

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

BURGAN BANK A.Ş.

**PUBLICLY ANNOUNCED UNCONSOLIDATED
FINANCIAL STATEMENTS
TOGETHER WITH REVIEW REPORT
AT 30 SEPTEMBER 2014**

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

To the Board of Directors of Burgan Bank Anonim Şirketi:

We have reviewed the accompanying unconsolidated balance sheet of Burgan Bank Anonim Şirketi ("The Bank") as at September 30, 2014 and the related unconsolidated income statement, unconsolidated statement of income and expense items accounted under shareholders' equity, unconsolidated statement of cash flows and unconsolidated statement of changes in shareholders' equity for the period then ended. These financial statements are the responsibility of the Bank's management. As independent auditors our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the accounting rules and policies, and the accounting and auditing standards, set out as per the Banking Act No: 5411. Those standards require that we plan and perform the review to obtain limited assurance as to whether the financial statements are free of material misstatement. A review consists of making inquires, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial statements do not give a true and fair view of the financial position of the Bank as of September 30, 2014, and of the results of its operations and its cash flows, for the period then ended in accordance with the prevailing accounting principles and standards set out as per the Article No: 37 of the Banking Act No: 5411, and other regulations, communiqués, circulars and pronouncements made by the Banking Regulation and Supervision Agency in respect of accounting and financial reporting.

The unconsolidated financial statements of the Bank as of and for the three months period ended 30 September 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 of the Banking Act No. 5411 were reviewed and audited, respectively, by another audit firm, who in their review report dated August 14, 2013 stated that nothing has come to their attention that causes them to believe that the unconsolidated financial statements of the Bank as of and for the three months ended 30 September 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 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.

Additional paragraph for English translation:

The effect of the differences between the accounting principles summarized in Section 3 and the accounting principles generally accepted in countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards (IFRS) have not been quantified and reflected in the accompanying financial statements. The accounting principles used in the preparation of the accompanying financial statements differ materially from IFRS. Accordingly, the accompanying financial statements are not intended to present the Bank's financial position and results of its operations in accordance with accounting principles generally accepted in such countries of users of the financial statements and IFRS.

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

Fatma Ebru Yücel
Partner, SMMM

13 November 2014
Istanbul, Turkey

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

**THE UNCONSOLIDATED INTERIM FINANCIAL REPORT OF
BURGAN BANK A.Ş. AS OF 30 SEPTEMBER 2014**

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The unconsolidated 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 BANK**
- **Section Two** **UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK**
- **Section Three** **EXPLANATIONS ON ACCOUNTING POLICIES**
- **Section Four** **INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK**
- **Section Five** **EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED
FINANCIAL STATEMENTS**
- **Section Six** **EXPLANATIONS ON REVIEW REPORT**

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

13 November 2014

Mehmet N. ERTEN
Chairman of the
Board of Directors

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

Tuba Onay ERGELEN
Finance Group Head

Ahmet CİĞA
Head of Accounting,
Tax, and
Reporting Unit

Halis Murat ECE
Head of the Audit
Committee

Adrian Alejandro
GOSTUSKİ
Member of the Audit
Committee

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

BURGAN BANK A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2014

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

SECTION ONE

GENERAL INFORMATION

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

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

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

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

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

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

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

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

BURGAN BANK A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2014

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

GENERAL INFORMATION (Continued)

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

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).

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

BURGAN BANK A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2014

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

GENERAL INFORMATION (Continued)

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

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

(*) Tuba Onay Ergelen was assigned on September 9, 2014 as Financial Affairs Group Chair with the powers and authorities of vice general director. Board of Directors member Osama T. Al Ghoussein was elected as member of the Audit Committee on September 10, 2014.

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

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

BURGAN BANK A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2014

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

GENERAL INFORMATION (Continued)

IV. EXPLANATION ON SHAREHOLDERS HAVING CONTROL SHARES:

Name/Commercial title	Share Amounts	Share percentage	Paid-in Capital	Unpaid portion
Burgan Bank S.A.K.	565.772	%99,26	%99,26	%0,00

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

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

As of 30 September 2014, the Bank has 60 branches operating in Turkey (31 December 2013: 60). The Bank's core business activities include corporate and commercial banking, retail banking and banking services in treasury fields. As of 30 September 2014, the Bank has 1.029 (31 December 2013: 980) employees.

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

None.

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

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

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

BURGAN BANK A.Ş.

UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

AT 30 SEPTEMBER 2014 AND 31 DECEMBER 2013

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

I. BALANCE SHEET		Note (Section Five)	(30/09/2014)			(31/12/2013)		
			TL	FC	Total	TL	FC	Total
ASSETS								
I.	CASH AND BALANCES WITH CENTRAL BANK	I-a	266.816	427.409	694.225	165.890	354.748	520.638
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or LOSS (Net)	I-b	68.886	40.517	109.403	163.507	78.675	242.182
2.1	Trading Financial Assets		68.886	40.517	109.403	163.507	78.675	242.182
2.1.1	Government Debt Securities		12.139	255	12.394	80.045	226	80.271
2.1.2	Share Certificates		-	-	-	-	-	-
2.1.3	Trading Derivative Financial Assets		56.747	40.262	97.009	83.462	78.449	161.911
2.1.4	Other Marketable Securities		-	-	-	-	-	-
2.2	Financial Assets Designated at Fair Value through Profit or Loss		-	-	-	-	-	-
2.2.1	Government Debt Securities		-	-	-	-	-	-
2.2.2	Share Certificates		-	-	-	-	-	-
2.2.3	Loans		-	-	-	-	-	-
2.2.4	Other Marketable Securities		-	-	-	-	-	-
III.	BANKS	I-c	133	11.096	11.229	21.113	41.331	62.444
IV.	MONEY MARKETS							
4.1	Interbank Money Market Placements		-	-	-	-	-	-
4.2	Receivables from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3	Receivables from Reverse Repurchase Agreements		-	-	-	-	-	-
V.	AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)	I-d	481.266	44.326	525.592	858.080	-	858.080
5.1	Share Certificates		7.057	-	7.057	6.474	-	6.474
5.2	Government Debt Securities		474.209	-	474.209	851.606	-	851.606
5.3	Other Marketable Securities		-	44.326	44.326	-	-	-
VI.	LOANS	I-e	3.315.951	2.608.266	5.924.217	2.565.314	2.012.185	4.577.499
6.1	Loans		3.234.931	2.608.266	5.843.197	2.512.992	2.012.185	4.525.177
6.1.1	Loans to Bank's Risk Group		1.174	-	1.174	16.447	13.229	29.676
6.1.2	Government Debt Securities		-	-	-	-	-	-
6.1.3	Other		3.233.757	2.608.266	5.842.023	2.496.545	1.998.956	4.495.501
6.2	Loans under Follow-up		194.105	-	194.105	107.796	-	107.796
6.3	Specific Provisions (-)		113.085	-	113.085	55.474	-	55.474
VII.	FACTORING RECEIVABLES	I-e	36.439	1.373	37.812	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	142.193	-	142.193	99.193	-	99.193
10.1	Unconsolidated Financial Subsidiaries		142.193	-	142.193	99.193	-	99.193
10.2	Unconsolidated non-Financial Subsidiaries		-	-	-	-	-	-
XI.	JOINT VENTURES (Net)	I-i						
11.1	Consolidated Based on Equity Method		-	-	-	-	-	-
11.2	Unconsolidated		-	-	-	-	-	-
11.2.1	Financial Joint Ventures		-	-	-	-	-	-
11.2.2	Non-financial Joint Ventures		-	-	-	-	-	-
XII.	LEASE RECEIVABLES (Net)	I-j						
12.1	Financial Lease Receivables		-	-	-	-	-	-
12.2	Operational Lease Receivables		-	-	-	-	-	-
12.3	Other		-	-	-	-	-	-
12.4	Unearned Income (-)		-	-	-	-	-	-
XIII.	HEDGING DERIVATIVE FINANCIAL ASSETS	I-k						
13.1	Fair Value Hedge		-	-	-	-	-	-
13.2	Cash Flow Hedge		-	-	-	-	-	-
13.3	Foreign Net Investment Hedge		-	-	-	-	-	-
XIV.	PROPERTY AND EQUIPMENT (Net)		21.306	-	21.306	23.923	-	23.923
XV.	INTANGIBLE ASSETS (Net)		21.795	-	21.795	23.673	-	23.673
15.1	Goodwill		-	-	-	-	-	-
15.2	Other		21.795	-	21.795	23.673	-	23.673
XVI.	INVESTMENT PROPERTY (Net)	I-l						
XVII.	TAX ASSET	I-m	16.971	-	16.971	19.340	-	19.340
17.1	Current Tax Asset		1	-	1	179	-	179
17.2	Deferred Tax Asset		16.970	-	16.970	19.161	-	19.161
XVIII.	ASSETS HELD FOR RESALE AND DISCONTINUED OPERATIONS (Net)	I-n	9.923	-	9.923	13.692	-	13.692
18.1	Held for Resale		9.923	-	9.923	13.692	-	13.692
18.2	Discontinued Operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	I-o	116.000	49.991	165.991	54.720	132.328	187.048
	TOTAL ASSETS		4.497.679	3.182.978	7.680.657	4.187.770	2.623.811	6.811.581

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

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

BURGAN BANK A.Ş.

UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

AT 30 SEPTEMBER 2014 AND 31 DECEMBER 2013

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

I. BALANCE SHEET		Note (Section Five)	(30/09/2014)			(31/12/2013)		
			TL	FC	Total	TL	FC	Total
LIABILITIES								
I. DEPOSITS		II-a	2.444.368	2.257.030	4.701.398	1.376.889	2.051.806	3.428.695
1.1	Deposits of Bank’s Risk Group		11.491	44.578	56.069	13.613	16.573	30.186
1.2	Other		2.432.877	2.212.452	4.645.329	1.363.276	2.035.233	3.398.509
II. TRADING DERIVATIVE FINANCIAL LIABILITIES		II-b	14.120	36.207	50.327	18.063	109.162	127.225
III. BORROWINGS		II-c	48.690	1.374.774	1.423.464	59.636	1.288.355	1.347.991
IV. MONEY MARKETS			155.221	-	155.221	736.800	-	736.800
4.1	Funds from Interbank Money Market		-	-	-	-	-	-
4.2	Funds from Istanbul Stock Exchange Money Market		16.365	-	16.365	-	-	-
4.3	Funds Provided Under Repurchase Agreements		138.856	-	138.856	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			28.774	20.205	48.979	43.909	22.037	65.946
VIII. OTHER LIABILITIES		II-d	237.876	3.242	241.118	65.113	3.655	68.768
IX. FACTORING PAYABLES			-	-	-	-	-	-
X. LEASE PAYABLES (Net)		II-e	-	-	-	-	659	659
10.1	Financial Lease Payables		-	-	-	-	671	671
10.2	Operational Lease Payables		-	-	-	-	-	-
10.3	Other		-	-	-	-	-	-
10.4	Deferred Financial Lease Expenses (-)		-	-	-	-	12	12
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	62.418	51.161	113.579	58.182	58.129	116.311
12.1	General Loan Loss Provision		36.762	22.942	59.704	32.180	15.942	48.122
12.2	Restructuring Provisions		-	-	-	-	-	-
12.3	Reserve for Employee Rights		18.525	-	18.525	15.979	-	15.979
12.4	Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5	Other Provisions		7.131	28.219	35.350	10.023	42.187	52.210
XIII. TAX LIABILITY		II-h	13.005	-	13.005	12.193	-	12.193
13.1	Current Tax Liability		13.005	-	13.005	12.193	-	12.193
13.2	Deferred Tax Liability		-	-	-	-	-	-
XIV. PAYABLES FOR ASSET HELD FOR RESALE AND DISCONTINUED OPERATIONS		II-i	-	-	-	-	-	-
14.1	Held for Resale		-	-	-	-	-	-
14.2	Discontinued Operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS		II-j	-	342.446	342.446	-	320.478	320.478
XVI. SHAREHOLDERS’ EQUITY		II-k	591.879	(759)	591.120	586.515	-	586.515
16.1	Paid-in Capital		570.000	-	570.000	570.000	-	570.000
16.2	Capital Reserves		3.979	(759)	3.220	(2.059)	-	(2.059)
16.2.1	Share Premium		-	-	-	-	-	-
16.2.2	Share Cancellation Profits		-	-	-	-	-	-
16.2.3	Marketable Securities Valuation Reserve		-	-	-	-	-	-
16.2.4	Tangible Assets Revaluation Reserve		1.624	(759)	865	(4.414)	-	(4.414)
16.2.5	Intangible Assets Revaluation Reserve		3.992	-	3.992	3.992	-	3.992
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		(1.637)	-	(1.637)	(1.637)	-	(1.637)
16.3	Profit Reserves		18.574	-	18.574	59.569	-	59.569
16.3.1	Legal Reserves		11.423	-	11.423	11.423	-	11.423
16.3.2	Status Reserves		-	-	-	-	-	-
16.3.3	Extraordinary Reserves		7.151	-	7.151	48.146	-	48.146
16.3.4	Other Profit Reserves		-	-	-	-	-	-
16.4	Income or (Loss)		(674)	-	(674)	(40.995)	-	(40.995)
16.4.1	Prior Years’ Income/ (Loss)		-	-	-	-	-	-
16.4.2	Current Year Income/ (Loss)(*)		(674)	-	(674)	(40.995)	-	(40.995)
TOTAL LIABILITIES			3.596.351	4.084.306	7.680.657	2.957.300	3.854.281	6.811.581

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

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

BURGAN BANK A.Ş.

**UNCONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AT
30 SEPTEMBER 2014 AND 31 DECEMBER 2013**

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

II. OFF-BALANCE SHEET		Note(Section Five)	(30/09/2014)			(31/12/2013)		
			TL	FC	Total	TL	FC	Total
A	OFF-BALANCE SHEET COMMITMENTS (I+II+III)		3.381.180	8.135.399	11.516.579	4.173.600	8.916.392	13.089.992
I.	GUARANTEES AND WARRANTIES	III-a-2-3	490.960	600.402	1.091.362	574.140	612.481	1.186.621
1.1	Letters of Guarantee		489.326	319.931	809.257	573.287	197.876	771.163
1.1.1	Guarantees Subject to State Tender Law		10.349	16.092	26.441	10.202	20.787	30.989
1.1.2	Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3	Other Letters of Guarantee		478.977	303.839	782.816	563.085	177.089	740.174
1.2	Bank Acceptances		1.421	64.336	65.757	425	89.087	89.512
1.2.1	Import Letter of Acceptance		1.421	64.336	65.757	425	89.087	89.512
1.2.2	Other Bank Acceptances		-	-	-	-	-	-
1.3	Letters of Credit		-	179.158	179.158	-	257.308	257.308
1.3.1	Documentary Letters of Credit		-	179.158	179.158	-	257.308	257.308
1.3.2	Other Letters of Credit		-	-	-	-	-	-
1.4	Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5	Endorsements		-	-	-	-	-	-
1.5.1	Endorsements to the Central Bank of the Republic of Turkey		-	-	-	-	-	-
1.5.2	Other Endorsements		-	-	-	-	-	-
1.6	Securities Issue Purchase Guarantees		-	-	-	-	-	-
1.7	Factoring Guarantees		213	-	213	428	324	752
1.8	Other Guarantees		-	36.977	36.977	-	67.886	67.886
1.9	Other Collaterals		-	-	-	-	-	-
II.	COMMITMENTS	III-a-1	745.792	339.532	1.085.324	433.658	16.229	449.887
2.1	Irrevocable Commitments		745.792	339.532	1.085.324	433.658	16.229	449.887
2.1.1	Asset Purchase and Sales Commitments		217.042	339.532	556.574	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		185.125	-	185.125	106.629	-	106.629
2.1.5	Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6	Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7	Commitments for Cheques		298.340	-	298.340	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		45.266	-	45.266	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
2.2	Revocable Commitments		-	-	-	-	-	-
2.2.1	Revocable Commitments for Loan Limits		-	-	-	-	-	-
2.2.2	Other Revocable Commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS		2.144.428	7.195.465	9.339.893	3.165.802	8.287.682	11.453.484
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		2.144.428	7.195.465	9.339.893	3.165.802	8.287.682	11.453.484
3.2.1	Forward Foreign Currency Buy/Sell Transactions		347.141	776.821	1.123.962	324.928	1.057.623	1.382.551
3.2.1.1	Forward Foreign Currency Transactions-Buy		135.734	420.799	556.533	27.832	671.916	699.748
3.2.1.2	Forward Foreign Currency Transactions-Sell		211.407	356.022	567.429	297.096	385.707	682.803
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates		703.504	4.352.626	5.056.130	419.893	3.137.611	3.557.504
3.2.2.1	Foreign Currency Swap-Buy		217.496	955.962	1.173.458	108.245	894.103	1.002.348
3.2.2.2	Foreign Currency Swap-Sell		480.708	647.686	1.128.394	294.424	702.736	997.160
3.2.2.3	Interest Rate Swap-Buy		2.650	1.374.489	1.377.139	8.612	770.386	778.998
3.2.2.4	Interest Rate Swap-Sell		2.650	1.374.489	1.377.139	8.612	770.386	778.998
3.2.3	Foreign Currency, Interest rate and Securities Options		1.093.783	2.066.018	3.159.801	2.420.981	4.092.448	6.513.429
3.2.3.1	Foreign Currency Options-Buy		590.429	985.513	1.575.942	1.210.495	2.030.983	3.241.478
3.2.3.2	Foreign Currency Options-Sell		503.354	1.071.189	1.574.543	1.210.486	2.030.983	3.241.469
3.2.3.3	Interest Rate Options-Buy		-	4.658	4.658	-	15.241	15.241
3.2.3.4	Interest Rate Options-Sell		-	4.658	4.658	-	15.241	15.241
3.2.3.5	Securities Options-Buy		-	-	-	-	-	-
3.2.3.6	Securities Options-Sell		-	-	-	-	-	-
3.2.4	Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1	Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2	Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5	Interest Rate Futures		-	-	-	-	-	-
3.2.5.1	Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2	Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6	Other		-	-	-	-	-	-
B.	CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		18.312.112	9.896.136	28.208.248	13.742.130	9.354.705	23.096.835
IV.	ITEMS HELD IN CUSTODY		1.880.523	205.653	2.086.176	1.664.341	247.481	1.911.822
4.1	Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2	Investment Securities Held in Custody		320.877	8.639	329.516	426.376	4.629	431.005
4.3	Cheques Received for Collection		1.470.467	171.465	1.641.932	1.143.680	182.901	1.326.581
4.4	Commercial Notes Received for Collection		89.179	25.549	114.728	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		-	-	-	4.240	36.611	40.851
4.8	Custodians		-	-	-	-	-	-
V.	PLEDGES RECEIVED		16.428.689	9.681.374	26.110.063	12.077.789	9.107.224	21.185.013
5.1	Marketable Securities		28.235	-	28.235	1.043	-	1.043
5.2	Guarantee Notes		12.844.312	7.186.216	20.030.528	9.720.771	7.201.557	16.922.328
5.3	Commodity		306.162	15.243	321.405	176.920	104.413	281.333
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		2.999.957	2.106.403	5.106.360	1.926.747	1.573.925	3.500.672
5.6	Other Pledged Items		250.023	373.512	623.535	252.308	227.329	479.637
5.7	Pledged Items-Depository		-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		2.900	9.109	12.009	-	-	-
	TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		21.693.292	18.031.535	39.724.827	17.915.730	18.271.097	36.186.827

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

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

BURGAN BANK A.Ş.

**UNCONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED
30 SEPTEMBER 2014 AND 30 SEPTEMBER 2013**

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

III.	INCOME STATEMENT	Note (Section Five)	01/01/2014- 30/09/2014	01/01/2013- 30/09/2013	01/07/2014- 30/09/2014	01/07/2013- 30/09/2013
	INCOME AND EXPENSE ITEMS					
I.	INTEREST INCOME	IV-a	445.229	295.657	163.023	109.232
1.1	Interest on Loans		365.780	230.873	135.958	77.091
1.2	Interest Received from Reserve Requirements		-	-	-	-
1.3	Interest Received from Banks		224	245	126	91
1.4	Interest Received from Money Market Transactions		46	2.261	21	226
1.5	Interest Received from Marketable Securities Portfolio		51.823	42.787	15.577	22.875
1.5.1	Trading Financial Assets		2.948	7.336	695	5.781
1.5.2	Financial Assets at Fair Value through Profit or Loss		-	-	-	-
1.5.3	Available-for-sale Financial Assets		48.875	35.451	14.882	17.094
1.5.4	Held-to-maturity Investments		-	-	-	-
1.6	Financial Lease Income		-	-	-	-
1.7	Other Interest Income		27.356	19.491	11.341	8.949
II.	INTEREST EXPENSE (-)	IV-b	292.100	170.658	101.192	67.846
2.1	Interest on Deposits (-)		166.671	125.249	63.431	40.848
2.2	Interest on Funds Borrowed (-)		35.155	11.325	11.830	6.468
2.3	Interest Expense on Money Market Transactions (-)		30.413	15.054	6.261	10.624
2.4	Interest on Securities Issued (-)		-	-	-	-
2.5	Other Interest Expenses (-)		59.861	19.030	19.670	9.906
III.	NET INTEREST INCOME (I + II)		153.129	124.999	61.831	41.386
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSE		13.714	11.024	5.303	3.282
4.1	Fees and Commissions Received		20.974	14.615	8.410	4.682
4.1.1	Non-cash Loans		8.058	8.415	2.659	2.600
4.1.2	Other	IV-k	12.916	6.200	5.751	2.082
4.2	Fees and Commissions Paid (-)		7.260	3.591	3.107	1.400
4.2.1	Non-cash Loans (-)		23	5	7	1
4.2.2	Other (-)	IV-k	7.237	3.586	3.100	1.399
V.	DIVIDEND INCOME		5.784	439	5.201	14
VI.	TRADING INCOME/(LOSS) (Net)	IV-c	24.258	19.724	14.428	2.102
6.1	Trading Gains/(Losses) on Securities		1.902	3.876	477	662
6.2	Trading Gains/(Losses) on Derivative Financial Instruments		5.940	18.590	4.791	4.579
6.3	Foreign Exchange Gains/(Losses)		16.416	(2.742)	9.160	(3.139)
VII.	OTHER OPERATING INCOME	IV-d	6.176	5.197	2.047	1.182
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		203.061	161.383	88.810	47.966
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	IV-e	52.981	54.731	28.089	18.218
X.	OTHER OPERATING EXPENSES (-)	IV-f	149.883	135.065	51.702	43.861
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		197	(28.413)	9.019	(14.113)
XII.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-	-	-
XIII.	INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		-	-	-	-
XIV.	INCOME/(LOSS) ON NET MONETARY POSITION		-	-	-	-
XV.	INCOME/(LOSS) BEFORE TAX FROM CONTINUING OPERATIONS (XI+...+XIV)	IV-g	197	(28.413)	9.019	(14.113)
XVI.	TAX PROVISION FOR CONTINUING OPERATIONS (-)	IV-h	(871)	1.798	(2.604)	1.457
16.1	Current Tax Provision		-	-	-	-
16.2	Deferred Tax Provision		(871)	1.798	(2.604)	1.457
XVII.	NET INCOME/(LOSS) FROM CONTINUING OPERATIONS (XV-VI)		(674)	(26.615)	6.415	(12.656)
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	(674)	(26.615)	6.415	(12.656)
	Earnings/(Loss) per share (1.000 nominal in TL full)		(0,012)	(0,467)	0,113	(0,222)

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

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

BURGAN BANK A.Ş.

