

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

**BURGAN BANK A.Ş.
(previously "EUROBANK TEKFEN A.Ş.")**

**PUBLICLY ANNOUNCED UNCONSOLIDATED
FINANCIAL STATEMENTS
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT
AT 31 DECEMBER 2012**



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

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

We have audited the accompanying unconsolidated balance sheet of Burgan Bank A.Ş. ("the Bank") at 31 December 2012 and the related unconsolidated statements of income, cash flows and changes in shareholders' equity for the period then ended and a summary of significant accounting policies and other explanatory notes to the financial statements.

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

The Bank's Board of Directors is responsible for establishing and maintaining effective internal control over financial reporting to prevent the misstatements caused by error or fraud, that are material to the financial statements; and for selecting and applying appropriate accounting policies in compliance with the "Regulation on Accounting Applications for Banks and Safeguarding of Document" published on the Official Gazette No.26333 dated 1 November 2006, Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards ("TFRS") and other regulations, interpretations and circulars published or declared by the Banking Regulation and Supervision Agency (the "BRSA") on accounting and financial reporting principles.

Disclosure for the Responsibility of the Authorized Audit Firm:

Our responsibility, as independent auditors, is to express an opinion on these financial statements based on our audit. Our independent audit has been implemented in accordance with "Regulation on Authorisation and Activities of Institutions to Conduct Independent Audit in Banks" published on the Official Gazette No.26333 dated 1 November 2006. We planned and conducted our audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. Our audit includes using the audit techniques for the purpose of obtaining evidence supporting the amounts and disclosures in the financial statements; the selection of these audit techniques is made in accordance with our professional judgment by taking the effectiveness of the controls over financial reporting process into consideration and assessing the appropriateness of the applied accounting policies. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion stated below.



Independent Auditor's Opinion:

In our opinion, the accompanying unconsolidated financial statements present fairly, in all material respects, the financial position of Burgan Bank A.Ş. at 31 December 2012 and the results of its operations and its cash flows for the period then ended in accordance with accounting principles and standards set out by regulations in conformity with article 37 of the Banking Act No. 5411 and other regulations, communiques, interpretations and circulars published by the BRSA on accounting and financial reporting principles.

Additional paragraph for convenience translation:

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

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

Zeynep Uras, SMMM
Partner

Istanbul, March 14, 2013

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

**THE UNCONSOLIDATED FINANCIAL REPORT OF
BURGAN BANK A.Ş. AS OF 31 DECEMBER 2012**

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The unconsolidated year end 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** **OTHER EXPLANATIONS**
- **Section Seven** **INDEPENDENT AUDITOR'S REPORT**

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

March 14, 2013

Mehmet N. ERTEN	Adrian Alejandro GOSTUSKI	Mehmet G. SÖNMEZ	A.İdil KURAL	Ahmet CIĞA
Chairman of the Board of Directors and Head of Audit Committee	Member of the Audit Committee	Member of the Board of Directors and General Manager	Finance Executive Vice President	Head of Accounting, Tax, and Reporting Unit

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

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Telephone Number : 0 212 371 34 84
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INDEX

SECTION ONE

GENERAL INFORMATION

	<u>PAGE</u>
I. Bank's foundation date, start-up statute, history about the changes in this mentioned statute.....	1
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	2
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.....	3
IV. Explanation on shareholders having control shares.....	4
V. Information on the Bank's service type and field of operations	4
VI. Current or likely actual or legal barriers to immediate transfer of equity or repayment of debts between parent bank and its subsidiaries	4

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

I. Balance sheet	6-7
II. Off-balance sheet commitments	8
III. Income statement.....	9
IV. Statement of income and expense items accounted in equity	10
V. Statement of changes in shareholders' equity.....	11-12
VI. Statement of cash flows.....	13
VII. Profit appropriation statement.....	14

SECTION THREE

ACCOUNTING POLICIES

I. Basis of presentation.....	15
II. Explanations on strategy of using financial instruments and foreign currency transactions.....	16
III. Explanations on investments in associates, subsidiaries and joint ventures.....	16
IV. Explanations on forward transactions, options and derivative instruments	16-17
V. Explanations on interest income and expense.....	17
VI. Explanations on fee and commission income and expense.....	17
VII. Explanations on financial assets	17-19
VIII. Explanations on impairment of financial assets.....	19
IX. Explanations on offsetting financial assets.....	19
X. Explanations on sales and repurchase agreements and securities lending transactions	20
XI. Explanations on assets held for resale and discontinued operations	20
XII. Explanations on goodwill and other intangible assets	20
XIII. Explanations on property and equipment	21
XIV. Explanations on leasing transactions	22
XV. Explanations on provisions and contingent commitments	22
XVI. Explanations on contingent assets	22
XVII. Explanations on obligations related to employee rights	23
XVIII. Explanations on taxation	23-24
XIX. Explanations on borrowings	24
XX. Explanations on share certificates and issuance of share certificates.....	24
XXI. Explanations on avalized drafts and acceptances	24
XXII. Explanations on government grants.....	24
XXIII. Explanations on profit reserves and profit distribution.....	24
XXIV. Explanations on earnings per share	25
XXV. Explanations on related parties.....	25
XXVI. Explanations on cash and cash equivalents	25
XXVII. Explanations on segment reporting	25
XXVIII. Reclassifications.....	25

INDEX (Continued)

SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK

	<u>PAGE</u>
I. Explanations on capital adequacy ratio	26-28
II. Explanations on credit risk	29-37
III. Explanations on market risk	38-39
IV. Explanations on operational risk	39
V. Explanations on currency risk	40-41
VI. Explanations on interest rate risk.....	42-45
VII. Explanations on liquidity risk.....	46-48
VIII. Securitization positions	48
IX. Credit risk mitigation techniques.....	49
X. Explanations on targets and policies of risk management	50-52
XI. Explanations regarding the presentation of financial assets and liabilities at their fair value	52-53
XII. Explanation regarding the activities carried out on behalf and account of other parties.....	54
XIII. Explanations on operating segments	54-55

SECTION FIVE

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and notes related to assets	56-70
II. Explanations and notes related to liabilities.....	71-77
III. Explanations and notes related to off-balance sheet accounts	77-79
IV. Explanations and notes related to income statement.....	80-85
V. Explanations and notes related to changes in shareholders' equity	85
VI. Explanations and notes related to statement of cash flows	86
VII. Explanations and notes related to Bank's risk group	87-89
VIII. Explanations and notes related to the domestic, foreign, off-shore branches and foreign representatives of the bank.....	89
IX. Explanations and notes related to subsequent events.....	89

SECTION SIX

OTHER EXPLANATIONS

I. Other explanations related to bank's operations.....	90
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SECTION SEVEN

EXPLANATIONS ON INDEPENDENT AUDITOR'S REPORT

I. Explanations on independent auditor's report	90
II. Explanations and notes prepared by independent auditor.....	90

**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 31 DECEMBER 2012

(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 authorised to conduct finance investment and foreign trade activities. Banking operations commenced on 7 August 1989.

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

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

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

According to the decision taken in the Extraordinary General Assembly Meeting held on 25 December 2007 the name of Tekfenbank A.Ş. was changed to Eurobank Tekfen A.Ş. (“The Bank”) and registered to Turkish Trade Registry on 11 January 2008.

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

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

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

BURGAN BANK A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2012

(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:

Burgan Bank S.A.K. became the main shareholder on 21 December 2012 by purchasing 99,26% of the Bank's shares from Eurobank and Tekfen Holding.

The bank's title has been started to be used as Burgan Bank A.Ş. as of 25 January 2013.

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

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

BURGAN BANK A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2012

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

(*) After the transfer of Bank’s shares in 21 December 2012, following the authorization of their appointment at the Board of Directors meeting as of 23 January 2013, new members of the Board of Directors and Audit Committee took office. As of 01 February 2013, Retail Banking Vice General Manager Şebnem Dönbekçi resigned from her position.

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

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

BURGAN BANK A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2012

(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.	565.722	%99,26	%99,26	-

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

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

As of 31 December 2012, the Bank has 60 branches operating in Turkey (31 December 2011: 59). The Bank's core business activities include corporate and commercial banking, retail banking and banking services in treasury fields. As of 31 December 2012, the Bank has 976 (31 December 2011: 954) employees.

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

None.

SECTION TWO
UNCONSOLIDATED FINANCIAL STATEMENTS

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

BURGAN BANK A.Ş.

UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

AT 31 DECEMBER 2012 AND 31 DECEMBER 2011

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

I. BALANCE SHEET	Note (Section Five)	(31/12/2012)			(31/12/2011)		
		TL	FC	Total	TL	FC	Total
ASSETS							
I. CASH AND BALANCES WITH CENTRAL BANK	I-a	203.261	159.941	363.202	237.955	111.042	348.997
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or LOSS (Net)	I-b	76.409	13.862	90.271	380.173	27.762	407.935
2.1 Trading Financial Assets		76.409	13.862	90.271	380.173	27.762	407.935
2.1.1 Government Debt Securities		71.015	227	71.242	348.832	1.128	349.960
2.1.2 Share Certificates		-	-	-	-	-	-
2.1.3 Trading Derivative Financial Assets		5.394	13.635	19.029	31.341	26.634	57.975
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	114.778	98.479	213.257	424.387	15.975	440.362
IV. MONEY MARKETS		133.074	-	133.074	-	-	-
4.1 Interbank Money Market Placements		-	-	-	-	-	-
4.2 Receivables from Istanbul Stock Exchange Money Market		133.074	-	133.074	-	-	-
4.3 Receivables from Reverse Repurchase Agreements		-	-	-	-	-	-
V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)	I-d	362.853	-	362.853	857.420	-	857.420
5.1 Share Certificates		5.161	-	5.161	3.950	-	3.950
5.2 Government Debt Securities		357.692	-	357.692	853.470	-	853.470
5.3 Other Marketable Securities		-	-	-	-	-	-
VI. LOANS	I-e	2.059.515	845.970	2.905.485	1.559.765	768.513	2.328.278
6.1 Loans		1.997.797	845.970	2.843.767	1.523.429	768.513	2.291.942
6.1.1 Loans to Bank's Risk Group		2	-	21	99	29	128
6.1.2 Government Debt Securities		-	-	-	-	-	-
6.1.3 Other		1.997.776	845.970	2.843.746	1.523.330	768.484	2.291.814
6.2 Loans under Follow-up		166.129	-	166.129	108.573	-	108.573
6.3 Specific Provisions (-)		104.411	-	104.411	72.237	-	72.237
VII. FACTORING RECEIVABLES	I-e	130.591	9.191	139.782	122.696	6.325	129.021
VIII. HELD-TO-MATURITY SECURITIES (Net)	I-f	-	-	-	167.789	-	167.789
8.1 Government Debt Securities		-	-	-	167.789	-	167.789
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	88.337	-	88.337	134.332	-	134.332
10.1 Unconsolidated Financial Subsidiaries		88.337	-	88.337	134.332	-	134.332
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)	I-l	25.033	-	25.033	30.292	-	30.292
XV. INTANGIBLE ASSETS (Net)	I-m	22.692	-	22.692	20.560	-	20.560
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		22.692	-	22.692	20.560	-	20.560
XVI. INVESTMENT PROPERTY (Net)	I-n	-	-	-	-	-	-
XVII. TAX ASSET	I-o	6.736	-	6.736	12.499	-	12.499
17.1 Current Tax Asset		-	-	-	168	-	168
17.2 Deferred Tax Asset		6.736	-	6.736	12.331	-	12.331
XVIII. ASSETS HELD FOR RESALE AND DISCONTINUED OPERATIONS (Net)	I-p	12.694	-	12.694	15.120	-	15.120
18.1 Held for Resale		12.694	-	12.694	15.120	-	15.120
18.2 Discontinued Operations		-	-	-	-	-	-
XIX. OTHER ASSETS	I-r	61.485	16.648	78.133	29.263	819	30.082
TOTAL ASSETS		3.297.458	1.144.091	4.441.549	3.992.251	930.436	4.922.687

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

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

BURGAN BANK A.Ş.

UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

AT 31 DECEMBER 2012 AND 31 DECEMBER 2011

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

I. BALANCE SHEET	Note (Section Five)	(31/12/2012)			(31/12/2011)		
		TL	FC	Total	TL	FC	Total
LIABILITIES							
I. DEPOSITS	II-a	1.926.412	1.338.143	3.264.555	1.554.515	718.660	2.273.175
1.1 Deposits of Bank’s Risk Group		51.151	27.931	79.082	452.686	221.651	674.337
1.2 Other		1.875.261	1.310.212	3.185.473	1.101.829	497.009	1.598.838
II. TRADING DERIVATIVE FINANCIAL LIABILITIES	II-b	8.478	12.375	20.853	23.375	31.470	54.845
III. BORROWINGS	II-c	43.402	159.297	202.699	787.222	175.283	962.505
IV. MONEY MARKETS		87.744	-	87.744	845.518	-	845.518
4.1 Funds from Interbank Money Market		-	-	-	-	-	-
4.2 Funds from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3 Funds Provided Under Repurchase Agreements		87.744	-	87.744	845.518	-	845.518
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		34.169	10.996	45.165	27.308	8.672	35.980
VIII. OTHER LIABILITIES	II-d	89.248	2.428	91.676	40.522	3.339	43.861
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. LEASE PAYABLES (Net)	II-e	-	-	-	-	275	275
10.1 Financial Lease Payables		-	1	1	-	284	284
10.2 Operational Lease Payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Financial Lease Expenses (-)		-	1	1	-	9	9
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	52.972	22.145	75.117	44.323	22.675	66.998
12.1 General Loan Loss Provision		27.303	9.793	37.096	18.034	9.980	28.014
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Rights		18.193	-	18.193	15.178	-	15.178
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5 Other Provisions		7.476	12.352	19.828	11.111	12.695	23.806
XIII. TAX LIABILITY	II-h	11.998	-	11.998	10.744	-	10.744
13.1 Current Tax Liability		11.998	-	11.998	10.744	-	10.744
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	-	-	-	-	-	-
XVI. SHAREHOLDERS’ EQUITY	II-k	641.742	-	641.742	628.786	-	628.786
16.1 Paid-in Capital		570.000	-	570.000	570.000	-	570.000
16.2 Capital Reserves		13.902	-	13.902	(294)	-	(294)
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Marketable Securities Valuation Reserve		10.185	-	10.185	(3.739)	-	(3.739)
16.2.4 Tangible Assets Revaluation Reserve		3.717	-	3.717	3.445	-	3.445
16.2.5 Intangible Assets Revaluation Reserve		-	-	-	-	-	-
16.2.6 Investment Property Revaluation Reserve		-	-	-	-	-	-
16.2.7 Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-
16.2.8 Hedging Reserves (Effective portion)		-	-	-	-	-	-
16.2.9 Value Differences of Assets Held for Resale and Discontinued Operations		-	-	-	-	-	-
16.2.10 Other Capital Reserves		-	-	-	-	-	-
16.3 Profit Reserves		59.080	-	59.080	21.711	-	21.711
16.3.1 Legal Reserves		11.423	-	11.423	9.555	-	9.555
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		47.657	-	47.657	12.156	-	12.156
16.3.4 Other Profit Reserves		-	-	-	-	-	-
16.4 Income or (Loss)		(1.240)	-	(1.240)	37.369	-	37.369
16.4.1 Prior Years’ Income/ (Loss)		-	-	-	-	-	-
16.4.2 Current Year Income/ (Loss)		(1.240)	-	(1.240)	37.369	-	37.369
TOTAL LIABILITIES		2.896.165	1.545.384	4.441.549	3.962.313	960.374	4.922.687

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

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

BURGAN BANK A.Ş.

**UNCONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AT
31 DECEMBER 2012 AND 31 DECEMBER 2011**

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

II. OFF-BALANCE SHEET		Note (Section Five)	(31/12/2012)			(31/12/2011)		
			TL	FC	Total	TL	FC	Total
A	OFF-BALANCE SHEET COMMITMENTS (I-II+III)		2.198.032	3.971.008	6.169.040	2.647.391	5.324.441	7.971.832
I.	GUARANTEES AND WARRANTIES	III-a-2-3	457.586	600.726	1.058.312	390.407	1.273.023	1.663.430
1.1	Letters of Guarantee		456.790	160.944	617.734	389.239	134.270	523.509
1.1.1	Guarantees Subject to State Tender Law		10.229	24.176	34.405	10.543	13.874	24.417
1.1.2	Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3	Other Letters of Guarantee		446.561	136.768	583.329	378.696	120.396	499.092
1.2	Bank Acceptances		305	94.936	95.241	600	90.689	91.289
1.2.1	Import Letter of Acceptance		305	94.936	95.241	600	90.689	91.289
1.2.2	Other Bank Acceptances		-	-	-	-	-	-
1.3	Letters of Credit		-	115.632	115.632	-	194.259	194.259
1.3.1	Documentary Letters of Credit		-	115.632	115.632	-	194.259	194.259
1.3.2	Other Letters of Credit		-	-	-	-	-	-
1.4	Pre-financing Given as Guarantee		-	-	-	-	-	-
1.5	Endorsements		-	-	-	-	-	-
1.5.1	Endorsements to the Central Bank of the Republic of Turkey		-	-	-	-	-	-
1.5.2	Other Endorsements		-	-	-	-	-	-
1.6	Securities Issue Purchase Guarantees		-	-	-	-	-	-
1.7	Factoring Guarantees		491	703	1.194	568	1.835	2.403
1.8	Other Guarantees		-	228.511	228.511	-	851.970	851.970
1.9	Other Collaterals		-	-	-	-	-	-
II.	COMMITMENTS	III-a-1	408.334	97.174	505.508	342.923	76.976	419.899
2.1	Irrevocable Commitments		408.334	97.174	505.508	342.923	76.976	419.899
2.1.1	Asset Purchase and Sales Commitments		21.741	97.174	118.915	52.134	76.976	129.110
2.1.2	Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3	Share Capital Commitments to Associates and Subsidiaries		-	-	-	1.000	-	1.000
2.1.4	Commitments for Loan Limits		88.406	-	88.406	42.404	-	42.404
2.1.5	Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6	Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7	Commitments for Cheques		267.935	-	267.935	225.721	-	225.721
2.1.8	Tax and Fund Liabilities from Export Commitments		18	-	18	1.111	-	1.111
2.1.9	Commitments for Credit Card Limits		30.056	-	30.056	20.375	-	20.375
2.1.10	Promotion Commitments for Credit Cards and Banking Services		-	-	-	-	-	-
2.1.11	Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12	Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13	Other Irrevocable Commitments		178	-	178	176	-	178
2.2	Revocable Commitments		-	-	-	-	-	-
2.2.1	Revocable Commitments for Loan Limits		-	-	-	-	-	-
2.2.2	Other Revocable Commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS		1.332.112	3.273.108	4.605.220	1.914.061	3.974.442	5.888.503
3.1	Hedging Derivative Financial Instruments		-	-	-	-	-	-
3.1.1	Transactions for Fair Value Hedge		-	-	-	-	-	-
3.1.2	Transactions for Cash Flow Hedge		-	-	-	-	-	-
3.1.3	Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2	Trading Derivative Financial Instruments		1.332.112	3.273.108	4.605.220	1.914.061	3.974.442	5.888.503
3.2.1	Forward Foreign Currency Buy/Sell Transactions		157.430	511.404	668.834	319.987	860.454	1.180.436
3.2.1.1	Forward Foreign Currency Transactions-Buy		54.867	276.969	331.836	158.223	431.818	590.041
3.2.1.2	Forward Foreign Currency Transactions-Sell		102.563	234.435	336.998	161.759	428.636	590.395
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates		129.900	972.942	1.102.842	433.135	1.179.013	1.612.148
3.2.2.1	Foreign Currency Swap-Buy		98.740	187.264	286.004	389.593	115.639	505.232
3.2.2.2	Foreign Currency Swap-Sell		31.160	250.730	281.890	43.542	455.834	499.376
3.2.2.3	Interest Rate Swap-Buy		-	267.474	267.474	-	303.770	303.770
3.2.2.4	Interest Rate Swap-Sell		-	267.474	267.474	-	303.770	303.770
3.2.3	Foreign Currency, Interest rate and Securities Options		1.044.782	1.788.762	2.833.544	1.160.944	1.934.975	3.095.919
3.2.3.1	Foreign Currency Options-Buy		522.391	866.782	1.389.173	585.822	911.891	1.497.713
3.2.3.2	Foreign Currency Options-Sell		522.391	866.782	1.389.173	575.122	921.336	1.496.458
3.2.3.3	Interest Rate Options-Buy		-	27.599	27.599	-	50.874	50.874
3.2.3.4	Interest Rate Options-Sell		-	27.599	27.599	-	50.874	50.874
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)		10.342.614	7.585.391	17.928.005	8.178.775	8.274.384	16.453.159
IV.	ITEMS HELD IN CUSTODY		1.605.746	226.199	1.831.945	1.892.971	375.479	2.268.450
4.1	Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2	Investment Securities Held in Custody		634.592	3.514	638.106	1.069.027	6.740	1.075.763
4.3	Cheques Received for Collection		925.911	152.400	1.078.311	793.066	150.112	943.178
4.4	Commercial Notes Received for Collection		40.356	16.236	56.592	23.092	12.165	35.257
4.5	Other Assets Received for Collection		-	-	-	-	-	-
4.6	Assets Received for Public Offering		-	-	-	-	-	-
4.7	Other Items Under Custody		4.887	54.049	58.936	7.790	206.462	214.252
4.8	Custodians		-	-	-	-	-	-
V.	PLEDGES RECEIVED		8.736.868	7.356.686	16.093.554	6.285.804	7.894.706	14.180.510
5.1	Marketable Securities		1.043	-	1.043	1.043	-	1.043
5.2	Guarantee Notes		6.761.107	5.574.693	12.335.800	4.538.879	5.622.426	10.161.305
5.3	Commodity		100.159	92.679	192.838	69.684	96.345	166.029
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		1.686.302	1.529.982	3.216.284	1.546.441	2.080.804	3.627.245
5.6	Other Pledged Items		188.257	159.332	347.589	129.757	95.131	224.888
5.7	Pledged Items-Depository		-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	2.506	2.506	-	4.199	4.199
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)			12.540.646	11.556.399	24.097.045	10.826.166	13.598.825	24.424.991

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

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

BURGAN BANK A.Ş.

**UNCONSOLIDATED INCOME STATEMENT FOR THE YEARS ENDED
31 DECEMBER 2012 AND 31 DECEMBER 2011**

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

III.	INCOME STATEMENT	Note (Section Five)	01/01/2012- 31/12/2012	01/01/2011- 31/12/2011
	INCOME AND EXPENSE ITEMS			
I.	INTEREST INCOME	IV-a	493.378	421.321
1.1	Interest on Loans		354.680	214.581
1.2	Interest Received from Reserve Requirements		-	-
1.3	Interest Received from Banks		32.833	59.083
1.4	Interest Received from Money Market Transactions		7.996	1.213
1.5	Interest Received from Marketable Securities Portfolio		65.352	107.926
1.5.1	Trading Financial Assets		12.681	5.571
1.5.2	Financial Assets at Fair Value through Profit or Loss		-	-
1.5.3	Available-for-sale Financial Assets		47.659	68.890
1.5.4	Held-to-maturity Investments		5.012	33.465
1.6	Financial Lease Income		-	-
1.7	Other Interest Income		32.517	38.518
II.	INTEREST EXPENSE (-)	IV-b	315.918	312.444
2.1	Interest on Deposits (-)		217.950	135.992
2.2	Interest on Funds Borrowed (-)		51.204	86.672
2.3	Interest Expense on Money Market Transactions (-)		23.304	58.073
2.4	Interest on Securities Issued (-)		-	-
2.5	Other Interest Expenses (-)		23.460	31.707
III.	NET INTEREST INCOME (I + II)		177.460	108.877
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSE	IV-1	23.362	30.135
4.1	Fees and Commissions Received		28.211	34.586
4.1.1	Non-cash Loans		17.735	25.717
4.1.2	Other		10.476	8.869
4.2	Fees and Commissions Paid (-)		4.849	4.451
4.2.1	Non-cash Loans (-)		8	10
4.2.2	Other (-)		4.841	4.441
V.	DIVIDEND INCOME	IV-c	17.135	25.106
VI.	TRADING INCOME/(LOSS) (Net)	IV-d	22.813	38.653
6.1	Trading Gains/(Losses) on Securities		9.030	38.444
6.2	Trading Gains/(Losses) on Derivative Financial Instruments		6.752	(469)
6.3	Foreign Exchange Gains/(Losses)		7.031	678
VII.	OTHER OPERATING INCOME	IV-e	9.977	6.837
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		250.747	209.608
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	IV-f	85.722	20.102
X.	OTHER OPERATING EXPENSES (-)	IV-g	158.461	146.686
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		6.564	42.820
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-h	6.564	42.820
XVI.	TAX PROVISION FOR CONTINUING OPERATIONS (-)	IV-i	7.804	5.451
16.1	Current Tax Provision		5.758	-
16.2	Deferred Tax Provision		2.046	5.451
XVII.	NET INCOME/(LOSS) FROM CONTINUING OPERATIONS (XV-VI)	IV-j	(1.240)	37.369
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-k	(1.240)	37.369
	Earnings/(Loss) per share (1.000 nominal in TL full)		(0,022)	0,735

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

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

**UNCONSOLIDATED STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED IN EQUITY FOR THE YEARS ENDED
31 DECEMBER 2012 AND 31 DECEMBER 2011**

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

IV. STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED IN EQUITY		
INCOME AND EXPENSE ITEMS ACCOUNTED IN EQUITY	31/12/2012	31/12/2011
I. ADDITIONS TO THE MARKETABLE SECURITIES VALUATION RESERVE FROM THE AVAILABLE FOR SALE FINANCIAL ASSETS	18.878	(5.804)
II. REVALUATION DIFFERENCES OF TANGIBLE ASSETS	340	136
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	(3.844)	1.134
X. NET INCOME/LOSS ACCOUNTED DIRECTLY IN EQUITY (I+II+...+IX)	15.374	(4.534)
XI. CURRENT PERIOD INCOME/LOSS	(1.178)	(1.634)
11.1 Net Change in Fair Value of Marketable Securities (Transfer to Income Statement)	(1.178)	(1.634)
11.2 Portion of Cash Flow Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	-	-
11.3 Portion of Foreign Investment Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	-	-
11.4 Other	-	-
XII. TOTAL (INCOME)/LOSS RELATED TO THE CURRENT PERIOD (X+XI)	14.196	(6.168)

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

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BURGAN BANK A.Ş.

UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2011

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	PRIOR PERIOD 31/12/2011	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 Sharehol- ders' Equity
I. Prior Period End Balance			380.000	1.567	-	-	8.796	-	36.172	-	15.176	-	2.538	3.336	-	-	-	447.585
Changes in the Period																		
II. Increase/Decrease due to the Merger			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Marketable Securities Valuation Differences	(V-d)		-	-	-	-	-	-	-	-	-	-	(6.277)	-	-	-	-	(6.277)
IV. Hedging Reserves (Effective Portion)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Cash Flow Hedge			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Foreign Investment for Purpose of Hedge			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Revaluation Differences of Tangible Assets	(V-e)		-	-	-	-	-	-	-	-	-	-	-	109	-	-	-	109
VI. Revaluation Differences of Intangible Assets			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign Exchange Difference			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Changes due to the Disposal of Assets			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Changes due to the Reclassification of the Assets			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Effects of Changes in Equity of Investments in Associates			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Capital Increase	(V-c)		190.000	(1.567)	-	-	-	-	(33.896)	-	-	-	-	(4.537)	-	-	-	150.000
12.1 Cash			150.000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	150.000
12.2 Internal Resources			40.000	(1.567)	-	-	-	-	(33.896)	-	-	-	-	(4.537)	-	-	-	-
XIII. Share Premium			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share Cancellation Profits			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Adjustment to Share Capital			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Current Year Income or Loss			-	-	-	-	-	-	-	-	37.369	-	-	-	-	-	-	37.369
XVIII. Profit Distribution			-	-	-	-	759	-	9.880	-	(15.176)	-	-	4.537	-	-	-	-
18.1 Dividend Paid			-	-	-	-	759	-	9.880	-	(15.176)	-	-	4.537	-	-	-	-
18.2 Transfers to Reserves			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.3 Other			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (I+II+III+...+XVI+XVII+XVIII)			570.000	-	-	-	9.555	-	12.156	-	37.369	-	(3.739)	3.445	-	-	-	628.786

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 YEAR ENDED 31 DECEMBER 2012

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY																	
CURRENT PERIOD 31/12/2012	Note	Paid-in Capital	Adjustment to Share Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/(Loss)	Prior Period Net Income/(Loss)	Marketable Securities Valuation Reserve	Tangible and Intangible Assets Revaluation Reserve	Bonus Shares Obtained from Investments	Hedging Reserves	Valuation Difference of AHS and Discontinued Operations	Total Sharehol- ders' Equity
I. Prior Period End Balance		570.000	-	-	-	9.555	-	12.156	-	37.369	-	(3.739)	3.445	-	-	-	628.786
Changes in the Period																	
II. Increase/Decrease due to the Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Marketable Securities Valuation Differences	(V-d)	-	-	-	-	-	-	-	-	-	-	13.924	-	-	-	-	13.924
IV. Hedging Reserves (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Foreign Investment for Purpose of Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Revaluation Differences of Tangible Assets	(V-e)	-	-	-	-	-	-	-	-	-	-	-	272	-	-	-	272
VI. Revaluation Differences of Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign Exchange Difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Changes due to the Disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Changes due to the Reclassification of the Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Effects of Changes in Equity of Investments in Associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Capital Increase	(V-c)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Share Premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share Cancellation Profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Adjustment to Share Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Current Year Income or Loss		-	-	-	-	-	-	-	-	(1.240)	-	-	-	-	-	-	(1.240)
XVIII. Profit Distribution		-	-	-	-	1.868	-	35.501	-	(37.369)	-	-	-	-	-	-	-
18.1 Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfers to Reserves		-	-	-	-	1.868	-	35.501	-	(37.369)	-	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (I+II+III+...+XVI+XVII+XVIII)		570.000	-	-	-	11.423	-	47.657	-	(1.240)	-	10.185	3.717	-	-	-	641.742

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 YEARS ENDED
31 DECEMBER 2012 AND 31 DECEMBER 2011**

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

VI.	STATEMENT OF CASH FLOWS	Note (Section Five)	(31/12/2012)	(31/12/2011)
A.	CASH FLOWS FROM BANKING OPERATIONS			
1.1	Operating Profit Before Changes in Operating Assets and Liabilities		69.197	18.908
1.1.1	Interest Received		535.808	433.514
1.1.2	Interest Paid		(344.212)	(326.205)
1.1.3	Dividend Received		17.135	25.106
1.1.4	Fees and Commissions Received		23.362	30.135
1.1.5	Other Income		-	-
1.1.6	Collections from Previously Written-off Loans and Other Receivables		30.207	36.869
1.1.7	Payments to Personnel and Service Suppliers		(82.226)	(73.940)
1.1.8	Taxes Paid		-	-
1.1.9	Other	VI-b	(110.877)	(106.571)
1.2	Changes in Operating Assets and Liabilities		(847.931)	(355.991)
1.2.1	Net (Increase)/Decrease in Trading Securities		266.892	(181.169)
1.2.2	Net (Increase)/Decrease in Fair Value Through Profit/Loss Financial Assets		-	-
1.2.3	Net (Increase)/Decrease in Due from Banks		-	-
1.2.4	Net (Increase)/Decrease in Loans		(634.079)	(723.804)
1.2.5	Net (Increase)/Decrease in Other Assets		(36.813)	(13.531)
1.2.6	Net Increase/(Decrease) in Bank Deposits		(194)	(38.381)
1.2.7	Net Increase/(Decrease) in Other Deposits		986.195	416.628
1.2.8	Net Increase/(Decrease) in Funds Borrowed		(1.483.571)	160.952
1.2.9	Net Increase/(Decrease) in Payables		-	-
1.2.10	Net Increase/(Decrease) in Other Liabilities	VI-b	53.639	23.314
I.	Net Cash Provided from Banking Operations		(778.734)	(337.083)
B.	CASH FLOWS FROM INVESTING ACTIVITIES			
II.	Net Cash Provided from Investing Activities		661.318	239.389
2.1	Cash Paid for Acquisition of Investments, Associates and Subsidiaries		-	-
2.2	Cash Obtained from Disposal of Investments, Associates and Subsidiaries		-	-
2.3	Purchases of Property and Equipment		(6.788)	(10.402)
2.4	Disposals of Property and Equipment		7.258	3.669
2.5	Cash Paid for Purchase of Investments Available-for-Sale		-	(514.187)
2.6	Cash Obtained from Sale of Investments Available-for-Sale		501.517	-
2.7	Cash Paid for Purchase of Investment Securities		-	-
2.8	Cash Obtained from Sale of Investment Securities		159.331	760.309
2.9	Other		-	-
C.	CASH FLOWS FROM FINANCING ACTIVITIES			
III.	Net Cash Provided from Financing Activities		-	149.361
3.1	Cash Obtained from Funds Borrowed and Securities Issued		-	-
3.2	Cash Used for Repayment Of Funds Borrowed and Securities Issued		-	-
3.3	Issued Capital Instruments		-	-
3.4	Dividends Paid		-	-
3.5	Payments for Finance Leases		-	(639)
3.6	Other		-	150.000
IV.	Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents		(1.648)	2.196
V.	Net Increase/(Decrease) in Cash and Cash Equivalents (I+II+III+IV)		(119.064)	53.863
VI.	Cash and Cash Equivalents at Beginning of the Period		703.566	649.703
VII.	Cash and Cash Equivalents at end of the Period	VI-a	584.502	703.566

