

**(CONVENIENCE TRANSLATION  
OF PUBLICLY ANNOUNCED  
UNCONSOLIDATED FINANCIAL  
STATEMENTS AND LIMITED REVIEW  
REPORT ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**PUBLICLY ANNOUNCED  
UNCONSOLIDATED FINANCIAL  
STATEMENTS AND RELATED  
DISCLOSURES TOGETHER WITH  
LIMITED REVIEW REPORT  
AT 31 MARCH 2021**

*(Convenience Translation of the Report on Review of Interim Financial Information Originally Issued in Turkish)*

## **REPORT ON REVIEW OF UNCONSOLIDATED INTERIM FINANCIAL INFORMATION**

**To the General Assembly of Burgan Bank A.Ş.;**

### *Introduction*

We have reviewed the accompanying unconsolidated statement of financial position of Burgan Bank A.Ş. (“the Bank”) as at 31 March 2021, and the unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders’ equity and unconsolidated statement of cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Bank management is responsible for the preparation and fair presentation of the accompanying interim financial information in accordance with “the Banking Regulation and Supervision Agency (“BRSA”) Accounting and Financial Reporting Regulations” including the regulation on “The Procedures and Principles Regarding Banks’ Accounting Practices and Maintaining Documents” published in the Official Gazette dated 1 November 2006 with No. 26333, and other regulations on accounting records of banks published by the Banking Regulation and Supervision Board and circulars and pronouncements published by the BRSA and Turkish Accounting Standard 34 “Interim Financial Reporting” principles for the matters not legislated by the aforementioned regulations. Our responsibility is to express a conclusion on this interim financial information based on our review.

### *Scope of Review*

We conducted our review in accordance with the Independent Auditing Standard on Review Engagements (ISRE) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial reporting process, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an independent audit conducted in accordance with Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an audit opinion.

### *Basis for Qualified Conclusion*

The accompanying unconsolidated interim financial information as at 31 March 2021 includes a general reserve of TL 195,000 thousand which was recognized as expense in the previous periods. This general provision is provided by the Bank management for the possible effects of the negative circumstances which may arise in economy or market conditions.

## *Qualified Conclusion*

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying unconsolidated interim financial information does not present fairly, in all material respects, the financial position of Burgan Bank A.Ş. as at 31 March 2021, and of the results of their operations and their cash flows for the three-month period then ended in accordance with the BRSA Accounting and Financial Reporting Regulations.

## *Other Matter*

The unconsolidated financial statements of the Bank as at and for the year ended 31 December 2020 and as at and for the three month period then ended 31 March 2020 were audited and reviewed by another auditor who expressed a qualified opinion and an unqualified conclusion on 2 March 2021 and 22 May 2020, respectively.

## **Report on Other Legal and Regulatory Requirements**

Based on our review, nothing has come to our attention that causes us to believe that the unconsolidated interim financial information provided in the Management's interim report included in section seven of the accompanying unconsolidated financial statements, is not presented fairly, in all material respects, and is not consistent with the reviewed unconsolidated interim financial statements and the explanatory notes.

## *Additional paragraph for English translation:*

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

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.  
Member of **DELOITTE TOUCHE TOHMATSU LIMITED**



Yaman Polat  
Partner

İstanbul, 6 May 2021

**THE UNCONSOLIDATED THREE MONTH INTERIM FINANCIAL REPORT OF  
BURGAN BANK A.Ş. AS OF 31 MARCH 2021**

Address of the Bank's Head Office : Maslak Mahallesi, Eski Büyükdere Caddesi, No:13  
34485 Sarıyer / İstanbul

Telephone and Fax Numbers of the Bank : Phone : 0 212 371 37 37  
Fax : 0 212 371 42 42

Bank's Website : [www.burgan.com.tr](http://www.burgan.com.tr)

Contact E-mail : [bilgi@burgan.com.tr](mailto:bilgi@burgan.com.tr)

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

- **Section One** GENERAL INFORMATION ABOUT THE BANK
- **Section Two** UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- **Section Three** EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD
- **Section Four** INFORMATION RELATED TO THE FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
- **Section Five** EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
- **Section Six** EXPLANATIONS ON THE LIMITED REVIEW REPORT
- **Section Seven** EXPLANATIONS ON INTERIM ACTIVITY REPORT

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

6 May 2021

Emin Hakan EMİNSOY  
Chairman of the  
Board of Directors

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

Zeynep TERZİOĞLU  
Deputy Head of Financial  
Affairs

Ahmet CİĞA  
Head of Accounting,  
Tax, and Reporting Unit

Halil CANTEKİN  
Head of the Audit Committee

Adrian Alejandro GOSTUSKI  
Member of the Audit Committee

Fouad Husni DOUGLAS  
Member of the Audit  
Committee

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

Name-Surname / Title : Ahmet CİĞA / Head of Accounting, Tax, and Reporting Unit  
Telephone Number : 0 212 371 34 84  
Fax Number : 0 212 371 42 48

## TABLE OF CONTENTS

### SECTION ONE

#### GENERAL INFORMATION ABOUT THE BANK

	<u>PAGE</u>
I. Bank's foundation date, start-up statute, history about the changes in this mentioned statute .....	3
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.....	4
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 .....	5
IV. Explanation on shareholders having control shares.....	6
V. Information on the Bank's service type and field of operations.....	6
VI. Current or likely actual or legal barriers to immediate transfer of equity or repayment of debts between the parent bank and its subsidiaries.....	6

### SECTION TWO

#### UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK

I. Balance sheet (statement of financial position).....	8
II. Off-balance sheet commitments .....	10
III. Statement of profit or loss .....	11
IV. Statement of profit or loss and other comprehensive income .....	12
V. Statement of changes in shareholders' equity .....	13
VI. Statement of cash flows.....	15

### SECTION THREE

#### EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD

I. Basis of presentation .....	16
II. Explanations on strategy of using financial instruments and foreign currency transactions .....	18
III. Explanations on investments in associates, subsidiaries and joint ventures .....	18
IV. Explanations on forward transactions, options and derivative instruments .....	19
V. Explanations on interest income and expenses.....	19
VI. Explanations on fee and commission income and expense.....	20
VII. Explanations on financial assets .....	20
VIII. Explanations on expected credit losses .....	22
IX. Explanations on offsetting financial assets.....	25
X. Explanations on sales and repurchase agreements and securities lending transactions .....	25
XI. Explanations on tangible assets held for resale, discontinued operations and liabilities regarding those assets .....	25
XII. Explanations on goodwill and other intangible assets .....	26
XIII. Explanations on property and equipment.....	26
XIV. Explanations on leasing transactions .....	27
XV. Explanations on provisions and contingent liabilities.....	29
XVI. Explanations on contingent assets.....	29
XVII. Explanations on obligations related to employee rights .....	29
XVIII. Explanations on taxation .....	30
XIX. Explanations on borrowings.....	31
XX. Explanations on issuance of share certificates.....	31
XXI. Explanations on avalized drafts and acceptances .....	31
XXII. Explanations on government grants.....	31
XXIII. Explanations on profit reserves and profit distribution.....	31
XXIV. Explanations on earnings per share.....	32
XXV. Explanations on related parties.....	32
XXVI. Explanations on cash and cash equivalents .....	32
XXVII. Explanations on segment reporting.....	32
XXVIII. Reclassifications .....	32

### SECTION FOUR

#### INFORMATION RELATED TO THE FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK

I. Explanations on equity .....	33
II. Explanations on risk management .....	39
III. Explanations on currency risk.....	40
IV. Explanations on interest rate risk.....	42
V. Explanations on share certificate position risk .....	45
VI. Explanations on liquidity risk management and liquidity coverage .....	46
VII. Explanations on leverage ratio.....	52
VIII. Explanations on hedge transactions.....	53
IX. Explanation on the activities carried out on behalf and account of the bank .....	54
X. Explanation on operating segments.....	54

### SECTION FIVE

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

I. Explanations and notes related to assets.....	56
II. Explanations and notes related to liabilities .....	70
III. Explanations and notes related to off-balance sheet accounts.....	79
IV. Explanations and notes related to income statement .....	81
V. Explanations and notes related to Bank's risk group .....	87
VI. Explanations and notes related to subsequent events.....	89

### SECTION SIX

#### EXPLANATIONS ON INDEPENDENT AUDIT REPORT

I. Explanations on the limited review report.....	90
II. Explanations and notes prepared by independent auditor .....	90

### SECTION SEVEN

#### EXPLANATIONS ON INTERIM ACTIVITY REPORT

I. Evaluations for the operating period and expectations for the future by the chairman of the board of directors and the general manager.....	91
--	----

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

---

**SECTION ONE**

**GENERAL INFORMATION ABOUT THE BANK**

**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 A.Ş and Tekfen Finansal Kiralama A.Ş which is fully owned by Tekfenbank; where Tekfen Group retained its strategic partnership by keeping all remaining shares. On 23 February 2007, the sale of Tekfenbank A.Ş. to Eurobank EFG Holding (Luxembourg) S.A. (“Eurobank EFG Holding”) was approved by the BRSA and the sale was completed after the share transfer on 16 March 2007.