UNCONSOLIDATED STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED IN EQUITY FOR THE PERIOD ENDED

30 SEPTEMBER 2014 AND 30 SEPTEMBER 2013

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

IV. STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED IN EQUITY		
INCOME AND EXPENSE ITEMS ACCOUNTED IN EQUITY		
	30/09/2014	30/09/2013
I. ADDITIONS TO THE MARKETABLE SECURITIES VALUATION RESERVE FROM THE AVAILABLE FOR SALE FINANCIAL ASSETS	6.599	(12.963)
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	(1.320)	2.593
X. NET INCOME/LOSS ACCOUNTED DIRECTLY IN EQUITY (I+II+...+IX)	5.279	(10.370)
XI. CURRENT PERIOD INCOME/LOSS	(674)	(26.615)
11.1 Net Change in Fair Value of Marketable Securities (Transfer to Income Statement)	(574)	(1.998)
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	(100)	(24.617)
XII. TOTAL (INCOME)/LOSS RELATED TO THE CURRENT PERIOD (X+XI)	4.605	(36.985)

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

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

BURGAN BANK A.Ş.

UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2013

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY																	
PREVIOUS PERIOD 30/09/2013	Note	Paid-in Capital	Adjustment to Share Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/(Loss)	Prior Period Net Income/(Loss)	Marketable Securities Valuation Reserve	Tangible and Intangible Assets Revaluation Reserve	Bonus Shares Obtained from Investments	Hedging Reserves	Valuation Difference of AHS and Discontinued Operations	Total Shareholder s' Equity
I. Prior Period End Balance		570.000	-	-	-	11.423	-	47.657	-	(1.240)	-	10.185	3.717	-	-	-	641.742
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	-	-	-	11.423	-	47.657	-	(1.240)	-	10.185	3.717	-	-	-	641.742
Changes in the Period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Increase/Decrease due to the Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Marketable Securities Valuation Differences		-	-	-	-	-	-	-	-	-	-	(10.370)	-	-	-	-	(10.370)
IV. Hedging Reserves (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Foreign Investment for Purpose of Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Revaluation Differences of Tangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Revaluation Differences of Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Foreign Exchange Difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Changes due to the Disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Changes due to the Reclassification of the Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effects of Changes in Equity of Investments in Associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Capital Increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Share Premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share Cancellation Profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Adjustment to Share Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Current Year Income or Loss		-	-	-	-	-	-	-	-	(26.615)	-	-	-	-	-	-	(26.615)
XVIII. Profit Distribution		-	-	-	-	-	-	(1.240)	-	1.240	-	-	-	-	-	-	-
18.1 Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfers to Reserves		-	-	-	-	-	-	(1.240)	-	1.240	-	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (I+II+III+...+XVI+XVII+XVIII)		570.000	-	-	-	11.423	-	46.417	-	(26.615)	-	(185)	3.717	-	-	-	604.757

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

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

BURGAN BANK A.Ş.

UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2014

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

CURRENT PERIOD 30/09/2014	Note	Paid-in Capital	Adjustment to Share Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/(Loss)	Prior Period Net Income/(Loss)	Marketable Securities Valuation Reserve	Tangible and Intangible Assets Revaluation Reserve	Bonus Shares Obtained from Investments	Hedging Reserves	Valuation Difference of AHS and Discontinued Operations	Shareholders' Equity
I. Prior Period End Balance		570.000	-	-	-	11.423	-	48.146	(1.637)	(40.995)	-	(4.414)	3.992	-	-	-	586.515
Changes in the Period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Increase/Decrease due to the Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Marketable Securities Valuation Differences		-	-	-	-	-	-	-	-	-	-	5.279	-	-	-	-	5.279
IV. Hedging Reserves (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Foreign Investment for Purpose of Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Revaluation Differences of Tangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Revaluation Differences of Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign Exchange Difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Changes due to the Disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Changes due to the Reclassification of the Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Effects of Changes in Equity of Investments in Associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Capital Increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Share Premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share Cancellation Profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Adjustment to Share Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Current Year Income or Loss		-	-	-	-	-	-	-	-	(674)	-	-	-	-	-	-	(674)
XVIII. Profit Distribution		-	-	-	-	-	-	(40.995)	-	40.995	-	-	-	-	-	-	-
18.1 Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfers to Reserves		-	-	-	-	-	-	(40.995)	-	40.995	-	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (I+II+III+...+XVI+XVII+XVIII)		570.000	-	-	-	11.423	-	7.151	(1.637)	(674)	-	865	3.992	-	-	-	591.120

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

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

BURGAN BANK A.Ş.

**UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED
30 SEPTEMBER 2014 AND 30 SEPTEMBER 2013**

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

VI. CASH FLOW STATEMENT	(30/09/2014)	(30/09/2013)
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1 Operating Profit Before Changes in Operating Assets and Liabilities	(18.394)	(139.606)
1.1.1 Interest Received	466.686	244.191
1.1.2 Interest Paid	(274.291)	(165.142)
1.1.3 Dividend Received	583	439
1.1.4 Fees and Commissions Received	17.928	11.024
1.1.5 Other Income	-	-
1.1.6 Collections from Previously Written-off Loans and Other Receivables	35.589	22.015
1.1.7 Payments to Personnel and Service Suppliers	(79.413)	(69.312)
1.1.8 Taxes Paid	-	-
1.1.9 Other	(185.476)	(182.821)
1.2 Changes in Operating Assets and Liabilities	(227.852)	474.203
1.2.1 Net (Increase)/Decrease in Trading Securities	67.398	(83.863)
1.2.2 Net (Increase)/Decrease in Fair Value Through Profit/Loss Financial Assets	-	-
1.2.3 Net (Increase)/Decrease in Due from Banks	(57.605)	-
1.2.4 Net (Increase)/Decrease in Loans	(1.342.557)	(785.938)
1.2.5 Net (Increase)/Decrease in Other Assets	182.999	(185.897)
1.2.6 Net Increase/(Decrease) in Bank Deposits	(49.670)	107.213
1.2.7 Net Increase/(Decrease) in Other Deposits	1.307.859	(141.255)
1.2.8 Net Increase/(Decrease) in Funds Borrowed	94.146	1.526.021
1.2.9 Net Increase/(Decrease) in Payables	-	-
1.2.10 Net Increase/(Decrease) in Other Liabilities	(430.422)	37.922
I. Net Cash Provided from Banking Operations	(246.246)	334.597
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II. Net Cash Provided from Investing Activities	309.552	(527.419)
2.1 Cash Paid for Acquisition of Investments, Associates and Subsidiaries	(37.799)	-
2.2 Cash Obtained from Disposal of Investments, Associates and Subsidiaries	-	-
2.3 Purchases of Property and Equipment	(2.990)	(7.471)
2.4 Disposals of Property and Equipment	2.966	1.375
2.5 Cash Paid for Purchase of Investments Available-for-Sale	(172.717)	(521.323)
2.6 Cash Obtained from Sale of Investments Available-for-Sale	520.092	-
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	1.461	(682)
V. Net Increase/(Decrease) in Cash and Cash Equivalents (I+II+III+IV)	64.767	(193.504)
VI. Cash and Cash Equivalents at Beginning of the Period	309.435	584.502
VII. Cash and Cash Equivalents at end of the Period	374.202	390.998

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

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

BURGAN BANK A.Ş.

**UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED
30 SEPTEMBER 2014 AND 30 SEPTEMBER 2013**

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

SECTION THREE

ACCOUNTING POLICIES

I. BASIS OF PRESENTATION:

The Bank 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, additions and changes in the related communiqué.

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

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

The amendments of TAS and TFRS which have entered into force as of 1 January 2014 have no material impact on the the Bank's accounting policies, financial position and performance. The amendments of TAS and TFRS, except TFRS 9 Financial Instruments, which have been published as of reporting date but havenot been effective yet, have no impact on the accounting policies, financial condition and performance of the Bank. The Bank assesses 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.

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

BURGAN BANK A.Ş.

**UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED
30 SEPTEMBER 2014 AND 30 SEPTEMBER 2013**

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

ACCOUNTING POLICIES (Continued)

Additional paragraph for convenience translation into English:

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

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

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

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

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

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

The Bank has recognised an impairment on its subsidiary Burgan Yatırım Menkul Değerler A.Ş. amounting to TL 54.117 based on the assessment done as of 30 September 2014 (31 December 2013 – 54.117 TL).

The Bank has no joint ventures as of 30 September 2014 and 31 December 2013.

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

BURGAN BANK A.Ş.

**UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED
30 SEPTEMBER 2014 AND 30 SEPTEMBER 2013**

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

ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE:

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

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

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

BURGAN BANK A.Ş.

**UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED
30 SEPTEMBER 2014 AND 30 SEPTEMBER 2013**

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

ACCOUNTING POLICIES (Continued)

VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSE:

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

VII. EXPLANATIONS ON FINANCIAL ASSETS:

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

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

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

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

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

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

b. Held-to-maturity financial assets:

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

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

BURGAN BANK A.Ş.

**UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED
30 SEPTEMBER 2014 AND 30 SEPTEMBER 2013**

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

ACCOUNTING POLICIES (Continued)

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

c. Loans and receivables:

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

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

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

d. Available-for-sale financial assets:

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

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

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

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

BURGAN BANK A.Ş.

**UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED
30 SEPTEMBER 2014 AND 30 SEPTEMBER 2013**

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

ACCOUNTING POLICIES (Continued)

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS:

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

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

IX. EXPLANATIONS ON OFFSETTING FINANCIAL ASSETS:

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

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

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

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

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

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

The Bank has no discontinued operations.

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ACCOUNTING POLICIES (Continued)

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS:

a. Goodwill

As of 30 September 2014 and 31 December 2013, the Bank has no goodwill.

b. Other intangible assets

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

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

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT:

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

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

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

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

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

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

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

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

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ACCOUNTING POLICIES (Continued)

XIV. EXPLANATIONS ON LEASING TRANSACTIONS:

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

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

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

XV. EXPLANATIONS ON PROVISIONS AND CONTINGENT COMMITMENTS:

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

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

XVI. EXPLANATIONS ON CONTINGENT ASSETS:

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

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ACCOUNTING POLICIES (Continued)

XVII. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS:

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

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

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

XVIII. EXPLANATIONS ON TAXATION:

a. Current tax:

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

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

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

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ACCOUNTING POLICIES (Continued)

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

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

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

b. Deferred tax:

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

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

XIX. EXPLANATIONS ON BORROWINGS:

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

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

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

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

XXI. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES:

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

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ACCOUNTING POLICIES (Continued)

XXII. EXPLANATIONS ON GOVERNMENT GRANTS:

As of 30 September 2014 and 31 December 2013, the Bank has no government grants.

XXIII. EXPLANATIONS ON PROFIT RESERVES AND PROFIT DISTRIBUTION:

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

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

XXIV. EXPLANATIONS ON EARNINGS PER SHARE:

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

	30 September 2014	30 September 2013
Net Income / (Loss) to be Appropriated to Ordinary Shareholders	(674)	(26.615)
Weighted Average Number of Issued Ordinary Shares (Thousand)	57.000.000	57.000.000
Earnings Per Ordinary Shares (Disclosed as 1.000 nominal in full TL)	(0,012)	(0,467)

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

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

XXV. EXPLANATIONS ON RELATED PARTIES:

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

XXVI. EXPLANATIONS ON CASH AND CASH EQUIVALENTS:

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

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ACCOUNTING POLICIES (Continued)

XXVII. EXPLANATIONS ON SEGMENT REPORTING:

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

XXVIII. RECLASSIFICATIONS:

Reclassifications have been made on 31 December 2013 unconsolidated statement of income and expense items accounted in equity to conform to changes in presentation of 30 September 2014 unconsolidated financial statements.

