
2.2.1 Revocable Commitments for Loan Limits		-	-	-	-	-	-
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		2.742.753	8.151.599	10.894.352	3.165.851	8.254.274	11.420.125
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		2.742.753	8.151.599	10.894.352	3.165.851	8.254.274	11.420.125
3.2.1 Forward Foreign Currency Buy/Sell Transactions		335.028	799.866	1.134.894	324.928	1.024.215	1.349.143
3.2.1.1 Forward Foreign Currency Transactions-Buy		129.291	445.879	575.170	27.832	655.192	683.024
3.2.1.2 Forward Foreign Currency Transactions-Sell		205.737	353.987	559.724	297.096	369.023	666.119
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates		472.618	4.085.852	4.558.470	419.893	3.137.611	3.557.504
3.2.2.1 Foreign Currency Swap-Buy		-	1.428.462	1.428.462	108.245	894.103	1.002.348
3.2.2.2 Foreign Currency Swap-Sell		459.368	973.128	1.432.496	294.424	702.736	997.160
3.2.2.3 Interest Rate Swap-Buy		6.625	842.131	848.756	8.612	770.386	778.998
3.2.2.4 Interest Rate Swap-Sell		6.625	842.131	848.756	8.612	770.386	778.998
3.2.3 Foreign Currency, Interest rate and Securities Options		1.930.534	3.265.881	5.196.415	2.420.981	4.092.448	6.513.429
3.2.3.1 Foreign Currency Options-Buy		1.001.934	1.588.045	2.589.979	1.210.495	2.030.983	3.241.478
3.2.3.2 Foreign Currency Options-Sell		928.600	1.656.958	2.585.558	1.210.486	2.030.983	3.241.469
3.2.3.3 Interest Rate Options-Buy		-	10.439	10.439	-	15.241	15.241
3.2.3.4 Interest Rate Options-Sell		-	10.439	10.439	-	15.241	15.241
3.2.3.5 Securities Options-Buy		-	-	-	-	-	-
3.2.3.6 Securities Options-Sell		-	-	-	-	-	-
3.2.4 Foreign Currency Futures		3.547	-	3.547	-	-	-
3.2.4.1 Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2 Foreign Currency Futures-Sell		3.547	-	3.547	-	-	-
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		1.026	-	1.026	49	-	49
B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		15.428.858	9.580.747	25.009.605	14.531.074	9.426.168	23.957.242
IV. ITEMS HELD IN CUSTODY		2.231.556	246.734	2.478.290	2.412.428	247.481	2.659.909
4.1 Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2 Investment Securities Held in Custody		909.527	4.622	914.149	1.162.104	4.629	1.166.733
4.3 Cheques Received for Collection		1.215.942	192.717	1.408.659	1.143.680	182.901	1.326.581
4.4 Commercial Notes Received for Collection		91.298	20.241	111.539	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		14.789	29.154	43.943	16.599	36.611	53.210
4.8 Custodians		-	-	-	-	-	-
V. PLEDGES RECEIVED		13.193.752	9.334.013	22.527.765	12.118.646	9.178.687	21.297.333
5.1 Marketable Securities		13.985	-	13.985	1.043	-	1.043
5.2 Guarantee Notes		10.611.461	7.254.986	17.866.447	9.720.771	7.201.557	16.922.328
5.3 Commodity		209.306	108.873	318.179	176.920	104.413	281.333
5.4 Warranty		-	-	-	-	-	-
5.5 Immovable		2.054.442	1.586.842	3.641.284	1.945.733	1.610.462	3.556.195
5.6 Other Pledged Items		304.558	383.312	687.870	274.179	262.255	536.434
5.7 Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		3.550	-	3.550	-	-	-
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		19.362.181	19.057.192	38.419.373	18.682.723	18.309.152	36.991.875

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

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

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

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

III.	INCOME STATEMENT		01/01/2014-	01/01/2013-
	INCOME AND EXPENSE ITEMS	Note (Section Five)	31/03/2014	31/03/2013
I.	INTEREST INCOME	IV-a	147.003	99.703
1.1	Interest on Loans		106.986	79.026
1.2	Interest Received from Reserve Requirements		-	-
1.3	Interest Received from Banks		61	91
1.4	Interest Received from Money Market Transactions		9	856
1.5	Interest Received from Marketable Securities Portfolio		21.558	9.103
1.5.1	Trading Financial Assets		2.524	1.359
1.5.2	Financial Assets at Fair Value through Profit or Loss		-	-
1.5.3	Available-for-sale Financial Assets		19.034	7.744
1.5.4	Held-to-maturity Investments		-	-
1.6	Financial Lease Income		8.816	5.205
1.7	Other Interest Income		9.573	5.422
II.	INTEREST EXPENSE (-)	IV-b	98.685	53.707
2.1	Interest on Deposits (-)		46.695	44.153
2.2	Interest on Funds Borrowed (-)		16.287	4.140
2.3	Interest Expense on Money Market Transactions (-)		18.095	976
2.4	Interest on Securities Issued (-)		-	-
2.5	Other Interest Expenses (-)		17.608	4.438
III.	NET INTEREST INCOME (I - II)		48.318	45.996
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSE		7.958	6.507
4.1	Fees and Commissions Received		10.502	7.985
4.1.1	Non-cash Loans		2.604	2.987
4.1.2	Other	IV-k	7.898	4.998
4.2	Fees and Commissions Paid (-)		2.544	1.478
4.2.1	Non-cash Loans (-)		106	43
4.2.2	Other (-)	IV-k	2.438	1.435
V.	DIVIDEND INCOME		-	-
VI.	TRADING INCOME / (LOSS) (Net)	IV-c	5.361	5.373
6.1	Trading Gains/(Losses) on Securities		1.913	98
6.2	Trading Gains/(Losses) on Derivative Financial Instruments		4.586	5.639
6.3	Foreign Exchange Gains/(Losses)		(1.138)	(364)
VII.	OTHER OPERATING INCOME	IV-d	3.549	1.870
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		65.186	59.746
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	IV-e	18.297	14.384
X.	OTHER OPERATING EXPENSES (-)(*)	IV-f	59.614	53.472
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		(12.725)	(8.110)
XII.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		-	-
XIII.	INCOME/(LOSS) ON NET MONETARY POSITION		-	-
XV.	INCOME/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS (XI+...+XIV)	IV-g	(12.725)	(8.110)
XVI.	TAX PROVISION FOR CONTINUING OPERATIONS (-)	IV-h	2.352	1.273
16.1	Current Tax Provision (-)		(467)	(374)
16.2	Deferred Tax Provision (-)		2.819	1.647
XVII.	NET INCOME/(LOSS) FROM CONTINUING OPERATIONS (XV- XVI)		(10.373)	(6.837)
XVIII.	INCOME FROM DISCONTINUED OPERATIONS		-	-
18.1	Income from Non-Current Assets Held for Resale		-	-
18.2	Sale Income from Associates, Subsidiaries and Joint Ventures		-	-
18.3	Other Income from Discontinued Operations		-	-
XIX.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
19.1	Expense from Non-Current Assets Held for Resale		-	-
19.2	Sale Losses from Associates, Subsidiaries and Joint Ventures		-	-
19.3	Other Expenses from Discontinued Operations		-	-
XX.	INCOME/(LOSS) BEFORE TAX FROM DISCONTINUED OPERATIONS (XVIII-XIX)		-	-
XXI.	TAX PROVISION FOR DISCONTINUED OPERATIONS (-)		-	-
21.1	Current tax provision		-	-
21.2	Deferred tax provision		-	-
XXII.	NET INCOME/(LOSS) FROM DISCONTINUED OPERATIONS (XX-XXI)		-	-
XXIII.	NET INCOME/(LOSS) (XVII+XXII)	IV-j	(10.373)	(6.837)
23.1	Income / (Loss) of the Group		(10.373)	(6.837)
23.2	Income / (Loss) of Minority Interest		-	-
	Earnings / (Loss) per share (1.000 nominal in TL full)		(0,182)	(0,120)

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 MARCH 2014 AND 31 MARCH 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	31/03/2014	31/03/2013
I. ADDITIONS TO THE MARKETABLE SECURITIES VALUATION RESERVE FROM THE AVAILABLE FOR SALE FINANCIAL ASSETS	407	909
II. REVALUATION DIFFERENCES OF TANGIBLE ASSETS	-	-
III. REVALUATION DIFFERENCES OF INTANGIBLE ASSETS	-	-
IV. FOREIGN EXCHANGE TRANSLATION DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	-	-
V. INCOME/LOSS ON CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Changes)	-	-
VI. PROFIT/LOSS FROM FOREIGN INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Changes)	-	-
VII. EFFECTS OF CHANGES IN ACCOUNTING POLICY AND ERRORS(*)	-	-
VIII. OTHER INCOME AND EXPENSE ITEMS ACCOUNTED IN EQUITY ACCORDING TO TAS	-	-
IX. DEFERRED TAX ON VALUATION DIFFERENCES	(82)	(181)
X. NET INCOME/LOSS ACCOUNTED DIRECTLY IN EQUITY (I+II+...+IX)	325	728
XI. CURRENT PERIOD INCOME/LOSS	(10.373)	(6.837)
11.1 Net Change in Fair Value of Marketable Securities (Transfer to Income Statement)	(378)	(350)
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	(9.995)	(6.487)
XII. TOTAL INCOME/LOSS RELATED TO THE CURRENT PERIOD (X+XI)	(10.048)	(6.109)