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

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

**BURGAN BANK A.Ş.
UNCONSOLIDATED PROFIT APPROPRIATION STATEMENT FOR THE YEARS ENDED
31 DECEMBER 2012 AND 31 DECEMBER 2011**

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

VII. PROFIT APPROPRIATION STATEMENT	(31/12/2012) (*)	(31/12/2011) (**)
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1 CURRENT YEAR INCOME	6.564	42.820
1.2 TAXES AND DUTIES PAYABLE (-)	7.804	5.451
1.2.1 Corporate Tax (Income tax)	5.758	-
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties	2.046	5.451
A. NET INCOME FOR THE YEAR (1.1-1.2)	(1.240)	37.369
1.3 PRIOR YEAR LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	1.868
1.5 OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)] (*)		35.501
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1 To Owners of Ordinary Shares	-	-
1.6.2 To Owners of Privileged Shares	-	-
1.6.3 To Owners of Preferred Shares	-	-
1.6.4 To Profit Sharing Bonds	-	-
1.6.5 To Holders of Profit and Loss Sharing Certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To Owners of Ordinary Shares	-	-
1.9.2 To Owners of Privileged Shares	-	-
1.9.3 To Owners of Preferred Shares	-	-
1.9.4 To Profit Sharing Bonds	-	-
1.9.5 To Holders of Profit and Loss Sharing Certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	-
1.11 STATUTORY RESERVES (-)	-	-
1.12 EXTRAORDINARY RESERVES	-	35.501
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES		
2.1 APPROPRIATED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To owners of ordinary shares	-	-
2.3.2 To owners of privileged shares	-	-
2.3.3 To owners of preferred shares	-	-
2.3.4 To profit sharing bonds	-	-
2.3.5 To holders of profit and loss sharing certificates	-	-
2.4 DIVIDENDS TO PERSONNEL (-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE (***)		
3.1 TO OWNERS OF ORDINARY SHARES	-	-
3.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
3.3 TO OWNERS OF PRIVILEGED SHARES	-	-
3.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV. DIVIDEND PER SHARE		
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3 TO OWNERS OF PRIVILEGED SHARES	-	-
4.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-

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

(**) Presents the approved “Profit Distribution Statement” of the Bank in the General Assembly Meeting held on 31 March 2011.

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.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2012

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

SECTION THREE

ACCOUNTING POLICIES

I. BASIS OF PRESENTATION:

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

The unconsolidated financial statements are prepared in accordance with the “Regulation on the Principles and Procedures Regarding Banks’ Accounting Applications and Safeguarding of Documents” published in the Official Gazette No. 26333 dated 1 November 2006 by the Banking Regulation and Supervision Agency (“BRSA”) which refers to “Turkish Accounting Standards” (“TAS”) and “Turkish Financial Reporting Standards”(“TFRS”) issued by the Turkish Accounting Standards Board (“TASB”) and other decrees, notes and explanations related to the accounting and financial reporting principles (all “Turkish Accounting Standards” or “TAS”) published by the BRSA. The format and the details of the publicly announced financial statements and related disclosures to these statements have been prepared in accordance with the “Communiqués Related to Publicly Announced Financial Statements of Banks and Explanations and Notes Related to these Financial Statements” published in the Official Gazette No. 26430 dated 10 February 2007, additions and changes in the related communiqué.

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

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

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

Additional paragraph for convenience translation into English:

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

**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 31 DECEMBER 2012

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

ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

The Bank has no joint ventures as of 31 December 2012 and 31 December 2011.

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

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

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

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

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

BURGAN BANK A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2012

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

ACCOUNTING POLICIES (Continued)

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

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

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

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

V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE:

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

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

VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSE:

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

VII. EXPLANATIONS ON FINANCIAL ASSETS:

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

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

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

**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 31 DECEMBER 2012

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

ACCOUNTING POLICIES (Continued)

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

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

b. Held-to-maturity financial assets:

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

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

c. Loans and receivables:

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

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

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

**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 31 DECEMBER 2012

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

ACCOUNTING POLICIES (Continued)

d. Available-for-sale financial assets:

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

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

"Unrealised gains and losses" arising from changes in the fair value of financial assets classified as available-for-sale are recognised in the shareholders' equity as "Marketable Securities Valuation Reserve", until there is a permanent decline in the fair values of such assets or they are disposed of. When these financial assets are disposed of or impaired, the related fair value differences accumulated in the shareholders' equity are transferred to the income statement.

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.

**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 31 DECEMBER 2012

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

ACCOUNTING POLICIES (Continued)

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

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

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

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

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

The Bank has no discontinued operations.

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS:

a. Goodwill

As of 31 December 2012 and 31 December 2011, 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.

**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 31 DECEMBER 2012

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

ACCOUNTING POLICIES (Continued)

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT:

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

The Bank has adopted the “revaluation method” in accordance with the “Communiqué Regarding the Principles and Procedures for the Tangible Assets (“TAS 16”)” for its buildings. Independent expert appraisal values are presented in the financial statements. However, the revaluation amount of the building acquired within the context of the financial lease agreement explained in detail in Section V is presented in the financial statements by considering the sales option regarding the share transfer of the Bank.

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

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

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

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

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

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

**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 31 DECEMBER 2012

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

ACCOUNTING POLICIES (Continued)

XIV. EXPLANATIONS ON LEASING TRANSACTIONS:

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

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

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

XV. EXPLANATIONS ON PROVISIONS AND CONTINGENT COMMITMENTS:

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

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

XVI. EXPLANATIONS ON CONTINGENT ASSETS:

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

**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 31 DECEMBER 2012

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

ACCOUNTING POLICIES (Continued)

XVII. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS:

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

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

XVIII. EXPLANATIONS ON TAXATION:

a. Current tax:

Many clauses of Corporate Tax Law No. 5520 which are valid starting from 1 January 2006, was taken into effect after being published in the Official Gazette dated 21 June 2006 No. 26205. According to the New Tax Law, the corporate tax rate in Turkey is payable at the rate of 20% for 2011 (2010: 20%). The corporate tax rate is calculated on the total income of the Bank after adjusting for certain disallowable expenses, exempt income and other allowances. No further tax is payable unless the profit is distributed.

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

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

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

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

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

**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 31 DECEMBER 2012

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

ACCOUNTING POLICIES (Continued)

b. Deferred tax:

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

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

XIX. EXPLANATIONS ON BORROWINGS:

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

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

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

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

XXI. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES:

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

XXII. EXPLANATIONS ON GOVERNMENT GRANTS:

As of 31 December 2012 and 31 December 2011, 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.

**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 31 DECEMBER 2012

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

ACCOUNTING POLICIES (Continued)

XXIV. EXPLANATIONS ON EARNINGS PER SHARE:

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

	31 December 2012	31 December 2011
Net Income / (Loss) to be Appropriated to Ordinary Shareholders	(1.240)	37.369
Weighted Average Number of Issued Ordinary Shares (Thousand)	57.000.000	50.811.853
Earnings Per Ordinary Shares (Disclosed as 1.000 nominal in full TL)	(0,022)	0,735

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

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

XXV. EXPLANATIONS ON RELATED PARTIES:

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

XXVI. EXPLANATIONS ON CASH AND CASH EQUIVALENTS:

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

XXVII. EXPLANATIONS ON SEGMENT REPORTING:

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

XXVIII. RECLASSIFICATIONS:

Reclassifications have been made on comparative 31 December 2011 unconsolidated figures, to conform to changes in presentation of 31 December 2012 unconsolidated report notes.

**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 31 DECEMBER 2012

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

SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK

I. EXPLANATIONS ON CAPITAL ADEQUACY RATIO:

a. As of 31 December 2012, the unconsolidated capital adequacy ratio of the Bank is 16,45% (31 December 2011: 16,94%) which satisfies the requirement of being above both the minimum ratio of 8% stated in the related legislation and the targeted capital requirement stated in BRSA legislation.

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

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

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

Information related to consolidated capital adequacy ratio:

31 December 2012	Risk Weights						
	Bank						
	0%	20%	50%	75%	100%	150%	200%
Surplus credit risk weighted	755.112	303.550	670.965	699.544	2.609.843	15.996	17.396
Risk classifications:							
Claims on sovereigns and Central Banks	677.205	-	-	-	22.766	-	-
Claims on regional governments or local authorities	-	-	-	-	-	-	-
Claims on administrative bodies and other non-commercial undertakings	-	-	-	-	12	-	-
Claims on multilateral development banks	-	-	-	-	-	-	-
Claims on international organizations	-	-	-	-	-	-	-
Claims on banks and intermediary institutions	9	275.700	28.251	-	116.527	-	-
Claims on corporates	37.125	25.044	-	-	2.032.285	1.597	-
Claims included in the regulatory retail portfolios	12.761	1.683	-	699.544	-	-	-
Claims secured by residential property	2.054	986	635.332	-	143.855	-	-
Past due loans	49	-	7.382	-	52.939	1.349	-
Higher risk categories decided by the Board	1.215	137	-	-	-	13.050	17.396
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	24.694	-	-	-	241.459	-	-

**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 31 DECEMBER 2012

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

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

	31 December 2012
Amount subject to credit risk (ASCR)	287.158
Amount subject to market risk (ASMR)	5.045
Amount subject to operational risk (ASOR)	19.710
Shareholders’ equity	641.563
Shareholders’ equity/((ASCR+ASMR+ASOR) *12,5*100)	16.45

e. Information about shareholders’ equity items:

	31 December 2012
CORE CAPITAL	
Paid-in capital	570.000
Nominal capital	570.000
Capital commitments (-)	-
Inflation adjustment to share capital	-
Share premium	-
Share cancellation profits	-
Reserves	59.080
Adjustment of reserves	-
Profit	-
Current period profit	-
Prior period profit	-
Provisions for possible risks (up to 25% of core capital)	-
Profit on disposal of associates, subsidiaries and immovables to be transferred to share capital	-
Primary subordinated loans	-
Uncovered portion of loss with reserves (-)	(1.240)
Current period loss (-)	(1.240)
Prior period loss (-)	-
Operating Lease Development Cost (-)	6.597
Intangible assets (-)	22.692
Deferred tax asset amount exceeding 10% of core capital (-)	-
Limit exceeding amount regarding the third clause of article 56 of the Law (-)	-
Total Core Capital	598.551

**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 31 DECEMBER 2012

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

SUPPLEMENTARY CAPITAL	31 December 2012
General provisions	37.096
45% of the movables revaluation fund	-
45% of the immovables revaluation fund	1.673
Bonus shares of investment in associates, subsidiaries and joint ventures	-
Primary subordinated loans that are not considered in the calculation of core capital	-
Secondary subordinated loans	-
45% of marketable securities valuation reserve	4.583
Inflation adjustment of capital reserve, profit reserve and prior years' income or loss (Except inflation adjustment of legal reserves, status reserves and extraordinary reserves)	-
Total Supplementary Capital	43.352
CAPITAL	641.903
DEDUCTIONS FROM THE CAPITAL (*)	340
Shares in unconsolidated banks and financial institutions	-
The secondary subordinated loans extended to banks, financial institutions (domestic or foreign) or significant shareholders of the bank and the debt instruments of a primary or secondary subordinated loan nature purchased from them	-
Shares of banks and financial institutions final equity method applied but assets and liabilities are not consolidated	-
Loans extended as contradictory to the articles 50 and 51 of the Law	-
The net book value of bank's immovables that are over 50% of shareholders' equity and immovables or commodities that are received on behalf of the receivables from customers and are to be disposed of according to banking law article 57 as they have been held for more than five years from the acquisition date	340
Other	-
TOTAL SHAREHOLDERS' EQUITY	641.563

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

During the rating process of internal capital adequacy, the concentrating risk and the interest rate risk from banking calculations, country risk, residual risk, liquidity risk and reputation risk are taken into consideration in addition to the credit risk, market risk and operational risk, which are used in the calculation of legal capital adequacy ratio.

**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 31 DECEMBER 2012

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

II. EXPLANATIONS ON CREDIT RISK:

Credit risk represents the financial potential loss that the Bank may incur as a result of defaults or nonfulfilment of the obligations of counterparties that result from loan agreements. In the credit allocation process, many financial and non-financial criteria are taken into account within the framework of the rating procedures. These criteria include geographical and sectoral concentrations. The sectoral concentrations for loans are monitored closely. In accordance with the Bank's loan policy, the rating of the companies, credit limits and guarantees are considered together, and credit risks incurred are monitored.

With respect to credit risk, debtor and debtor groups are subject to risk limitations envisaged in the Banking Law. There is no risk limitation in terms of geographical region. Sectoral concentration has been limited. Credit limits allocated are subject to revision at least once a year. When a revision becomes due, limits for which the credit worthiness has not been reviewed are suspended (except for cash provisions).

Regarding the maintenance of credit risk under control, there are other limitations in the scope of Bank Credit Policies apart from the Banking Law limitations related to Management Levels' Authority limits in credit allocation.

Limits regarding credit extension and transactions according to the Bank Credit Policies are specified as:

- Authority to decide to grant a credit within preapproved limits belongs to the Branch Manager. However, the Branch Manager can delegate this authority to the Marketing Unit Director in writing.
- Providing the circumstances set by Board of Directors, credit limit transfer is under the authorization of Branch Manager and relevant Credits Allocation Director.
- No transaction can be put into effect without a General Credit Contract (except for Financial Institutions).
- No credit can be allocated to firms with total negative equity except for credits with cash collateral.

The creditworthiness of debtors of credit and other receivables is periodically followed-up in accordance with the relevant legislation. Account status documents taken for the credits have been audited in the manner specified in the legislation. However, account status documents do not need to be audited for cash-based transactions. As a result of the periodical follow-up of creditworthiness, credit limits are changed, when necessary. Taking the creditworthiness into account, collaterals are received for credits and other receivables. With the aim of controlling the credit risk, certain limitations exist in the Bank's Credit Policies in relation to customer selection. According to this:

- Credits shall not be given for speculative purposes,
- Credits shall also not be given to real or legal persons who have been subjected to continuing sequestration, bankruptcy and schemes of arrangement with creditors and those who have bounced cheques and notes without an acceptable explanation.
- The bank does not provide loans for arms manufacturers and traders, religious organisations, gambling companies, media companies, political organisations, sport clubs and companies operating in nuclear industry. Exceptions should be evaluated by the head office.

**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 31 DECEMBER 2012

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

The loan limit is determined in accordance with the Baking Regulations and related documents. The valuation of the limits for the customers and the limits of their groups gets reassigned after revision a year later. The balance status documents for the loans are taken according to the related articles in the regulations. The loan limits gets checked by the main banking system; and the permission is not granted to exceed the limits.

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

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

Risk Group	Amount	Average
Claims on sovereigns and Central Banks	696.296	704.646
Claims on regional governments or local authorities	-	-
Claims on administrative bodies and other non-commercial undertakings	50	52
Claims on multilateral development banks	-	-
Claims on international organizations	-	-
Claims on banks and intermediary institutions	453.710	220.024
Claims on corporates	2.466.768	2.631.781
Claims included in the regulatory retail portfolios	848.808	756.051
Claims secured by residential property	810.864	839.974
Past due loans	61.718	62.737
Higher risk categories decided by the Board	31.798	31.898
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	-	27
Other Receivables	454.189	559.913
Total	5.824.201	5.807.103

**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 31 DECEMBER 2012

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

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

In forward transactions no type of coercive action outside of the other party's consent is taken.