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SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK

I. EXPLANATIONS ON CAPITAL ADEQUACY RATIO:

a. As of 30 September 2014, the unconsolidated capital adequacy ratio of the Bank is 16,18% (31 December 2013: 14,99%) which satisfies the requirement of being above the minimum ratio of stated in the related legislation.

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

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

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

Information related to consolidated capital adequacy ratio:

30 September 2014	Risk Weights (*)							
	Bank							
	0%	20%	50%	75%	100%	150%	200%	250%
Surplus credit risk weighted	1.371.722	256.200	1.320.180	665.433	4.708.654	33.630	43.688	-
Risk classifications:								
Claims on sovereigns and Central Banks	1.215.700	-	-	-	84.757	-	-	-
Claims on regional governments or local authorities	-	-	-	-	-	-	-	-
Claims on administrative bodies and other non-commercial undertakings	-	-	-	-	6	-	-	-
Claims on multilateral development banks	-	-	-	-	-	-	-	-
Claims on international organizations	-	-	-	-	-	-	-	-
Claims on banks and intermediary institutions	18.644	30.541	104.518	-	72.749	-	-	-
Claims on corporates	93.929	211.013	17.605	-	3.762.152	6.392	-	-
Claims included in the regulatory retail portfolios	14.014	4.925	-	665.433	2.656	-	-	-
Claims secured by residential property	2.765	9.321	1.185.507	-	395.325	-	-	-
Past due loans	22	-	12.550	-	61.210	7.238	-	-
Higher risk categories decided by the Board	1.545	400	-	-	-	20.000	43.688	-
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	25.103	-	-	-	329.799	-	-	-

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

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

	30 September 2014	31 December 2013
Amount subject to credit risk (ASCR)	484.550	414.577
Amount subject to market risk (ASMR)	11.724	19.282
Amount subject to operational risk (ASOR)	29.978	21.829
Shareholders’ equity	1.064.579	853.691
Shareholders’ equity/(ASCR+ASMR+ASOR)	16,18	14,99
Core Capital/((ASCR+ASMR+ASOR) *12,5*100)	8,45	
Seed Capital/((ASCR+ASMR+ASOR)*12,5*100)	8,84	

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

e. Information about shareholders’ equity items:

CORE CAPITAL	30 September 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	18.574
Gains recognized in equity as per TAS	5.610
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	594.190
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 (-)	3.070
Leasehold improvements (-)	3.190
Goodwill or other intangible assets and deferred tax liability related to these items (-)	4.318
Net deferred tax asset/liability (-)	2.093
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	
Total Seed Capital	12.677
ADDITIONAL CORE CAPITAL	581.513
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	25.644
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 (-)	17.271
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 (-)	8.373
Total Core Capital	555.869
SUPPLEMENTARY CAPITAL	
Debt instruments and premiums deemed suitable by BRSA (issued/ supplied after 1.1.2014)	340.125
Debt instruments and premiums deemed suitable by BRSA (issued/ supplied before 1.1.2014)	109.184
Sources pledged to the bank by shareholders to be used in capital increases of the bank	59.704
General Provisions	-
Supplementary Capital Before Deductions	509.013
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	509.013
DEDUCTIONS FROM CAPITAL	303
Loans granted contrary to the 50th and 51st 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 (-)	303
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	1.064.579
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	11.951

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

e. Information about shareholders’ equity items:

	31 December 2013
CORE CAPITAL	
Paid in capital	570.000
Nominal capital	570.000
Capital commitments (-)	-
Inflation adjustment to share capital	-
Share premium	-
Cancellation profits	-
Legal reserves	57.932
Inflation adjustment of legal reserves	-
Profit	-
Current period net profit	-
Prior years’ profit	-
Provision for possible losses up to 25% of the Core Capital	-
Profit on disposal of associates, subsidiaries and immovables	-
Birincil Sermaye Benzeri Borçlar	-
Losses that cannot be covered by reserves (-)	40.995
Current period loss (net)	40.995
Prior years’ losses	-
Leasehold improvements (-)	4.444
Intangible assets (-)	23.673
Deferred tax asset exceeding 10% of the Core Capital (-)	-
Excess amount in the Article 56, Clause 3 of the Banking Law (-)	-
Total Core Capital	558.820
SUPPLEMENTARY CAPITAL	
General provisions	48.122
45% of the revaluation reserve for movable fixed assets	-
45% of the of revaluation reserve for	1.796
Bonus shares of investment in associates, subsidiaries and joint ventures	-
Primary subordinated loans excluded in the calculation of the Core Capital	-
Secondary subordinated loans	249.686
45% value increase of available for sale financial assets and associates and subsidiaries 4.911	-
Inflation adjustment of capital reserve, profit reserve and prior years’ income or loss (except inflation adjustment of legal reserves, status reserves and extraordinary reserves)	(4.414)
Total Supplementary Capital	295.190
CAPITAL	854.010
DEDUCTIONS FROM THE CAPITAL	319
Shareholdings in Unconsolidated Banks and Financial Institutions (Domestic, Foreign) in which the Bank Owns Ten Percent or More of Capital	-
Shareholdings in Unconsolidated Banks and Financial Institutions (Domestic, Foreign) in which the Bank Owns Less than Ten Percent of Capital which	-
Exceed the Ten Percent Of Bank’s Core and Supplementary Capital	-
Secondary Subordinated Loans Granted to Banks and Financial Institutions (Domestic, Foreign) or Qualified Shareholders and Placements that Possess	-
the Nature of their Primary or Secondary Subordinated Debt	-
Loans extended as contradictory to the articles 50 and 51 of the law	-
The net book value of Bank’s Immovables that are 50% of shareholders’ equity and immovables or commodities that are received on behalf of the receivables from customers and are to be disposed 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	853.691

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

BURGAN BANK A.Ş.

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

e. Information about shareholders' equity items:

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)	340.125
Par value of instrument (USD)	150.000
Accounting classification	Liability-Subordinated Loans-amortised cost
Original date of issuance	06/12/2013
Perpetual or dated	Dated
Original maturity date	10 Years
Issuer call subject to prior supervisory approval	Yes
Optional call date, contingent call dates and redemption amount	After 5th year
Subsequent call dates, if applicable	After 5th year
Coupons / dividends	3 Months
Fixed or floating dividend/coupon	Floating dividend
Coupon rate and any related index	LIBOR+3,75
Existence of a dividend stopper	-
Fully discretionary, partially discretionary or mandatory	-
Existence of step up or other incentive to redeem	-
Noncumulative or cumulative	Noncumulative
Convertible or non-convertible	None
If convertible, conversion trigger (s)	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, specify instrument type convertible into	-
If convertible, specify issuer of instrument it converts into	-
Write-down feature	None
If write-down, write-down trigger(s)	-
If write-down, full or partial	-
If write-down, permanent or temporary	-
If temporary write-down, description of write-up mechanism	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Before debt instruments to be included in supplementary capital calculate ion but after the deposit holders and all other creditors of the Debtor.
In compliance with article number 7 and 8 of “Own fund regulation”	None
Details of incompliances with article number 7 and 8 of “Own fund regulation”	None

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II. EXPLANATIONS ON MARKET RISK:

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

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

a. Information on Market Risk:

	Balance
(I) Capital to be Employed for General Market Risk - Standard Method	2.448
(II) Capital to be Employed for Specific Risk -Standard Method	20
Capital to be Employed for Specific Risk in Securitisation Positions – Standard Method	-
(III) Capital to be Employed for Currency Risk - Standard Method	2.862
(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	43
(VII) Capital to be Employed for the Other Party’s Credit Risk - Standard Method	6.351
(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)	11.724
(X) Amount Subject to Market Risk (12,5 x VIII) or (12,5 x IX)	146.546

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30 SEPTEMBER 2014 AND 30 SEPTEMBER 2013**

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

III. EXPLANATIONS ON OPERATIONAL RISK:

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

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

IV. EXPLANATIONS ON CURRENCY RISK:

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

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

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

	EUR		USD	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
30 September 2014/ 31 December 2013				
Bid rate	TL 2,8746	TL 2,9344	TL 2,2772	TL 2,1304
1. Day bid rate	TL 2,8746	TL 2,9344	TL 2,2772	TL 2,1304
2. Day bid rate	TL 2,8914	TL 2,9844	TL 2,2789	TL 2,1604
3. Day bid rate	TL 2,8748	TL 2,9844	TL 2,2557	TL 2,1604
4. Day bid rate	TL 2,8607	TL 2,8693	TL 2,2482	TL 2,0957
5. Day bid rate	TL 2,8677	TL 2,8353	TL 2,2325	TL 2,0710

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

	EUR		USD	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Arithmetic average- 30 days	TL 2,8501	TL 2,8345	TL 2,2095	TL 2,0681

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

Information on currency risk of the Bank:

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

	EUR	USD	Other FC	Total
30 September 2014				
Assets				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	5.861	421.424	124	427.409
Due From Banks	4.553	4.724	1.819	11.096
Financial Assets at Fair Value Through Profit or Loss	-	265	-	265
Interbank Money Market Placements	-	-	-	-
Available-for-sale Financial Assets	-	44.326	-	44.326
Loans (*)	1.408.009	1.744.696	16.997	3.169.702
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Held-to-maturity Investments	-	-	-	-
Hedging Derivative Financial Assets	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	859	49.132	-	49.991
Total Assets (*)	1.419.282	2.264.567	18.940	3.702.789
Liabilities				
Bank Deposits	18.967	20.485	36.886	76.338
Foreign Currency Deposits	740.829	1.419.915	19.948	2.180.692
Funds From Interbank Money Market	-	-	-	-
Funds Borrowed From Other Financial Institutions	182.891	1.534.328	1	1.717.220
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	14.643	5.553	9	20.205
Hedging Derivative Financial Liabilities	-	-	-	-
Other Liabilities	884	18.945	157	19.986
Total Liabilities (*)	958.214	2.999.226	57.001	4.014.441
Net On-balance Sheet Position	461.068	(734.659)	(38.061)	(311.652)
Net Off-balance Sheet Position	(489.282)	697.293	23.304	231.315
Financial Derivative Assets	656.546	1.693.546	153.917	2.504.009
Financial Derivative Liabilities	1.145.828	996.253	130.613	2.272.694
Non-Cash Loans (**)	203.999	385.910	10.493	600.402
31 December 2013				
Total Assets (*)	1.171.036	2.032.968	25.979	3.229.983
Total Liabilities (*)	960.351	2.691.121	50.851	3.702.323
Net On-balance Sheet Position	210.685	(658.153)	(24.872)	(472.340)
Net Off-balance Sheet Position	(205.335)	661.093	25.173	480.931
Financial Derivative Assets	1.322.887	2.123.913	159.994	3.606.794
Financial Derivative Liabilities	1.528.222	1.462.820	134.821	3.125.863
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 amounting to TL 560.063 (31 December 2013: TL 684.582) classified as Turkish Lira assets in the 30 September 2014 financial statements are added to the table above. Besides this, in assets “Income Accruals of Derivative Financial Instruments” amounting to TL 40.252 (31 December 2013: TL 78.410), in liabilities “Expense Accruals of Derivative Financial Instruments” amounting to TL 36.190 (31 December 2013: TL 109.116), “General Provisions” amounting to TL 22.942 (31 December 2013: TL 15.942), provisions for the specific loans amounting to TL 11.492 (31 December 2013: TL 26.900) and “Marketable Securities Valuation Reserve” amounting to TL (759) (31 December 2013: None) are not included in the table above.