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

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

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

---

**GENERAL INFORMATION ABOUT THE BANK (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:**

The Bank’s registered capital ceiling is 4 billion full TL.

Bank’s capital amounts to full TL 1.890.000.000.

In accordance with the Decision of the Board of Directors of the Bank dated 24 February 2021 and numbered 2021/06, the required permission was obtained from Banking Regulation and Supervision Agency regarding increasing the capital amounting to full TL 1.535.000.000 by full TL 355.000.000 to full TL 1.890.000.000, being within the limit of registered capital ceiling amounting to full TL 4.000.000.000, and it was notified that there is no objection for consummation of transactions regarding the capital increase. In this context, the capital amount provided by the shareholders were transferred to the paid-in capital account and the required procedures were initiated for the registry. It was registered and announced in the Turkish Trade Registry Gazette No. 10314, dated April 21, 2021.

There is no change in the Bank’s shareholder structure.

Founded in 1977, Burgan Bank K.P.S.C. (formerly 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), and Tunisia (Tunis International Bank).

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

**GENERAL INFORMATION ABOUT THE BANK (Continued):**

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

<u>Title</u>	<u>Name</u>	<u>Responsibility</u>	<u>Education</u>
<b>Chairman of the Board of Directors:</b>	Emin Hakan Eminsoy	Chairman of Board of Directors	Undergraduate
<b>Board of Directors Members:</b>	Faisal M.A. Al Radwan	Deputy Chairman	Undergraduate
	Adrian Alejandro Gostuski	Member	Graduate
	Mehmet Alev Göçmez	Member	Graduate
	Halil Cantekin	Member	Undergraduate
	Osama T. Al Ghoussein	Member	Undergraduate
	Fouad Husni Douglas	Member	Graduate
	Khaled F.A.O. Alzouman	Member	Undergraduate
	Ali Murat Dinç	Member and General Manager	Graduate
<b>General Manager:</b>	Ali Murat Dinç	Member and General Manager	Graduate
<b>Vice General Managers: (*)</b>	Esra Aydın	Operations & Management Services	Undergraduate
	Cihan Vural	Internal Systems	Undergraduate
	Rasim Levent Ergin	Human Resources	Graduate
	Suat Kerem Sözügüzel	Corporate & Commercial Banking	Undergraduate
	Banu Ertürk	Loans and Legal Follow-up	Undergraduate
	Darço Akkaranfil	Information Technologies	Graduate
	Zeynep Terzioğlu	Financial Affairs	Graduate
<b>Audit Committee:</b>	Halil Cantekin	Committee President	Undergraduate
	Adrian Alejandro Gostuski	Member	Graduate
	Fouad Husni Douglas	Member	Graduate

(\*) Zeynep Terzioğlu has started working as Vice General Manager of Financial Affairs on 15 January 2021.

Mutlu Akpara, the Deputy General Manager of Financial Corporations in charge of Treasury and Capital Markets, resigned from this duty on 8 February 2021. Hasan Hüseyin Uyar, the Deputy General Manager in charge of Loans resigned on 22 February 2021.

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



**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

**GENERAL INFORMATION ABOUT THE BANK (Continued):**

**IV. EXPLANATION ON SHAREHOLDERS HAVING CONTROL SHARES:**

Name/Commercial title	Share Amounts	Share percentage	Paid-in Capital	Unpaid portion
Burgan Bank K.P.S.C.	1.878.884	99,41%	99,41%	-

Based on the Principal Agreement, the Bank has 1 million founder's shares. According to the Principal Agreement, after allocating 5% to legal reserves and distributing 5% of the paid in capital, 10% of distributable amount is distributed to the owners of the founder's shares.

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

As of 31 March 2021, the Bank, whose headquarter located in Istanbul, has 32 branches operating in Turkey (31 December 2020: 32). The Bank’s core business activities include corporate and commercial banking, retail banking and banking services in treasury fields. As of 31 March 2021, the Bank has 907 (31 December 2020: 951) employees.

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

None.

## **SECTION TWO**

### **UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK**

- I. Balance sheet (Statement of financial position)
- II. Off-balance sheet
- III. Statement of profit or loss
- IV. Statement of profit or loss and other comprehensive income
- V. Statement of changes in shareholders' equity
- VI. Statement of cash flows

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**  
**UNCONSOLIDATED BALANCE SHEETS (STATEMENT OF FINANCIAL POSITION)**  
**AT 31 MARCH 2021 AND 31 DECEMBER 2020**

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

I. BALANCE SHEET	Note (Section Five)	Reviewed 31/03/2021			Audited 31/12/2020		
		TL	FC	Total	TL	FC	Total
<b>ASSETS</b>							
<b>I. FINANCIAL ASSETS (Net)</b>		<b>1.728.885</b>	<b>4.341.111</b>	<b>6.069.996</b>	<b>1.316.077</b>	<b>3.472.200</b>	<b>4.788.277</b>
<b>1.1 Cash and cash equivalents</b>		<b>358.510</b>	<b>4.025.467</b>	<b>4.383.977</b>	<b>352.362</b>	<b>3.106.010</b>	<b>3.458.372</b>
1.1.1 Cash and balances at Central Bank	I-a	247.998	3.548.811	3.796.809	236.800	3.033.781	3.270.581
1.1.2 Banks	I-c	483	476.656	477.139	15.528	72.229	87.757
1.1.3 Receivables from Money Markets		110.058	-	110.058	100.050	-	100.050
1.1.4 Expected credit losses (-)		29	-	29	16	-	16
<b>1.2 Financial assets at fair value through profit or loss</b>	<b>I-b</b>	<b>655</b>	<b>112.377</b>	<b>113.032</b>	<b>509</b>	<b>82.251</b>	<b>82.760</b>
1.2.1 Government debt securities		655	10.894	11.549	509	32.178	32.687
1.2.2 Equity instruments		-	-	-	-	-	-
1.2.3 Other financial assets		-	101.483	101.483	-	50.073	50.073
<b>1.3 Financial assets at fair value through other comprehensive income</b>	<b>I-d</b>	<b>257.040</b>	<b>27.291</b>	<b>284.331</b>	<b>262.892</b>	<b>144.122</b>	<b>407.014</b>
1.3.1 Government debt securities		249.366	27.291	276.657	255.218	144.122	399.340
1.3.2 Equity instruments		7.674	-	7.674	7.674	-	7.674
1.3.3 Other financial assets		-	-	-	-	-	-
<b>1.4 Derivative financial assets</b>	<b>I-l</b>	<b>1.112.680</b>	<b>175.976</b>	<b>1.288.656</b>	<b>700.314</b>	<b>139.817</b>	<b>840.131</b>
1.4.1 Derivative financial assets at fair value through profit or loss		282.031	160.785	442.816	146.782	138.880	285.662
1.4.2 Derivative financial assets at fair value through other comprehensive income		830.649	15.191	845.840	553.532	937	554.469
<b>II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)</b>		<b>7.058.817</b>	<b>9.464.541</b>	<b>16.523.358</b>	<b>7.044.376</b>	<b>9.658.368</b>	<b>16.702.744</b>
<b>2.1 Loans</b>	<b>I-e-f</b>	<b>7.911.676</b>	<b>9.541.903</b>	<b>17.453.579</b>	<b>7.756.374</b>	<b>9.765.845</b>	<b>17.522.219</b>
<b>2.2 Receivables from leasing transactions</b>	<b>I-k</b>	-	-	-	-	-	-
<b>2.3 Factoring receivables</b>	<b>I-e</b>	-	-	-	-	-	-
<b>2.4 Other financial assets measured at amortized cost</b>	<b>I-g</b>	-	<b>542.312</b>	<b>542.312</b>	-	<b>510.403</b>	<b>510.403</b>
2.4.1 Government debt securities		-	542.312	542.312	-	510.403	510.403
2.4.2 Other financial assets		-	-	-	-	-	-
<b>2.5 Expected credit losses (-)</b>	<b>I-e-f</b>	<b>852.859</b>	<b>619.674</b>	<b>1.472.533</b>	<b>711.998</b>	<b>617.880</b>	<b>1.329.878</b>
<b>III. NON-CURRENTS ASSETS OR DISPOSAL GROUPS HELD FOR SALE AND FROM DISCONTINUED OPERATIONS (Net)</b>	<b>I-o</b>	<b>577.283</b>	-	<b>577.283</b>	<b>495.818</b>	-	<b>495.818</b>
3.1 Held for sale		577.283	-	577.283	495.818	-	495.818
3.2 Held from discontinued operations		-	-	-	-	-	-
<b>IV. INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES</b>		<b>583.767</b>	-	<b>583.767</b>	<b>548.560</b>	-	<b>548.560</b>
<b>4.1 Investments in associates (Net)</b>	<b>I-h</b>	-	-	-	-	-	-
4.1.1 Associates accounted by using equity method		-	-	-	-	-	-
4.1.2 Non-consolidated associates		-	-	-	-	-	-
<b>4.2 Investments in subsidiaries (Net)</b>	<b>I-i</b>	<b>583.767</b>	-	<b>583.767</b>	<b>548.560</b>	-	<b>548.560</b>
4.2.1 Non-consolidated financial subsidiaries		583.767	-	583.767	548.560	-	548.560
4.2.2 Non-consolidated non-financial subsidiaries		-	-	-	-	-	-
<b>4.3 Jointly Controlled Partnerships (Joint Ventures) (Net)</b>	<b>I-j</b>	-	-	-	-	-	-
4.3.1 Jointly controlled partnerships accounted by using equity method		-	-	-	-	-	-
4.3.2 Non-consolidated jointly controlled partnerships		-	-	-	-	-	-
<b>V. TANGIBLE ASSETS (Net)</b>		<b>140.772</b>	-	<b>140.772</b>	<b>139.397</b>	-	<b>139.397</b>
<b>VI. INTANGIBLE ASSETS (Net)</b>		<b>39.890</b>	-	<b>39.890</b>	<b>41.147</b>	-	<b>41.147</b>
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		39.890	-	39.890	41.147	-	41.147
<b>VII. INVESTMENT PROPERTIES (Net)</b>	<b>I-m</b>	-	-	-	-	-	-
<b>VIII. CURRENT TAX ASSETS</b>		<b>1.344</b>	-	<b>1.344</b>	-	-	-
<b>IX. DEFERRED TAX ASSETS</b>	<b>I-n</b>	<b>65.619</b>	-	<b>65.619</b>	<b>91.757</b>	-	<b>91.757</b>
<b>X. OTHER ASSETS (Net)</b>	<b>I-p</b>	<b>188.057</b>	<b>81.902</b>	<b>269.959</b>	<b>139.234</b>	<b>176.713</b>	<b>315.947</b>
<b>TOTAL ASSETS</b>		<b>10.384.434</b>	<b>13.887.554</b>	<b>24.271.988</b>	<b>9.816.366</b>	<b>13.307.281</b>	<b>23.123.647</b>