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

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 CHANGES IN SHAREHOLDERS' EQUITY AS AT 31 MARCH 2013

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY																			
PREVIOUS PERIOD 31/03/2013	Note (Section Five)	Paid-in Capital	Adjustment to Share Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves(*)	Current Period Net Income / (Loss)	Prior Period Net Income/(Loss)	Marketable Securities Valuation Reserve	Tangible and Intangible Assets Revaluation Reserve	Bonus Shares Obtained from Investments	Hedging Reserves	Valuation Difference of AHS and Discontinued Operations	Total Equity Except for Minority Interest	Minority Interest	Total Shareholders' Equity
I. Prior Period End Balance		570.000	-	-	-	17.862	-	88.773	67	(34.966)	3.536	10.185	3.717	-	-	-	659.174	-	659.174
II. Adjustments according to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Adjustments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Beginning Balance(I+II)		570.000	-	-	-	17.862	-	88.773	67	(34.966)	3.536	10.185	3.717	-	-	-	659.174	-	659.174
Changes in the Period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Increase/Decrease due to the Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Marketable Securities Valuation Differences	(V-d)	-	-	-	-	-	-	-	-	-	-	728	-	-	-	-	728	-	728
IV. Hedging Reserves (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Foreign Investment Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Revaluation Differences of Tangible Assets	(V-e)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Revaluation Differences of Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign Exchange Difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Changes due to the Disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Changes due to the Reclassification of the Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Effects of Changes in Equity of Investments in Associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Capital Increase	(V-c)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Share Premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share Cancellation Profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Adjustment to Share Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other(*)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Current Year Income or Loss		-	-	-	-	-	-	-	-	(6.837)	-	-	-	-	-	-	(6.837)	-	(6.837)
XVIII. Profit Distribution		-	-	-	-	237	-	(225)	-	34.966	(34.978)	-	-	-	-	-	-	-	-
18.1 Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfers to Reserves		-	-	-	-	237	-	(225)	-	34.966	(34.978)	-	-	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (I+II+III+... +XVIII)		570.000	-	-	-	18.099	-	88.548	67	(6.837)	(31.442)	10.913	3.717	-	-	-	653.065	-	653.065

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

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

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BURGAN BANK A.Ş.

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

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY																			
CURRENT PERIOD 31/03/2014	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
I. Prior Period End Balance		570.000	-	-	-	18.099	-	89.173	(1.708)	(53.697)	(30.228)	(4.414)	3.992	-	-	-	591.217	-	591.217
II. Changes in the Period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Increase/Decrease due to the Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Marketable Securities Valuation Differences	(V-d)	-	-	-	-	-	-	-	-	-	-	325	-	-	-	-	325	-	325
IV. Hedging Reserves (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Foreign Investment Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Revaluation Differences of Tangible Assets	(V-e)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Revaluation Differences of Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign Exchange Difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Changes due to the Disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Changes due to the Reclassification of the Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Effects of Changes in Equity of Investments in Associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Capital Increase	(V-c)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Share Premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share Cancellation Profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Adjustment to Share Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Current Year Income or Loss		-	-	-	-	-	-	-	-	(10.373)	-	-	-	-	-	-	(10.373)	-	(10.373)
XVIII. Profit Distribution		-	-	-	-	298	-	(43.139)	-	53.697	(10.856)	-	-	-	-	-	-	-	-
18.1 Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfers to Reserves		-	-	-	-	298	-	(43.139)	-	53.697	(10.856)	-	-	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (I+II+III+... +XVIII)		570.000	-	-	-	18.397	-	46.034	(1.708)	(10.373)	(41.084)	(4.089)	3.992	-	-	-	581.169	-	581.169

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 MARCH 2014 AND 31 MARCH 2013**

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

VI. STATEMENT OF CASH FLOWS	(31/03/2014)	(31/03/2013)
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1 Operating profit before changes in operating assets and liabilities	53.803	(2.410)
1.1.1 Interest received	167.339	89.247
1.1.2 Interest paid	(92.111)	(51.647)
1.1.3 Dividend received	-	-
1.1.4 Fees and commissions received	7.958	6.507
1.1.5 Other income	-	-
1.1.6 Collections from previously written-off loans and other receivables	7.544	6.618
1.1.7 Payments to personnel and service suppliers	(32.622)	(26.711)
1.1.8 Taxes paid	(179)	-
1.1.9 Other	(4.126)	(26.424)
1.2 Changes in operating assets and liabilities	(252.896)	(108.017)
1.2.1 Net (increase)/decrease in trading securities	58.630	(20.676)
1.2.2 Net (increase)/decrease in fair value through profit/loss financial assets	-	-
1.2.3 Net increase/(decrease) in due from banks	(96.337)	-
1.2.4 Net (increase)/decrease in loans	4.209	(22.833)
1.2.5 Net (increase)/decrease in other assets	(147.267)	(81.510)
1.2.6 Net (increase)/decrease in bank deposits	61.525	(14.541)
1.2.7 Net increase/(decrease) in other deposits	195.037	(302.411)
1.2.8 Net increase/(decrease) in funds borrowed	(100.625)	383.828
1.2.9 Net increase/(decrease) in payables	-	-
1.2.10 Net increase/(decrease) in other liabilities	(228.068)	(49.874)
I. Net cash provided from banking operations	(199.093)	(110.427)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II. Net cash provided from investing activities	119.555	(97.055)
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	(646)	(2.978)
2.4 Disposals of property and equipment	1.831	371
2.5 Cash paid for purchase of investments available-for-sale	(128.066)	(94.448)
2.6 Cash obtained from sale of investments available-for-sale	246.436	-
2.7 Cash paid for purchase of investment securities	-	-
2.8 Cash obtained from sale of investment securities	-	-
2.9 Other	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net cash provided from financing activities	-	-
3.1 Cash obtained from funds borrowed and securities issued	-	-
3.2 Cash used for repayment of funds borrowed and securities issued	-	-
3.3 Issued capital instruments	-	-
3.4 Dividends paid	-	-
3.5 Payments for finance leases	-	-
3.6 Other	-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents	274	124
V. Net (increase)/decrease in cash and cash equivalents (I+II+III+IV)	(79.264)	(207.358)
VI. Cash and cash equivalents at beginning of the period	331.395	592.239
VII. Cash and cash equivalents at end of the period	252.131	384.881

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

**CONVENIENCE TRANSLATION OF PUBLICLY
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2014

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

SECTION THREE

ACCOUNTING POLICIES

I. BASIS OF PRESENTATION:

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 are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income

The amendments of TAS and TFRS, except TFRS 9 Financial Instruments, which have been published as of reporting date but have not been effective, have no impact on the accounting policies, financial condition and performance of the Bank. The Bank assess the impact of TFRS 9 Financial Instruments standard.

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

Additional paragraph for convenience translation into English:

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2014

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

ACCOUNTING POLICIES (Continued)

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

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

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

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

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

Consolidation principles for subsidiaries:

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

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

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

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

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

The 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 March 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 March 2014 and 31 December 2013.

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

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

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

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

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

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

The fair values of the derivative financial instruments are calculated by using quoted market prices or by using discounted cash flow models.

Liabilities and receivables arising from the derivative instruments are followed in the off-balance sheet accounts from their contractual values.

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:

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

VII. EXPLANATIONS ON FINANCIAL ASSETS:

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

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

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

Trading financial assets are initially recognized at fair value and are subsequently re-measured at their fair value. However, if fair values cannot be obtained from the fair market transactions, it is accepted that the fair value cannot be measured reliably and that the financial assets are carried at “amortized cost” using the effective interest method. All gains and losses arising from these evaluations are recognized in the income statement. Interest earned while holding financial assets is reported as interest income and dividends received are included separately in dividend income.

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

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ACCOUNTING POLICIES (Continued)

b. Held-to-maturity financial assets:

Held-to-maturity financial assets are assets that are not classified under loans and receivables and held-for-trading at the time of acquisition and are not included in available-for-sale financial assets, with fixed maturities and fixed or determinable payments where management has the intent and ability to hold the financial assets to maturity. Held-to-maturity financial assets are initially recognized at cost which is considered as their fair value. The fair values of held-to-maturity financial assets on initial recognition are either the transaction prices at acquisition or the market prices of similar financial instruments. Held-to-maturity securities are carried at “amortized cost” using the effective interest method after their recognition. Interest income earned from held-to-maturity financial assets is reflected to the statement of income.

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

c. Loans and receivables:

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

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:

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

Government bonds included in the available-for-sale financial assets are subsequently re-measured at fair value. When fair value calculations, based on market prices, cannot be obtained reliably, the available-for-sale financial assets are carried at amortized cost using the effective interest method. Available-for-sale equity securities that have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value. Available-for-sale equity securities that do not have a quoted market price in an active market and whose fair values cannot be reliably measured are carried at cost, less provision for impairment.

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

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS:

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

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

IX. EXPLANATIONS ON OFFSETTING FINANCIAL ASSETS:

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

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ACCOUNTING POLICIES (Continued)

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

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

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

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

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

The Group has no discontinued operations.

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS:

a. Goodwill

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

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

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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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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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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 2013 (2012: 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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b. Deferred tax:

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

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

XIX. EXPLANATIONS ON BORROWINGS:

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

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

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

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

XXI. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES:

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

XXII. EXPLANATIONS ON GOVERNMENT GRANTS:

As of 31 March 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.