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

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

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

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

In the current period, the share of the Bank's receivables due to cash loans extended to its top 100 and top 200 customers are 33% and 45% within the total cash loan portfolio.

In the current period, the share of the Bank's receivables due to non-cash loans extended to its top 100 and top 200 customers are 42% and 56% within the total non-cash loans portfolio.

In the current period, the share of the Bank's receivables due to the total of cash and non cash loans extended to its top 100 and top 200 customers are 35% and 48% within cash loans in balance sheet and non-cash loans in off-balance sheet.

As of 31 December 2012, the Bank's general provision for loans amounting to TL37.096 (31 December 2011: TL28.014).

**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 31 DECEMBER 2012

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

a. Information on types of loans and specific provisions:

31 December 2012	Corporate	Consumer	Credit Cards	Factoring Receivables	Total
Standard Loans	2.612.944	43.766	15.390	128.643	2.800.743
Loans under close monitoring	168.446	2.488	733	11.139	182.806
Non-performing loans	160.381	972	738	4.038	166.129
Specific provision (-)	100.289	882	537	2.703	104.411
Total	2.841.482	46.344	16.324	141.117	3.045.267

31 December 2011	Corporate	Consumer	Credit Cards	Factoring Receivables	Total
Standard Loans	2.153.044	41.495	10.434	125.363	2.330.336
Loans under close monitoring	84.447	2.296	226	3.658	90.627
Non-performing loans	107.293	465	92	723	108.573
Specific provision (-)	71.563	413	81	180	72.237
Total	2.273.221	43.843	10.671	129.564	2.457.299

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

31 December 2012	Corporate	Consumer	Credit Cards	Factoring Receivables	Total
Past due up to 30 days	211.911	2.369	524	12.432	227.236
Past due 30-60 days	12.108	1.069	360	-	13.537
Past due 60-90 days	17.501	735	203	186	18.625
Total	241.520	4.173	1.087	12.618	259.398

31 December 2011	Corporate	Consumer	Credit Cards	Factoring Receivables	Total
Past due up to 30 days	110.648	2.037	389	5.813	118.887
Past due 30-60 days	7.713	1.159	90	-	8.962
Past due 60-90 days	11.787	442	36	8	12.273
Total	130.148	3.638	515	5.821	140.122

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

31 December 2012	Financial Assets at Fair Value through P/L (Net)	Available for Sale Financial Assets (Net)	Held to Maturity Securities (Net)	Total
Moody's Rating				
Ba1 (*)	71.242	357.692	-	428.934
Total	71.242	357.692	-	428.934

31 December 2011	Financial Assets at Fair Value through P/L (Net)	Available for Sale Financial Assets (Net)	Held to Maturity Securities (Net)	Total
Moody's Rating				
Ba2 (*)	349.960	853.470	167.789	1.371.219
Total	349.960	853.470	167.789	1.371.219

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

**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 31 DECEMBER 2012

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

d. Information on rating concentration:

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

	31 December 2012	31 December 2011
Above average (%)	9,24	8,12
Average (%)	57,60	66,11
Below average (%)	29,81	23,19
Not rated (%)	3,35	2,58

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

31 December 2012	Corporate Loans	Consumer Loans	Credit Cards	Factoring Receivables	Total
Loans under close monitoring	131.221	338	198	8.225	139.982
Non-performing loans	50.022	170	104	456	50.752
Total	181.243	508	302	8.681	190.734

31 December 2011	Corporate Loans	Consumer Loans	Credit Cards	Factoring Receivables	Total
Loans under close monitoring	57.045	468	77	2.241	59.831
Non-performing loans	43.497	103	3	507	44.110
Total	100.542	571	80	2.748	103.941

Type of Collaterals	31 December 2012	31 December 2011
Real-estate mortgage	120.093	94.050
Pledge	44.794	5.269
Cash and cash equivalents	25.847	4.622
Total	190.734	103.941

**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 31 DECEMBER 2012

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

f. Profile of significant exposures in major regions:

	Exposure Categories (*)																Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	
Current Period																	
Domestic	696.296	-	12	-	-	412.673	2.112.309	719.726	784.832	61.718	31.798	-	-	-	-	266.153	5.085.517
EU Countries	-	-	-	-	-	10.722	2.209	20	-	-	-	-	-	-	-	-	12.951
OECD Countries (**)	-	-	-	-	-	6	-	-	-	-	-	-	-	-	-	-	6
Off-Shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	-	-	599	-	7	-	-	-	-	-	-	-	-	606
Other Countries	-	-	-	-	-	5.466	1.597	-	-	-	-	-	-	-	-	-	7.063
Associates, Subsidiaries and Joint –Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Assets/Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	696.296	-	12	-	-	429.466	2.116.115	719.753	784.832	61.718	31.798	-	-	-	-	266.153	5.106.143

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

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

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

**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 31 DECEMBER 2012**

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

g. Risk profile by Sectors or Counterparties:

	Exposure Categories (*)																TL	FC	Total	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16				
Agriculture	-	-	-	-	-	-	53.616	35.731	18.416	3.724	14	-	-	-	-	-	79.752	31.749	111.501	
Farming and Stockbreeding	-	-	-	-	-	-	38.518	20.482	13.680	3.494	2	-	-	-	-	-	48.452	27.724	76.176	
Forestry	-	-	-	-	-	-	11.962	14.132	2.441	-	12	-	-	-	-	-	27.524	1.023	28.547	
Fishery	-	-	-	-	-	-	3.136	1.117	2.295	230	-	-	-	-	-	-	3.776	3.002	6.778	
Manufacturing	-	-	-	-	-	-	1.018.279	205.453	248.878	16.603	60	-	-	-	-	-	722.093	767.180	1.489.273	
Mining and Quarrying	-	-	-	-	-	-	473.594	59.826	104.853	3.351	17	-	-	-	-	-	276.547	365.094	641.641	
Production	-	-	-	-	-	-	508.287	142.870	138.840	12.816	43	-	-	-	-	-	437.250	365.606	802.856	
Electricity, Gas and Water	-	-	-	-	-	-	36.398	2.757	5.185	436	-	-	-	-	-	-	8.296	36.480	44.776	
Construction	-	-	-	-	-	-	210.544	47.997	135.295	13.014	54	-	-	-	-	-	279.020	127.884	406.904	
Services	696.296	-	12	-	-	-	429.466	818.619	340.839	342.832	28.116	368	-	-	-	-	1.630.271	1.026.277	2.656.548	
Wholesale and Retail Trade	-	-	-	-	-	-	551.685	289.528	120.890	19.911	225	-	-	-	-	-	620.846	361.393	982.239	
Hotel, Food and Beverage services	-	-	-	-	-	-	67.574	8.824	182.820	39	78	-	-	-	-	-	34.802	224.533	259.335	
Transportation and Telecom	-	-	-	-	-	-	109.812	14.458	13.753	2.100	21	-	-	-	-	-	44.648	95.496	140.144	
Financial Institutions	696.296	-	-	-	-	-	429.466	9.776	2.059	947	72	-	-	-	-	-	830.438	308.190	1.138.628	
Real Estate and Rental Services	-	-	-	-	-	-	45.428	6.734	1.869	345	25	-	-	-	-	-	30.303	24.098	54.401	
Self-employment Services	-	-	-	-	-	-	2.515	3.266	2.488	5.364	2	-	-	-	-	-	13.635	-	13.635	
Educational Services	-	-	2	-	-	-	163	2.188	951	-	-	-	-	-	-	-	3.163	141	3.304	
Health and Social Services	-	-	10	-	-	-	31.666	13.782	19.114	285	5	-	-	-	-	-	52.436	12.426	64.862	
Other	-	-	-	-	-	-	15.057	89.733	39.411	261	31.302	-	-	-	-	-	266.153	398.300	441.917	
Total	696.296	-	12	-	-	-	429.466	2.116.115	719.753	784.832	61.718	31.798	-	-	-	-	266.153	3.109.436	1.996.707	5.106.143

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

(*) Includes exposure categories in the Communiqué on Measurement and Assessment of Capital Adequacy of 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 31 DECEMBER 2012

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

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

Risk classifications	Term To Maturity				
	1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year
Claims on sovereigns and Central Banks	96	-	31.320	60.982	265.390
Claims on regional governments or local authorities	-	-	-	-	-
Claims on administrative bodies and other non-commercial undertakings	12	-	-	-	-
Claims on multilateral development banks	-	-	-	-	-
Claims on international organizations	-	-	-	-	-
Claims on banks and intermediary institutions	379.655	22.941	1.637	4.762	1.127
Claims on corporates	670.238	277.968	376.205	453.055	320.086
Claims included in the regulatory retail portfolios	193.227	132.426	192.036	146.095	52.773
Claims secured by residential property	187.441	93.006	95.229	68.506	340.109
Past due loans	-	-	-	-	-
Higher risk categories decided by the Board	1.130	-	-	-	30.668
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	-	-	-	-	-
Total	1.431.799	526.341	696.427	733.400	1.010.153

i. Information about the risk exposure categories

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

j. Exposures by risk weights

Risk Weights	0%	20%	50%	75%	100%	150%	200%	Deductions from Equity
1. Exposures before Credit Risk Mitigation	698.224	274.151	674.111	716.524	2.674.652	16.850	17.893	29.629
2. Exposures after Credit Risk Mitigation	755.112	303.550	670.965	699.544	2.609.843	15.995	17.396	29.629

**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 31 DECEMBER 2012

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

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

Major Sectors / Counterparties	Credits		Value Adjustments	Provisions
	Impaired Credits	Past Due Credits		
Agriculture	6.580	9.252	150	2.856
Farming and Stockbreeding	5.993	7.051	107	2.499
Forestry	127	2.190	42	127
Fishery	460	11	1	230
Manufacturing	33.829	69.695	1.753	17.226
Mining and Quarrying	6.432	21.701	590	3.081
Production	26.707	46.884	1.128	13.891
Electricity, Gas and Water	690	1.110	35	254
Construction	37.679	38.746	1.057	24.665
Services	86.407	135.358	3.972	58.291
Wholesale and Retail Trade	56.298	68.610	2.192	36.387
Accommodation and Dining	173	57.607	1.588	134
Transportation and Telecom	7.470	4.860	102	5.370
Financial Institutions	241	203	5	169
Real Estate and Rental Services	2.425	-	-	2.080
Professional Services	18.291	1.279	31	12.927
Educational Services	20	177	3	20
Health and Social Services	1.489	2.622	51	1204
Other	1.634	6.347	104	1.373
Total	166.129	259.398	7.036	104.411

l. Information about Value Adjustment and Change in Provisions:

	Opening Balance	Provision for Period	Write off from Asset	Other Adjustments(*)	Closing Balance
1. Specific Provisions (**)	79.859	41.468	(11.263)	-	110.064
2. General Provisions	28.014	9.606	-	(524)	37.096

(*) Consists of FC provisions' currency rate differences.

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

**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 31 DECEMBER 2012

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

III. 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	2.061
(II) Capital to be Employed for Specific Risk -Standard Method	18
Capital to be Employed for Specific Risk in Securitisation Positions – Standard Method	-
(III) Capital to be Employed for Currency Risk - Standard Method	846
(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	50
(VII) Capital to be Employed for the Other Party's Credit Risk - Standard Method	2.071
(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)	5.045
(X) Amount Subject to Market Risk (12,5 x VIII) or (12,5 x IX)	63.068

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

	31 December 2012		
	Average	Maximum	Minimum
Interest Rate Risk	1.772	1.158	1.932
Common Stock Risk	-	-	-
Currency Risk	2.415	6.435	1.009
Commodity Risk	-	-	-
Exchange Risk	-	-	-
Option Risk	21	30	40
Counterparty Credit Risk	2.098	1.797	1.376
Total Amount Subject to Risk	78.825	117.756	54.454

Above table is prepared for the period 31 July 2012 – 31 December 2012 according to "Communiqué on Measurement and Assessment of Capital Adequacy of Banks," published in 28 June 2012 as the number 28337.

**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 31 DECEMBER 2012

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

c. Information on Counterparty Credit Risk:

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

While customer counterparty credit risk limits are listed under a single limit, the limit value differ for banks according to product groups. In order to check the use of limits in customer operations, the maximum possible risk is calculated by the monte carlo simulations till the maturity. Limits for derivate products are determined in the related authorisation according to the customer types whether they are commercial or real person.

Limits for the transactions of banks are calculated with its fair value. The consistency of counterparty credit risk limits gets daily checked.

There are no credit risk derivatives and credit risk protections.

d. Quantitative Information on Counterparty Risk:

	Balance
Agreements based on Interest Rate	5.980
Agreement based on Foreign Exchange Currency	27.757
Agreement Based on Commodity	-
Agreement Based on Shares	-
Other	-
Gross Positive Fair Values	33.737
Benefits of Netting	-
Current Net Risk Amount	-
Reserved Guarantee	-
Net Position of Derivatives	33.737

IV. 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.

	31.12.2010	31.12.2011	31.12.2012	Total/Positive Year	Rate (%)	Total
Gross Income	23.869	12.441	22.821	3	15	19.710
Amount subject to Operational Risk (Total*12,5)						246.375

**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 31 DECEMBER 2012

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

V. 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		100 Japanese Yen	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011	31 December 2012	31 December 2011
Bid rate	2.3452	TL2,4438	1,7776	TL1,8889	2,0605	TL2,4340
1. Day bid rate	2,3452	TL2,4438	1,7776	TL1,8889	2,0605	TL2,4340
2. Day bid rate	2,3517	TL2,4592	1,7826	TL1,9065	2,0656	TL2,4465
3. Day bid rate	2,3657	TL2,4702	1,7829	TL1,8897	2,0750	TL2,4278
4. Day bid rate	2,3566	TL2,4633	1,7848	TL1,8847	2,0866	TL2,4158
5. Day bid rate	2,3586	TL2,4613	1,7877	TL1,8833	2,1049	TL2,4116

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		100 Japanese Yen	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011	31 December 2012	31 December 2011
Arithmetic average-30 days	2,3340	TL2,4510	1,7797	TL1,8605	2,1203	TL2,3862

**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 31 DECEMBER 2012

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

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
31 December 2012				
Assets				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	6.297	153.508	136	159.941
Due From Banks	1.940	93.367	3.172	98.479
Financial Assets at Fair Value Through Profit or Loss	-	315	-	315
Interbank Money Market Placements	-	-	-	-
Available-for-sale Financial Assets	-	-	-	-
Loans (*)	524.822	728.011	1.126	1.253.959
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Held-to-maturity Investments	-	-	-	-
Hedging Derivative Financial Assets	-	-	-	-
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	34	16.614	-	16.648
Total Assets (*)	533.093	991.815	4.434	1.529.342
Liabilities				
Bank Deposits	17	367	14	398
Foreign Currency Deposits	372.482	959.929	5.334	1.337.745
Funds From Interbank Money Market	-	-	-	-
Funds Borrowed From Other Financial Institutions	112.012	46.418	867	159.297
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	5.859	5.084	53	10.996
Hedging Derivative Financial Liabilities	-	-	-	-
Other Liabilities	662	14.132	80	14.874
Total Liabilities (*)	491.032	1.025.930	6.348	1.523.310
Net On-balance Sheet Position	42.061	(34.115)	(1.914)	6.032
Net Off-balance Sheet Position	(32.093)	30.313	1.488	(292)
Financial Derivative Assets	554.189	731.011	104.722	1.389.922
Financial Derivative Liabilities	586.282	700.698	103.234	1.390.214
Non-Cash Loans (**)	147.089	452.770	867	600.726
31 December 2011				
Total Assets (*)	628.439	597.608	5.238	1.231.285
Total Liabilities (*)	361.983	531.963	25.121	919.067
Net On-balance Sheet Position	266.456	65.645	(19.883)	312.218
Net Off-balance Sheet Position	(260.740)	(69.084)	19.712	(310.112)
Financial Derivative Assets	639.917	743.286	132.806	1.516.009
Financial Derivative Liabilities	900.657	812.370	113.094	1.826.121
Non-Cash Loans (**)	345.726	914.477	12.820	1.273.023

(*) 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 TL398.798 (31 December 2011: TL327.277), and there is no foreign currency indexed borrowings (31 December 2011: TL1.636), classified as Turkish Lira assets in the 31 December 2012 financial statements are added to the table above. Besides this, in assets "Income Accruals of Derivative Financial Instruments" amounting to TL13.547 (31 December 2011: TL26.428), in liabilities "Expense Accruals of Derivative Financial Instruments" amounting to TL12.281 (31 December 2011: TL31.327), "General Provisions" amounting to TL9.793 (31 December 2011: TL9.980) are not included in the table above.