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

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**UNCONSOLIDATED BALANCE SHEETS (STATEMENT OF FINANCIAL POSITION)**

**AT 31 MARCH 2021 AND 31 DECEMBER 2020**

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

I. BALANCE SHEET	Note (Section Five)	Reviewed 31/03/2021			Audited 31/12/2020		
		TL	FC	Total	TL	FC	Total
<b>LIABILITIES</b>							
<b>I. DEPOSITS</b>	<b>II-a</b>	<b>5.128.839</b>	<b>10.053.256</b>	<b>15.182.095</b>	<b>4.030.308</b>	<b>9.911.979</b>	<b>13.942.287</b>
<b>II. LOANS RECEIVED</b>	<b>II-c</b>	<b>32.431</b>	<b>2.192.123</b>	<b>2.224.554</b>	<b>39.279</b>	<b>3.238.656</b>	<b>3.277.935</b>
<b>III. MONEY MARKET FUNDS</b>		<b>3.610</b>	<b>131.125</b>	<b>134.735</b>	<b>3.651</b>	<b>238.918</b>	<b>242.569</b>
<b>IV. MARKETABLE SECURITIES (Net)</b>	<b>II-d</b>	-	-	-	-	-	-
4.1 Bills		-	-	-	-	-	-
4.2 Asset backed securities		-	-	-	-	-	-
4.3 Bonds		-	-	-	-	-	-
<b>V. FUNDS</b>		-	-	-	-	-	-
5.1 Borrower funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
<b>VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>	<b>II-b</b>	-	-	-	-	-	-
<b>VII. DERIVATIVE FINANCIAL LIABILITIES</b>		<b>264.671</b>	<b>175.552</b>	<b>440.223</b>	<b>308.583</b>	<b>246.236</b>	<b>554.819</b>
7.1 Derivative financial liabilities at fair value through profit or loss		205.235	135.131	340.366	252.184	207.663	459.847
7.2 Derivative financial liabilities at fair value through other comprehensive income		59.436	40.421	99.857	56.399	38.573	94.972
<b>VIII. FACTORING PAYABLES</b>		-	-	-	-	-	-
<b>IX. LEASE PAYABLES (Net)</b>	<b>II-f</b>	<b>81.953</b>	<b>162</b>	<b>82.115</b>	<b>74.101</b>	<b>771</b>	<b>74.872</b>
<b>X. PROVISIONS</b>	<b>II-h</b>	<b>245.112</b>	<b>12.044</b>	<b>257.156</b>	<b>265.953</b>	<b>61.324</b>	<b>327.277</b>
10.1 Provision for restructuring		-	-	-	-	-	-
10.2 Reserves for employee benefits		33.266	-	33.266	38.930	-	38.930
10.3 Insurance technical reserves (Net)		-	-	-	-	-	-
10.4 Other provisions		211.846	12.044	223.890	227.023	61.324	288.347
<b>XI. CURRENT TAX LIABILITIES</b>	<b>II-i</b>	<b>30.480</b>	-	<b>30.480</b>	<b>43.659</b>	-	<b>43.659</b>
<b>XII. DEFERRED TAX LIABILITIES</b>	<b>II-i</b>	-	-	-	-	-	-
<b>XIII. LIABILITIES RELATED TO NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)</b>	<b>II-j</b>	-	-	-	-	-	-
13.1 Held for sale		-	-	-	-	-	-
13.2 Related to discontinued operations		-	-	-	-	-	-
<b>XIV. SUBORDINATED DEBT</b>	<b>II-k</b>	-	<b>2.499.783</b>	<b>2.499.783</b>	-	<b>2.228.521</b>	<b>2.228.521</b>
14.1 Loans		-	2.499.783	2.499.783	-	2.228.521	2.228.521
14.2 Other debt instruments		-	-	-	-	-	-
<b>XV. OTHER LIABILITIES</b>	<b>II-e</b>	<b>214.477</b>	<b>1.045.218</b>	<b>1.259.695</b>	<b>204.622</b>	<b>557.029</b>	<b>761.651</b>
<b>XVI. SHAREHOLDERS' EQUITY</b>	<b>II-l</b>	<b>2.178.884</b>	<b>(17.732)</b>	<b>2.161.152</b>	<b>1.689.140</b>	<b>(19.083)</b>	<b>1.670.057</b>
16.1 Paid-in capital		1.890.000	-	1.890.000	1.535.000	-	1.535.000
16.2 Capital reserves		(2.490)	-	(2.490)	(736)	-	(736)
16.2.1 Equity share premiums		-	-	-	-	-	-
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Other capital reserves		(2.490)	-	(2.490)	(736)	-	(736)
16.3 Other accumulated comprehensive income that will not be reclassified in profit or loss		17.956	-	17.956	17.956	-	17.956
16.4 Other accumulated comprehensive income that will be reclassified in profit or loss		98.403	(17.732)	80.671	12.438	(19.083)	(6.645)
16.5 Profit reserves		124.482	-	124.482	398.179	-	398.179
16.5.1 Legal reserves		25.728	-	25.728	24.839	-	24.839
16.5.2 Statutory reserves		-	-	-	-	-	-
16.5.3 Extraordinary reserves		98.754	-	98.754	373.340	-	373.340
16.5.4 Other profit reserves		-	-	-	-	-	-
16.6 Profit or loss		50.533	-	50.533	(273.697)	-	(273.697)
16.6.1 Prior years' profits or losses		-	-	-	(6.283)	-	(6.283)
16.6.2 Current period net profit or loss		50.533	-	50.533	(267.414)	-	(267.414)
16.7 Minority shares		-	-	-	-	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8.180.457</b>	<b>16.091.531</b>	<b>24.271.988</b>	<b>6.659.296</b>	<b>16.464.351</b>	<b>23.123.647</b>

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

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.  
UNCONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AT  
31 MARCH 2021 AND 31 DECEMBER 2020**