	31 March 2014	31 March 2013
Net Income / (Loss) to be Appropriated to Ordinary Shareholders	(10.373)	(6.837)
Weighted Average Number of Issued Ordinary Shares (Thousand)	57.000.000	57.000.000
Earnings Per Ordinary Shares (Disclosed in full TL)	(0,182)	(0,120)

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

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

XXV. EXPLANATIONS ON RELATED PARTIES:

For the purpose of these financial statements, shareholders, key management personnel and board members together with their families and companies controlled by/affiliated with them, and associated companies are considered and referred to as related parties in accordance with "Turkish Accounting Standard for Related Parties" ("TAS 24"). The transactions with related parties are disclosed in detail in Note V of Section Five.

XXVI. EXPLANATIONS ON CASH AND CASH EQUIVALENTS:

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

XXVII. EXPLANATIONS ON SEGMENT REPORTING:

Operational field is distinguishable section of the Group that has different characteristics from other operational fields per earning and conducts the presentation of service group, associated bank products or a unique product. Operating segments are disclosed in Note VII in Section 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 March 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 March 2014, the consolidated capital adequacy ratio of the Group is 13,09% (31 December 2013: 13,70%) which satisfies the requirement of being above both the minimum ratio of 8% stated in the related legislation and the targeted capital requirement stated in BRSA legislation.
- b. Risk Measurement Methods for Calculation of the Capital Adequacy Ratio:

The capital adequacy ratio of the Bank is calculated using the capital required for loan risk, market risk and operational risk. The standard method for measurement of credit and market risk is used as the main indicator in measuring the operational risk. The core credit risk value for the calculation of the capital to mitigate the credit risk loss is computed using the valuation of risk weights and non-cash loans for the loan conversion ratio in accordance with the regulations and “Communiqué on Calculation of Risk Weighted Amounts for 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 March 2014	Risk Weights								Risk Weights							
	Bank								Consolidated							
	0%	20%	50%	75%	100%	150%	200%	250%	0%	20%	50%	75%	100%	150%	200%	250%
Surplus credit risk weighted	1.786.399	77.464	919.611	638.347	4.083.982	24.158	38.211	1	1.732.946	77.464	983.805	674.427	4.565.678	24.165	38.211	1
Risk classifications:																
Claims on sovereigns and Central Banks	1.309.605	-	-	-	64.181	-	-	-	1.315.164	-	-	-	64.181	-	-	-
Claims on regional governments or local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims on administrative bodies and other non-commercial undertakings	-	-	-	-	7	-	-	-	-	-	-	-	7	-	-	-
Claims on multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims on international organizations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Claims on banks and intermediary institutions	358.811	21.071	142.852	-	35.354	680	-	-	323.477	21.071	203.946	-	35.557	680	-	-
Claims on corporates	78.558	49.726	14.968	-	3.423.645	4.530	-	-	54.891	49.726	14.968	-	3.948.029	4.530	-	-
Claims included in the regulatory retail portfolios	12.328	4.523	29	638.347	3.657	-	-	-	12.328	4.523	29	674.427	3.657	-	-	-
Claims secured by residential property	2.600	1.755	750.932	-	257.986	-	-	-	2.600	1.755	753.987	-	258.591	-	-	-
Past due loans	1	-	10.830	-	33.121	4.601	-	-	1	-	10.875	-	37.209	4.608	-	-
Higher risk categories decided by the Board	1.380	389	-	-	-	14.347	38.211	1	1.380	389	-	-	-	14.347	38.211	1
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	23.116	-	-	-	266.031	-	-	-	23.105	-	-	-	218.447	-	-	-

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d. Summary information about consolidated capital adequacy ratio:

	Parent Bank		Consolidated	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
Amount subject to credit risk (ASCR)	412.056	414.577	455.325	451.300
Amount subject to market risk (ASMR)	16.634	19.282	18.079	21.620
Amount subject to operational risk (ASOR)	29.978	21.829	35.877	26.202
Shareholders' equity	848.106	853.691	833.575	854.743
Shareholders' equity/((ASCR+ASMR+ASOR) *12,5*100)	14,60	14,99	13,09	13,70
Core Capital/((ASCR+ASMR+ASOR) *12,5*100)	9,35		8,37	
Seed Capital/((ASCR+ASMR+ASOR)*12,5*100)	9,86		8,91	

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e. Information about consolidated shareholders' equity items:

CORE CAPITAL	31 March 2014
Paid-in capital following all debts in terms of claim in case of the Bank's litigation	570.000
Share premium	-
Share cancellation profits	-
Reserves	62.723
Gains recognized in equity as per TAS	3.992
Profit	-
Current Year Income	-
Prior Years Income	-
Provisions for possible risks	-
Bonus Shares from Investment in Associates, Subsidiaries and Joint Ventures that are not recognized in Profit	-
Seed Capital Before Deductions	636.715
Deductions From Seed Capital	-
Portion of the sum of net loss for the period and accumulated losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS (-)	55.546
Leasehold improvements (-)	5.172
Goodwill or other intangible assets and deferred tax liability related to these items (-)	5.068
Net deferred tax asset/liability (-)	3.610
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 (-)	-
Total Deductions From Seed Capital	69.396
Total Seed Capital	567.319
ADDITIONAL CORE CAPITAL	-
Capital amount and related premiums corresponding to preference shares that are not included to seed capital	-
Debt instruments and premiums deemed suitable by BRSA (issued/ supplied after 1.1.2014)	-
Debt instruments and premiums deemed suitable by BRSA (issued before 1.1.2014)	-
Additional Core Capital before Deductions	-
DEDUCTIONS FROM ADDITIONAL CORE CAPITAL	-
Direct and indirect investments in the additional core capital made by the Bank (-)	-
Portion of the total of net long positions of investment made in equity elements of banks and financial institutions, 10% or less of the shareholding interests of which is owned and which are not consolidated exceeding 10% of the seed capital of the bank (-)	-
Portion of the total of net long positions of investment made in additional principal capital and supplementary capital elements of banks and financial institutions, 10% or more of the shareholding interests of which is owned and which are not consolidated exceeding 10% of the seed capital of the bank (-)	-
Other items defined by BRSA (-)	-
Amount to be discounted from the additional principal capital in the case that adequate supplementary capital is not available (-)	-
Total Deductions From Additional Core Capital	-
Total Additional Core Capital	-
DEDUCTIONS FROM CORE CAPITAL	-
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 (-)	20.272
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 (-)	14.440
Total Core Capital	532.607
SUPPLEMENTARY CAPITAL	-
Debt instruments and premiums deemed suitable by BRSA (issued/ supplied after 1.1.2014)	-
Debt instruments and premiums deemed suitable by BRSA (issued/ supplied before 1.1.2014)	251.445
Sources pledged to the bank by shareholders to be used in capital increases of the bank	-
General Provisions	49.837
Supplementary Capital before Deductions	301.282
DEDUCTIONS FROM SUPPLEMENTARY CAPITAL	-
Direct and indirect investments in the supplementary capital made by the Bank (-)	-
Portion of the total of net long positions of investment made in equity elements of banks and financial institutions, 10% or less of the shareholding interests of which is owned and which are not consolidated exceeding 10% of the seed capital of the bank (-)	-
Portion of the total of net long positions of investment made in additional principal capital and supplementary capital elements of banks and financial institutions, 10% or less of the shareholding interests of which is owned and which are not consolidated exceeding 10% of the seed capital of the bank (-)	-
Other items defined by BRSA (-)	-
Total Deductions From Supplementary Capital	-
Total Supplementary Capital	301.282
CAPITAL	833.889
DEDUCTIONS FROM CAPITAL	314
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 (-)	314
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 (-)	-
Amount to be discounted from equity in accordance with paragraph two of article 20 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks (-)	-
Other items defined by BRSA (-)	-
Portion of the total of net long positions of investment made in equity elements of banks and financial institutions, 10% or less of the shareholding interests of which is owned and which are not consolidated exceeding 10% of the seed capital of the bank which is not discounted from the additional principal capital and supplementary capital pursuant to paragraph 1 of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
Portion of the total of net long positions of investment made directly or indirectly in additional principal capital or supplementary capital elements of banks and financial institutions, 10% or more of the shareholding interests of which is owned and which are not consolidated which is not discounted from the additional principal capital and supplementary capital pursuant to paragraph 1 of the Provisional Article 2 of the Regulation on the Equity of Banks (-)	-
Portion of the total of net long positions of investment made in seed capital elements, deferred tax assets based on temporary differences and offering mortgage service rights of banks and financial institutions, more than 10% of the shareholding interests of which is owned and which are not consolidated to be discounted from the seed capital pursuant to subparagraphs (1) and (2) of paragraph 2 of the Provisional Article 2 of the Regulation on the Equity of Banks which is not discounted from the seed capital pursuant to paragraph 1 of the Provisional Article 2 of the Regulation (-)	-
EQUITY	833.575
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	13.096

(*) 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.