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

**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 31 DECEMBER 2012

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

VI. 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:

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

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

**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 31 DECEMBER 2012

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

31 December 2011	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	-	-	-	-	-	348.997	348.997
Due From Banks	425.320	-	-	-	-	15.042	440.362
Financial Assets at Fair Value Through Profit/Loss	15.319	200.510	164.805	25.432	1.869	-	407.935
Interbank Money Market Placements	-	-	-	-	-	-	-
Available-for-Sale Financial Assets	-	606.817	199.959	-	46.694	3.950	857.420
Loans	566.876	1.112.221	395.083	177.155	169.628	36.336	2.457.299
Held-to-Maturity Investments	-	-	167.789	-	-	-	167.789
Other Assets	-	-	-	-	-	242.885	242.885
Total Assets	1.007.515	1.919.548	927.636	202.587	218.191	647.210	4.922.687
Liabilities							
Bank Deposits	8.459	-	-	-	-	6.082	14.541
Other Deposits	1.513.915	437.538	86.137	-	-	221.044	2.258.634
Funds From Interbank Money Market	845.518	-	-	-	-	-	845.518
Miscellaneous Payables	-	-	-	-	-	35.980	35.980
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	625.000	163.180	171.558	2.767	-	-	962.505
Other Liabilities (*)	34.650	10.263	28.080	-	-	732.516	805.509
Total Liabilities	3.027.542	610.981	285.775	2.767	-	995.622	4.922.687
Balance Sheet Long Position	-	1.308.567	641.861	199.820	218.191	-	2.368.439
Balance Sheet Short Position	(2.020.027)	-	-	-	-	(348.412)	(2.368.439)
Off-balance Sheet Long Position	-	7.150	-	6.685	-	-	13.835
Off-balance Sheet Short Position	(4.800)	-	(2.264)	-	-	-	(7.064)
Total Position	(2.024.827)	1.315.717	639.597	206.505	218.191	(348.412)	6.771

Interest Rate Risk Sensitivity Analysis:

Change in interest rates 31 December 2012	Effect on income statement	Effect on equity
(+) 1%	(514)	(555)
(-) 1%	540	561

Change in interest rates 31 December 2011	Effect on income statement	Effect on equity
(+) 1%	(1.671)	(4.141)
(-) 1%	1.709	4.327

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

**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 31 DECEMBER 2012

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

b. Average interest rates for monetary financial instruments:

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

31 December 2012	EUR	USD	Yen	TL
Assets	%	%	%	%
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	-	-	-	-
Due From Banks	-	0,28	-	5,46
Financial Assets at Fair Value Through Profit/Loss	-	5,83	-	6,05
Interbank Money Market Placements	-	-	-	6,19
Available-for-Sale Financial Assets	-	-	-	9,53
Loans	6,18	5,88	-	12,61
Held-to-Maturity Investments	-	-	-	-
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits (*)	3,09	3,48	-	8,37
Funds From Interbank Money Market	-	-	-	4,68
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	1,21	3,51	-	7,88

31 December 2011	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	-	0,20	-	13,84
Financial Assets at Fair Value Through Profit/Loss	-	11,78	-	10,63
Interbank Money Market Placements	-	-	-	-
Available-for-Sale Financial Assets	-	-	-	8,49
Loans	6,81	6,90	-	16,72
Held-to-Maturity Investments	-	-	-	17,68
Liabilities				
Bank Deposits	-	-	-	0,25
Other Deposits (*)	3,98	4,59	-	10,98
Funds From Interbank Money Market	-	-	-	6,25
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	2,97	2,58	-	10,63

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

**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 31 DECEMBER 2012

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

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 sheet 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	(11.821)	(1,7%)
2. TRY	-400 bp	11.366	1,7%
3. EURO	+200 bp	(7.476)	(1,1%)
4. EURO	-200 bp	2.142	0,3%
5. USD	+200 bp	(2.334)	(0,3%)
6. USD	-200 bp	810	(0,1%)
Total (For Negative Shocks)		14.318	2,1%
Total (For Positive Shocks)		(21.631)	(3,1%)

d. Share position risk resulting from banking accounts:

None.

**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 31 DECEMBER 2012

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

VII. 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.

When the foreign markets are appropriate, the Bank periodically uses long-term borrowings in terms of foreign currency for its long-term liquidity requirement. 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 2010, 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 2012 are as follows:

	First Maturity Period		Second Maturity Period		Stock Values
	FC	FC + TL	FC	FC+TL	FC + TL
Average (%)	160,65%	201,12%	96,59%	137,02%	11,48%
Maximum (%)	251,58%	326,80%	114,10%	168,73%	13,90%
Minimum (%)	109,90%	148,55%	81,50%	119,61%	10,12%

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 31 DECEMBER 2012

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

Breakdown of assets and liabilities according to their outstanding maturities:

31 December 2012	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	24.715	338.487	-	-	-	-	-	363.202
Due From Banks	8.816	203.552	889	-	-	-	-	213.257
Financial Assets at Fair Value Through Profit or Loss	-	16.680	9.248	53.759	9.827	757	-	90.271
Interbank Money Market Placements	-	123.063	10.011	-	-	-	-	133.074
Available-for-Sale Financial Assets	-	-	-	92.302	265.390	-	5.161	362.853
Loans	-	451.524	1.394.863	627.010	403.818	106.334	61.718	3.045.267
Held-to-Maturity Investments	-	-	-	-	-	-	-	-
Other Assets (**)	-	55.898	330	4.954	6.977	9	165.457	233.625
Total Assets	33.531	1.189.204	1.415.341	778.025	686.012	107.100	232.336	4.441.549
Liabilities								
Bank Deposits	14.347	-	-	-	-	-	-	14.347
Other Deposits	207.038	1.555.899	1.053.853	421.172	12.246	-	-	3.250.208
Funds Borrowed From Other Financial Institutions	-	5.587	13.740	113.001	70.371	-	-	202.699
Funds From Interbank Money Market	-	87.744	-	-	-	-	-	87.744
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	-	9.046	1.709	-	-	-	34.410	45.165
Other Liabilities (**)	-	105.750	2.645	19.670	6.224	6	707.091	841.386
Total Liabilities	221.385	1.764.026	1.071.947	553.843	88.841	6	741.501	4.441.549
Net Liquidity Gap	(187.854)	(574.822)	343.394	224.182	597.171	107.094	(509.165)	-
31 December 2011								
Total Assets	39.517	1.182.239	1.007.701	1.529.451	637.904	284.712	241.163	4.922.687
Total Liabilities	227.126	2.452.371	558.097	184.565	6.186	781.112	713.230	4.922.687
Net Liquidity Gap	(187.609)	(1.270.132)	449.604	1.344.886	631.718	(496.400)	(472.067)	-

(*) Balance sheet assets such as fixed and intangible assets, subsidiaries, stationary stocks, prepaid expenses and loans under follow-up, are classified in this column.

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

Financial liabilities according to their remaining maturities:

31 December 2012	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Total
Liabilities						
Bank deposits	14.347	-	-	-	-	14.347
Other deposits	1.766.808	1.064.392	446.396	14.294	-	3.291.890
Borrowings	5.615	13.881	116.413	72.052	-	207.961
Funds from money market	87.822	-	-	-	-	87.822
Total	1.874.592	1.078.273	562.809	86.346	-	3.602.020

31 December 2011	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Total
Liabilities						
Bank deposits	14.541	-	-	-	-	14.541
Other deposits	1.741.948	445.196	89.705	-	-	2.276.849
Borrowings	36.320	118.736	118.930	350.465	2.923.369	3.547.820
Funds from money market	845.777	-	-	-	-	845.777
Total	2.638.586	563.932	208.635	350.465	2.923.369	6.684.987

**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 31 DECEMBER 2012

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

Contractual maturity analysis of the Bank's derivative instruments:

31 December 2012	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Total
Trading Derivative Instruments						
Foreign exchange derivatives:						
- Inflow	415.554	233.739	430.846	54.239	-	1.134.378
- Outflow	416.603	233.723	437.250	55.491	-	1.143.067
Interest rate derivatives:						
- Inflow	291	618	2.029	10.458	-	13.396
- Outflow	262	487	1.604	9.802	-	12.155
Hedging Derivative Instruments						
Foreign exchange derivatives:						
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Interest rate derivatives:						
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Total cash inflow	415.845	234.357	432.875	64.697	-	1.147.774
Total cash outflow	416.865	234.210	438.854	65.293	-	1.155.222

31 December 2011	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Total
Trading Derivative Instruments						
Foreign exchange derivatives:						
- Inflow	709.205	457.416	586.410	77.301	-	1.830.332
- Outflow	713.951	451.221	591.099	77.866	-	1.834.137
Interest rate derivatives:						
- Inflow	171	828	2.334	13.580	63	16.976
- Outflow	174	828	2.282	13.529	63	16.876
Hedging Derivative Instruments						
Foreign exchange derivatives:						
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Interest rate derivatives:						
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Total cash inflow	709.376	458.244	588.744	90.881	63	1.847.308
Total cash outflow	714.125	452.049	593.381	91.395	63	1.851.013

VIII. SECURITIZATION POSITIONS:

None.

**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 31 DECEMBER 2012

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

IX. CREDIT RISK MITIGATION TECHNIQUES:

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

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

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

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

Risk Group	Amount	Financial Guarantees	Other Material Guarantees	Guarantees and Loan Derivatives
Claims on sovereigns and Central Banks	696.296	-	-	-
Claims on regional governments or local authorities	-	-	-	-
Claims on administrative bodies and other non-commercial undertakings	50	-	-	-
Claims on multilateral development banks	-	-	-	-
Claims on international organizations	-	-	-	-
Claims on banks and intermediary institutions	453.710	27	-	-
Claims on corporates	2.466.768	64.796	-	996
Claims included in the regulatory retail portfolios	848.808	18.142	-	2.819
Claims secured by residential property	810.864	3.197	-	2.011
Past due loans	61.718	49	-	-
Higher risk categories decided by the Board	31.798	1.352	-	-
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	454.189	-	-	-
Total	5.824.201	87.563	-	5.826

**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 31 DECEMBER 2012

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

INFORMATION ON FINANCIAL ORGANIZATION (Continued)

X. EXPLANATIONS ON TARGETS AND POLICIES OF RISK MANAGEMENT:

Burgan Bank defines risk as the deviation from anticipated outcomes that may affect the value, capital or earnings of the bank. As a result risk stems from its exposure to external or internal risk factors in conducting its business activities. The board of directors is responsible for approving and periodically reviewing the risk policy of the bank to ensure its in line with corporate strategy and strategic goals. A basic component of the risk strategy is the risk appetite; the risk appetite defines which risks and into what extent the Bank will actively seek and which risks are undesirable and should be avoided or eliminated. Burgan Bank’s risk strategy aims to set out the main elements of its risk taking activities so that the Bank attains its business goals within the limits prescribed by the risk appetite. The Bank regards the formulation of a clear and realistic risk strategy as an essential part of its overall corporate strategy and as the foundation upon which all risk management policies are to be based.

Risk Management Policies

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

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

Risk Management,

Bank’s management aims to ensure that:

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

**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 31 DECEMBER 2012

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

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.
- Credit risk shall be priced accordingly so that the risk/ reward ratio is optimised.
- The Bank shall require that credit exposures are adequately covered by satisfactory collateral. Unsecured exposures shall be taken with prudence.
- The Bank shall avoid significant concentrations of credit risk, either to single or groups of borrowers or sectors of the economy or geographic areas.
- The Bank aims to extend credit facilities towards customers with a satisfactory credit history and successful overall track record. As such, the Bank shall proceed with financing of start-ups & new ventures with outmost care and on exceptional cases.

Market Risk Strategy

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

Operational Risk Strategy

- The Bank aims to minimize 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 reduce operational risk levels.

Risk Management Unit Organization

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

**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 31 DECEMBER 2012

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

INFORMATION ON FINANCIAL ORGANIZATION (Continued)

Risk Measurement and Assessment

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

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

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

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

a. Financial Assets and Liabilities at their fair values:

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

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

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

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

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

	Book Value		Fair Value	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
Financial Assets	3.754.451	3.922.870	4.040.967	4.108.500
Due from Money Market	133.074	-	133.101	-
Due from Banks	213.257	440.362	213.259	441.549
Available-for-Sale Financial Assets	362.853	857.420	362.853	857.420
Held-to-maturity Investments		167.789	-	169.488
Loans	3.045.267	2.457.299	3.331.754	2.640.043
Financial Liabilities	3.512.419	3.271.660	3.532.702	3.210.584
Bank Deposits	14.347	14.541	14.347	14.537
Other Deposits	3.250.208	2.258.634	3.269.182	2.265.716
Borrowings	202.699	962.505	204.008	894.351
Marketable Securities Issued		-	-	-
Miscellaneous Payables	45.165	35.980	45.165	35.980

**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 31 DECEMBER 2012

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

b. Fair value hierarchy:

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

Aforesaid fair value hierarchy is determined as follows.

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

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

31 December 2012	1st Level	2nd Level	3rd Level	Total
Financial Assets at Fair Value Through Profit or Loss	71.242	19.029	-	90.271
Government Debt Securities	71.242	-	-	71.242
Share Certificates	-	-	-	-
Trading Derivative Financial Assets	-	19.029	-	19.029
Available for Sale Financial Assets (*)	357.692	-	-	357.692
Government Debt Securities	357.692	-	-	357.692
Other Marketable Securities	-	-	-	-
Hedging Derivative Financial Assets	-	-	-	-
Total Assets	428.934	19.029	-	447.963
Trading Derivative Financial Liabilities	-	20.853	-	20.853
Hedging Derivative Financial Liabilities	-	-	-	-
Total Liabilities	-	20.853	-	20.853

31 December 2011	1st Level	2nd Level	3rd Level	Total
Financial Assets at Fair Value Through Profit or Loss	349.960	57.975	-	407.935
Government Debt Securities	349.960	-	-	349.960
Share Certificates	-	-	-	-
Trading Derivative Financial Assets	-	57.975	-	57.975
Available for Sale Financial Assets (*)	853.470	-	-	853.470
Government Debt Securities	853.470	-	-	853.470
Other Marketable Securities	-	-	-	-
Hedging Derivative Financial Assets	-	-	-	-
Total Assets	1.203.430	57.975	-	1.261.405
Trading Derivative Financial Liabilities	-	54.845	-	54.845
Hedging Derivative Financial Liabilities	-	-	-	-
Total Liabilities	-	54.845	-	54.845

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

There is not any transfer between 1st and 2nd levels in the current year.

**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 31 DECEMBER 2012

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

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

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

XIII. EXPLANATIONS ON OPERATING SEGMENTS:

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

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

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

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

**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 31 DECEMBER 2012

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

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

Prior period financial information is presented as at 31 December 2011 for balance sheet and income statements items.