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

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

V. EXPLANATIONS ON INTEREST RATE RISK:

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

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

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

30 September 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	-	-	-	-	-	694.225	694.225
Due From Banks	1.139	-	-	-	-	10.090	11.229
Financial Assets at Fair Value Through Profit/Loss	28.552	20.791	25.476	31.970	2.614	-	109.403
Interbank Money Market Placements	-	-	-	-	-	-	-
Available-for-Sale Financial Assets	71.018	-	403.190	-	44.327	7.057	525.592
Loans	2.348.113	2.271.484	966.488	291.367	3.557	81.020	5.962.029
Held-to-Maturity Investments	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	378.179	378.179
Total Assets	2.448.822	2.292.275	1.395.154	323.337	50.498	1.170.571	7.680.657
Liabilities							
Bank Deposits	100.808	-	-	-	-	5.359	106.167
Other Deposits	2.953.188	1.166.173	187.989	44.999	-	242.882	4.595.231
Funds From Interbank Money Market	155.221	-	-	-	-	-	155.221
Miscellaneous Payables	-	-	-	-	-	48.979	48.979
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	188.929	1.271.406	305.575	-	-	-	1.765.910
Other Liabilities (*)	12.647	12.731	11.676	13.272	-	958.823	1.009.149
Total Liabilities	3.410.793	2.450.310	505.240	58.271	-	1.256.043	7.680.657
Balance Sheet Long Position	-	-	889.914	265.066	50.498	-	1.205.478
Balance Sheet Short Position	(961.971)	(158.035)	-	-	-	(85.472)	(1.205.478)
Off-balance Sheet Long Position	15.760	6.955	9.141	4.087	-	-	35.943
Off-balance Sheet Short Position	-	-	-	-	-	-	-
Total Position	(946.211)	(151.080)	899.055	269.153	50.498	(85.472)	35.943

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

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

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	-	-	-	-	-	520.638	520.638
Due From Banks	46.782	-	-	-	-	15.662	62.444
Financial Assets at Fair Value Through Profit/Loss	24.149	61.689	109.365	45.913	1.066	-	242.182
Interbank Money Market Placements	-	-	-	-	-	-	-
Available-for-Sale Financial Assets	61.643	404.569	275.610	109.784	-	6.474	858.080
Loans	2.084.050	1.537.647	823.017	261.009	3.323	52.322	4.761.368
Held-to-Maturity Investments	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	366.869	366.869
Total Assets	2.216.624	2.003.905	1.207.992	416.706	4.389	961.965	6.811.581
Liabilities							
Bank Deposits	150.455	-	-	-	-	14.899	165.354
Other Deposits	1.705.567	977.771	255.104	9.912	-	314.987	3.263.341
Funds From Interbank Money Market	736.800	-	-	-	-	-	736.800
Miscellaneous Payables	-	-	-	-	-	65.946	65.946
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	112.883	1.109.360	429.258	16.968	-	-	1.668.469
Other Liabilities	24.296	22.640	80.948	-	-	783.787	911.671
Total Liabilities	2.730.001	2.109.771	765.310	26.880	-	1.179.619	6.811.581
Balance Sheet Long Position	-	-	442.682	389.826	4.389	-	836.897
Balance Sheet Short Position	(513.377)	(105.866)	-	-	-	(217.654)	(836.897)
Off-balance Sheet Long Position	-	5.399	7.776	11.767	-	-	24.942
Off-balance Sheet Short Position	(2.853)	-	-	-	-	-	(2.853)
Total Position	(516.230)	(100.467)	450.458	401.593	4.389	(217.654)	22.089

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

b. Average interest rates for monetary financial instruments:

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

30 September 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	-	0,24	-	-
Financial Assets at Fair Value Through Profit/Loss	-	5,76	-	9,29
Interbank Money Market Placements	-	-	-	-
Available-for-Sale Financial Assets	-	-	-	10,32
Loans	5,38	5,57	-	13,42
Held-to-Maturity Investments	-	-	-	-
Liabilities				
Bank Deposits	0,49	0,49	-	10,10
Other Deposits (*)	2,30	2,34	-	9,54
Funds From Interbank Money Market	-	-	-	7,37
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	1,76	2,36	-	7,04

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	-	8,97
Interbank Money Market Placements	-	-	-	-
Available-for-Sale Financial Assets	-	-	-	8,49
Loans	5,04	4,89	-	12,26
Held-to-Maturity Investments	-	-	-	-
Liabilities				
Bank Deposits	0,50	-	-	6,24
Other Deposits (*)	2,82	2,82	-	8,19
Funds From Interbank Money Market	-	-	-	5,75
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	1,72	2,92	-	5,45

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

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

c. Interest rate risk resulting from banking accounts:

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

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

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

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

Currency	Applied Shock (+/- x basis point)*	Earnings/ Losses	Earnings/ Equities-Losses/ Equities
1. TRY	+500 bp	(45.642)	(4,3)%
2. TRY	-400 bp	41.601	3,9%
3. EURO	+200 bp	(46.729)	(4,4)%
4. EURO	-200 bp	12.505	1,2%
5. USD	+200 bp	(25.311)	(2,4)%
6. USD	-200 bp	20.776	2,0%
Total (For Negative Shocks)		74.882	7,0%
Total (For Positive Shocks)		(117.682)	(11,1)%

d. Equity share position risk resulting from banking accounts:

None.

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VI. EXPLANATIONS ON LIQUIDITY RISK:

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

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

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

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

	First Maturity Tranche		Second Maturity Tranche		Stock Values
	FC	FC + TL	FC	FC+TL	FC + TL
Average (%)	142,40%	153,51%	103,98%	114,46%	11,19%
Maximum (%)	198,55%	188,28%	129,72%	127,99%	13,16%
Minimum (%)	96,44%	128,85%	82,79%	101,59%	9,71%

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Breakdown of assets and liabilities according to their outstanding maturities:

30 September 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	25.102	669.123	-	-	-	-	-	694.225
Due From Banks	10.090	1.139	-	-	-	-	-	11.229
Financial Assets at Fair Value Through Profit or Loss	-	28.426	20.791	25.602	31.970	2.614	-	109.403
Interbank Money Market Placements	-	-	-	-	-	-	-	-
Available-for-Sale Financial Assets	-	-	-	344.302	60.839	113.394	7.057	525.592
Loans	-	807.288	1.705.419	1.202.936	1.387.033	778.333	81.020	5.962.029
Held-to-Maturity Investments	-	-	-	-	-	-	-	-
Other Assets (**)	-	111.361	2.410	3.134	17.100	-	244.174	378.179
Total Assets	35.192	1.617.337	1.728.620	1.575.974	1.496.942	894.341	332.251	7.680.657
Liabilities								
Bank Deposits	5.380	100.787	-	-	-	-	-	106.167
Other Deposits	242.882	2.953.188	1.166.173	187.989	44.999	-	-	4.595.231
Funds Borrowed From Other Financial Institutions	-	74.451	297.986	316.632	734.395	342.446	-	1.765.910
Funds From Interbank Money Market	-	155.221	-	-	-	-	-	155.221
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	-	17.185	2.901	-	-	-	28.893	48.979
Other Liabilities (**)	-	258.405	12.731	20.226	21.448	-	696.339	1.009.149
Total Liabilities	248.262	3.559.237	1.479.791	524.847	800.842	342.446	725.232	7.680.657
Net Liquidity Gap	(213.070)	(1.941.900)	248.829	1.051.127	696.100	551.895	(392.981)	-
31 December 2013								
Total Assets	47.016	1.244.266	1.677.130	1.539.755	1.556.594	395.212	351.608	6.811.581
Total Liabilities	329.886	2.721.504	1.269.797	694.760	734.111	320.478	741.045	6.811.581
Net Liquidity Gap	(282.870)	(1.477.238)	407.333	844.995	822.483	74.734	(389.437)	-

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

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

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VII. EXPLANATIONS ON SECURITIZATION EXPOSURES:

None.

VIII. EXPLANATIONS ON LOAN RISK MITIGATION TECHNIQUES:

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

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

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

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

Risk Group	Amount	Financial Guarantees	Other Material Guarantees	Guarantees and Loan Derivatives
Claims on sovereigns and Central Banks	1.287.931	137.581	-	-
Claims on regional governments or local authorities	-	-	-	-
Claims on administrative bodies and other non-commercial undertakings	32	-	-	-
Claims on multilateral development banks	-	-	-	-
Claims on international organizations	-	-	-	-
Claims on banks and intermediary institutions	270.430	1.185	-	-
Claims on corporates	4.658.984	147.908	-	9.692
Claims included in the regulatory retail portfolios	836.756	23.896	-	5.646
Claims secured by residential property	1.626.012	12.225	-	1.782
Past due loans	81.021	22	-	-
Higher risk categories decided by the Board	65.634	1.946	-	-
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	494.887	-	-	-
Total	9.321.687	324.763	-	17.120

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INFORMATION ON FINANCIAL ORGANIZATION (Continued)

IX. EXPLANATIONS ON TARGETS AND POLICIES OF RISK MANAGEMENT:

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

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

Risk Management Policies

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

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

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

Risk Management,

Bank’s management aims to ensure that:

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

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INFORMATION ON FINANCIAL ORGANIZATION (Continued)

Risk Limits

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

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

Risk Strategy Objectives

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

Credit Risk Strategy

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

Market Risk Strategy

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

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Operational Risk Strategy

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

Risk Management Unit Organization

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

Risk Measurement and Reporting

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

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

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

X. EXPLANATIONS ON OPERATING SEGMENTS:

The Bank manages its banking operations through three main business units: retail banking, corporate 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 30 September 2013 for income statements items.

	Retail Banking	Corporate and Commercial Banking	Treasury	Total Operations of the Bank
30 September 2014				
Segment revenue	61.745	107.787	27.745	197.277
Unallocated costs	-	-	-	(202.864)
Net Operating Profit	61.745	107.787	27.745	(5.587)
Dividend income	-	-	-	5.784
Profit Before Tax	-	-	-	197
Tax expense	-	-	-	(871)
Net Profit	-	-	-	(674)
Segment assets	1.277.941	5.096.532	928.005	7.302.478
Investments in associates, subsidiaries and joint ventures	-	-	-	142.193
Unallocated assets	-	-	-	235.986
Total Assets	1.277.941	5.096.532	928.005	7.680.657
Segment liabilities	2.014.973	2.714.567	1.971.458	6.700.998
Unallocated liabilities	-	-	-	979.659
Total Liabilities	2.014.973	2.714.567	1.971.458	7.680.657

	Retail Banking	Corporate and Commercial Banking	Treasury	Total Operations of the Bank
30 September 2013				
Segment revenue	43.367	73.089	44.488	160.944
Unallocated costs	-	-	-	(189.796)
Net Operating Profit	43.367	73.089	44.488	(28.852)
Dividend income	-	-	-	439
Profit Before Tax	-	-	-	(28.413)
Tax expense	-	-	-	1.798
Net Profit	-	-	-	(26.615)
31 December 2013				
Segment assets	763.100	3.409.985	1.553.839	5.726.924
Investments in associates, subsidiaries and joint ventures	-	-	-	88.337
Unallocated assets	-	-	-	260.106
Total Assets	763.100	3.409.985	1.553.839	6.075.367
Segment liabilities	1.216.855	2.060.047	1.955.761	5.232.663
Unallocated liabilities	-	-	-	842.704
Total Liabilities	1.216.855	2.060.047	1.955.761	6.075.367

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SECTION FIVE

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND NOTES RELATED TO ASSETS

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

1. Information on cash and the account of CBRT:

	30 September 2014		31 December 2013	
	TL	FC	TL	FC
Cash/Foreign currency	13.675	11.401	10.471	20.846
CBRT	253.141	416.008	155.419	333.902
Other	-	-	-	-
Total	266.816	427.409	165.890	354.748

2. Information on the account of CBRT:

	30 September 2014		31 December 2013	
	TL	FC	TL	FC
Demand Unrestricted Amount	253.141	84.756	155.419	61.278
Time Unrestricted Amount	-	-	-	-
Time Restricted Amount	-	331.252	-	272.624
Total	253.141	416.008	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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**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

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

1. As of 30 September 2014, there aren't any financial assets at fair value through profit or loss subject to repo transactions. (31 December 2013: TL 30.749).
2. Positive differences related to derivative financial instruments held for trading:

	30 September 2014		31 December 2013	
	TL	FC	TL	FC
Forward Transactions	4.968	227	29.034	648
Swap Transactions	48.351	11.170	18.657	6.193
Futures Transactions	-	-	-	-
Options	3.428	28.865	35.771	71.608
Other	-	-	-	-
Total	56.747	40.262	83.462	78.449

c. Information on banks:

1. Information on banks:

	30 September 2014		31 December 2013	
	TL	FC	TL	FC
Banks				
Domestic	133	1.141	21.113	25.781
Foreign	-	9.955	-	15.550
Headquarters and Branches Abroad	-	-	-	-
Total	133	11.096	21.113	41.331

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

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

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

As of 30 September 2014, there are TL 86.350 available-for-sale financial assets given as collateral/blocked (31 December 2013: TL 42.600) and those subject to repurchase agreements amounts to TL 139.234 (31 December 2013: TL 732.520).