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

II. OFF-BALANCE SHEET	Note (Section Five)	Reviewed 31/03/2021			Audited 31/12/2020		
		TL	FC	Total	TL	FC	Total
<b>A. OFF-BALANCE SHEET COMMITMENTS (I-II-III)</b>		<b>6.659.126</b>	<b>43.961.539</b>	<b>50.620.665</b>	<b>6.196.669</b>	<b>43.168.968</b>	<b>49.365.637</b>
<b>I. GUARANTEES AND WARRANTIES</b>	<b>III-a-2-3</b>	<b>1.067.872</b>	<b>4.785.193</b>	<b>5.853.065</b>	<b>992.145</b>	<b>4.179.622</b>	<b>5.171.767</b>
1.1. Letters of Guarantee		1.067.872	1.557.704	2.625.576	992.145	1.562.036	2.554.181
1.1.1. Guarantees Subject to State Tender Law		14.917	402	15.319	14.924	358	15.282
1.1.2. Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3. Other Letters of Guarantee		1.052.955	1.557.302	2.610.257	977.221	1.561.678	2.538.899
1.2. Bank Acceptances		-	185.467	185.467	-	171.038	171.038
1.2.1. Import Letter of Acceptance		-	185.467	185.467	-	171.038	171.038
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letters of Credit		-	1.414.071	1.414.071	-	1.117.312	1.117.312
1.3.1. Documentary Letters of Credit		-	1.414.071	1.414.071	-	1.117.312	1.117.312
1.3.2. Other Letters of Credit		-	-	-	-	-	-
1.4. Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of the Republic of Turkey		-	-	-	-	-	-
1.5.2. Other Endorsements		-	-	-	-	-	-
1.6. Securities Issue Purchase Guarantees		-	-	-	-	-	-
1.7. Factoring Guarantees		-	-	-	-	-	-
1.8. Other Guarantees		-	1.627.951	1.627.951	-	1.329.236	1.329.236
1.9. Other Collaterals		-	-	-	-	-	-
<b>II. COMMITMENTS</b>	<b>III-a-1</b>	<b>865.421</b>	<b>1.148.536</b>	<b>2.013.957</b>	<b>904.940</b>	<b>1.300.616</b>	<b>2.205.556</b>
2.1. Irrevocable Commitments		865.421	1.148.536	2.013.957	904.940	1.300.616	2.205.556
2.1.1. Asset Purchase and Sales Commitments		503.018	929.015	1.432.033	555.391	1.163.870	1.719.261
2.1.2. Deposit Purchase and Sales Commitments		-	219.521	219.521	-	136.746	136.746
2.1.3. Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4. Commitments for Loan Limits		280.431	-	280.431	276.854	-	276.854
2.1.5. Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6. Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7. Commitments for Cheques		81.972	-	81.972	72.695	-	72.695
2.1.8. Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9. Commitments for Credit Card Limits		-	-	-	-	-	-
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		-	-	-	-	-	-
2.2. Revocable Commitments		-	-	-	-	-	-
2.2.1. Revocable Commitments for Loan Limits		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>		<b>4.725.833</b>	<b>38.027.810</b>	<b>42.753.643</b>	<b>4.299.584</b>	<b>37.688.730</b>	<b>41.988.314</b>
3.1. Hedging Derivative Financial Instruments		969.028	4.351.670	5.320.698	731.835	2.810.876	3.542.711
3.1.1. Transactions for Fair Value Hedge		-	-	-	-	-	-
3.1.2. Transactions for Cash Flow Hedge		969.028	4.351.670	5.320.698	731.835	2.810.876	3.542.711
3.1.3. Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2. Trading Derivative Financial Instruments		3.756.805	33.676.140	37.432.945	3.567.749	34.877.854	38.445.603
3.2.1. Forward Foreign Currency Buy/Sell Transactions		176.389	454.352	630.741	24.096	164.866	188.962
3.2.1.1. Forward Foreign Currency Transactions-Buy		141.659	173.570	315.229	16.564	79.529	96.093
3.2.1.2. Forward Foreign Currency Transactions-Sell		34.730	280.782	315.512	7.532	85.337	92.869
3.2.2. Swap Transactions Related to Foreign Currency and Interest Rates		2.406.906	30.512.415	32.919.321	3.193.457	33.580.116	36.773.573
3.2.2.1. Foreign Currency Swap-Buy		760.789	10.242.957	11.003.746	689.629	11.397.039	12.086.668
3.2.2.2. Foreign Currency Swap-Sell		1.646.117	9.288.888	10.935.005	2.503.828	9.796.659	12.300.487
3.2.2.3. Interest Rate Swap-Buy		-	5.490.285	5.490.285	-	6.193.209	6.193.209
3.2.2.4. Interest Rate Swap-Sell		-	5.490.285	5.490.285	-	6.193.209	6.193.209
3.2.3. Foreign Currency, Interest rate and Securities Options		620.315	2.136.183	2.756.498	350.196	1.132.872	1.483.068
3.2.3.1. Foreign Currency Options-Buy		150.282	1.235.245	1.385.527	165.033	561.256	726.289
3.2.3.2. Foreign Currency Options-Sell		470.033	900.938	1.370.971	185.163	571.616	756.779
3.2.3.3. Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4. Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5. Securities Options-Buy		-	-	-	-	-	-
3.2.3.6. Securities Options-Sell		-	-	-	-	-	-
3.2.4. Foreign Currency Futures		553.195	573.190	1.126.385	-	-	-
3.2.4.1. Foreign Currency Futures-Buy		395.948	177.881	573.829	-	-	-
3.2.4.2. Foreign Currency Futures-Sell		157.247	395.309	552.556	-	-	-
3.2.5. Interest Rate Futures		-	-	-	-	-	-
3.2.5.1. Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2. Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6. Other		-	-	-	-	-	-
<b>B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>		<b>104.451.726</b>	<b>96.445.670</b>	<b>200.897.396</b>	<b>68.335.658</b>	<b>88.284.319</b>	<b>156.619.977</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>4.349.079</b>	<b>2.854.560</b>	<b>7.203.639</b>	<b>5.173.862</b>	<b>2.522.930</b>	<b>7.696.792</b>
4.1. Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2. Investment Securities Held in Custody		3.242.423	1.085.496	4.327.919	4.046.787	1.037.420	5.084.207
4.3. Cheques Received for Collection		1.094.526	135.587	1.230.113	1.116.771	130.300	1.247.071
4.4. Commercial Notes Received for Collection		12.130	9.079	21.209	10.304	12.978	23.282
4.5. Other Assets Received for Collection		-	-	-	-	-	-
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items Under Custody		-	1.624.398	1.624.398	-	1.342.232	1.342.232
4.8. Custodians		-	-	-	-	-	-
<b>V. PLEDGES RECEIVED</b>		<b>99.882.471</b>	<b>93.591.110</b>	<b>193.473.581</b>	<b>62.941.620</b>	<b>85.761.389</b>	<b>148.703.009</b>
5.1. Marketable Securities		259.079	-	259.079	286.197	-	286.197
5.2. Guarantee Notes		21.704.282	25.891.838	47.596.120	21.605.410	23.723.645	45.329.055
5.3. Commodity		3.710.169	3.798.946	7.509.115	3.365.837	3.444.097	6.809.934
5.4. Warranty		-	-	-	-	-	-
5.5. Immovable		71.811.355	57.091.373	128.902.728	35.416.586	52.395.494	87.812.080
5.6. Other Pledged Items		2.397.586	6.808.953	9.206.539	2.267.590	6.198.153	8.465.743
5.7. Pledged Items-Depository		-	-	-	-	-	-
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>220.176</b>	<b>-</b>	<b>220.176</b>	<b>220.176</b>	<b>-</b>	<b>220.176</b>
<b>TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)</b>		<b>111.110.852</b>	<b>140.407.209</b>	<b>251.518.061</b>	<b>74.532.327</b>	<b>131.453.287</b>	<b>205.985.614</b>

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

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIODS ENDED 31 MARCH 2021 AND 31 MARCH 2020**