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	31 December 2013
CORE CAPITAL	
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 (-)	-
Total Core Capital	
SUPPLEMENTARY CAPITAL	
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)	-
Total Supplementary Capital	295.520
CAPITAL	855.062
DEDUCTIONS FROM THE CAPITAL	319
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	-
TOTAL SHAREHOLDERS' EQUITY	854.743

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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)	323.355
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

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II. EXPLANATIONS ON CONSOLIDATED MARKET RISK:

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

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

Information on Market Risk:

	Balance
(I) Capital to be Employed for General Market Risk - Standard Method	4.358
(II) Capital to be Employed for Specific Risk -Standard Method	1.846
Capital to be Employed for Specific Risk in Securitisation Positions – Standard Method	-
(III) Capital to be Employed for Currency Risk - Standard Method	797
(IV) Capital to be Employed for Commodity Risk - Standard Method	-
(V) Capital to be Employed for Clearance Risk - Standard Method	-
(VI) Capital to be Employed for Market Risk Due to Options - Standard Method	63
(VII) Capital to be Employed for the Other Party’s Credit Risk - Standard Method	11.015
(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)	18.079
(X) Amount Subject to Market Risk (12,5 x VIII) or (12,5 x IX)	225.988

III. 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.

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IV. EXPLANATIONS ON CONSOLIDATED CURRENCY RISK:

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

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

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

	EUR		USD	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
31 March 2014/ 31 December 2013				
Bid rate	TL 2,9699	TL 2,9344	TL 2,1557	TL 2,1304
1. Day bid rate	2,9699 TL	2,9344 TL	2,1557 TL	2,1304 TL
2. Day bid rate	3,0072 TL	2,9844 TL	2,1898 TL	2,1604 TL
3. Day bid rate	3,0148 TL	2,9844 TL	2,1912 TL	2,1604 TL
4. Day bid rate	3,0524 TL	2,8693 TL	2,2121 TL	2,0957 TL
5. Day bid rate	3,0831 TL	2,8353 TL	2,2319 TL	2,0710 TL

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

	EUR		USD	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
Arithmetic average-30 days	TL 3,0607	TL 2,8345	TL 2,2135	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
31 March 2014				
Assets				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	5.171	438.286	86	443.543
Due From Banks	13.062	15.189	2.365	30.616
Financial Assets at Fair Value Through Profit or Loss	-	260	-	260
Interbank Money Market Placements	-	-	-	-
Available-for-sale Financial Assets	-	-	-	-
Loans (*)	1.121.875	1.341.052	19.268	2.482.195
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Held-to-Maturity Investments	-	-	-	-
Hedging Derivative Financial Assets	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets(***)	240.181	425.040	1.071	666.292
Total Assets (*)	1.380.289	2.219.827	22.790	3.622.906
Liabilities				
Bank Deposits	35.641	718	18.097	54.456
Foreign Currency Deposits	478.540	1.570.489	15.781	2.064.810
Funds From Interbank Money Market	-	-	-	-
Funds Borrowed From Other Financial Institutions (*)	354.205	1.523.306	167	1.877.678
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	70.132	9.089	1	79.222
Hedging Derivative Financial Liabilities	-	-	-	-
Other Liabilities	3.654	20.196	942	24.792
Total Liabilities (*)	942.172	3.123.798	34.988	4.100.958
Net On-balance Sheet Position	438.117	(903.971)	(12.198)	(478.052)
Net Off-balance Sheet Position	(457.396)	932.729	359	475.692
Financial Derivative Assets	1.124.347	2.411.138	258.173	3.793.658
Financial Derivative Liabilities	1.581.743	1.478.409	257.814	3.317.966
Non-Cash Loans (**)	158.466	493.502	7.713	659.681
31 December 2013				
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
Net On-balance Sheet Position	224.721	(663.640)	(24.803)	(463.722)
Net Off-balance Sheet Position	(222.059)	677.777	25.173	480.891
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
Non-Cash Loans (**)	126.803	475.493	10.185	612.481

(*) 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 TL603.685 (31 December 2013: TL 678.190) and foreign currency indexed loans received amounting to TL 12.706 (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 59.210 (31 December 2013: TL 78.368), in liabilities "Expense Accruals of Derivative Financial Instruments" amounting to TL 78.256 (31 December 2013: TL 109.116), "General Provisions" amounting to TL 16.187 (31 December 2013: TL 15.942) and 9.765 TL (31 December 2013: TL 26.900) "Provisions held for Potential Risks" are not included in the table above 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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V. EXPLANATIONS ON CONSOLIDATED INTEREST RATE RISK:

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

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

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

31 March 2014	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Year and Over	Non Interest Bearing	Total
Assets							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	-	-	-	-	-	548.152	548.152
Due From Banks	18.742	-	-	-	-	12.259	31.001
Financial Assets at Fair Value Through Profit/Loss	23.707	46.904	58.832	18.351	375	12.900	161.069
Interbank Money Market Placements	43.226	-	-	-	-	-	43.226
Available-for-Sale Financial Assets	86.723	-	521.966	118.752	-	6.648	734.089
Loans	1.795.863	1.926.985	694.384	278.736	3.247	52.693	4.751.908
Held-to-Maturity Investments	-	-	-	-	-	-	-
Other Assets	1.088	350	11.167	375.039	139.717	394.755	922.116
Total Assets	1.969.349	1.974.239	1.286.349	790.878	143.339	1.027.407	7.191.561
Liabilities							
Bank Deposits	95.442	-	-	-	-	8.387	103.829
Other Deposits	2.090.500	965.172	218.153	40.526	-	251.562	3.565.913
Funds From Interbank Money Market	487.040	-	-	-	-	-	487.040
Miscellaneous Payables	-	-	-	-	-	141.622	141.622
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	259.287	1.109.805	603.494	-	-	-	1.972.586
Other Liabilities (*)	25.888	40.045	32.168	1.235	-	821.235	920.571
Total Liabilities	2.958.157	2.115.022	853.815	41.761	-	1.222.806	7.191.561
Balance Sheet Long Position	-	-	432.534	749.117	143.339	-	1.324.990
Balance Sheet Short Position	(988.808)	(140.783)	-	-	-	(195.399)	(1.324.990)
Off-balance Sheet Long Position	259	-	1.289	12.146	-	-	13.694
Off-balance Sheet Short Position	(273)	(707)	(2.714)	-	-	-	(3.694)
Total Position	(988.822)	(141.490)	431.109	761.263	143.339	(195.399)	10.000

(*) 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
Assets							
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
Total Assets	2.294.198	2.033.072	1.314.974	677.940	32.962	951.211	7.304.357
Liabilities							
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
Total Liabilities	2.772.734	2.128.974	853.111	314.632	-	1.234.906	7.304.357
Balance Sheet Long Position	-	-	461.863	363.308	32.962	-	858.133
Balance Sheet Short Position	(478.536)	(95.902)	-	-	-	(283.695)	(858.133)
Off-balance Sheet Long Position	-	5.399	7.776	11.767	-	-	24.942
Off-balance Sheet Short Position	(2.893)	-	-	-	-	-	(2.893)
Total Position	(481.429)	(90.503)	469.639	375.075	32.962	(283.695)	22.049

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b. Average interest rates for monetary financial instruments:

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

31 March 2014	EUR	USD	Yen	TL
Assets	%	%	%	%
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	-	-	-	-
Due From Banks	0,45	0,40	-	-
Financial Assets at Fair Value Through Profit/Loss	-	5,76	-	9,65
Interbank Money Market Placements	-	-	-	-
Available-for-Sale Financial Assets	-	-	-	9,78
Loans	5,48	5,31	4,43	14,60
Held-to-Maturity Investments	-	-	-	-
Liabilities				
Bank Deposits	0,44	-	-	10,10
Other Deposits (*)	2,76	2,92	-	11,09
Funds From Interbank Money Market	-	-	-	10,10
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	2,93	2,66	2,76	9,01

31 December 2013	EUR	USD	Yen	TL
Assets	%	%	%	%
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	-	-	-	-
Due From Banks	-	0,37	-	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	-	-	-	-
Liabilities				
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	(59.569)	(7,0%)
2. TRY	-400 bp	54.069	6,4%
3. EURO	+200 bp	(27.849)	(3,3%)
4. EURO	-200 bp	15.252	1,8%
5. USD	+200 bp	(2.825)	(0,3%)
6. USD	-200 bp	1.662	0,2%
Total (For Negative Shocks)		70.984	8,4%
Total (For Positive Shocks)		(90.244)	(10,6%)

d. Share position risk resulting from banking accounts:

None.

VI. EXPLANATIONS ON CONSOLIDATED LIQUIDITY RISK:

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

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

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

In accordance with the "Regulation on Measurement and Assessment of Liquidity Adequacy of the Banks", which came into effect after its publication in the Official Gazette numbered 26333 on 1 November 2006 by BRSA, weekly simple arithmetic average of total liquidity adequacy ratio related to the first maturity period, and total liquidity adequacy ratio related to the second maturity period cannot be less than a hundred percent; weekly simple arithmetic average of the foreign currency liquidity adequacy ratio related to first maturity period, and foreign currency liquidity adequacy ratio related to second maturity period cannot be less than eighty percent as of 1 June 2007. In accordance with the regulation published on 11 December 2009, for the 14 day period subject to the reserve requirement calculation the simple arithmetic average of the ratio of assets which are calculated with hundred percent weight with stock values to liabilities cannot be less than seven percent. The parent Bank's liquidity ratios realized in 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 (%)	138,82%	138,11%	101,54%	108,65%	11,16%
Maximum (%)	173,00%	148,76%	107,66%	119,10%	12,10%
Minimum (%)	115,22%	128,85%	97,80%	101,59%	9,71%

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INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP (Continued)

Breakdown of assets and liabilities according to their outstanding maturities:

31 March 2014	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Year and Over	Unclassified (*)	Total
Assets								
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	23.125	525.027	-	-	-	-	-	548.152
Due From Banks	12.259	18.742	-	-	-	-	-	31.001
Financial Assets at Fair Value Through Profit or Loss	-	23.084	47.883	54.881	21.767	554	12.900	161.069
Interbank Money Market Placements	-	43.226	-	-	-	-	-	43.226
Available-for-Sale Financial Assets	-	18.854	-	393.776	246.828	67.983	6.648	734.089
Loans	-	547.062	1.459.728	1.319.570	1.030.571	342.284	52.693	4.751.908
Held-to-Maturity Investments	-	-	-	-	-	-	-	-
Other Assets (*)	-	142.496	33.490	20.940	402.997	139.717	182.476	922.116
Total Assets	35.384	1.318.491	1.541.101	1.789.167	1.702.163	550.538	254.717	7.191.561
Liabilities								
Bank Deposits	8.387	95.442	-	-	-	-	-	103.829
Other Deposits	251.562	2.090.500	965.172	218.153	40.526	-	-	3.565.913
Funds Borrowed From Other Financial Institutions	-	35.346	47.591	549.487	1.015.880	324.282	-	1.972.586
Funds From Interbank Money Market	-	487.040	-	-	-	-	-	487.040
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	-	52.431	2.540	-	-	-	86.651	141.622
Other Liabilities (**)	-	153.427	40.636	40.967	5.183	-	680.358	920.571
Total Liabilities	259.949	2.914.186	1.055.939	808.607	1.061.589	324.282	767.009	7.191.561
Net Liquidity Gap	(224.565)	(1.595.695)	485.162	980.560	640.574	226.256	(512.292)	-
31 December 2013								
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
Net Liquidity Gap	(280.418)	(1.461.900)	448.036	785.989	835.978	185.443	(513.128)	-

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

VII. EXPLANATIONS ON SECURITIZATION EXPOSURES:

None.

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VIII. EXPLANATIONS ON LOAN RISK MITIGATION TECHNIQUES:

Bank does not perform net-off of balance sheet and off-balance sheet items in credit risk mitigation. In terms of credit risk mitigation the Bank uses real estate as main collateral type, which is reported under different risk class. Legal validity of mortgages is sustained by mortgage’s timely and fair approval.

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

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

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

Risk Group	Amount	Financial Guarantees	Other Material Guarantees	Guarantees and Loan Derivatives
Claims on sovereigns and Central Banks	1.373.726	95.824	-	-
Claims on regional governments or local authorities	-	-	-	-
Claims on administrative bodies and other non-commercial undertakings	35	-	-	-
Claims on multilateral development banks	-	-	-	-
Claims on international organizations	-	-	-	-
Claims on banks and intermediary institutions	601.071	282.246	-	676
Claims on corporates	4.662.861	127.951	-	2.290
Claims included in the regulatory retail portfolios	836.773	23.281	-	2.335
Claims secured by residential property	1.045.372	4.621	-	1.028
Past due loans	52.693	1	-	-
Higher risk categories decided by the Board	54.327	1.767	-	-
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	381.991	-	-	-
Total	9.008.849	535.691	-	6.329

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IX. 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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Risk Limits

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

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

Risk Strategy Objectives

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

Credit Risk Strategy

- The Group shall engage in lending activities towards legal entities and individuals which exhibit satisfactory creditworthiness and financial standing.
- The Group shall maintain a diversified credit portfolio. As such, all business sectors where opportunities for profitable growth exist may be eligible for lending purposes. However the effect of economic cycles and other endogenous or exogenous factors must always be taken under consideration in any credit decision.
- The Group will assume credit risk of which it has a good understanding and is capable to manage, either at individual or at portfolio level.
- 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. Risk management group consists of credit risk, market risk and operational risk divisions.

Risk Measurement and Assessment

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

FX position limits, bond portfolio limits and VaR limits are monitored daily. Interest rate gap limits are monitored monthly. All market risk limit utilizations are reported to the ALCO and Risk 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 test describes the effects of defined changes in yield curves, credit spreads and FX rates on certain on-balance and off-balance items.

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X. EXPLANATIONS ON OPERATING SEGMENTS:

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

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

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

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

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

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

	Retail Banking	Corporate and Commercial Banking	Treasury	Other(*)	Total Operations of the Group
31 March 2014					
Segment revenue	15.958	32.065	4.178	12.985	65.186
Unallocated costs	-	-	-	(12.765)	(77.911)
Net Operating Profit	15.958	32.065	4.178	220	(12.725)
Dividend income	-	-	-	-	-
Profit Before Tax	-	-	-	-	(12.725)
Tax expense	-	-	-	-	2.352
Net Profit	-	-	-	-	(10.373)
Segment assets	904.955	4.100.188	1.150.204	742.936	6.898.283
Investments in associates, subsidiaries and joint ventures	-	-	-	-	-
Unallocated assets	-	-	-	-	293.278
Total Assets	904.955	4.100.188	1.150.204	742.936	7.191.561
Segment liabilities	1.333.169	2.307.196	2.024.639	704.540	6.369.544
Unallocated liabilities	-	-	-	-	822.017
Total Liabilities	1.333.169	2.307.196	2.024.639	704.540	7.191.561

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	Retail Banking	Corporate and Commercial Banking	Treasury	Other(*)	Total Operations of the Group
31 March 2013					
Segment revenue	15.337	27.753	8.825	7.831	59.746
Unallocated costs	-	-	-	(8.664)	(67.856)
Net Operating Profit	15.337	27.753	8.825	(833)	(8.110)
Dividend income	-	-	-	-	-
Profit Before Tax	-	-	-	-	(8.110)
Tax expense	-	-	-	-	1.273
Net Profit	-	-	-	-	(6.837)
31 December 2013					
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
Total Assets	781.125	4.211.251	1.435.927	608.378	7.304.357
Segment liabilities	1.108.990	2.319.365	2.532.494	591.969	6.552.818
Unallocated liabilities	-	-	-	-	751.539
Total Liabilities	1.108.990	2.319.365	2.532.494	591.969	7.304.357

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

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SECTION FIVE

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS

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

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

	31 March 2014		31 December 2013	
	TL	FC	TL	FC
Cash/Foreign currency	13.988	9.117	10.487	20.846
CBRT	90.621	434.426	155.419	333.902
Other	-	-	-	-
Total	104.609	443.543	165.906	354.748

2. Information on the account of the CBRT:

	31 March 2014		31 December 2013	
	TL	FC	TL	FC
Demand Unrestricted Amount	90.621	64.180	155.419	61.278
Time Unrestricted Amount	-	-	-	-
Time Restricted Amount	-	370.246	-	272.624
Total	90.621	434.426	155.419	333.902

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%.

CBRT does not accrue any interest over the Turkish Lira and foreign currency reserve requirements.

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

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

	31 March 2014		31 December 2013	
	TL	FC	TL	FC
Forward Transactions	26.469	599	29.034	606
Swap Transactions	11.328	5.748	18.657	6.193
Futures Transactions	-	-	-	-
Options	24.883	52.890	35.771	71.608
Other	41	-	-	-
Total	62.721	59.237	83.462	78.407

c. Information on banks:

Information on banks:

	31 March 2014		31 December 2013	
	TL	FC	TL	FC
Banks				
Domestic	385	18.526	21.178	26.233
Foreign	-	12.090	-	15.550
Headquarters and Branches Abroad	-	-	-	-
Total	385	30.616	21.178	41.783

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

- Characteristics and carrying values of available-for-sale financial assets given as collateral:
As of 31 March 2014, there are TL 64.443 available-for-sale financial assets given as collateral/blocked (31 December 2013: TL 42.600) and those subject to repurchase agreements amounts to TL402.166 (31 December 2013: TL 732.520).
- Information on available-for-sale financial assets:

	31 March 2014	31 December 2013
Debt Securities	732.057	852.908
Quoted on Stock Exchange	732.057	852.908
Not Quoted	-	-
Share Certificates	6.648	6.648
Quoted on Stock Exchange	-	-
Not Quoted	6.648	6.648
Impairment Provision (-)	4.616	1.302
Total	734.089	858.254

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e. Explanations on loans:

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

	31 March 2014		31 December 2013	
	Cash	Non-cash	Cash	Non-cash
Direct Loans Granted To Shareholders	-	-	-	-
Corporate Shareholders	-	-	-	-
Real Person Shareholders	-	-	-	-
Indirect Loans Granted To Shareholders	-	52	-	126
Loans Granted To Employees	4.380	-	4.167	-
Total	4.380	52	4.167	126

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	4.395.355	74.461	10.110	35.322	175.145
Loans Given to Enterprises	-	-	-	-	-	-
Export Loans	840.859	4.996	-	1.850	4.439	-
Import Loans	-	-	-	-	-	-
Loans Given to Financial Sector	37.826	-	-	-	-	-
Consumer Loans	73.732	-	-	3.128	-	-
Credit Cards	22.325	-	-	754	-	-
Other (*)	3.420.613	69.465	10.110	29.590	170.706	8.822
Specialised Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	4.395.355	74.461	10.110	35.322	175.145	8.822

(*) The Group also has TL 187.742 factoring loans in the Other account.