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

	30 September 2014	31 December 2013
Debt Securities	519.157	852.908
Quoted on Stock Exchange	474.209	852.908
Not Quoted	44.948	-
Share Certificates	7.057	6.474
Quoted on Stock Exchange	-	-
Not Quoted	7.057	6.474
Impairment Provision (-)	622	1.302
Total	525.592	858.080

e. Explanations on loans:

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

	30 September 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	-	-	-	126
Loans Granted to Employees	4.673	-	4.167	-
Total	4.673	-	4.167	126

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

(i)

Cash Loans	Standard Loans and Other Receivables			Loans and Other Receivables Under Close Monitoring		
	Loans and Other Receivables	Restructured or Rescheduled		Loans and Other Receivables	Restructured or Rescheduled	
		Loans with Restructured Payment Plans	Other		Loans with Restructured Payment Plans	Other
Non-Specialised Loans	5.583.799	55.824	6.531	65.435	160.707	8.713
Loans Given to Enterprises	-	-	-	-	-	-
Export Loans	768.577	1.013	-	11.166	7.861	-
Import Loans	-	-	-	-	-	-
Loans Given to Financial Sector	263.861	-	-	-	-	-
Consumer Loans	91.353	-	-	3.807	-	-
Credit Cards	20.278	-	-	755	-	-
Other (*)	4.439.730	54.811	6.531	49.707	152.846	8.713
Specialised Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	5.583.799	55.824	6.531	65.435	160.707	8.713

(*) The Bank also has TL 37.812 factoring receivables in the Other account.

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

(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	52.864	160.707
3, 4 or 5 times	1.850	-
Over 5 times	1.110	-
Total	55.824	160.707

(iii)

Extended Period of Time	Standard Loans and Other Receivables	Loans and Other Receivables Under Close Monitoring
0-6 Months	6.149	74.938
6 Months – 12 Months	2.535	3.692
1-2 Years	660	7.126
2-5 Years	46.480	74.951
5 Years and Over	-	-
Total	55.824	160.707

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

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

	Short- term	Medium and Long-term	Total
Consumer Loans-TL	7.273	80.488	87.761
Real estate loans	-	12.053	12.053
Automotive loans	-	655	655
Consumer loans	7.273	67.780	75.053
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	4.806	-	4.806
With instalments	-	-	-
Without instalments	4.806	-	4.806
Individual Credit Cards- FC	38	-	38
With instalments	-	-	-
Without instalments	38	-	38
Personnel Loans-TL	359	3.400	3.759
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	359	3.400	3.759
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	907	2	909
With instalments	-	2	2
Without instalments	907	-	907
Personnel Credit Cards-FC	5	-	5
With instalments	-	-	-
Without instalments	5	-	5
Credit Deposit Account-TL (Real Person)	3.640	-	3.640
Credit Deposit Account-FC (Real Person)	-	-	-
Total	17.028	83.890	100.918

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

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

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

	Short-term	Medium and long-term	Total
Commercial Installments Loans-TL	40.647	446.918	487.565
Real estate Loans	-	30	30
Automotive Loans	235	8.092	8.327
Consumer Loans	35.866	369.499	405.365
Other	4.546	69.297	73.843
Commercial Installments Loans-FC Indexed	10.649	64.906	75.555
Real estate Loans	-	-	-
Automotive Loans	-	992	992
Consumer Loans	10.649	63.914	74.563
Other	-	-	-
Commercial Installments Loans-FC	-	146.584	146.584
Real estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	146.584	146.584
Corporate Credit Cards-TL	15.200	5	15.205
With instalment	-	5	5
Without instalment	15.200	-	15.200
Corporate Credit Cards-FC	70	-	70
With instalment	-	-	-
Without instalment	70	-	70
Credit Deposit Account-TL (Legal Person)	41.872	-	41.872
Credit Deposit Account-FC (Legal Person)	-	-	-
Total	108.438	658.413	766.851

5. Loans according to types of borrowers:

	30 September 2014	31 December 2013
Public	-	-
Private	5.881.009	4.709.046
Total	5.881.009	4.709.046

6. Distribution of domestic and foreign loans:

	30 September 2014	31 December 2013
Domestic Loans	5.881.009	4.709.046
Foreign Loans	-	-
Total	5.881.009	4.709.046

7. Loans given to associates and subsidiaries;

	30 September 2014	31 December 2013
Direct Loans given to associates and subsidiaries	1.150	16.409
Indirect Loans given to associates and subsidiaries	-	-
Total	1.150	16.409

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

BURGAN BANK A.Ş.

**UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED
30 SEPTEMBER 2014 AND 30 SEPTEMBER 2013**

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

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

8. Specific provisions provided against loans:

	30 September 2014	31 December 2013
Loans and Other Receivables with Limited Collectability	5.709	3.057
Loans and Other Receivables with Doubtful Collectability	14.903	13.420
Uncollectible Loans and Other Receivables	92.473	38.997
Total	113.085	55.474

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
30 September 2014			
(Gross amounts before the Specific Reserves)	-	-	-
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	-	359	9.659
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	20.563	33.788	53.445
Additions (+)	97.174	4.028	20.696
Transfers from Other Categories of Non performing Loans (+)	-	54.944	53.272
Transfers to Other Categories of Non-performing Loans (-)	54.944	53.272	-
Collections (-)	18.057	3.187	14.345
Write-offs (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Balance at the End of the Period	44.736	36.301	113.068
Specific Provision (-)	5.709	14.903	92.473
Net Balance on Balance Sheet	39.027	21.398	20.595

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

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

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
30 September 2014			
Period-End Balance	1.538	-	16.459
Specific Provision (-)	280	-	9.818
Net Balance on balance sheet	1.258	-	6.641
31 December 2013			
Period-End Balance	258	6.692	9.654
Specific Provision (-)	52	2.389	4.775
Net Balance on balance sheet	206	4.303	4.879

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)	39.027	21.398	20.595
Loans Given to Real Persons and Legal Persons (Gross)	44.736	36.301	113.068
Specific Provision Amount (-)	5.709	14.903	92.473
Loans Given to Real Persons and Legal Persons (Net)	39.027	21.398	20.595
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	17.506	20.368	14.448
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 (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

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

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

f. Information on held-to-maturity investments:

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

None.

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

None.

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

None.

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

None.

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

None.

g. Information on investments in associates (Net):

None.

h. Information on subsidiaries (Net):

1. Information on unconsolidated subsidiaries:

None.

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

None.

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

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EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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

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

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit / Loss	Prior Period Profit / Loss	Fair value
1	654.283	90.176	77	29.433	-	6.382	3.514	-
2 (*)	208.054	57.648	2.862	5.711	211	(335)	(5.223)	-

5. Movement schedules of subsidiaries:

	30 September 2014	31 December 2013
Balance at the beginning of the Period	99.193	88.337
Movements during the Period (*)	43.000	10.856
Purchases	37.799	-
Bonus Shares Obtained	5.201	18.978
Dividends from Current Year Income	-	-
Sales	-	-
Revaluation Increase	-	-
Impairment Provision	-	(8.122)
Balance at the end of the Period	142.193	99.193
Capital Commitments	-	-
Share Percentage at the end of the Period (%)	%99,99	%99,99

(*) In accordance with the resolution of the Board of Directors dated July 22, 2014, the share capital of Burgan Finansal Kiralama A.Ş. was raised from TL 37.000.000 to TL 80.000.000. TL 37.799.064 of this amount was paid by the Bank and TL 5.200.936 of it was provided by internal resources.

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(Continued)**

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

Subsidiaries	30 September 2014	31 December 2013
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	84.210	41.210
Finance Companies	-	-
Other Financial Subsidiaries	57.983	57.983
Total	142.193	99.193

7. Subsidiaries quoted on stock exchange:

None (31 December 2013: None).

i. Information on joint ventures:

None (31 December 2013: None).

j. Information on lease receivables (net):

None (31 December 2013: None).

k. Information on hedging derivative financial assets:

None (31 December 2013: None).

l. Information on investment property:

None (31 December 2013: None).

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

m. Information on deferred tax asset:

As of 30 September 2014, the Bank has netted-off the calculated deferred tax asset of TL 27.010 (31 December 2013: TL 24.856) and deferred tax liability of TL 10.040 (31 December 2013: TL 5.695) in accordance with “TAS 12” and has recorded a net deferred tax asset of TL 16.970 (31 December 2013: TL 19.161) in the financial statements.

As of 30 September 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	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Carried Financial Loss	74.409	58.373	14.882	11.675
Provision for Legal Cases	19.652	17.402	3.930	3.480
Provisions for Possible Risks	11.492	26.900	2.298	5.380
Reserve for Employment Termination Benefit, Unused Vacation and Bonus Payments	18.525	15.979	3.705	3.196
Unearned Revenue	9.490	5.278	1.898	1.056
Other	1.480	350	297	69
Deferred Tax Assets	135.048	124.282	27.010	24.856
Difference Between Book Value and Tax Base of Tangible and Intangible Assets	11.611	12.885	2.322	2.577
Valuation Differences of Derivative Instruments	37.419	15.592	7.484	3.118
Other	1.167	-	234	-
Deferred Tax Liabilities	50.197	28.477	10.040	5.695
Deferred Tax Assets/(Liabilities) (Net)	84.851	95.805	16.970	19.161

Movement of deferred tax asset/ liabilities is presented below:

	30 September 2014	31 December 2013
Balance as of 1 January	19.161	6.736
Current year deferred tax expense	(871)	8.867
Deferred tax charged to equity (net)	(1.320)	3.558
Balance at the End of the Period	16.970	19.161

(*) TL 58.373 of the financial losses carried forward amounting to TL 74.409 is usable in the corporate tax calculations until 2018 and TL 16.036 until 2019.

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EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

The Bank has assets held for resale amounting to TL 9.923 (31 December 2013: TL 13.692) and has no discontinued operations.

Prior Period	30 September 2014	31 December 2013
Cost	14.348	13.175
Accumulated Depreciation (-)	656	481
Net Book Value	13.692	12.694
Current Period		
Net book value at beginning of the period	13.692	12.694
Additions	1.075	4.797
Disposals (-), net	4.674	3.507
Impairment	-	-
Depreciation (-)	170	292
Cost at end of the period	10.598	14.348
Accumulated Depreciation at end of the period (-)	675	656
Closing Net Book Value	9.923	13.692

o. Information on other assets:

As of 30 September 2014, other assets amount to TL 165.991 (31 December 2013: TL 187.048) and does not exceed 10% of the total assets excluding off-balance sheet commitments.