	Retail Banking	Corporate Banking	Treasury	Total Operations of the Bank
31 December 2012				
Segment revenue	61.563	103.123	68.926	233.612
Unallocated costs	-	-	-	(244.183)
Net Operating Profit	61.563	103.123	68.926	(10.571)
Dividend income	-	-	-	17.135
Profit Before Tax	-	-	-	6.564
Tax expense	-	-	-	(7.804)
Net Profit / Loss	-	-	-	(1.240)
Segment assets	643.476	2.690.275	874.173	4.207.924
Investments in associates, subsidiaries and joint ventures	-	-	-	88.337
Unallocated assets	-	-	-	145.288
Total Assets	643.476	2.690.275	874.173	4.441.549
Segment liabilities	1.190.297	2.106.783	311.296	3.608.376
Unallocated liabilities	-	-	-	833.173
Total Liabilities	1.190.297	2.106.783	311.296	4.441.549

	Retail Banking	Corporate Banking	Treasury	Total Operations of the Bank
31 December 2011				
Segment revenue	42.061	60.577	81.864	184.502
Unallocated costs	-	-	-	(166.788)
Net Operating Profit	42.061	60.577	81.864	17.714
Dividend income	-	-	-	25.106
Profit Before Tax	-	-	-	42.820
Tax expense	-	-	-	(5.451)
Net Profit	-	-	-	37.369
Segment assets	443.226	2.188.363	2.050.459	4.682.048
Investments in associates, subsidiaries and joint ventures	-	-	-	134.332
Unallocated assets	-	-	-	106.307
Total Assets	443.226	2.188.363	2.050.459	4.922.687
Segment liabilities	923.126	1.374.545	1.862.868	4.160.539
Unallocated liabilities	-	-	-	762.148
Total Liabilities	923.126	1.374.545	1.862.868	4.922.687

**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 31 DECEMBER 2012

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

SECTION FIVE

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND NOTES RELATED TO ASSETS

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

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

	31 December 2012		31 December 2011	
	TL	FC	TL	FC
Cash/Foreign currency	11.569	13.125	9.141	14.021
CBRT	191.692	146.816	228.814	97.021
Other	-	-	-	-
Total	203.261	159.941	237.955	111.042

2. Information on the account of the CBRT:

	31 December 2012		31 December 2011	
	TL	FC	TL	FC
Demand Unrestricted Amount	191.692	22.766	228.814	12.988
Time Unrestricted Amount	-	-	-	-
Time Restricted Amount	-	124.050	-	84.033
Total	191.692	146.816	228.814	97.021

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%, for deposits/participation accounts up to 6-month maturity (including 6-month) 8%, for deposits/participation accounts up to 1-year maturity is 6%, for deposits/participation accounts with 1-year and longer maturity and cumulative deposits/participation accounts 5%, for liabilities other than deposits/participation funds it is 5% , for liabilities other than deposits/participation funds accounts up to 1-year maturity is 11%, 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 11,5%, for FX deposits/FX participation accounts with 1-year and longer maturity and cumulative FX deposits/FX participation accounts it is 9.5%, for other FX liabilities up to 1 year maturity (including 1-year) it is 11,5%, for other FX liabilities up to 3-year maturity (including 3-year) it is 9,5%, for other FX liabilities longer than 3-year maturity it is 6%.

According to the announcement in Official Gazette, No 28565 in February 20, 2013, regarding the changes in CBRT’s “Required Reserves Announcement “ No 2005/1, as of March 1, 2013, required reserve deposit ratios had been increased to: 11,5% from 11,25% for demand deposits, notice deposits and private current accounts, deposits/participation accounts up to 1-month, up to 3 month; 8,5% from 8,25% for deposits/participation accounts up to 6-month maturity (including 6-month); 6,5% from 6,25% for deposits/participation accounts up to 1-year maturity; 11,5% from 11,25% for liabilities other than deposits/participation funds accounts up to 1-year maturity is; 12,5% from 12% 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, other FX liabilities up to 1 year maturity (including 1-year); and 10,5% from 10% for other FX liabilities up to 3 year maturity.

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

**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 31 DECEMBER 2012

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

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

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

- As of 31 December 2012, there are no financial assets at fair value through profit or loss subject to repo transactions (31 December 2011: TL291.929).
- Positive differences related to trading derivative financial assets:

	31 December 2012		31 December 2011	
	TL	FC	TL	FC
Forward Transactions	2.451	838	12.654	1.622
Swap Transactions	2.482	4.722	9.793	2.006
Futures Transactions	-	-	-	-
Options	461	8.075	8.894	23.006
Other	-	-	-	-
Total	5.394	13.635	31.341	26.634

c. Information on banks:

- Information on banks:

	31 December 2012		31 December 2011	
	TL	FC	TL	FC
Banks				
Domestic	114.778	89.772	11	3.404
Foreign	-	8.707	424.376	12.571
Headquarters and Branches Abroad	-	-	-	-
Total	114.778	98.479	424.387	15.975

- Information on foreign banks account:

	Unrestricted Amount		Restricted Amount	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
EU Countries	6.524	435.394	-	-
USA, Canada	2.176	1.553	-	-
OECD Countries (*)	7	-	-	-
Off-shore Banking Regions	-	-	-	-
Other	-	-	-	-
Total	8.707	436.947	-	-

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

**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 31 DECEMBER 2012

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

**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 31 December 2012, there are TL88.396 available-for-sale financial assets given as collateral/blocked (31 December 2011: 86.205) and those subject to repurchase agreements amounts to TL87.918 (31 December 2011: TL441.590).

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

	31 December 2012	31 December 2011
Debt Securities	357.692	855.509
Quoted on Stock Exchange	357.692	855.509
Not Quoted	-	-
Share Certificates	5.161	3.950
Quoted on Stock Exchange	-	-
Not Quoted	5.161	3.950
Impairment Provision (-)	-	2.039
Total	362.853	857.420

e. Explanations on loans:

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

	31 December 2012		31 December 2011 (*)	
	Cash	Non-cash	Cash	Non-cash
Direct Loans Granted To Shareholders	-	-	-	-
Corporate Shareholders	-	-	-	-
Real Person Shareholders	-	-	-	-
Indirect Loans Granted To Shareholders	-	-	433.544	35.225
Loans Granted To Employees	3.582	-	3.175	-
Total	3.582	-	436.719	35.225

(*) Prior Period information is presented according to the Bank's shareholder structure and related party risk group as of 31 December 2011.

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 31 DECEMBER 2012

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

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

(i)

Cash Loans	Standard Loans and Other Receivables			Loans and Other Receivables Under Close Monitoring		
	Loans and Other Receivables	Restructured or Rescheduled		Loans and Other Receivables	Restructured or Rescheduled	
		Loans with Restructured Payment Plans	Other		Loans with Restructured Payment Plans	Other
Non-Specialised Loans	2.754.802	37.114	8.827	100.220	67.174	15.412
Loans Given to Enterprises	-	-	-	-	-	-
Export Loans	554.198	6.422	-	6.247	517	-
Import Loans	-	-	-	-	-	-
Loans Given to Financial Sector	32.245	-	-	-	-	-
Consumer Loans	43.766	-	-	2.468	20	-
Credit Cards	15.390	-	-	733	-	-
Other (*)	2.109.203	30.692	8.827	90.772	66.637	15.412
Specialised Loans	-	-	-	-	-	-
Other Receivables	-	-	-	-	-	-
Total	2.754.802	37.114	8.827	100.220	67.174	15.412

(*) The Group also has TL139.782 factoring loans in the Other account.

(ii)

Number of Modifications Made to Extend Payment Plan	Standard Loans and Other Receivables	Loans and Other Receivables Under Close Monitoring
1 or 2 times	24.420	67.174
3,4 or 5 times	9.473	-
Over 5 times	3.221	-
Total	37.114	67.174

(iii)

Extended Period of Time	Standard Loans and Other Receivables	Loans and Other Receivables Under Close Monitoring
0-6 Months	18.676	19.665
6 Ay – 12 Months	18.438	11.605
1-2 Years	-	18.971
2-5 Years	-	16.933
5 Years and Over	-	-
Total	37.114	67.174

3. Loans according to their maturity structure:

	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Short-term Loans and Other Receivables	2.034.264	36.608	44.042	40.533
Non-specialised Loans	2.034.264	36.608	44.042	40.533
Specialised Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-Term Loans and Other Receivables	720.538	9.333	56.178	42.053
Non-specialised Loans	720.538	9.333	56.178	42.053
Specialised Loans	-	-	-	-
Other Receivables	-	-	-	-

**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 31 DECEMBER 2012

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

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

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

	Short- term	Medium and Long-term	Total
Consumer Loans-TL	3.364	37.842	41.206
Real estate loans	-	4.783	4.783
Automotive loans	-	654	654
Consumer loans	3.364	32.405	35.769
Other	-	-	-
Consumer Loans-FC Indexed	-	1.269	1.269
Real estate loans	-	1.269	1.269
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Individual Credit Cards-TL	5.221	-	5.221
With installments	-	-	-
Without installments	5.221	-	5.221
Individual Credit Cards- FC	20	-	20
With installments	-	-	-
Without installments	20	-	20
Personnel Loans-TL	324	2.392	2.716
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	324	2.392	2.716
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	864	-	864
With installments	-	-	-
Without installments	864	-	864
Personnel Credit Cards-FC	2	-	2
With installments	-	-	-
Without installments	2	-	2
Credit Deposit Account-TL (Real Person)	1.063	-	1.063
Credit Deposit Account-FC (Real Person)	-	-	-
Total	10.858	41.503	52.361

**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 31 DECEMBER 2012

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

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

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

	Short-term	Medium and long-term	Total
Commercial Installments Loans-TL	37.113	185.418	222.531
Real estate Loans		904	904
Automotive Loans	19	2.512	2.531
Consumer Loans	25.830	164.314	190.144
Other	11.264	17.688	28.952
Commercial Installments Loans-FC Indexed	899	46.229	47.128
Real estate Loans		-	-
Automotive Loans		239	239
Consumer Loans	899	45.919	46.818
Other		71	71
Commercial Installments Loans-FC			
Real estate Loans		-	-
Automotive Loans		-	-
Consumer Loans		-	-
Other		-	-
Corporate Credit Cards-TL	9.958		9.958
With installment			
Without installment	9.958		9.958
Corporate Credit Cards-FC	58		58
With installment			
Without installment	58		58
Credit Deposit Account-TL (Legal Person)	21.538		21.538
Credit Deposit Account-FC (Legal Person)			
Total	69.566	231.647	301.213

6. Loans according to types of borrowers:

	31 December 2012	31 December 2011
Public	-	-
Private	2.983.549	2.420.963
Total	2.983.549	2.420.963

7. Distribution of domestic and foreign loans:

	31 December 2012	31 December 2011
Domestic Loans	2.983.549	2.420.963
Foreign Loans	-	-
Total	2.983.549	2.420.963

8. Loans given to investments in associates and subsidiaries:

None (31 December 2011: None).

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 31 DECEMBER 2012

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

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. Specific provisions provided against loans:

	31 December 2012	31 December 2011
Loans and Other Receivables with Limited Collectability	3.457	451
Loans and Other Receivables with Doubtful Collectability	10.785	1.916
Uncollectible Loans and Other Receivables	90.169	69.870
Total	104.411	72.237

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

a. Information on non-performing loans restructured or rescheduled and other receivables:

	III. Group Loans and other receivables with limited collectability	IV. Group Loans and other receivables with doubtful collectability	V. Group Uncollectible loans and other receivables
31 December 2012			
(Gross amounts before the Specific Reserves)			
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	127	145	4.485
31 December 2011			
(Gross amounts before the Specific Reserves)			
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	46	238	5.831

b. 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	4.347	6.264	97.962
Additions (+)	73.513	1.705	12.545
Transfers from Other Categories of Nonperforming Loans (+)	-	46.467	18.306
Transfers to Other Categories of Non-performing Loans (-)	46.467	18.306	-
Collections (-) (*)	9.894	4.206	16.107
Write-offs (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Balance at the End of the Period	21.499	31.924	112.706
Specific Provision (-)	3.457	10.785	90.169
Net Balance on Balance Sheet	18.042	21.139	22.537

**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 31 DECEMBER 2012

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

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

c. Information on non-performing loans granted as foreign currency loans:

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
31 December 2012			
Period-End Balance	2.776	2.272	27.776
Specific Provision (-)	309	1.102	17.653
Net Balance on balance sheet	2.467	1.170	10.123
31 December 2011			
Period-End Balance	846	-	28.751
Specific Provision (-)	169	-	15.369
Net Balance on balance sheet	677	-	13.382

d. 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)	18.042	21.139	22.537
Loans Given to Real Persons and Legal Persons (Gross)	21.499	31.924	112.517
Specific Provision Amount (-)	3.457	10.785	89.980
Loans Given to Real Persons and Legal Persons (Net)	18.042	21.139	22.537
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	189
Specific Provision Amount (-)	-	-	189
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	3.896	4.348	28.092
Loans Given to Real Persons and Legal Persons (Gross)	4.347	6.264	97.773
Specific Provision Amount (-)	451	1.916	69.681
Loans Given to Real Persons and Legal Persons (Net)	3.896	4.348	28.092
Banks (Net)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	189
Specific Provision Amount (-)	-	-	189
Other Loans and Receivables (Net)	-	-	-

**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 31 DECEMBER 2012

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

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

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

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

12. Explanations on the write-off policy:

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

f. Information on held-to-maturity investments:

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

	31 December 2012		31 December 2011	
	TL	FC	TL	FC
Bill	-	-	-	-
Bond and Similar Securities	-	-	114.785	-
Other	-	-	-	-
Total	-	-	114.785	-

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

	31 December 2012		31 December 2011	
	TL	FC	TL	FC
Bill	-	-	-	-
Bond and Similar Securities	-	-	49.300	-
Other	-	-	-	-
Total	-	-	49.300	-

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

	31 December 2012	31 December 2011
Government Bond		167.789
Treasury Bill		-
Other Debt Securities		-
Total		167.789

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 31 DECEMBER 2012

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

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

	31 December 2012	31 December 2011
Debt Securities		167.789
Quoted		167.789
Not Quoted		-
Impairment Provision (-)		-
Total		167.789

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

	31 December 2012	31 December 2011
Beginning Balance	167.789	959.588
Foreign Currency Differences on Monetary Assets		-
Purchases During Year (*)		-
Disposals through Sales and Redemptions(-)	167.789	791.799
Impairment Provision (-)		-
Period End Balance		167.789

(*) Above movement table includes changes in interest accruals, with security disposals through redemption amounting to TL159.331.

g. Information on investments in associates (Net):

None.

h. Information on subsidiaries (Net):

1. Information on unconsolidated subsidiaries:

None.

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

None.

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

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

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 31 DECEMBER 2012

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

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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	286.111	40.026	22	21.946	-	4.727	5.668	-
2 (*)	78.951	65.824	2.325	7.688	1.349	(3.475)	7.283	-

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

5. Movement schedules of subsidiaries:

	31 December 2012	31 December 2011
Balance at the beginning of the Period	134.332	134.332
Movements during the Period	(45.995)	-
Purchases	-	-
Bonus Shares Obtained	-	-
Dividends from Current Year Income	-	-
Sales	-	-
Revaluation Increase	-	-
Impairment Provision	(45.995)	-
Balance at the end of the Period	88.337	134.332
Capital Commitments	-	-
Share Percentage at the end of the Period (%)	%99,99	99,99%

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

Subsidiaries	31 December 2012	31 December 2011
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	22.232	22.232
Finance Companies	-	-
Other Financial Subsidiaries	66.105	112.100
Total	88.337	134.332

7. Subsidiaries quoted on stock exchange:

None.

i. Information on joint ventures:

None.

j. Information on lease receivables (net):

None.

**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 31 DECEMBER 2012

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

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

k. Information on hedging derivative financial assets:

None.

l. Information on property and equipment (Net):

	Immovables	Motor Vehicles	Other Tangible Assets	Total
31 December 2010				
Cost	8.146	418	69.564	78.128
Accumulated depreciation (-)	1.295	407	45.223	46.925
Net book value	6.851	11	24.341	31.203
31 December 2011				
Net book value at beginning of the period	6.851	11	24.341	31.203
Additions	-	-	5.707	5.707
Disposals (-) (net)	-	9	-	9
Impairment	-	-	-	-
Depreciation (-)	137	2	6.606	6.745
Revaluation Increase	136	-	-	136
Cost at Period End	8.282	160	42.852	51.294
Accumulated Depreciation at Period End (-)	1.432	160	19.410	21.002
Closing Net Book Value at Period End	6.850	-	23.442	30.292

	Immovables	Motor Vehicles	Other Tangible Assets	Total
31 December 2011				
Cost	8.282	160	42.852	51.294
Accumulated depreciation (-)	1.432	160	19.410	21.002
Net book value	6.850	-	23.442	30.292
31 December 2012				
Net book value at beginning of the period	6.850	-	23.442	30.292
Additions	-	-	1.735	1.735
Disposals (-) (net)	50	-	-	50
Impairment	-	-	-	-
Depreciation (-)	140	-	7.144	7.284
Revaluation Increase	340	-	-	340
Cost at Period End	8.557	160	44.539	53.256
Accumulated Depreciation at Period End (-)	1.557	160	26.506	28.223
Closing Net Book Value at Period End	7.000	-	18.033	25.033

**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 31 DECEMBER 2012

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

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

m. Information on intangible assets:

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

	31 December 2012	31 December 2011
Gross Book Value	32.058	27.005
Accumulated Depreciation (-)	9.366	6.445
Net Book Value	22.692	20.560

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

	31 December 2012	31 December 2011
Beginning of the Period	20.560	18.125
Internally Generated Amounts	-	-
Additions due to Mergers, Transfers and Acquisitions	5.053	4.803
Disposals	-	-
Amount Accounted under Revaluation Reserve	-	-
Impairment	-	-
Impairment Reversal	-	-
Amortisation (-)	2.921	2.368
Net Foreign Currency Difference From Foreign Investments in Associates	-	-
Other Changes in Book Value	-	-
End of the Period	22.692	20.560

n. Information on investment property:

None.