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(ii)

Number of Modifications Made to Extend Payment Plan	Standard Loans and Other Receivables	Loans and Other Receivables Under Close Monitoring
1 or 2 times	61.740	175.145
3,4 or 5 times	7.419	-
Over 5 times	5.302	-
Total	74.461	175.145

(iii)

Extended Period of Time	Standard Loans and Other Receivables	Loans and Other Receivables Under Close Monitoring
0-6 Months	26.870	99.577
6 Months – 12 Months	674	3.690
1-2 Years	448	1.289
2-5 Years	46.469	70.589
5 Years and Over	-	-
Total	74.461	175.145

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

	Short- term	Medium and Long-term	Total
Consumer Loans-TL	4.958	66.202	71.160
Real estate loans	36	9.550	9.586
Automotive loans	-	397	397
Consumer loans	4.922	56.255	61.177
Other	-	-	-
Consumer Loans-FC Indexed	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Individual Credit Cards-TL	5.469	-	5.469
With installments	-	-	-
Without installments	5.469	-	5.469
Individual Credit Cards- FC	46	-	46
With installments	-	-	-
Without installments	46	-	46
Personnel Loans-TL	327	3.105	3.432
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	327	3.105	3.432
Other	-	-	-
Personnel Loans-FC Indexed	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	938	2	940
With installments	-	2	2
Without installments	938	-	938
Personnel Credit Cards-FC	8	-	8
With installments	-	-	-
Without installments	8	-	8
Credit Deposit Account-TL (Real Person)	2.268	-	2.268
Credit Deposit Account-FC (Real Person)	-	-	-
Total	14.014	69.309	83.323

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

	Short-term	Medium and long-term	Total
Commercial Installments Loans-TL	45.819	377.281	423.100
Real estate loans	-	54	54
Automotive loans	373	6.417	6.790
Consumer loans	32.669	324.232	356.901
Other	12.777	46.578	59.355
Commercial Installments Loans-FC Indexed	6.821	62.252	69.073
Real estate loans	-	1.841	1.841
Automotive loans	-	1.482	1.482
Consumer loans	6.821	58.929	65.750
Other	-	-	-
Commercial Installments Loans-FC	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Corporate Credit Cards-TL	16.520	5	16.525
With installment	-	5	5
Without installment	16.520	-	16.520
Corporate Credit Cards-FC	91	-	91
With installment	-	-	-
Without installment	91	-	91
Credit Deposit Account-TL (Legal Person)	26.142	-	26.142
Credit Deposit Account-FC (Legal Person)	-	-	-
Total	95.393	439.538	534.931

5. Loans according to types of borrowers:

	31 March 2014	31 December 2013
Public	-	-
Private	4.699.215	4.750.712
Total	4.699.215	4.750.712

6. Distribution of domestic and foreign loans:

	31 March 2014	31 December 2013
Domestic Loans	4.699.215	4.750.712
Foreign Loans	-	-
Total	4.699.215	4.750.712

7. Loans given to investments in associates and subsidiaries:

None. (31 December 2013 : None)

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8. Specific provisions provided against loans:

	31 March 2014	31 December 2013
Loans and Other Receivables with Limited Collectability	2.695	3.788
Loans and Other Receivables with Doubtful Collectability	12.402	13.788
Uncollectible Loans and Other Receivables	77.934	46.776
Total	93.031	64.352

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

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

	III. Group Loans and other receivables with limited collectability	IV. Group Loans and other receivables with doubtful collectability	V. Group Uncollectible loans and other receivables
31 March 2014			
(Gross amounts before the Specific Reserves)	-	-	-
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	1.183	148	7.360
31 December 2013			
(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
Prior Period End Balance	24.440	34.523	61.511
Additions (+)	15.881	1.408	15.506
Transfers from Other Categories of Non-performing Loans (+)	-	20.116	20.559
Transfers to Other Categories of Non-performing Loans (-)	20.116	20.559	-
Collections (-)(**)	4.261	1.168	2.116
Write-offs (-)(*)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Balance at the End of the Period	15.944	34.320	95.460
Specific Provision (-)	2.695	12.402	77.934
Net Balance on Balance Sheet	13.249	21.918	17.526

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

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
31 March 2014			
Period-End Balance	3.566	6.809	20.008
Specific Provision (-)	689	2.903	13.925
Net Balance on balance sheet	2.877	3.906	6.083
31 December 2013			
Period-End Balance	4.135	7.427	17.720
Specific Provision (-)	783	2.757	12.554
Net Balance on balance sheet	3.352	4.670	5.166

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

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
Current Period (Net)	13.249	21.918	17.526
Loans Given to Real Persons and Legal Persons (Gross)	12.378	32.309	87.260
Specific Provision Amount (-)	2.006	11.427	69.961
Loans Given to Real Persons and Legal Persons (Net)	10.372	20.882	17.299
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Gross)	-	-	-
Other Loans and Receivables (Gross)	3.566	2.011	8.200
Specific Provision Amount (-)	689	975	7.973
Other Loans and Receivables (Net)	2.877	1.036	227
Prior Period (Net)	20.652	20.735	14.735
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

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f. Information on held-to-maturity investments:

1. Information on held-to-maturity financial assets subject to repurchase agreements:
None.
2. Information on held-to-maturity financial assets given as collateral/blocked:
None.
3. Information on government debt securities held-to-maturity:
None.
4. Information on investment securities held-to-maturity:
None.
5. Movement of held-to-maturity investments within the period:
None.

g. Information on investments in associates (Net):

None.

h. Information on subsidiaries (Net):

1. Important sized subsidiaries’ capital adequacy
None
2. Information on unconsolidated subsidiaries:
None.
3. Main financial figures of the unconsolidated subsidiaries in order of the above table:
None.
4. 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

5. 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)	577.907	47.889	86	8.908	-	1.894	1.412	-
2	(*)	215.611	56.162	3.070	2.284	427	(1.820)	(2.083)	-

(*) 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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6. Movement schedules of subsidiaries:

	31 March 2014	31 December 2013
Balance at the beginning of the Period	99.193	88.337
Movements during the Period	-	10.856
Purchases	-	-
Bonus Shares Obtained	-	18.978
Dividends from Current Year Income	-	-
Sales	-	-
Revaluation Increase	-	-
Impairment Provision	-	(8.122)
Balance at the end of the Period	99.193	99.193
Capital Commitments	-	-
Share Percentage at the end of the Period (%)	%99.99	%99.99

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

Subsidiaries	31 March 2014	31 December 2013
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	41.210	41.210
Finance Companies	-	-
Other Financial Subsidiaries	57.983	57.983
Total	99.193	99.193

8. 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 March 2014		31 December 2013	
	Gross	Net	Gross	Net
Less than 1 year	13.036	12.606	171.356	145.359
Between 1-4 years	272.824	246.246	259.853	233.432
More than 4 years	333.603	268.510	62.560	56.235
Total	619.463	527.362	493.769	435.026

k. Information on hedging derivative financial assets:

As of 31 March 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:

None.

m. Information on deferred tax asset:

As of 31 March 2014, the Group has netted-off the calculated deferred tax asset of TL 31.472 (31 December 2013: TL 30.937) and deferred tax liability of TL3.750 (31 December 2013: TL 5.952) in accordance with “TAS 12” and has recorded a net deferred tax asset of TL27.722 (31 December 2013: TL 24.985) in the financial statements. As of 31 March 2014 the Group has no deferred tax liability (31 December 2013: None).

As of 31 March 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 March 2014	31 December 2013	31 March 2014	31 December 2013
Carried Financial Loss (*)	95.812	76.281	19.162	15.256
Provision for Legal Cases	17.661	17.402	3.532	3.480
Provisions for Possible Risks	9.765	26.900	1.953	5.380
Reserve for Employee Rights	19.981	18.211	3.996	3.642
Other Provisions	11.090	10.172	2.218	2.034
Valuation Differences of Derivative Instruments	-	-	-	-
Unearned Revenue	1.531	5.278	306	1.056
Other	1.524	443	305	89
Deferred Tax Assets	157.364	154.687	31.472	30.937
Valuation Differences of Derivative Instruments	3.034	14.057	607	2.811
Difference Between Book Value and Tax Base of Tangible and Intangible Assets	15.444	15.592	3.089	3.118
Other	272	117	54	23
Deferred Tax Liabilities	18.750	29.766	3.750	5.952
Deferred Tax Assets / (Liabilities) (Net)	138.614	124.921	27.722	24.985

(*) Bank’s financial losses carried forward amounting to TL 5.032 is usable in the corporate tax calculations until 2014, TL 9.945 until 2015, TL 5.728 until 2016, TL 58.373 until 2018 and TL 16.734 until 2019.

Movement of deferred tax asset/ liabilities is presented below:

	31 March 2014	31 December 2013
Balance as of 1 January	24.985	9.824
Current year deferred tax income/(expense) (net)	2.819	11.603
Deferred tax charged to equity (net)	(82)	3.558
Balance at the End of the Period	27.722	24.985

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

The Group has assets held for resale amounting to TL10.059 (31 December 2013: TL 14.003) and has no discontinued operations.