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

<b>III. STATEMENT OF PROFIT OR LOSS</b>		<b>Note</b>	<b>Reviewed</b>	<b>Reviewed</b>
<b>INCOME AND EXPENSE ITEMS</b>		<b>(Section</b>	<b>01/01/2021-</b>	<b>01/01/2020-</b>
		<b>Five)</b>	<b>31/03/2021</b>	<b>31/03/2020</b>
<b>I.</b>	<b>INTEREST INCOME</b>	<b>IV-a</b>	<b>496.830</b>	<b>395.474</b>
1.1	Interest on loans		383.111	305.391
1.2	Interest received from reserve deposits		6.355	-
1.3	Interest received from banks		6.214	8.168
1.4	Interest received from money market transactions		8.970	8.647
1.5	Interest received from marketable securities portfolio		20.024	10.482
1.5.1	Financial assets at fair value through profit or loss		908	512
1.5.2	Financial assets at fair value through other comprehensive income		10.380	6.615
1.5.3	Financial assets measured at amortized cost		8.736	3.355
1.6	Finance lease interest income		-	-
1.7	Other interest income	IV-k	72.156	62.786
<b>II.</b>	<b>INTEREST EXPENSES (-)</b>	<b>IV-b</b>	<b>391.312</b>	<b>242.983</b>
2.1	Interest on deposits		221.635	121.110
2.2	Interest on funds borrowed		40.412	51.024
2.3	Interest on money market transactions		1.227	2.180
2.4	Interest on securities issued		-	-
2.5	Finance lease interest expenses		2.919	2.375
2.6	Other interest expenses	IV-k	125.119	66.294
<b>III.</b>	<b>NET INTEREST INCOME/EXPENSE (I - II)</b>		<b>105.518</b>	<b>152.491</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME/EXPENSES</b>		<b>6.172</b>	<b>9.549</b>
4.1	Fees and commissions received		11.542	12.020
4.1.1	Non-cash loans		8.632	7.041
4.1.2	Other	IV-k	2.910	4.979
4.2	Fees and commissions paid (-)		5.370	2.471
4.2.1	Non-cash loans (-)		12	15
4.2.2	Other (-)	IV-k	5.358	2.456
<b>V.</b>	<b>DIVIDEND INCOME</b>		-	-
<b>VI.</b>	<b>TRADING PROFIT/LOSS (Net)</b>	<b>IV-c</b>	<b>57.934</b>	<b>13.621</b>
6.1	Profit/losses from capital market transactions		8.836	9.805
6.2	Profit/losses from derivative financial transactions		31.606	(1.770)
6.3	Foreign exchange profit/losses		17.492	5.586
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	<b>IV-d</b>	<b>28.419</b>	<b>5.457</b>
<b>VIII.</b>	<b>GROSS PROFIT FROM OPERATING ACTIVITIES (III+IV+V+VI+VII)</b>		<b>198.043</b>	<b>181.118</b>
<b>IX.</b>	<b>ALLOWANCES FOR EXPECTED CREDIT LOSSES (-)</b>	<b>IV-e</b>	<b>42.159</b>	<b>65.832</b>
<b>X.</b>	<b>OTHER PROVISION EXPENSES (-)</b>	<b>IV-e</b>	-	-
<b>XI.</b>	<b>PERSONNEL EXPENSES (-)</b>		<b>54.871</b>	<b>53.008</b>
<b>XII.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	<b>IV-f</b>	<b>54.767</b>	<b>57.292</b>
<b>XIII.</b>	<b>NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)</b>		<b>46.246</b>	<b>4.986</b>
<b>XIV.</b>	<b>SURPLUS WRITTEN AS GAIN AFTER MERGER</b>		-	-
<b>XV.</b>	<b>PROFIT/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES</b>		<b>13.919</b>	<b>8.303</b>
<b>XVI.</b>	<b>NET MONETARY POSITION GAIN/LOSS</b>		-	-
<b>XVII.</b>	<b>PROFIT/LOSS BEFORE TAXES FROM CONTINUING OPERATIONS (XIII+...+XVI)</b>	<b>IV-g</b>	<b>60.165</b>	<b>13.289</b>
<b>XVIII.</b>	<b>PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)</b>	<b>IV-h</b>	<b>(9.632)</b>	<b>(893)</b>
18.1	Current tax provision		-	-
18.2	Expense effect of deferred tax (+)		118.032	34.011
18.3	Income effect of deferred tax (-)		108.400	33.118
<b>XIX.</b>	<b>NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)</b>	<b>IV-i</b>	<b>50.533</b>	<b>12.396</b>
<b>XX.</b>	<b>INCOME FROM DISCONTINUED OPERATIONS</b>		-	-
20.1	Income from assets held for sale		-	-
20.2	Profit from sale of associates, subsidiaries and joint ventures		-	-
20.3	Other income from discontinued operations		-	-
<b>XXI.</b>	<b>EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>		-	-
21.1	Expenses on assets held for sale		-	-
21.2	Losses from sale of associates, subsidiaries and joint ventures		-	-
21.3	Other expenses from discontinued operations		-	-
<b>XXII.</b>	<b>PROFIT/LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (±)</b>		-	-
<b>XXIII.</b>	<b>TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>		-	-
23.1	Current tax provision		-	-
23.2	Expense effect of deferred tax (+)		-	-
23.3	Income effect of deferred tax (-)		-	-
<b>XXIV.</b>	<b>NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)</b>		-	-
<b>XXV.</b>	<b>NET PROFIT/LOSS (XIX+XXIV)</b>	<b>IV-j</b>	<b>50.533</b>	<b>12.396</b>
	Profit / Loss per share (1.000 nominal in TL full)		0,328	0,081

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)**

**BURGAN BANK A.Ş.**

**UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIODS ENDED AS AT 31 MARCH 2021 AND 31 MARCH 2020**

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

IV. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	Reviewed 01/01/2021- 31/03/2021	Reviewed 01/01/2020- 31/03/2020
<b>I. CURRENT PERIOD INCOME/LOSS</b>	<b>50.533</b>	<b>12.396</b>
<b>II. OTHER COMPREHENSIVE INCOME</b>	<b>87.316</b>	<b>5.451</b>
<b>2.1 Other comprehensive income not to be reclassified to profit or loss</b>	-	-
2.1.1 Revaluation differences of tangible assets	-	-
2.1.2 Revaluation differences of intangible assets	-	-
2.1.3 Defined benefit plans re-measurement gains / loss	-	-
2.1.4 Other comprehensive income not to be reclassified to profit or loss	-	-
2.1.5 Tax relating to components of other comprehensive income not to be reclassified to profit or loss	-	-
<b>2.2 Other comprehensive income to be reclassified to profit or loss</b>	<b>87.316</b>	<b>5.451</b>
2.2.1 Exchange differences on translation of foreign operations	-	(192)
2.2.2 Gains or losses on valuation or reclassification arising from financial assets at fair value through other comprehensive income	(13.136)	(3.668)
2.2.3 Gains or losses arising on cash flow hedges	122.280	10.903
2.2.4 Gains or losses arising on net investment hedges	-	-
2.2.5 Other comprehensive income to be reclassified to profit or loss	-	-
2.2.6 Taxes relating to components of other comprehensive income that will be reclassified to profit or loss	(21.828)	(1.592)
<b>III. TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>137.849</b>	<b>17.847</b>

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

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 MARCH 2021**

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY						Other comprehensive income not to be reclassified to profit or loss			Other comprehensive income to be reclassified to profit or loss			Profit Reserves	Prior Period Profit / (Loss)	Current Period Net Income or Loss	Total Shareholders' Equity
						1	2	3	4	5	6				
Reviewed CURRENT PERIOD 31.03.2021	Note (Section Five)	Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves										
<b>I. Prior Period End Balance</b>	<b>II-1</b>	<b>1.535.000</b>	-	-	(736)	23.452	(5.496)	-	-	3.592	(10.237)	398.179	(273.697)	-	1.670.057
<b>II. Corrections according to TAS 8</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Corrections of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Amendments in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. New Balance (I+II)</b>		<b>1.535.000</b>	-	-	(736)	<b>23.452</b>	<b>(5.496)</b>	-	-	<b>3.592</b>	<b>(10.237)</b>	<b>398.179</b>	<b>(273.697)</b>	-	<b>1.670.057</b>
<b>IV. Total Comprehensive Income</b>		-	-	-	-	-	-	-	-	(10.509)	97.825	-	-	50.533	137.849
<b>V. Capital Increase in Cash</b>		<b>355.000</b>	-	-	-	-	-	-	-	-	-	-	-	-	355.000
<b>VI. Capital Increase in Internal Resources</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII. Adjustment to Share Capital</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII. Convertible Bonds</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX. Subordinated Debt Instruments</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X. Gain or Loss related to Other Changes</b>		-	-	-	(1.754)	-	-	-	-	-	-	-	-	-	(1.754)
<b>XI. Profit Distribution</b>		-	-	-	-	-	-	-	-	-	-	(273.697)	273.697	-	-
11.1 Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	(273.697)	273.697	-	-
11.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Period End Balance (III+IV+.....+X+XI)</b>		<b>1.890.000</b>	-	-	(2.490)	<b>23.452</b>	<b>(5.496)</b>	-	-	<b>(6.917)</b>	<b>87.588</b>	<b>124.482</b>	-	<b>50.533</b>	<b>2.161.152</b>

Descriptions;

1. Fixed assets revaluations increases / decreases,
2. Accumulated re-measurement gains / losses of defined benefits,
3. Other (the share of other comprehensive income of the investments accounted by the equity method that cannot be classified as profit / loss and the accumulated amount of other comprehensive income items that will not be reclassified as other profit / loss),
4. Foreign currency translation differences,
5. Accumulated revaluation and / or classification gains / losses on financial assets at fair value through other comprehensive income,
6. Other (Cash flow hedging gains / losses, share of other comprehensive income of equity method investees classified as profit / loss and accumulated other comprehensive income to be reclassified as other profit or loss).