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

II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES

a. Information on deposits:

1. Information on maturity structure of deposits:

i. 30 September 2014:

	Demand	With 7 days notifications	Up to 1 month	1-3 months	3-6 months	6 months - 1 year	1 year and over	Accum. Deposit	Total
Saving Deposits	21.550	-	29.335	1.071.323	148.219	96.787	56.709	-	1.423.923
Foreign Currency Deposits	124.445	-	180.472	1.547.518	239.633	31.816	56.808	-	2.180.692
Residents in Turkey	100.242	-	179.434	1.539.708	232.797	30.215	23.519	-	2.105.915
Residents Abroad	24.203	-	1.038	7.810	6.836	1.601	33.289	-	74.777
Public Sector Deposits	22.097	-	-	-	-	-	-	-	22.097
Commercial Deposits	73.691	-	78.986	450.744	121.430	29.775	58.024	-	812.650
Other Institutions Deposits	1.099	-	345	91.241	63.103	81	-	-	155.869
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	5.380	-	100.787	-	-	-	-	-	106.167
CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	74	-	41.758	-	-	-	-	-	41.832
Foreign Banks	5.306	-	59.029	-	-	-	-	-	64.335
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	248.262	-	389.925	3.160.826	572.385	158.459	171.541	-	4.701.398

ii. 31 December 2013:

	Demand	With 7 days notifications	Up to 1 month	1-3 months	3-6 months	6 months - 1 year	1 year and over	Accum. Deposit	Total
Saving Deposits	22.112	-	18.901	584.467	99.102	37.058	47.242	-	808.882
Foreign Currency Deposits	179.136	-	129.292	1.231.370	276.114	86.363	33.866	-	1.936.141
Residents in Turkey	155.210	-	129.292	1.221.766	274.536	83.223	33.303	-	1.897.330
Residents Abroad	23.926	-	-	9.604	1.578	3.140	563	-	38.811
Public Sector Deposits	36.753	-	-	258	-	-	-	-	37.011
Commercial Deposits	75.487	-	63.600	157.752	41.549	27.397	62.687	-	428.472
Other Institutions Deposits	1.499	-	2.233	35.732	13.371	-	-	-	52.835
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	14.899	-	150.455	-	-	-	-	-	165.354
CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	102	-	126.980	-	-	-	-	-	127.082
Foreign Banks	14.797	-	23.475	-	-	-	-	-	38.272
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	329.886	-	364.481	2.009.579	430.136	150.818	143.795	-	3.428.695

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

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(Continued)**

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	
	30 September 2014	31 December 2013	30 September 2014	31 December 2013
Saving Deposits				
Saving Deposits	416.247	299.714	1.007.676	509.168
Foreign Currency Savings Deposit	100.508	81.428	914.373	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	516.755	381.142	1.922.049	1.113.952

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

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

	30 September 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	5.875	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	5.875	3.750

b. Information on trading derivative financial liabilities:

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

Derivative Financial Liabilities Held for Trading	30 September 2014		31 December 2013	
	TL	FC	TL	FC
Forward Transactions	12.479	134	4.390	298
Swap Transactions	1.557	3.832	12.740	2.829
Futures Transactions	-	-	-	-
Options	84	32.241	933	106.035
Other	-	-	-	-
Total	14.120	36.207	18.063	109.162

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(Continued)**

c. Information on borrowings:

1. Information on banks and other financial institutions:

	30 September 2014		31 December 2013	
	TL	FC	TL	FC
CBRT Borrowings	-	-	-	-
From Domestic Banks and Institutions	47.174	49.259	59.636	75.904
From Foreign Banks, Institutions and Funds	1.516	1.325.515	-	1.212.451
Total	48.690	1.374.774	59.636	1.288.355

2. Information on maturity structure of borrowings:

	30 September 2014		31 December 2013	
	TL	FC	TL	FC
Short-term	48.690	275.987	59.636	136.750
Medium and Long-term	-	1.098.787	-	1.151.605
Total	48.690	1.374.774	59.636	1.288.355

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

The Bank’s main funding sources are deposits and borrowings. As of 30 September 2014, deposits from Bank’s risk group comprise 1% (31 December 2013: 1%) of total deposits. Besides this, Borrowings from Bank’s risk group comprise 65% (31 December 2013: 71%) of subordinated and other borrowings.

d. Information on other liabilities:

Other liabilities amounting to TL 241.118 (31 December 2013: TL 68.768) do not exceed 10% of the total of the balance sheet excluding off-balance sheet commitments.

e. Information on financial lease agreements:

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

	30 September 2014		31 December 2013	
	Gross	Net	Gross	Net
Less than 1 year	-	-	671	659
1-4 years	-	-	-	-
More than 4 year	-	-	-	-
Total	-	-	671	659

f. Information on hedging derivative financial liabilities:

None.

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(Continued)**

g. Information on provisions:

1. Information on general provisions:

	30 September 2014	31 December 2013
General Provisions	59.704	48.122
Provisions for First Group Loans and Receivables	45.548	35.165
Additional Provision for Loans and Receivables with Extended Maturities	2.760	3.924
Provisions for Second Group Loans and Receivables	9.643	8.022
Additional Provision for Loans and Receivables with Extended Maturities	8.109	6.894
Provisions for Non-Cash Loans	2.536	2.598
Other	1.977	2.337

2. Information on reserve for employment termination benefits:

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

The payment amount which is one month’s salary for each working year is restricted to TL 3.438,22 (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 Bank. There are assumptions in the calculation as discount rate, employee turnover and expected salary increases. In this context, the following actuarial assumptions were used in the calculation of total liabilities.

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 “Extraordinary reserves” item under the Equity section of the financial statements.

	30 September 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

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Movement of reserve for employment termination benefits during the period:

	30 September 2014	31 December 2013
Prior Period Ending Balance	7.086	7.016
Service Cost	3.268	1.118
Interest Cost	-	506
Settlement Cost	-	222
Actuarial Loss/Gain	-	(115)
Benefits Paid	(1.828)	(1.661)
Balance at the End of the Period	8.526	7.086

In addition, as of 30 September 2014 the Bank has accounted for vacation rights provision amounting to TL 1.639 (31 December 2013: TL 1.441) and personnel bonus provision amounting to TL 8.360 (31 December 2013: TL 7.452).

3. Other provisions:

i) Information on provisions for possible risks:

	30 September 2014	31 December 2013
Provisions for potential risks (*)	11.492	26.900
Total	11.492	26.900

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

ii) Information on other provisions:

The Bank set aside reserves amounting to TL 19.652 (31 December 2013: TL 17.402) for lawsuits, TL 2.687 (31 December 2013: TL 2.937) for non-cash loans, TL 1.291 (31 December 2013: TL 4.730) for customer cheques commitments, TL 86 (31 December 2013: TL 108) for credit card loyalty points and TL 142 (31 December 2013: TL 133) for other receivables.

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

As of 30 September 2014, the provision related to the foreign currency difference of foreign indexed loans amounts to TL 1.428 (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 30 September 2014, the Bank provided no corporate tax provision.(31 December 2013: None).

2. Information on taxes payable:

	30 September 2014	31 December 2013
Corporate Tax Payable	-	-
Taxation of Marketable Securities	4.324	4.357
Property Tax	327	161
Banking Insurance Transaction Tax	3.962	3.984
Value Added Tax Payable	314	186
Other	2.113	1.779
Total	11.040	10.467

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

BURGAN BANK A.Ş.

UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2014 AND 30 SEPTEMBER 2013

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

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. Information on premium payables:

	30 September 2014	31 December 2013
Social Security Premiums-Employee	726	638
Social Security Premiums-Employer	1.086	953
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	51	45
Unemployment Insurance-Employer	102	90
Other	-	-
Total	1.965	1.726

4. As of 30 September 2014, the Bank has netted-off the calculated deferred tax asset of TL 27.010 (31 December 2013: TL24.856) and deferred tax liability of TL 10.040 (31 December 2013: TL 5.695) in accordance with “TAS 12” and has recorded a net deferred tax asset of TL 16.970 (31 December 2013: TL 19.161) in the financial statements.

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

None.

j. Information about subordinated loans:

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

Issuing Institution	Amount	Value Date	Maturity Date	Interest Rate(%)
Burgan Bank S.A.K.	USD 150.000.000	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 about subordinated loans:

	30 September 2014		31 December 2013	
	TL	FC	TL	FC
Domestic Banks	-	-	-	-
Domestic Other Institutions	-	-	-	-
Foreign Banks	-	342.446	-	320.478
Foreign Other Institutions	-	-	-	-
Total	-	342.446	-	320.478

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

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

k. Information on shareholders’ equity:

1. Presentation of paid-in capital:

	30 September 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	Limit
Registered Capital	570.000	1.000.000

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

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 thousand to TL 900.000 thousand on condition that it remains within the upper limit of registered capital and that TL 110.000 thousand which makes up 1/3 of the increase which is TL 330.000 thousand should be paid in cash before the primary capital is registered and the remaining TL 220.000 thousand 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.

Within the framework of the necessary permits, TL 109.184 thousand was paid in cash by Burgan Bank SAK, which corresponds to 99.26% shares of 110.000 thousand TL (1/3 of the 330.000 thousand TL) at the date of 05 June 2014, has been presented in the accompanying financial statements under the "Other liabilities" item. On November 3, 2014, the money was transferred to the equity account upon the permission of BRSA.

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

None.

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

None.

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

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

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

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

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

8. Information on marketable securities valuation reserve:

	30 September 2014		31 December 2013	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	1.624	(759)	(4.414)	-
Foreign Currency Translation Difference	-	-	-	-
Total	1.624	(759)	(4.414)	-

9. Information on tangible assets revaluation reserve:

	30 September 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	-

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

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

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

a. Information on off balance sheet commitments:

1. The amount and type of irrevocable commitments:

	30 September 2014	31 December 2013
Foreign currency buy/sell commitments	556.574	22.658
Commitments for cheques	298.340	278.991
Loan limit commitments	185.125	106.629
Commitments for credit card limits	45.266	41.413
Blocked cheques given to customers	-	178
Tax and fund obligations arising from export commitments	18	18
Promotions for the credit cards and their care services	1	-
Total	1.085.324	449.887

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:

	30 September 2014	31 December 2013
Letter of guarantees	809.257	771.163
Letter of credits	179.158	257.308
Bank acceptance loans	65.757	89.512
Other guarantees	36.977	67.886
Factoring guarantees	213	752
Total	1.091.362	1.186.621

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

	TL	FC
Irrevocable letters of guarantee	419.846	176.257
Guarantees given to customs	30.893	27.352
Letters of guarantee given in advance	20.553	32.094
Revocable letters of guarantee	9.262	63.734
Other letters of guarantee	8.772	20.494
Total	489.326	319.931

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

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

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

	30 September 2014	31 December 2013
Non-cash loans given against cash loans	62.429	84.207
With original maturity of 1 year or less than 1 year	-	-
With original maturity of more than 1 year	62.429	84.207
Other non-cash loans	1.028.933	1.102.414
Total	1.091.362	1.186.621

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

Non-cash Loans (*)	Group I		Group II	
	TL	FC	TL	FC
Letters of Guarantee	467.675	315.800	13.817	4.124
Bank Acceptances	1.421	64.336	-	-
Letters of Credit	-	179.158	-	-
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	173	-	40	-
Other Commitments and Contingencies	-	35.984	-	993
Total	469.269	595.278	13.857	5.117

(*) In addition to non-cash loans stated above, the Bank has non-cash loans classified as non-performing loans, amounting to TL 7.841. As of 30 September 2014, the Bank has recorded a provision amounting to TL 2.687 regarding these risks.

b. Investment Funds:

As of 30 September 2014, the Bank is the founder of 3 investment funds (31 December 2013: 3) with a total fund value of TL 22.897 (31 December 2013: TL 24.950). 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 30 September 2014, the total amount of legal cases against the Bank is TL 50.784 (31 December 2013: TL 48.783) and the Bank sets aside a provision of TL 19.652 (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 law cases in local courts have resulted in favor of the Bank. The cases are at the appeal phase. As a result, the Bank did not book any provision.