Prior Period End:	31 March 2014	31 December 2013
Cost	14.659	13.486
Accumulated Depreciation (-)	656	481
Net Book Value	14.003	13.005
Current Year End:		
Net book value at beginning of the period	14.003	13.005
Additions	110	4.797
Disposals (-)	3.994	3.507
Impairment	-	-
Depreciation (-)	60	292
Cost	10.643	14.659
Accumulated Depreciation (-)	584	656
Closing Net Book Value	10.059	14.003

o. Information on other assets:

As of 31 March 2014, other assets amount to TL305.144 (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 March 2014:

	Demand	With 7 days notifications	Up to 1 month	1-3 months	3-66 months - months	1 year	1 year and over	Accum. Deposit	Total
Saving Deposits	21.241	-	19.705	633.335	71.180	42.237	34.144	-	821.842
Foreign Currency Deposits	135.268	-	109.283	1.382.418	321.088	55.235	61.517	-	2.064.809
Residents in Turkey	112.128	-	108.632	1.362.543	318.182	53.351	31.112	-	1.985.948
Residents Abroad	23.140	-	651	19.875	2.906	1.884	30.405	-	78.861
Public Sector Deposits	38.286	-	-	45.509	-	-	-	-	83.795
Commercial Deposits	55.844	-	43.147	324.008	31.955	34.784	62.598	-	552.336
Other Institutions Deposits	923	-	832	40.665	711	-	-	-	43.131
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	8.387	-	95.442	-	-	-	-	-	103.829
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	108	-	86.532	-	-	-	-	-	86.640
Foreign Banks	8.279	-	8.910	-	-	-	-	-	17.189
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	259.949	-	268.409	2.425.935	424.934	132.256	158.259	-	3.669.742

ii. 31 December 2013:

	Demand	With 7 days notifications	Up to 1 month	1-3 months	3-66 months - 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	-	-	-	-	-	-	-	-	-
Total	327.701	-	350.752	2.004.695	430.136	150.818	143.795	-	3.407.897

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2. Information on saving deposits insurance:

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

	Under the guarantee of deposit insurance		Exceeding limit of the deposit insurance	
	31 March 2014	31 December 2013	31 March 2014	31 December 2013
Saving Deposits				
Saving Deposits	318.499	299.714	503.343	509.168
Foreign Currency Savings Deposit	100.954	81.428	815.302	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	-	-	-	-
Total	419.453	381.142	1.318.645	1.113.952

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

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

	31 March 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	5.652	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	-	-
Total	5.652	3.750

b. Information on trading derivative financial liabilities:

Schedule of negative differences concerning trading derivative financial liabilities:

Trading Derivative Financial Liabilities	31 March 2014		31 December 2013	
	TL	FC	TL	FC
Forward Transactions	6.705	294	4.390	298
Swap Agreements	13.923	2.676	12.740	2.829
Futures Transactions	-	-	-	-
Options	407	75.321	933	106.035
Other	9	-	-	-
Total	21.044	78.291	18.063	109.162

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c. Information on borrowings:

1. Information on banks and other financial institutions:

	31 March 2014		31 December 2013	
	TL	FC	TL	FC
The CBRT Borrowings	-	-	-	-
From Domestic Banks and Institutions	107.614	94.851	76.743	86.562
From Foreign Banks, Institutions and Funds	-	1.445.839	-	1.588.137
Total	107.614	1.540.690	76.743	1.674.699

2. Information on maturity structure of borrowings:

	31 March 2014		31 December 2013	
	TL	FC	TL	FC
Short-term	76.352	153.894	76.743	219.474
Medium and Long-term	31.262	1.386.796	-	1.455.225
Total	107.614	1.540.690	76.743	1.674.699

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

The Group’s main funding sources are deposits and borrowings. As of 31 March 2014, deposits and borrowings from Group’s risk group comprise 0,2% (31 December 2013: 0,3%) of total deposits. Besides this, Borrowings from Bank’s risk group comprise 66% (31 December 2013: 68%) of subordinated and other borrowings.

d. Information on other foreign liabilities:

Other foreign liabilities amounting to TL118.255 (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 March 2014	31 December 2013
General Provisions	49.837	48.122
Provisions for First Group Loans and Receivables	35.070	35.165
Additional Provision for Loans and Receivables with Extended Maturities	3.699	3.924
Provisions for Second Group Loans and Receivables	9.809	8.022
Additional Provision for Loans and Receivables with Extended Maturities	8.839	6.894
Provisions for Non-Cash Loans	2.735	2.598
Other	2.223	2.337

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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.

As it is explained in detail in the Note XVII of the Accounting Policies, in accordance with revision on TAS 19 effective for the annual reporting periods are beginning from 1 January 2013 actuarial gains and losses recognized in the “Statement of Income and expense items recognized in Equity” and presented in the “Other reserves” item under the Equity section of the financial statements.

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

Movement of reserve for employment termination benefits during the period:

	31 March 2014	31 December 2013
As of January 1	8.024	7.866
Service cost	949	1.246
Interest cost	-	548
Settlement cost	-	205
Actuarial loss/gain	-	(80)
Benefits paid	(471)	(1.761)
Total	8.502	8.024

In addition, as of 31 March 2014 the Group has accounted for vacation rights provision amounting to TL2.618 (31 December 2013: TL 2.155) and personnel bonus provision amounting to TL8.861 (31 December 2013: TL 8.032).

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3. Other provisions:

(i) Information on provisions for possible risks:

	31 March 2014	31 December 2013
Provisions for possible risks (*)	9.765	26.900
Total	9.765	26.900

(*) The Group sets aside a provision of TL 26.900 for possible risks related to loan portfolio.

(ii) Information on other provisions:

The Group set aside reserves amounting to TL 17.661 (31 December 2013: TL 17.402) for lawsuits, TL 4.873 (31 December 2013: TL 2.937) for non-cash loans, TL 5.183 (31 December 2013: TL 4.730) for customer cheques commitments, TL 91 (31 December 2013: TL 108) for credit card loyalty points and TL 135 (31 December 2013: TL 133) for other receivables.

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

As of 31 March 2014, the provision related to the foreign currency difference of foreign indexed loans amounts to TL 3.664 (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 March 2014, the corporate tax provision is TL 467 (31 December 2013: TL 686).

2. Information on taxes payable:

	31 March 2014	31 December 2013
Corporate Tax Payable	467	686
Taxation of Marketable Securities	4.134	4.400
Property Tax	151	161
Banking Insurance Transaction Tax	3.465	3.997
Value Added Tax Payable	362	224
Other	3.622	2.591
Total	12.201	12.059

3. Information on premium payables:

	31 March 2014	31 December 2013
Social Security Premiums-Employee	930	894
Social Security Premiums-Employer	1.014	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	47	46
Unemployment Insurance-Employer	95	93
Other	-	-
Total	2.086	2.015

4. Information on deferred tax liability:

As of 31 March 2014, the Group has netted-off the calculated deferred tax asset of TL 31.472 (31 December 2013: TL 30.937) and deferred tax liability of TL 3.750 (31 December 2013: TL 5.952) in accordance with “TAS 12” and has recorded a net deferred tax asset of TL 27.722 (31 December 2013: TL 24.985) in the financial statements. As of 31 March 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 March 2014		31 December 2013	
	TL	FC	TL	FC
Domestic Banks	-	-	-	-
Other Domestic	-	-	-	-
Foreign Banks	-	324.282	-	320.478
Other Foreign	-	-	-	-
Total	-	324.282	-	320.478

k. Information on shareholders’ equity:

1. Presentation of paid-in capital:

	31 March 2014	31 December 2013
Common Stock	570.000	570.000
Preferred Stock	-	-

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

Capital System	Paid-in Capital	Ceiling
Registered Capital	570.000	1.000.000

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

None.

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

None.

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

None.

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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 March 2014		31 December 2013	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	(4.089)	-	(4.414)	-
Foreign Currency Difference	-	-	-	-
Total	(4.089)	-	(4.414)	-

9. Information on tangible assets revaluation reserve:

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

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

TL 41.084 of the loss for the year 2013 which amounts to TL 83.925 was classified under accumulated losses, TL 298 was classified under legal reserves, TL 5.670 was classified under extraordinary reserves and TL 48.809 was netted-off from extraordinary reserves.

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

a. Information on off balance sheet commitments:

1. The amount and type of irrevocable commitments:

	31 March 2014	31 December 2013
Foreign currency buy/sell commitments	796.808	22.658
Commitments for cheques	302.676	278.991
Loan limit commitments	91.326	84.629
Time securities purchase and sale commitments	60.506	-
Commitments for credit card limits	44.115	41.413
Blocked cheques given to customers	178	178
Tax and fund obligations arising from export commitments	18	18
Promotions for the credit cards and their care services	1	-
Total	1.295.628	427.887

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

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

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

	31 March 2014	31 December 2013
Letter of guarantees	843.324	771.163
Letter of credits	211.852	257.308
Other guarantees	107.666	89.512
Bank acceptance loans	56.222	67.886
Factoring guarantees	724	752
Total	1.219.788	1.186.621

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

	TL	FC
Irrevocable letters of guarantee	431.065	146.390
Guarantees given to customs	57.158	40.138
Letters of guarantee given in advance	44.555	13.910
Revocable letters of guarantee	18.842	68.701
Other letters of guarantee	7.851	14.714
Total	559.471	283.853

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

	31 March 2014	31 December 2013
Non-cash loans given against cash loans	73.287	84.207
With original maturity of 1 year or less than 1 year	-	-
With original maturity of more than 1 year	73.287	84.207
Other non-cash loans	1.146.501	1.102.414
Total	1.219.788	1.186.621

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

	Group I		Group II	
	TL	FC	TL	FC
Non-cash Loans (*)				
Letters of Guarantee	536.508	274.683	14.754	8.893
Bank Acceptances	208	107.458	-	-
Letters of Credit	-	211.852	-	-
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	388	296	40	-
Other Commitments and Contingencies	-	54.630	-	1.592
Total	537.104	648.919	14.794	10.485

(*) In addition to non-cash loans stated above, the Group has non-cash loans classified as non-performing loans, amounting to TL 8.486. As of 31 March 2014, the Group has recorded a TL 4.873 provision regarding these risks.