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)**

**BURGAN BANK A.Ş.**

**UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 MARCH 2020**

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY						Other comprehensive income not to be reclassified to profit or loss			Other comprehensive income to be reclassified to profit or loss			Profit Reserves	Prior Period Profit / (Loss)	Current Period Net Income or Loss	Total Shareholders' Equity
						1	2	3	4	5	6				
Reviewed PRIOR PERIOD 31.03.2020	Note (Section Five)	Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves										
<b>I. Prior Period End Balance</b>	II-1	1.535.000	-	-	(736)	20.713	(5.096)	-	5.749	(2.396)	(32.138)	259.625	138.554	-	1.919.275
<b>II. Corrections according to TAS 8</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Corrections of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Amendments in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. New Balance (I+II)</b>		1.535.000	-	-	(736)	20.713	(5.096)	-	5.749	(2.396)	(32.138)	259.625	138.554	-	1.919.275
<b>IV. Total Comprehensive Income</b>		-	-	-	-	-	-	-	(192)	(2.861)	8.504	-	-	12.396	17.847
<b>V. Capital Increase in Cash</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI. Capital Increase in Internal Resources</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII. Adjustment to Share Capital</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII. Convertible Bonds</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX. Subordinated Debt Instruments</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X. Gain or Loss related to Other Changes</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XI. Profit Distribution</b>		-	-	-	-	-	-	-	-	-	-	138.554	(138.554)	-	-
11.1 Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	138.554	(138.554)	-	-
11.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Period End Balance (III+IV+.....+X+XI)</b>		1.535.000	-	-	(736)	20.713	(5.096)	-	5.557	(5.257)	(23.634)	398.179	-	12.396	1.937.122

Descriptions;

1. Fixed assets revaluations increases / decreases,
2. Accumulated re-measurement gains / losses of defined benefits,
3. Other (the share of other comprehensive income of the investments accounted by the equity method that cannot be classified as profit / loss and the accumulated amount of other comprehensive income items that will not be reclassified as other profit / loss),
4. Foreign currency translation differences,
5. Accumulated revaluation and / or classification gains / losses on financial assets at fair value through other comprehensive income,
6. Other (Cash flow hedging gains / losses, share of other comprehensive income of equity method investees classified as profit / loss and accumulated other comprehensive income to be reclassified as other profit or loss).

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)**

**BURGAN BANK A.Ş.**  
**UNCONSOLIDATED STATEMENT OF CASH FLOWS**  
**AS OF 31 MARCH 2021 AND 31 MARCH 2020**

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

<b>VI. STATEMENT OF CASH FLOWS</b>	<b>Note (Section Five)</b>	<b>Reviewed 31/03/2021</b>	<b>Reviewed 31/03/2020</b>
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1 Operating Profit Before Changes in Operating Assets and Liabilities</b>		<b>(20.020)</b>	<b>350.966</b>
1.1.1 Interest Received		579.851	492.219
1.1.2 Interest Paid		(395.691)	(194.240)
1.1.3 Dividend Received		-	-
1.1.4 Fees and Commissions Received		1.128	11.626
1.1.5 Other Income		-	-
1.1.6 Collections from Previously Written-off Loans and Other Receivables		149.318	62.026
1.1.7 Payments to Personnel and Service Suppliers		(54.871)	(53.008)
1.1.8 Taxes Paid		(5.314)	(2.850)
1.1.9 Other	VI-b	(294.441)	35.193
<b>1.2 Changes in Operating Assets and Liabilities</b>		<b>(313.697)</b>	<b>812.685</b>
1.2.1 Net (Increase)/Decrease in Financial Assets at Fair Value Through Profit or Loss		(32.244)	(21.722)
1.2.2 Net (Increase)/Decrease in Due from Banks and Other Financial Institutions		(700.215)	581.193
1.2.3 Net (Increase)/Decrease in Loans		(51.419)	(1.770.246)
1.2.4 Net (Increase)/Decrease in Other Assets		(97.360)	(418.544)
1.2.5 Net Increase/(Decrease) in Bank Deposits		111.058	(144.111)
1.2.6 Net Increase/(Decrease) in Other Deposits		1.128.830	1.375.365
1.2.7 Net Increase/(Decrease) in Financial Liabilities at Fair Value Through Profit or Loss		14.780	-
1.2.8 Net Increase/(Decrease) in Funds Borrowed		(792.600)	1.087.043
1.2.9 Net Increase/(Decrease) in Payables		-	-
1.2.10 Net Increase/(Decrease) in Other Liabilities	VI-b	105.473	123.707
<b>I. Net Cash Provided from Banking Operations</b>		<b>(333.717)</b>	<b>1.163.651</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net Cash Provided from Investing Activities</b>		<b>130.353</b>	<b>148.645</b>
2.1 Cash Paid for Acquisition of Investments, Associates and Subsidiaries		-	-
2.2 Cash Obtained from Disposal of Investments, Associates and Subsidiaries		-	-
2.3 Purchases of Property and Equipment		(2.204)	(2.918)
2.4 Disposals of Property and Equipment		55.362	19.180
2.5 Cash Paid for Purchase of Financial Assets at Fair Value Through Other Comprehensive Income		(18.369)	(53.289)
2.6 Cash Obtained from Sale of Financial Assets at Fair Value Through Other Comprehensive Income		130.308	185.672
2.7 Cash Paid for Purchase of Financial Assets at Amortised Cost		(200.038)	-
2.8 Cash Obtained from Sale of Financial Assets at Amortised Cost		165.294	-
2.9 Other		-	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net Cash Provided from Financing Activities</b>		<b>355.000</b>	<b>-</b>
3.1 Cash Obtained from Funds Borrowed and Securities Issued		-	-
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued		-	-
3.3 Issued Capital Instruments		355.000	-
3.4 Dividends Paid		-	-
3.5 Payments for Finance Leases		-	-
3.6 Other		-	-
<b>IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>		<b>70.000</b>	<b>32.983</b>
<b>V. Net Increase/(Decrease) in Cash and Cash Equivalents (I+II+III+IV)</b>		<b>221.636</b>	<b>1.345.279</b>
<b>VI. Cash and Cash Equivalents at Beginning of the Period</b>		<b>1.876.967</b>	<b>2.187.746</b>
<b>VII. Cash and Cash Equivalents at end of the Period</b>		<b>2.098.603</b>	<b>3.533.025</b>

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

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

---

**SECTION THREE**

**EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD**

**I. BASIS OF PRESENTATION:**

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

The unconsolidated financial statements are prepared within the scope of the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” related with Banking Act numbered 5411 published in the Official Gazette no.26333 dated 1 November 2006 and in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency (“BRSA”), and in case where a specific regulation is not made by BRSA, “Turkish Accounting Standards” (“TAS”) and “Turkish Financial Reporting Standards” (“TFRS”) and related appendices and interpretations put into effect by Public Oversight Accounting and Auditing Standards Authority (“POA”). The format and content of the publicly announced unconsolidated financial statements and related disclosures to these statements have been prepared in accordance with the “Communiqué related to Publicly Announced Financial Statements of Banks and Explanations and Notes to related to these Financial Statements”, published in the Official Gazette No. 28337, dated 28 June 2012, and changes and amendments to this Communiqué. The Bank maintains its accounting entries in Turkish Lira, in accordance with the Banking Law, Turkish Trade Law and the Turkish Tax Legislation.

The unconsolidated financial statements expressed in TL, were prepared with the cost-based method and were subject to inflation adjustments until 31 December 2004, except for financial assets, liabilities and buildings which were carried at fair value. The amounts in the unconsolidated financial statements and notes related to these financial statements have been expressed in thousands of Turkish Lira, unless otherwise stated. The preparation of unconsolidated financial statements in conformity with TAS requires the use of certain critical accounting estimates by the Bank management to exercise its judgment on the assets and liabilities of the balance sheet and contingent issues as of the balance sheet date. These estimates, which include the fair value calculations of financial instruments and impairments of financial assets are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement. Assumptions and estimates that are used in the preparation of the accompanying financial statements are explained in the following related disclosures.

Coronavirus pandemic, which has recently emerged in China, spread to various countries in the world, causing potentially fatal respiratory infections, affects, especially in countries exposed to the epidemic, both regional and global economic conditions negatively, as well as it causes disruptions in operations. As a result of the spread of COVID-19 throughout the world, various measures have been taken in our country as well as in the world in order to prevent the transmission of the virus and measures are still continued to be taken. In addition to these measures, economic measures are also taken to minimize the economic impact of the virus outbreak on individuals and businesses in our country and worldwide.

Since it is aimed to update the financial information in the most recent annual financial statements in the interim financial statements prepared as of 31 March 2021, considering the magnitude of the economic changes due to COVID-19, the Bank made certain estimates in the calculation of expected credit losses, and explained these on disclosure VIII. "Explanations on Expected Credit Losses". In the coming periods, the Bank will update its relevant assumptions as necessary and revise the realizations of past estimates.

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

---

**EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD (Continued):**

**I. BASIS OF PRESENTATION (Continued):**

**b. Information on accounting policies and changes in financial statements:**

Accounting policies and valuation principles used in the preparation of the unconsolidated financial statements are determined in accordance with the regulations, Communiques, interpretations and legislations related to accounting and financial reporting principles published by the BRSA, and in case where a specific regulation is not made by BRSA, TAS/IFRS (all “BRSA Accounting and Financial Reporting Legislation”) and related appendices and interpretations are put into effect by the Public Oversight Accounting and Auditing Standards Authority (“POA”).