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

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

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

MOODY'S (Dated on 10 September 2014)

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

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

IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT

a. Information on interest income:

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

	30 September 2014		30 September 2013	
	TL	FC	TL	FC
Interest Income on Loans				
Short-term Loans	218.875	17.339	145.449	19.768
Medium/Long-term Loans	62.013	63.647	41.886	22.609
Interest on Loans Under Follow-up	3.906	-	1.161	-
Premiums Received from Resource Utilisation Support Fund	-	-	-	-
Total	284.794	80.986	188.496	42.377

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

2. Information on interest income on banks:

	30 September 2014		30 September 2013	
	TL	FC	TL	FC
From the CBRT	-	-	-	-
From Domestic Banks	167	49	129	105
From Foreign Banks	-	8	2	9
Headquarters and Branches Abroad	-	-	-	-
Total	167	57	131	114

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

	30 September 2014	30 September 2013
Interest Received From Investments in Associates and Subsidiaries	816	66

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

b. Information on interest expense:

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

	30 September 2014		30 September 2013	
	TL	FC	TL	FC
Banks	2.513	32.642	2.118	9.207
The CBRT	-	-	-	-
Domestic Banks	2.497	1.373	2.118	1.523
Foreign Banks	16	31.269	-	7.684
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	-	-	-
Total	2.513	32.642	2.118	9.207

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

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

	30 September 2014	30 September 2013
Interest Paid to Investment in Associates and Subsidiaries	752	1.701

3. Interest expense on issued marketable securities:

None.

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

	Demand Deposit	Time Deposit					Accum. Deposit	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year		
Turkish Currency								
Bank Deposits	21	1.844	-	-	-	-	-	1.865
Savings Deposits	-	1.374	55.169	10.514	4.951	3.382	-	75.390
Public Deposits	-	-	1.877	-	-	-	-	1.877
Commercial Deposits	-	6.190	21.877	6.359	3.097	4.786	-	42.309
Other Deposits	-	55	3.644	2.735	3	-	-	6.437
7 Day Notice Deposits	-	-	-	-	-	-	-	-
Total	21	9.463	82.567	19.608	8.051	8.168	-	127.878
Foreign Currency								
Foreign Currency Account	-	1.270	28.532	6.367	1.153	1.305	-	38.627
Bank Deposits	-	166	-	-	-	-	-	166
7 Day Notice Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-
Total	-	1.436	28.532	6.367	1.153	1.305	-	38.793
Sum Total	21	10.899	111.099	25.975	9.204	9.473	-	166.671

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

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

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

	30 September 2014	30 September 2013
Income	3.364.969	2.426.506
Income from Capital Market Transactions	4.451	8.881
Income From Derivative Financial Transactions	45.923	126.081
Foreign Exchange Gains (*)	3.314.595	2.291.544
Loss (-)	3.340.711	2.406.782
Loss from Capital Market Transactions	2.549	5.005
Loss From Derivative Financial Transactions	39.983	107.491
Foreign Exchange Loss (*)	3.298.179	2.294.286
Net Income/(Loss)	24.258	19.724

(*) The net foreign exchange profit from foreign exchange gain/loss regarding to derivative financial transactions included in foreign exchange profit is TL 16.209 (31 September 2013: TL 9.275 profit).

d. Information on other operating income:

As of 30 September 2014, the Bank’s other operating income is TL 6.176 (30 September 2013: TL 5.197). TL 2.966 (30 September 2013: TL 1.374) amount of the other operating income is composed of the profit from sales of the fixed assets that were classified as Asset Held for Resale.

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

	30 September 2014	30 September 2013
Specific Provisions for Loans and Other Receivables	36.124	43.030
III. Group Loans and Receivables	13.438	5.868
IV. Group Loans and Receivables	10.819	15.046
V. Group Loans and Receivables	11.867	22.116
General Provision Expenses	11.307	11.701
Provision Expense for Possible Risks	5.550	-
Marketable Securities Impairment Expense	-	-
Financial Assets at Fair Value Through Profit or Loss	-	-
Available-for-sale Financial Assets	-	-
Investments in Associates, Subsidiaries and Held-to-Maturity Securities Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Held-to-maturity Investments	-	-
Other	-	-
Total	52.981	54.731

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

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

f. Information related to other operating expenses:

	30 September 2014	30 September 2013
Personnel Expenses	79.413	69.312
Reserve For Employee Termination Benefits(*)	3.465	1.987
Bank Social Aid Pension Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	4.515	5.049
Impairment Expenses of Intangible Assets	-	-
Amortisation Expenses of Intangible Assets	3.081	2.752
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	170	218
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	47.056	44.469
Operational Lease Expenses	15.600	12.214
Maintenance Expenses	633	596
Advertising Expenses	404	3.561
Other Expense	30.419	28.098
Loss on Sales of Assets	119	-
Other	12.064	11.278
Total	149.883	135.065

(*) As of 30 September 2014, the employee vacation fee provision is TL 197 (30 September 2013: TL 88).

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

The Bank has no discontinued operations. The Bank’s net in profit before taxes from continuing operations is TL 197.

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

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

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

As of 30 September 2014, the Bank has no current tax expense amounting and deferred tax expense amounting to TL 871.

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

The Bank has TL 3.207 from temporary differences income and TL 2.325 tax income from carried financial loss, TL 6.403 deferred tax expense from closed temporary differences amounting to net TL 871 deferred tax expense.

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

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

As of 30 September 2014, the Bank has TL 4.078 tax expense arising from temporary differences and TL 3.207 deferred tax income from carried financial loss.

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

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

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

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

None.

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

None.

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

k. Information on other income and expenses:

As of 30 September 2014, the Bank’s fee and commission income amounts to TL 20.974 (30 September 2013: TL 14.615) and TL 12.916 (30 September 2013: TL 6.200) the related amount is classified under “Other fee and commission income” account.

	30 September 2014	30 September 2013
Other Fee and Commissions Received		
Credit Card and POS Transaction Commission	5.422	1.761
Account Operating Fees	1.065	848
Insurance Commissions	1.041	1.018
Transfer Commissions	883	753
Commissions from Correspondent Banks	389	297
Commissions on Investment Fund Services	130	309
Ortak Nokta Commissions	78	90
Letter of Credit Commissions	12	14
Other	3.896	1.110
Total	12.916	6.200

As of 31 September 2014, Bank’s fee and commission expense amounts to TL 7.260 (30 September 2013: TL 3.591) and TL 7.237 (30 September 2013: TL 3.586) of the related amount is classified under “Other fee and commission expense” account.

	30 September 2014	30 September 2013
Other Fee and Commissions Given		
Credit Card Transaction Commission	5.574	2.147
EFT Commissions	404	346
Commissions Granted to Correspondent Banks	381	328
Common Ground Commissions	177	331
Transfer Commissions	99	74
Other	602	360
Total	7.237	3.586

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EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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

Prior period financial information is presented as at 31 December 2013 for balance sheet and 30 September 2013 for income statements items.

1. 30 September 2014:

Banks’ Risk Group (*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	16.409	18.786	-	126	13.267	892
Balance at the End of the Period	1.150	25.705	-	-	24	35.224
Interest and Commission Income Received	816	27	-	-	1.234	-

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

2. 31 December 2013:

Banks’ Risk Group (*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	12.239	-	-	21	-
Balance at the End of the Period	16.409	18.786	-	126	13.267	892
Interest and Commission Income Received	66	23	-	-	13	2

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

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

Banks’ Risk Group(*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposit						
Beginning of the Period	20.798	75.261	576	445	8.812	3.376
End of the Period	29.562	20.798	20.227	576	6.280	8.812
Interest Expense on Deposits	522	1.701	16	19	285	320

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

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EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

Banks' Risk Group(*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Repurchase Transactions						
Beginning of the Period	3.310	-	-	-	-	108
End of the Period	-	3.310	-	-	-	-
Interest Expense on Repurchase Transactions	230	-	-	-	-	2

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

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

Banks' Risk Group(*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions for trading purposes						
Beginning of the Period	16.724	3.577	-	-	-	-
Balance at the end of the period	22.089	16.724	-	-	-	-
Total Profit/Loss	(848)	61	-	-	-	-
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 Bank's risk group:

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

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

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

	Total Risk Group	Share in Financial Statements (%)
Borrowings	1.146.089	64,90
Other liabilities(*)	109.184	40,21
Deposit	56.069	1,19
Loans	1.174	0,02
Non-cash loans	60.929	5,58
Banks and Other Institutions	5.378	47,89

(*) Within the framework of the necessary permits, TL 109.184 thousand was paid in cash by Burgan Bank SAK, which corresponds to 99,26% shares of 110.000 thousand TL (1/3 of the 330,000 thousand TL) at the date of 05 June 2014, has been presented in the accompanying financial statements under the "Other liabilities" item. The money was transferred to the equity account on November 3, 2014 upon the permission of BRSA.

As of 30 September 2014, the Bank has realized interest expense amounting to TL 27.164 (30 September 2013: TL 6.860) on loans borrowed from the direct shareholders of the Bank.

As of 30 September 2014, the Bank has realized dividend profit amounting to TL 5.201 from it's subsidiary company Burgan Finansal Kiralama A.Ş.

3. Equity accounting transactions: None.

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

BURGAN BANK A.Ş.

**UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED
30 SEPTEMBER 2014 AND 30 SEPTEMBER 2013**

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED 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:

The Bank, has financial leasing agreements with Burgan Finansal Kiralama A.Ş. As of 30 September 2014, there are no financial leasing payables arising from these agreements (31 December 2013: TL 659). The interest expense amount paid for the related financial leasing agreements amounts to TL 12 (30 September 2013: None).

According to the Joint Expense Sharing Agreement with the Bank and its subsidiaries; the Bank has TL 140 (June 30 2013:42) from Burgan Finansal Kiralama A.Ş., and TL 222 (June 30 2013: TL 79) from Burgan Yatırım Menkul Değerler A.Ş. as other operating income.

In accordance with the limits in Banking Law, cash and non-cash loans are allocated to the Bank’s risk group and the amount composes 0,88% (31 December 2013: 0,83%) of the Bank’s total cash and non-cash loans.

As of 30 September 2014 there are no purchase-sales transactions on any assets including real - estate with the risk group consisting the Bank.

As of 30 September 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 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 10.221 (30 September 2013: TL 9.163) which include total gross salary, travel, meal, health, life insurance and other expenses.

VI. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

In the Bank’s Board of Directors meeting dated October 22, 2014 and numbered 837, it has been decided that the loan receivables (principal) from 927 debtors amounting to TL 71.869.553 followed in the accounts of “Receivables To Be Liquidated” should be sold and transferred to Final Varlık Yönetim A.Ş. At an amount of TL 13.000.000. An agreement was signed with Final Varlık Yönetim A.Ş.. In the same Board of Directors meeting, it has been decided that the share capital of subsidiary Burgan Yatırım Menkul Değerler A.Ş. should be increased from TL 8.450.000 to TL 48.450.000 and that applications should be filed to have the necessary permissions from the Capital Market Board and other related authorities.

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

BURGAN BANK A.Ş.

UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 SEPTEMBER 2014 AND 30 SEPTEMBER 2013

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

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

In the board of directors meeting dated October 22, 2014, and numbered 838, it has been decided that the paid in capital of the Bank should be increased from TL 570.000.000 to TL 900.000.000 on condition that it remains within the upper limit of registered capital and that TL 220.000.000 which makes up 2/3 of the increase and which has not been paid should be paid at the latest by November 15, 2014 pursuant to Article 8 of the Articles of Incorporation of the Bank and with the capital participation contracts and that the General Directorate should be authorized to communicate the invitation to be made to shareholders who have committed to participate in the capital increase, for applying to the Banking Regulation and Supervision Authority after completion of the payments and for performing all other necessary transactions.

In the Extraordinary General Assembly meeting of Burgan Finansal Kiralama A.Ş., a subsidiary of the Bank, dated November 6, 2014, the Company decided to raise the upper limit of its registered capital to TL 200 million.

SECTION SIX

EXPLANATIONS ON REVIEW REPORT

I. EXPLANATIONS ON REVIEW REPORT

The unconsolidated financial statements as of 30 September 2014 and for the three month interim period then ended have been reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of Ernst&Young Global Limited) and the independent auditor’s report dated November 13, 2014 has been presented prior to the unconsolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITOR

None.

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