**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 31 DECEMBER 2012

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

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

o. Information on deferred tax asset:

As of 31 December 2012, the Bank has netted-off the calculated deferred tax asset of TL9.393 (31 December 2011: TL14.882) and deferred tax of TL2.657 (31 December 2011: TL2.551) in accordance with "TAS 12" and has recorded a net deferred tax asset of TL6.736 (31 December 2011: TL12.331) in the financial statements.

As of 31 December 2012 and 2011, the details of accumulated temporary differences and deferred tax assets and liabilities are presented below:

	Accumulated Temporary Differences		Deferred Tax Assets/Liabilities	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
Valuation Differences of Marketable Securities	-	1.697	-	340
Provision for Legal Cases	14.012	15.656	2.802	3.131
Reserve for Employment Termination Benefit and Unused Vacation	18.193	7.001	3.639	1.400
Valuation Differences of Derivative Instruments	11.029	7.743	2.206	1.549
Carried Financial Loss	-	39.072	-	7.814
Unearned Revenue	3.534	3.227	707	645
Other	196	14	39	3
Deferred Tax Assets	46.964	74.410	9.393	14.882
Difference Between Book Value and Tax Base of Tangible and Intangible Assets	13.244	12.753	2.649	2.551
Value Difference of Securities	40	-	8	-
Deferred Tax Liabilities	13.284	12.753	2.657	2.551
Deferred Tax Assets/(Liabilities) (Net)	33.680	61.657	6.736	12.331

Movement of deferred tax asset/ liabilities is presented below:

	31 December 2012	31 December 2011
Balance as of 1 January	12.331	16.236
Current year deferred tax expense	(2.046)	(5.451)
Deferred tax charged to equity (net)	(3.549)	1.546
Balance at the End of the Period	6.736	12.331

**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 31 DECEMBER 2012

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

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

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

The Bank has assets held for resale amounting to TL12.694 (31 December 2011: TL15.120) and has no discontinued operations.

Prior Period	31 December 2012	31 December 2011
Cost	15.473	8.873
Accumulated Depreciation (-)	353	240
Net Book Value	15.120	8.633
Current Period		
Net book value at beginning of the period	15.120	8.633
Additions	7.125	15.129
Disposals (-), net	9.265	8.416
Impairment	14	22
Depreciation (-)	272	204
Cost at end of the period	13.175	15.473
Accumulated Depreciation at end of the period (-)	481	353
Closing Net Book Value	12.694	15.120

r. Information on other assets:

As of 31 December 2012, other assets amounting to TL78.133 (31 December 2011: TL30.082) do not exceed 10% of the total assets excluding off-balance sheet commitments.

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 31 DECEMBER 2012

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

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. 31 December 2012:

	Demand	With 7 days notifications	Up to 1 month	1-3 months	3-6 months	6 months -1 year	1 year and over	Accum. Deposit	Total
Saving Deposits	19.411	-	10.430	704.618	112.374	161.263	126.861	-	1.134.957
Foreign Currency Deposits	100.592	-	94.180	924.960	154.276	32.332	31.405	-	1.337.745
Residents in Turkey	93.887	-	94.180	898.998	153.195	30.605	30.823	-	1.301.688
Residents Abroad	6.705	-	-	25.962	1.081	1.727	582	-	36.057
Public Sector Deposits	18.264	-	-	71.878	-	-	-	-	90.142
Commercial Deposits	67.904	-	38.559	245.159	86.299	95.365	21.332	-	554.618
Other Institutions Deposits	867	-	1.248	96.314	24.056	10.257	4	-	132.746
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	14.347	-	-	-	-	-	-	-	14.347
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	45	-	-	-	-	-	-	-	45
Foreign Banks	14.302	-	-	-	-	-	-	-	14.302
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	221.385	-	144.417	2.042.929	377.005	299.217	179.602	-	3.264.555

ii. 31 December 2011:

	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	22.721	-	17.794	589.745	141.910	17.493	6.712	-	796.375
Foreign Currency Deposits	107.379	-	63.884	472.522	45.356	17.843	3.187	-	710.171
Residents in Turkey	106.259	-	63.872	431.713	45.254	17.746	1.960	-	666.804
Residents Abroad	1.120	-	12	40.809	102	97	1.227	-	43.367
Public Sector Deposits	3.684	-	-	8	-	-	-	-	3.692
Commercial Deposits	86.192	-	170.043	389.587	29.311	26.203	20.179	-	721.515
Other Institutions Deposits	1.068	-	11.021	13.163	1.593	20	16	-	26.881
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	6.082	-	8.459	-	-	-	-	-	14.541
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	44	-	8.459	-	-	-	-	-	8.503
Foreign Banks	6.038	-	-	-	-	-	-	-	6.038
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	227.126	-	271.201	1.465.025	218.170	61.559	30.094	-	2.273.175

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 31 DECEMBER 2012

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

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (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	
	31 December 2012	31 December 2011	31 December 2012	31 December 2011
Saving Deposits				
Saving Deposits	205.376	166.180	929.581	630.195
Foreign Currency Savings Deposit	46.532	31.995	548.467	255.521
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	251.908	198.175	1.478.048	885.716

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

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

	31 December 2012	31 December 2011
Deposits and Other Accounts in Foreign Branches	-	-
Deposits and Other Accounts of Main Shareholders and their Families	-	93.358
Deposits and Other Accounts of President of Board of Directors, Members of Board of Directors, Vice General Managers and Their Families	3.370	1.948
Deposits and Other Accounts of Property Assets Value due to Crime which is in the Scope of Article 282 of Numbered 5237 "TCK" Dated 26/9/2004	-	-
Deposits in Banks Incorporated in Turkey Exclusively for Off-shore Banking Operations	-	-
Total	3.370	95.306

b. Information on trading derivative financial liabilities:

Schedule of negative differences concerning trading derivative financial liabilities:

Trading Derivative Financial Liabilities	31 December 2012		31 December 2011	
	TL	FC	TL	FC
Forward Transactions	5.847	441	10.556	1.107
Swap Transactions	2.465	3.558	9.051	2.357
Futures Transactions	-	-	-	-
Options	166	8.376	3.768	28.006
Other	-	-	-	-
Total	8.478	12.375	23.375	31.470

**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 31 DECEMBER 2012

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

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

c. Information on borrowings:

1. Information on banks and other financial institutions:

	31 December 2012		31 December 2011	
	TL	FC	TL	FC
The CBRT Borrowings	-	-	-	-
From Domestic Banks and Institutions	43.402	66.665	34.140	47.950
From Foreign Banks, Institutions and Funds	-	92.632	753.082	127.333
Total	43.402	159.297	787.222	175.283

2. Information on maturity structure of borrowings:

	31 December 2012		31 December 2011	
	TL	FC	TL	FC
Short-term	43.402	73.567	34.140	59.832
Medium and Long-term	-	85.730	753.082	115.451
Total	43.402	159.297	787.222	175.283

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

The Bank's main funding sources are deposits and borrowings. As of 31 December 2012, deposits and borrowings from Bank's risk group comprise 2% (31 December 2011: 30%) of total deposits and none (31 December 2011: 78%) of total borrowings.

d. Information on other liabilities:

Other liabilities amounting to TL91.676 (31 December 2011: TL43.861) do not exceed 10% of the total balance sheet excluding off-balance sheet commitments.

e. Information on financial lease agreements:

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

	31 December 2012		31 December 2011	
	Gross	Net	Gross	Net
Less than 1 year	1	-	283	275
Between 1-4 years	-	-	1	-
More than 4 years	-	-	-	-
Total	1	-	284	275

f. Information on hedging derivative financial liabilities:

None.

**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 31 DECEMBER 2012

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

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

g. Information on provisions:

1. Information on general provisions:

	31 December 2012	31 December 2011
General Provisions	37.096	28.014
Provisions for First Group Loans and Receivables	27.948	20.290
Additional Provision for Loans and Receivables with Extended Maturities	1.856	-
Provisions for Second Group Loans and Receivables	5.746	2.843
Additional Provision for Loans and Receivables with Extended Maturities	3.359	1.712
Provisions for Non-Cash Loans	2.070	3.089
Other	1.332	1.792

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 were enacted.

The payment amount which is one month's salary for each working year is restricted to TL3.033,98 (31 December 2011: TL2.731,85). Employee termination benefits are not funded as there is no funding requirement.

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

	31 December 2012	31 December 2011
Discount rate (%)	2,50	3,81
Salary increase rate (%)	6,00	6,00
Average remaining work period (Year)	12,38	11,98

Movement of reserve for employment termination benefits during the period:

	31 December 2012	31 December 2011
Prior Period Ending Balance	4.977	3.632
Provisions Recognised During the Period	2.880	1.843
Paid During the Period (-)	841	498
Balance at the End of the Period	7.016	4.977

In addition, as of 31 December 2012 the Bank has accounted for vacation rights provision amounting to TL1.406 (31 December 2011: TL1.399) and personnel bonus provision amounting to TL9.771 (31 December 2011: TL8.802).

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 31 DECEMBER 2012

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

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. Other provisions:

i) Information on provisions for possible risks:

None.

ii) Information on other provisions:

The Bank set aside reserves amounting to TL14.012 (31 December 2011: TL14.492) for lawsuits, TL2.538 (31 December 2011: TL4.102) for the specific provision provided for unindemnified non cash loan amount to, TL3.115 (31 December 2011: TL2.020) for customer cheques commitments, TL52 (31 December 2011: TL37) for credit card loyalty points and TL111 (31 December 2011: TL1.755) for other receivables. Also, the Bank set aside TL1.400 for provision regarding a tax investigation in the previous period.

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

As of 31 December 2012, the provision related to the foreign currency difference of foreign indexed loans amounts to TL3.730 (31 December 2011: TL518) and is netted from the loan amount in the financial statements.

h. Information on taxes payable:

1. Information on tax provision:

As of 31 December 2012, the bank provided TL2.108 (31 December 2011: None) corporate tax provision.

2. Information on taxes payable:

	31 December 2012	31 December 2011
Corporate Tax Payable	2.108	-
Taxation of Marketable Securities	3.635	3.507
Property Tax	148	145
Banking Insurance Transaction Tax	2.675	2.673
Value Added Tax Payable	250	350
Other	1.686	1.608
Total	10.502	8.283

3. Information on premium payables:

	31 December 2012	31 December 2011
Social Security Premiums–Employee	566	995
Social Security Premiums–Employer	812	1.259
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	39	69
Unemployment Insurance–Employer	79	138
Other	-	-
Total	1.496	2.461

4. As of 31 December 2012, the Bank has netted-off the calculated deferred tax asset of TL9.393 (31 December 2011: TL14.882) and deferred tax liability of TL2.657 (31 December 2011: TL2.551) in accordance with "TAS 12" and has recorded a net deferred tax asset of TL6.736 (31 December 2011: TL12.331) in the financial statements.

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 31 DECEMBER 2012

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

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

None.

j. Information about subordinated loans:

None.

k. Information on shareholders' equity:

1. Presentation of paid-in capital:

	31 December 2012		31 December 2011	
Common Stock	570.000		570.000	
Preferred Stock				

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

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

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

None.

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

None.

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

None.

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

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

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

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

8. Information on marketable securities valuation reserve:

	31 December 2012		31 December 2011	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	10.185	-	(3.739)	-
Foreign Currency Difference	-	-	-	-
Total	10.185	-	(3.739)	-

9. Information on tangible assets revaluation reserve:

	31 December 2012		31 December 2011	
	TL	FC	TL	FC
Movables	-	-	-	-
Immovables	3.717	-	3.445	-
Common Stocks of Investments in Associates, Subsidiaries that will be added to the Capital and Sales Income from Immovables	-	-	-	-
Total	3.717	-	3.445	-

**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 31 DECEMBER 2012

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

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

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

According to the General Assembly meeting decision on 27 April 2012, the profit of 2011 amounting to TL37.369 has been allocated to TL1.868 as legal reserves, TL35.501 as extraordinary reserves.

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

a. Information on off balance sheet commitments:

1. The amount and type of irrevocable commitments:

	31 December 2012	31 December 2011
Commitments for cheques	267.935	225.721
Foreign currency buy/sell commitments	118.915	129.110
Loan limit commitments	88.406	42.404
Commitments for credit card limits	30.056	20.375
Blocked cheques given to customers	178	178
Tax and fund obligations arising from export commitments	18	1.111
Share capital commitments to associates and subsidiaries	-	1.000
Total	505.508	419.899

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

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

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

	31 December 2012	31 December 2011
Letter of guarantees	617.734	523.509
Other guarantees	228.511	851.970
Letter of credits	115.632	194.259
Bank acceptance loans	95.241	91.289
Factoring guarantees	1.194	2.403
Total	1.058.312	1.663.430

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

	TL	FC
Irrevocable letters of guarantee	377.738	109.221
Guarantees given to customs	42.411	1.442
Revocable letters of guarantee	20.577	9.070
Letters of guarantee given in advance	9.121	29.721
Other letters of guarantee	6.943	11.490
Total	456.790	160.944

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 31 DECEMBER 2012

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

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

	31 December 2012	31 December 2011
Non-cash loans given against cash loans	246.591	857.514
With original maturity of 1 year or less than 1 year	-	-
With original maturity of more than 1 year	246.591	857.514
Other non-cash loans	811.721	805.916
Total	1.058.312	1.663.430

ii. Information on sectoral concentration of non-cash loans:

	31 December 2012				31 December 2011			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	11.124	2,43	6.863	1,14	4.456	1,14	16.330	1,28
Farming and Livestock	9.367	2,05	6.845	1,14	2.578	0,66	16.311	1,28
Forestry	509	0,11	-	-	370	0,09	-	-
Fishing	1.248	0,27	18	-	1.508	0,39	19	-
Manufacturing	218.414	47,73	376.577	62,69	136.036	34,85	783.257	61,53
Mining	22.532	4,92	46.249	7,70	18.020	4,62	48.256	3,79
Production	191.692	41,89	326.387	54,33	115.400	29,56	718.215	56,42
Electric, Gas, Water	4.190	0,92	3.941	0,66	2.616	0,67	16.786	1,32
Construction	87.582	19,14	50.574	8,42	119.122	30,51	94.216	7,40
Services	130.256	28,47	165.689	27,58	125.414	32,13	374.235	29,39
Wholesale and Retail Trade	79.559	17,39	43.261	7,20	72.343	18,53	100.673	7,91
Hotel and Food Services	544	0,12	35.737	5,95	1.205	0,31	116.529	9,15
Transportation and Telecommunication	10.600	2,32	36.424	6,06	13.661	3,50	48.848	3,84
Financial Institutions	22.949	5,02	26.996	4,49	21.669	5,55	75.026	5,89
Real Estate and Leasing Ser.	8.506	1,86	12.292	2,05	9.077	2,33	17.077	1,34
Professional Services	-	-	-	-	-	-	-	-
Education Services	215	0,05	-	-	170	0,04	-	-
Health and Social Services	7.883	1,72	10.979	1,83	7.289	1,87	16.082	1,26
Other	10.210	2,23	1.023	0,17	5.379	1,37	4.985	0,40
Total	457.586	100,00	600.726	100,00	390.407	100,00	1.273.023	100,00

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

	Group I		Group II	
	TL	FC	TL	FC
Non-cash Loans (*)	437.453	154.102	13.102	6.614
Letters of Guarantee	305	94.936	-	-
Bank Acceptances	-	115.405	-	227
Letters of Credit	-	-	-	-
Endorsements	-	-	-	-
Underwriting Commitments	491	635	-	68
Factoring Guarantees	-	225.311	-	2.373
Other Commitments and Contingencies	438.249	590.389	13.102	9.282

(*) In addition to non-cash loans stated above, the Bank has non-cash loans classified as non-performing loans, amounting to TL7.290. As of 31 December 2012, the Bank has recorded a provision amounting to TL2.538 regarding these risks.