Communique on “TAS 27 Separate Financial Statements” standard, which is in force in order to be applied for accounting periods after 31 December 2012 via Public Oversight Accounting and Auditing Standards Authority (POA) website and published in Official Gazette dated 28 October 2011 and numbered 28098, has entered into force through making amendments to be applied for accounting periods after 1 January 2016 with “Communique on amending the Communique on TAS 27 Separate Financial Statements” (Communique) published in the Official Gazette dated 9 April 2015 and numbered 29321.

Before the amendments in the Communique, it was specified that an entity which is preparing separate financial statements was able to recognize its investments in associates, subsidiaries and joint ventures in accordance with the cost value or in accordance with the IFRS 9 Financial Instruments Standard, with the amendments in the Communique the entity which is preparing separate financial statements will also be able to recognize its investments in associates, subsidiaries and joint ventures following the equity method.

The Bank recognized its associates, in which it has direct or indirect shares, according to equity method in accordance with the Communique having a permission to be applied earlier while preparing its unconsolidated financial tables with the 4th quarter of 2015 in conjunction with the approval letter of Banking Regulation and Supervision Authority (BRSA) dated 20 July 2015 and realized the implementation retrospectively in the framework of TAS 8 Accounting Policies, Amendments and Errors in Accounting Estimates standard.

Burgan Finansal Kiralama A.Ş. and Burgan Yatırım Menkul Değerler A.Ş whose shares are directly or indirectly owned by the Bank, are subsidiaries included in the scope of full consolidation in the consolidated financial statements and recognized according to the equity method in separate financial statements in accordance with the Communique.

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

---

**EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD (Continued):**

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

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

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

As of 31 March 2021, foreign currency denominated balances are translated into TL using the exchange rates of TL 8,3258 and TL 9,7688 for USD and EURO respectively.

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

Unconsolidated financial associates are recognized according to equity method in the framework of TAS 28 Communique on Investments in Subsidiaries and Associates with respect to TAS 27 Separate Financial Statements Communique in unconsolidated financial statements. Associates, which were recognized with cost value in the unconsolidated financial statement previously, are recognized according to equity method as of 31 December 2015 along with the year-end of 2015.

The Bank has no joint ventures as of 31 March 2021 and 31 December 2020.

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

---

**EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD (Continued):**

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

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

The Bank classifies its currency forwards, swaps, options and futures as transactions at “Fair Value Through Profit or Loss” in accordance with TFRS 9 principles. Derivative transactions are recorded in accordance with their fair value on the contract date. Also, liabilities and receivables arising from derivative instruments are followed in the off-balance sheet accounts from their contractual values.

Derivative instruments are measured at their fair values in the periods following their recording and are disclosed under assets or liabilities in the “Derivative Financial Assets at Fair Value Through Profit or Loss” section according to whether their fair value is positive or negative. Differences in the fair value of trading derivative instruments are reflected to 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.

As of 31 March 2021, the Bank applies cash flow hedge accounting through cross and interest currency swaps to protect against changes in interest rates of FC deposits which have average maturities of up to 3 months. The Bank implements effectiveness tests at the balance sheet dates for hedge accounting, the effective parts are accounted as defined in TFRS 9, on the financial statements under equity “Accumulated other comprehensive income or expense to be reclassified through profit or loss”, whereas the amount concerning ineffective parts is associated with the income statement.

In cash flow hedge accounting, when the hedging instrument expires, is executed or sold and when the hedge relationship becomes ineffective or is discontinued as a result of the hedge relationship being revoked; the hedging gains and losses that were previously recognized under equity are transferred to profit or loss when the cash flows of the hedged item are realized. The renewal of a financial hedging instrument or the transfer of a financial hedging instrument to another financial hedging instrument does not eliminate the hedging relationship, if the financial hedging instrument is part of the hedging strategy in accordance with TFRS 9.

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

Interest income and expenses are recognized in the income statement by using the effective interest method.

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

---

**EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD (Continued):**

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

Fees and commission income/expenses are primarily recognized on an accrual basis or “Effective interest method” according to the nature of the fee and commission, except for certain commission income and fees for various banking services which are recorded as income at the time of collection. Contract based fees or fees received for services such as the purchase and sale of assets on behalf of a third party or legal person are recognized as income at the time of collection. The commissions and fees other than those whose amortised costs are integral part of their effective profit rate, are accounted over time in accordance with the TFRS 15 Revenue From Contracts With Customers Standard.

**VII. EXPLANATIONS ON FINANCIAL ASSETS:**

The Bank classifies and accounts its financial assets as “Financial Assets at Fair Value Through Profit or Loss”, “Financial Assets at Fair Value Through Other Comprehensive Income” or “Financial Assets Measured at Amortized Cost”. Such financial assets are recognized or derecognized according to TFRS 9 Financial Instruments Part 3 “Classification and Measurement of Financial Instruments” published in the Official Gazette No. 29953 dated 19 January 2017 by the Public Oversight Accounting and Auditing Standards Authority. Financial assets are measured at fair value at initial recognition in the financial statements. During the initial recognition of financial assets other than “Financial Assets at Fair Value Through Profit or Loss”, transaction costs are added to fair value or deducted from fair value.

The Bank recognizes a financial asset into the financial statements when it becomes a party to the contractual terms of a financial instrument. During the first recognition of a financial asset into the financial statements, the business model determined by the Bank management and the nature of contractual cash flows of the financial asset are taken into consideration. When the business model determined by the Bank’s management is changed, all affected financial assets are reclassified and this reclassification is applied prospectively. In such cases, no adjustments are made to earnings, losses or interests that were previously recorded in the financial statements.

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

“Financial Assets at Fair Value Through Profit or Loss” are financial assets other than the ones that are managed with business models that aim to hold contractual cash flows in order to collect them and the ones that are managed with business models that aim to collect both the contractual cash flows and cash flows arising from the sale of the assets; If the contractual terms of the financial asset do not lead to cash flows representing solely payments of principal and interest at a certain date; That are either acquired for generating a profit from short-term fluctuations in prices or are financial assets included in a portfolio aiming to short-term profit making. Financial assets at fair value through profit or loss are initially recognized at fair value and are remeasured at their fair value after recognition. All gains and losses arising from these valuations are reflected in the profit/loss accounts.

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

---

**EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD (Continued):**

**VII. EXPLANATIONS ON FINANCIAL ASSETS (Continued):**

**b. Financial assets at fair value through other comprehensive income:**

In addition to financial assets within a business model that aims to hold to collect contractual cash flows and aims to hold to sell, financial assets with contractual terms that lead to cash flows are solely payments of principal and interest at certain dates, are classified as fair value through other comprehensive income.

Financial assets at fair value through other comprehensive income are recognized by adding transaction cost to acquisition cost reflecting the fair value of the financial asset. After the recognition, financial assets at fair value through other comprehensive income are re-measured at fair value. Interest income calculated with the effective interest rate method arising from financial assets at fair value through other comprehensive income and dividend income from equity securities are recorded to statement of profit or loss. Unrealized gains and losses, arising from the difference between the amortized cost and the fair value of financial assets at fair value through other comprehensive income are not reflected in the statement of profit or loss of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the “Accumulated other comprehensive income or expense to be reclassified through profit or loss” under shareholders’ equity. When the mentioned marketable securities are collected or sold, the accumulated losses through fair value are reflected on the statement of profit or loss.

Equity securities, which are classified as financial assets at fair value through other comprehensive income, that have a quoted market price in an active market and/or whose fair values can be reliably measured are carried at their fair value. Equity securities that do not have a quoted market price in an active market and/or whose fair values cannot be reliably measured are carried at cost, less provision for impairment.

During initial recognition, an entity can make an irrevocable decision, by choosing to record the changes of the fair value of the investment in an equity instrument that is not held for trading purposes in other comprehensive income. If this choice is made, the dividends from the investment are taken into the financial statements as profit or loss.

**c. Financial assets measured at amortized cost:**

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are classified as financial assets measured at amortized cost. Financial assets measured at amortized cost are initially recognized at their acquisition cost including the transaction costs which reflect the fair value of those instruments and are subsequently recognized at “Amortized Cost” by using “Effective Interest (Internal Efficiency) Rate” method. Interest income obtained from financial assets measured at amortized cost are accounted in the statement of profit or loss.



**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

---

**EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD (Continued):**

**VII. EXPLANATIONS ON FINANCIAL ASSETS (Continued):**

**d. Loans:**

Loans are financial assets that have fixed or determinable payment terms and are not quoted in an active market. Loans are initially recognized at acquisition cost plus transaction costs presenting their fair value and thereafter measured at amortized cost using the “Effective Interest Rate (Internal Rate of Return)” method.