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b. Investment Funds:

As of 31 March 2014, the Group is the founder of 5 investment funds (31 December 2013: 5) with a total fund value of TL 22.502 (31 December 2012: 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..

c. Information on contingent assets and contingent liabilities:

As of 31 March 2014, the total amount of legal cases against the Group is TL 49.010 (31 December 2013: TL 48.783) and the Group sets aside a provision of TL 17.661 (31 December 2013: TL 17.402) regarding these risks. Due to the delayed reply to e-foreclosure sent by Gökpınar 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 trial is currently in progress and the result is expected to be in favor of the Bank. 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 March 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 March 2014		31 March 2013	
	TL	FC	TL	FC
Interest Income on Loans				
Short-term Loans	62.121	6.682	52.081	6.662
Medium/Long-term Loans	19.409	18.092	13.737	6.329
Interest on Loans Under Follow-up	682	-	217	-
Premiums Received from Resource Utilisation Support Fund	-	-	-	-
Total	82.212	24.774	66.035	12.991

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

2. Information on interest income on banks:

	31 March 2014		31 March 2013	
	TL	FC	TL	FC
From the CBRT	-	-	-	-
From Domestic Banks	35	23	51	38
From Foreign Banks	-	3	-	2
Headquarters and Branches Abroad	-	-	-	-
Total	35	26	51	40

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

None (31 March 2013: None).

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b. Information on interest expense:

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

	31 March 2014		31 March 2013	
	TL	FC	TL	FC
Banks	1.925	14.362	736	3.404
The CBRT	-	-	-	-
Domestic Banks	979	513	736	540
Foreign Banks	946	13.849	-	2.864
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	-	-	-
Total	1.925	14.362	736	3.404

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

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

None (31 March 2013: None).

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

Account Name	Demand Deposit	Time Deposit					Accum. Deposit	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
Turkish Currency								
Bank Deposits	6	713	-	-	-	-	-	719
Savings Deposits	-	483	14.919	2.153	906	831	-	19.292
Public Deposits	-	-	214	-	-	-	-	214
Commercial Deposits	-	1.564	5.606	1.328	621	1.375	-	10.494
Other Deposits	-	19	970	255	-	-	-	1.244
7 Day Notice Deposits	-	-	-	-	-	-	-	-
Total	6	2.779	21.709	3.736	1.527	2.206	-	31.963
Foreign Currency								
Foreign Currency Account	-	390	10.532	2.841	581	318	-	14.662
Bank Deposits	-	70	-	-	-	-	-	70
7 Day Notice Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-
Total	-	460	10.532	2.841	581	318	-	14.732
Sum Total	6	3.239	32.241	6.577	2.108	2.524	-	46.695

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

	31 March 2014	31 March 2013
Income	1.585.788	563.377
Income from Capital Market Transactions	8.816	3.149
From Derivative Financial Transactions	24.227	19.216
Foreign Exchange Gains(*)	1.552.745	541.012
Loss (-)	1.580.427	558.004
Loss from Capital Market Transactions	6.903	3.051
From Derivative Financial Transactions	19.641	13.577
Foreign Exchange Loss(*)	1.553.883	541.376
Net Income/(Loss)	5.361	5.373

(*) The net foreign exchange profit from foreign exchange gain regarding to derivative financial transactions included in foreign exchange gains/loss is TL 10.772 (31 March 2013: TL 1.512 profit).

b. Information on other operating income:

As of 31 March 2014, the Group’s other operating income is TL 3.549 (31 March 2013: TL 1.870). TL 1.831 (31 March 2013: TL 371) 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.

c. Provision expenses related to loans and other receivables:

	31 March 2014	31 March 2013
Specific Provisions for Loans and Other Receivables	13.247	12.271
III. Group Loans and Receivables	5.131	1.874
IV. Group Loans and Receivables	3.638	4.687
V. Group Loans and Receivables	4.478	5.710
General Provision Expenses	1.540	1.871
Provision Expense for Possible Risks	3.510	-
Marketable Securities Impairment Expense	-	242
Financial Assets at Fair Value Through Profit or Loss	-	242
Available-for-sale Financial Assets	-	-
Investments in Associates, Subsidiaries and Held-to-Maturity Securities Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Held-to-Maturity Investments	-	-
Other	-	-
Total	18.297	14.384

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d. Information related to other operating expenses:

	31 March 2014	31 March 2013
Personnel Expenses	32.587	26.711
Reserve For Employee Termination Benefits	1.379	863
Bank Social Aid Pension Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	1.704	1.934
Impairment Expenses of Intangible Assets	-	-
Impairment Expense of Goodwill	-	-
Amortisation Expenses of Intangible Assets	1.244	1.054
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	60	68
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	18.620	18.190
Operational Lease Expenses	5.648	4.225
Maintenance Expenses	653	901
Advertising Expenses	157	2.640
Other Expense	12.162	10.424
Loss on Sales of Assets	-	-
Other	4.020	4.652
Total	59.614	53.472

(*) As of 31 March 2014, the employee unused vacation provision expense is TL 430 (31 March 2013: TL 393).

e. 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 12.725.

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

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

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

As of 31 March 2014, the Group has current tax expense amounting to TL 467 and deferred tax income amounting to TL 2.819.

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

The Group has TL 3.026 deferred tax income from temporary differences, TL 3.906 deferred tax income from carried financial loss, TL 4.113 deferred tax expense and income due to temporary differences closed to net TL 2.819 deferred tax income.

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

As of 31 March 2014, the Group has TL 1.087 deferred tax expense arising from temporary differences and TL 3.906 deferred tax income as a result of carried financial loss.

g. 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.

h. 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 March 2014, the Group’s fee and commission income amounts to TL 10.502 (31 March 2013: TL 7.985) and TL 7.898 (31 March 2013: TL 4.998) of the related amount is classified under “Other fee and commission income” account.

	31 March 2014	31 March 2013
Other Fee and Commissions Received		
Commissions From Brokerage Activity in Istanbul Stock Exchange	2.864	2.129
Commissions From Brokerage Activity-Leveraged Trading	1.611	-
Credit Card and POS Transaction Commission	793	546
Insurance Commissions	406	423
Account Operating Fees	297	296
Commissions From Brokerage Activity in Turkish Derivative Exchange	266	165
Transfer Commissions	265	244
Investment Consultancy Fees	200	496
Commissions from Correspondent Banks	152	84
Commissions on Investment Fund Services	72	151
Ortak Nokta Commissions	25	27
Letter of Credit Commissions	5	5
Other	942	432
Total	7.898	4.998

As of 31 March 2014, Group’s fee and commission expense amounts to TL 2.544 (31 March 2013: TL 1.478) and TL 2.438 (31 March 2013: TL 1.435) of the related amount is classified under “Other fee and commission expense” account.

	31 March 2014	31 March 2013
Other Fee and Commissions Given		
Credit Card Transaction Commission	940	602
Stock Exchange Contribution Expenses	260	200
EFT Commissions	137	93
Commissions Granted to Correspondent Banks	135	69
Ortak Nokta Clearing Commissions	55	111
Transfer Commissions	29	24
Other	882	336
Total	2.438	1.435

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

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

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

1. 31 March 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	-	21.612	-	52	33.088	9.306
Interest and Commission Income Received	-	-	-	-	812	-

(*) 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
Interest and Commission Income Received	-	-	-	-	-	-

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

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

Groups’ Risk Group(*) Deposit	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		Other real and legal persons that have been included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Beginning of the Period	-	-	576	445	8.812	3.376
End of the Period	-	-	638	576	6.361	8.812
Interest Expense on Deposits	-	-	-	3	103	105

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

Groups’ Risk Group(*) Repurchase Transactions	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		Other real and legal persons that have been included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Beginning of the Period	-	-	-	-	-	108
End of the Period	-	-	-	-	-	-
Interest Expense on Repurchase Transactions	-	-	-	-	-	4

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

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

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

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

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

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

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

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

	Total Risk Group	Share in Financial Statements (%)
Borrowings	1.305.140	66,16
Non-cash loans	33.088	0,70
Deposit	30.970	2,54
Loans	6.999	0,19
Banks and Other Financial Institutions	369	1,19

As of 31 March 2014, the Goup has realized interest expense amounting to TL 13.232 (31 March 2013: 1.292) on loans borrowed from the direct shareholders.

3. Equity accounting transactions:

None.

**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 MARCH 2014

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

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

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 1,07% (31 December 2013: 0,55%) of the Group's total cash and non-cash loans.

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

As of 31 March 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 5.667 (31 March 2013: TL 4.144) which include total gross salary, travel, meal, health, life insurance and other expenses.

VI. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

In the board of directors meeting dated May 7, 2014, it was decided that the issued capital of the Bank should be increased from TL 570.000 to TL 900.000 on condition that it remains within the upper limit of registered capital and that TL 110.000 which makes up 1/3 of the increase which is TL 330.000 should be paid in cash before the primary capital is registered and the remaining TL 220.000 which makes up 2/3 of the increase should be paid in cash within 24 months after the date of registry of the capital increase. The General Directorate has been authorized for necessary permissions

In the board of directors meeting dated April 30, 2014, it was decided that the capital of Burgan Bank Finansal Kiralama A.Ş. has been increased from TL 37 million to TL 80 million, an increased capital amounts to TL 43 million will be paid in cash by the Bank, and the remaining amount will be provided from the internal resources.

**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 MARCH 2014

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

SECTION SIX

EXPLANATIONS ON INDEPENDENT AUDITOR’S REPORT

I. EXPLANATIONS ON INDEPENDENT AUDITOR’S REPORT

The consolidated financial statements for the period ended 31 March 2014 have been reviewed by Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of PricewaterhouseCoopers) and the auditor’s report dated May 15, 2014 has been presented prior to the consolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITOR

None.

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