**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 31 DECEMBER 2012

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

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

b. Information on derivative financial instruments:

	31 December 2012	31 December 2011
Types of Trading Transactions		
Foreign currency related derivative transactions (I)	4.015.074	5.179.215
Currency forward transactions	668.834	1.180.436
Currency swap transactions	567.894	1.004.608
Futures transactions	-	-
Options	2.778.346	2.994.171
Interest related derivative transactions (II)	590.146	709.288
Forward rate agreements	-	-
Interest rate swaps	534.948	607.540
Interest rate options	55.198	101.748
Interest rate futures	-	-
A. Total trading derivative transactions (I+II)	4.605.220	5.888.503
Types of hedging transactions	-	-
Fair value hedges	-	-
Cash flow hedges	-	-
Foreign currency investment hedges	-	-
B. Total hedging related derivatives	-	-
Total derivative transactions (A+B)	4.605.220	5.888.503

c. Investment Funds:

As of 31 December 2012, the Bank is the founder of 3 investment funds (31 December 2011: 3) with a total fund value of TL24.360 (31 December 2011: TL23.314). The shares of the investment funds established in accordance with the Capital Markets Board legislation are kept dematerialized by Central Registry Agency, Inc..

d. Information on contingent assets and contingent liabilities:

As of 31 December 2012, the total amount of legal cases against the Bank is TL19.264 (31 December 2011: TL18.941) and the Bank sets aside a provision of TL14.012 (31 December 2011: TL14.492) regarding these risks.

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

MOODY’S (Dated on 11 February 2013)

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

**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 31 DECEMBER 2012

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

**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(*):

	31 December 2012		31 December 2011	
	TL	FC	TL	FC
Interest Income on Loans				
Short-term Loans	242.299	31.112	138.729	20.233
Medium/Long-term Loans	51.601	28.324	33.172	18.436
Interest on Loans Under Follow-up	1.344	-	4.011	-
Premiums Received from Resource Utilisation Support Fund	-	-	-	-
Total	295.244	59.436	175.912	38.669

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

2. Information on interest income on banks:

	31 December 2012		31 December 2011	
	TL	FC	TL	FC
From the CBRT	-	-	-	-
From Domestic Banks	76	145	146	43
From Foreign Banks	32.390	222	58.570	324
Headquarters and Branches Abroad	-	-	-	-
Total	32.466	367	58.716	367

3. Information on interest income on marketable securities:

	31 December 2012		31 December 2011	
	TL	FC	TL	FC
From Trading Financial Assets	12.669	12	5.571	-
From Financial Assets At Fair Value Through Profit or Loss	-	-	-	-
From Available-for-Sale Financial Assets	47.659	-	64.363	4.527
From Held-to-Maturity Investments	5.012	-	33.465	-
Total	65.340	12	103.399	4.527

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

	31 December 2012	31 December 2011
Interest Received From Investments in Associates and Subsidiaries	49	2

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 31 DECEMBER 2012

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

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

b. Information on interest expense:

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

	31 December 2012		31 December 2011	
	TL	FC	TL	FC
Banks	46.855	4.349	81.634	5.038
The CBRT	-	-	-	-
Domestic Banks	3.170	1.785	3.022	1.657
Foreign Banks	43.685	2.564	78.612	3.381
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	-	-	-
Total	46.855	4.349	81.634	5.038

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

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

	31 December 2012	31 December 2011
Interest Paid to Investment in Associates and Subsidiaries	6.564	4.223

3. Interest expense on issued marketable securities:

None.

4. Maturity structure of the interest expense on deposits :

	Demand Deposit	Time Deposit					Accum. Deposit	Total
		Up to 1 month	Up to 3 Month	Up to 6 month	Up to 1 year	More than 1 year		
TL								
Bank Deposits	58	13	-	-	-	-	-	71
Saving Deposits	-	1.915	76.547	22.746	4.983	2.751	-	108.942
Public Sector Deposits	-	-	5.813	46	-	-	-	5.859
Commercial Deposits	-	11.998	20.945	5.570	8.742	1.179	-	48.434
Other Deposits	-	615	5.002	1.666	248	1	-	7.532
Deposits with 7 Days Notification	-	-	-	-	-	-	-	-
Total	58	14.541	108.307	30.028	13.973	3.931	-	170.838
FC								
Foreign Currency Deposits	-	5.144	36.623	3.694	1.285	357	-	47.103
Bank Deposits	-	9	-	-	-	-	-	9
Deposits with 7 Days Notification	-	-	-	-	-	-	-	-
Precious Metal	-	-	-	-	-	-	-	-
Total	-	5.153	36.623	3.694	1.285	357	-	47.112
Grand Total	58	19.694	144.930	33.722	15.258	4.288	-	217.950

**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 31 DECEMBER 2012

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

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

c. Information on dividend income:

	31 December 2012	31 December 2011
Trading Financial Assets	-	-
Financial Assets at Fair Value through Profit or Loss	-	-
Available-for-Sale Financial Assets	135	106
Other (*)	17.000	25.000
Total	17.135	25.106

(*) The dividend income obtained from Burgan Yatırım Menkul Değerler A.Ş. is the share of the bank per consolidation.

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

	31 December 2012	31 December 2011
Income	2.364.277	3.923.772
Income from Capital Market Transactions	11.344	60.413
Income From Derivative Financial Transactions	32.265	90.785
Foreign Exchange Gains (*)	2.320.668	3.772.574
Loss (-)	2.341.464	3.885.119
Loss from Capital Market Transactions	2.314	21.969
Loss From Derivative Financial Transactions	25.513	91.254
Foreign Exchange Loss (*)	2.313.637	3.771.896
Net Income/(Loss)	22.813	38.653

(*) The net foreign exchange profit from foreign exchange gain regarding to derivative financial transactions included in foreign exchange loss is TL1.698 (31 December 2011: TL10.190 gain).

e. Information on other operating income:

As of 31 December 2012, the Bank's other operating income is TL9.977 (31 December 2011: TL6.837). TL7.218 (31 December 2011: TL3.554) of the amount is composed of profit from sales of the fixed assets that were classified as Asset Held for Resale.

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

	31 December 2012	31 December 2011
Specific Provisions for Loans and Other Receivables	30.205	8.407
III. Group Loans and Receivables	9.330	2.003
IV. Group Loans and Receivables	9.887	3.998
V. Group Loans and Receivables	10.988	2.406
General Provision Expenses	9.606	8.692
Provision Expense for Possible Risks	-	-
Marketable Securities Impairment Expense	(84)	103
Financial Assets at Fair Value Through Profit or Loss	(84)	103
Available-for-sale Financial Assets	-	-
Investments in Associates, Subsidiaries and Held-to-Maturity Securities	45.995	-
Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	45.995	-
Joint Ventures	-	-
Held-to-maturity Investments	-	-
Other	-	2.900
Total	85.722	20.102

**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 31 DECEMBER 2012

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

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

g. Information related to other operating expenses:

	31 December 2012	31 December 2011
Personnel Expenses	82.226	73.940
Reserve For Employee Termination Benefits(*)	2.886	1.843
Bank Social Aid Pension Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	7.284	6.745
Impairment Expenses of Intangible Assets	-	-
Amortisation Expenses of Intangible Assets	2.921	2.368
Impairment Expenses of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held For Resale	14	22
Depreciation Expenses of Assets Held for Resale	272	204
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	47.830	45.094
Operational Lease Expenses	14.909	13.688
Maintenance Expenses	661	569
Advertising Expenses	917	871
Other Expense	31.343	29.966
Loss on Sales of Assets	19	189
Other	15.009	16.281
Total	158.461	146.686

(*) As of 31 December 2012, the employee vacation fee provision is TL6 (31 December 2011: None).

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

The Bank has no discontinued operations. The Bank's net income/(loss) before taxes from continuing operations is TL6.564

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

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

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

As of 31 December 2012, the Bank has TL5.758 tax expense from its current year revenues deferred tax expense amounting to TL2.046.

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

The Bank has net deferred tax income amounting to TL2.046 consists of, TL3.808 from temporary differences and TL5.854 from carried financial loss composing from deferred tax expense.

**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 31 DECEMBER 2012

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

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

Reconciliation of theoretical tax expense and current year tax expense using the legal tax rate of the Bank:

	31 December 2012	31 December 2011
Profit / Loss Before Tax	6.564	42.820
General Loan Loss Provision	9.082	10.185
Non-Deductible Expenses	1.039	408
Dividend Income	(17.135)	(25.106)
Other	(6.524)	(1.052)
Impairment Provision of Subsidiary	45.995	-
Total	39.021	27.255
Corporate Tax Rate	20%	20%
Current Year Tax Income / Loss	7.804	5.451

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

As of 31 December 2012, the Bank has TL2.046 deferred tax expense arising from temporary differences.

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

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

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

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

The bank has recognised an impairment on its subsidiary Burgan Yatırım Menkul Değerler A.Ş. amounting to TL45.995 based on the assessment done as of 31 December 2012 and recorded the impairment expense in the net income/loss of the period. In addition, the Bank recorded a dividend income of TL17.000 from Burgan Yatırım Menkul Değerler A.Ş. for the period.

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.

l. Information on other income and expenses:

As of 31 December 2012, the Bank's fee and commission income amounts to TL28.211 (31 December 2011: TL34.586) and TL10.476 (31 December 2011: TL8.869) the related amount is classified under "Other fee and commission income" account.

	31 December 2012	31 December 2011
Other Fee and Commissions Received		
Credit Card and POS Transaction Commission	2.380	1.887
Account Operating Fees	1.250	923
Transfer Commissions	1.088	968
Insurance Commissions	913	599
Commissions on Investment Fund Services	587	802
Commissions from Correspondent Banks	355	280
Ortak Nokta Commissions	109	30
Letter of Credit Commissions	23	29
Other	3.771	3.351
Total	10.476	8.869

**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 31 DECEMBER 2012

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

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

As of 31 December 2012, Bank’s fee and commission expense amounts to TL4.849 (31 December 2011: TL4.451) and TL4.841 (31 December 2011: TL4.441) of the related amount is classified under “Other fee and commission expense” account.

	31 December 2012	31 December 2011
Other Fee and Commissions Given		
Credit Card Transaction Commission	3.097	2.418
Ortak Nokta Commissions	646	504
EFT Commissions	425	377
Commissions Granted to Correspondent Banks	224	203
Transfer Commissions	103	68
Other	346	871
Total	4.841	4.441

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

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

Burgan Bank S.A.K. became the main shareholder by purchasing 99,26% of the Bank’s shares from Eurobank and Tekfen Holding. After the necessary regulatory steps, the Bank’s title has been started to be used as Burgan Bank A.Ş. as of 28 January 2013.

b. Information on distribution of profit:

According to the General Assembly meeting decision on 27 April 2012, the profit of 2011 amounting to TL37.369 has been allocated to TL1.868 as legal reserves, TL35.501 as extraordinary reserves.

c. Information on capital increase:

None.

d. Information on valuation differences of marketable securities:

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

	31 December 2011		31 December 2011	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	10.185	-	(3.739)	-
Foreign Currency Difference	-	-	-	-
Total	10.185	-	(3.739)	-

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

The reversal from revaluation reserve to their fair value for immovables amounting to TL272 net of tax (31 December 2011: TL109) is accounted under “Revaluation differences of tangible assets and intangible assets”.

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 31 DECEMBER 2012

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

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

VI. EXPLANATIONS AND NOTES RELATED TO STATEMENT OF CASH FLOWS

a. Information on cash and cash equivalent assets:

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

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

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

	31 December 2012	31 December 2011
Cash	277.550	160.550
Cash, Foreign Currency and Other	23.162	17.590
Demand Deposits in Banks	254.388	142.960
Cash Equivalents	426.016	489.153
Interbank Money Market	-	-
Time Deposits in Bank	426.016	489.153
Total Cash and Cash Equivalents	703.556	649.703

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

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

	31 December 2012	31 December 2011
Cash	247.965	277.550
Cash, Foreign Currency and Other	24.694	23.162
Demand Deposits in Banks	223.271	254.388
Cash Equivalents	336.537	426.016
Interbank Money Market	133.000	-
Time Deposits in Bank	203.537	426.016
Total Cash and Cash Equivalents	584.502	703.566

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

"Other" items presented in "Net operating income before changes in operating assets and liabilities" amount to negative TL110.877 (31 December 2011: TL106.571) and mainly consists of other operating income excluding collections from non-performing loans, other operating expenses excluding personnel expenses and foreign exchange gain and loss items.

"Net increase/decrease in liabilities" items presented in "Changes in operating assets and liabilities" amount to TL53.639 (31 December 2011: TL23.314) and consist of changes in other liabilities and miscellaneous payables.

As of 31 December 2012, the effect of change in foreign exchange rate on cash and cash equivalents is calculated as approximately negative TL1.648 (31 December 2011: positive TL2.196).

**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 31 DECEMBER 2012

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

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

VII. 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, Bank's shareholder structure as of 31 December 2011, risk group values, end of the period balances are presented along with the 31 December 2012 balance sheet and income statements items.

1. 31 December 2012:

Banks' Risk Group (*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	13.177	36	35.225	92	-
Balance at the End of the Period	-	12.239	-	-	21	-
Interest and Commission Income Received	49	17	-	-	-	-

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

2. 31 December 2011:

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	-	14.242	119	21.045	35	332
Balance at the End of the Period	-	13.177	36	35.225	92	-
Interest and Commission Income Received	2	9	115	107	-	1

(*) 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	98.399	16.496	485.949	470.517	89.989	25.401
End of the Period	75.261	98.399	445	485.949	3.376	89.989
Interest Expense on Deposits	6.564	4.235	-	27.969	290	5.587

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

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	-	-	-	-	99	998
End of the Period	-	-	-	-	108	99
Interest Expense on Repurchase Transactions	-	-	-	-	6	-

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

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 31 DECEMBER 2012

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

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

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		14.896	1.519.894	743.351	-	-
Balance at the end of the period	3.577	-	-	1.519.894	-	-
Total Profit/Loss	159	(71)		(14.543)		
Transactions for hedging purposes						
Beginning of the Period	-	-	-	61.504	-	-
Balance at the end of the period	-	-	-	-	-	-
Total Profit/Loss	-	-	-	(5.445)	-	-

(*) 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 (%)
Deposit	79.082	2,42
Non-cash loans	12.239	1,16
Funds from repurchase transactions	108	0,12
Loans	21	-

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

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 31 DECEMBER 2012

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

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued)

The Bank, has financial leasing agreements with Burgan Finansal Kiralama A.Ş. with no net financial leasing payables arising from these agreements .(31 December 2011: TL275). The interest expense amount paid for the related financial leasing agreements is TL6 (31 December 2011: TL65).

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 0,30% (31 December 2011: 1,18%) of the Bank's total cash and non-cash loans.

As of 31 December 2012 there are no purchase-sales transactions of the bank on any other assets except real - estate with its risk group.

As of 31 December 2012 there are no agreements related to transfer and management of the information gathered from the research and development with the risk group that the Bank is included.

c. Information on benefits provided to top management:

Top management of the Bank is composed of the Chairman of the Board, General Manager and Vice General Managers. The sum of benefits paid to top management, totals TL10.600 (31 December 2011: 9.769) which include total gross salary, travel, meal, health and life insurance and other expenses.

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

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

	Number	Employee number			
Domestic Branch	60	976			
			Country of Incorporation		
Foreign Representative	-	-			
				Total Asset	Statutory share capital
Foreign Branch	-	-		-	-
Off-Shore Banking Region Branch	-	-		-	-

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

IX. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

None.

**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 31 DECEMBER 2012

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

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

SECTION SIX

OTHER EXPLANATIONS

I. OTHER EXPLANATIONS RELATED TO BANK'S OPERATIONS

None.

SECTION SEVEN

EXPLANATIONS ON INDEPENDENT AUDITOR'S REPORT

I. EXPLANATIONS ON INDEPENDENT AUDITOR'S REPORT

The unconsolidated financial statements for the period ended 31 December 2012 have been audited by Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of PricewaterhouseCoopers) and the independent auditor's report dated 14 March 2013 has been presented prior to the unconsolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITOR

None.

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