The Bank’s loans are recorded under the “Measured at Amortized Cost” account.

Write-down policy is explained in, section V, the explanations and notes related to assets.

**VIII. EXPLANATIONS ON EXPECTED CREDIT LOSSES:**

The Bank allocates impairment for expected loss on financial assets measured at amortized cost and measured at fair value through other comprehensive income.

As of 1 January 2018, in accordance with the Communiqué related to “Procedures and Principals regarding Classification of Loans and Allowances Allocated for Such Loans” published in the Official Gazette no. 29750 dated 22 June 2016, the Bank has started to allocate a loss allowance for expected credit losses on financial assets and loans measured at amortized cost in accordance with TFRS 9. In this context, as of 1 January 2018, the credit loss allowance method within the framework of the BRSA’s related legislation has been changed to the loss allowance for expected credit losses model with the implementation of TFRS 9. The predictions of expected credit loss forecasts include credible information which is objective, probability-weighted, supportable about past events, current conditions, and forecasts of future economic conditions.

Within the scope of Articles 4 and 5 of the Regulation on Principles and Procedures Regarding the Classification of Loans and Provisions in accordance with the BRSA Decision dated 17 March 2020 numbered 8948 and Decision dated 27 March 2020 and numbered 8970, due to the disruptions in economic and commercial activities resulting from the COVID-19 outbreak, the 90 days default period for loans to be classified as non-performing loans shall be applied as 180 days, and 30 days default period for loans classified as Stage 2 shall be applied as 90 days until 30 June 2021 in accordance with the assembly’s resolution dated 8 December 2020 and numbered 9312.

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

---

**EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD (Continued):**

**VIII. EXPLANATIONS ON EXPECTED CREDIT LOSSES (Continued):**

The basic parameters used in the calculations of provision are described below:

**Probability of Default (PD):** PD refers to the likelihood that a loan will default within a specified time horizon. Based on TFRS 9, two different PDs are considered in calculations:

- **12-month PD:** The probability of default occurring within the next 12 months following the balance sheet date.
- **Lifetime PD:** The probability of default occurring over the remaining life of the loan.

The Bank generates ratings for the corporate and commercial customers via internal rating system and the 12-month or lifetime probability of defaults are estimated based on these ratings. Macroeconomic expectations are taken into account when carrying out these expectations and the weighted average of the probabilities of default calculated from three different scenarios are considered as the final probability of default.

For retail customers, the score point is generated via the internal scoring system and the 12-month or lifetime probabilities of default are estimated based on these score points by considering the above-mentioned macroeconomic factors.

For the receivables from customers such as sovereign and banks, provision is calculated by using the determined values in the corporate and commercial probability of default table and the loss given default rates.

**Loss Given Default Rate:** If a loan default occurs, it refers to the economic loss that might be encountered by taking into consideration the collection period and the time value of money. The Bank has determined the loss given default rates by considering the expert opinion based on the past historical data set.

**Exposure at Default:** For cash loans, it corresponds to the amount of loan granted as of the reporting date. For non-cash loans, it is the value calculated through using credit conversion factors.

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

---

**EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD (Continued):**

**VIII. EXPLANATIONS ON EXPECTED CREDIT LOSSES (Continued):**

These financial assets are divided into three categories depending on the gradual increase in credit risk observed since their initial recognition:

*Stage 1:*

These are the financial assets at initial recognition or financial assets that do not have a significant increase in credit risk since their initial recognition. Impairment for credit risk for these assets is accounted in the amount of 12-month expected credit losses. Therefore, the expected probability of default of 12 months is calculated by considering the maturity of the loan. This value is obtained after weighting the three macro-economic scenarios and the provision is calculated using the loss given default and risk amounts calculated by taking into consideration the collateral composition of the loan.

*Stage 2:*

As of the reporting date of the financial asset, in the event of a significant increase in credit risk since initial recognition, the financial asset is transferred to Stage 2. Impairment for credit risk is accounted on the basis of the financial asset’s lifetime expected credit losses. The provision which will be allocated for the loan is calculated by considering the maturity and cash flow of the loan for three macroeconomic scenarios as stated above. For this purpose, the probability of default and the loss given default amounts are estimated not only for 12 months but also for the whole life of the loan and the loan provision is determined by using the present value set calculated over the cash flow.

*Stage 3:*

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit losses are recognized. The method is similar to the methodology applied for Stage 2 loans, but the probability of default is considered 100% in these calculations. In general the Bank follows the definition of default in the legislation (objective default definition, for example the criterion of the number of days past due). On the other hand, if it is decided that the debt will not be paid, the aforementioned receivable will be considered as Stage 3, even if the default has not occurred yet.

The Bank carries out its determination regarding the significant increase in credit risk by taking into consideration of the following criterias:

- Type of customer (calculations are made on separate models for corporate and commercial customers and retail customers).
- Internal rating scores (calculations are based on score points for retail customers and ratings for corporate and commercial customers).
- The deterioration observed in the internal rating score between the drawdown date and the reporting date.

In addition to the above rules, the bank also provides additional provisions through individual assessment.

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

---

**EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD (Continued):**

**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 recognized amounts and there is an intention to collect/pay related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

**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”, “Financial assets at fair value through other comprehensive income” and “Measured at amortized cost” 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 Rate (Internal Efficiency) method”. The Bank has no securities lending transactions.

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

Assets held for sale are measured at the lower of the assets’ carrying amount and fair value less costs to sell. Held for sale assets are not amortized and presented separately in the financial statements. In order to classify an asset as held for sale, only when the sale is highly probable, experienced quite often and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale. Highly saleable condition requires a plan by the management regarding the sale of the asset to be disposed (or else the group of assets), together with an active program for determination of buyers as well as for the completion of the plan. Also the asset (or else the group of assets) shall be actively marketed in conformity with its fair value. On the other hand, the sale is expected to be journalized as a completed sale within one year after the classification date; and the necessary transactions and procedures to complete the plan should demonstrate the fact that the possibility of making significant changes or cancelling the plan is low. Various circumstances and conditions could extend the completion period of the sale more than one year. If such delay arises from any events and conditions beyond the control of the entity and if there is sufficient evidence that the entity has an ongoing disposal plan for these assets, such assets (or else group of assets) are continued to be classified as assets held for sale.

The Bank has no discontinued operations.

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

---

**EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD (Continued):**

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

**a. Goodwill:**

As of 31 March 2021, the Bank has no goodwill (31 December 2020: None).

**b. Other intangible assets:**

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

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

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

Property and equipment is measured at its cost when initially 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 (“TFRS 16”)” for its buildings. Independent expert appraisal values are presented in the financial statements.

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

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

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.

When 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)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

---

**EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD (Continued):**

**XIV. EXPLANATIONS ON LEASING TRANSACTIONS:**

The Bank records its fixed assets obtained via leasing by taking into consideration the "lower of the fair value of the leased asset and the present value of the amount of cash consideration given for the leased asset".

Leased assets are included in the property and equipment and depreciation is charged on a straight-line basis over the useful life of the asset. If there is any diminution in value of the leased asset, a "Provision for value decrease" is 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 Group carries out financial leasing operations as a "Lessor" via Burgan Finansal Kiralama A.Ş. which is its subsidiary and included to consolidation.

With the "IFRS 16 Leases" standard, which became effective as of 1 January 2019, the difference between the operating lease and financial lease has been removed, and lease transactions have started to be recognized under "Tangible Fixed Assets" as an asset (right to use asset) and under "Lease Payables" as a liability.

The Bank has applied the changes in accounting policies due to the initial implementation of the "IFRS 16 Leases" standard, which is among the new standards, amendments and interpretations effective from 1 January 2019, in accordance with the transition obligations of the related standard.

On 5 June 2020, the POA made some amendments in IFRS 16 "Leases" by publishing COVID-19 Related Rent Concessions – "Amendments to IFRS 16". Upon this amendment, lessees were granted the exemption to elect not to assess whether a COVID 19 related rent concession is a lease modification. The related amendment has had no material impact on the financial position or performance of the Bank.

**IFRS 16 "Leases" Standard**

**Bank – lessee:**

At the beginning of a contract, the Bank assesses whether the contract has the quality of a lease or whether the contract includes a lease transaction. In circumstances when the contract transfers the right of controlling the asset for a certain time period for a certain price, this contract carries the quality of a lease or includes a leasing transaction. The Bank reflects the existence of a right of use and a lease liability to the financial statements at the effective date of the lease.

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

---

**EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD (Continued):**

**XIV. EXPLANATIONS ON LEASING TRANSACTIONS (Continued):**

**Right-of-use asset:**

The right-of-use asset is first recognized by the cost method and includes the following:

- a) The initial measurement amount of the lease obligation,
- b) The amount obtained by deducting all the rental incentives received from all lease payments made at or before the beginning of the lease,
- c) All initial direct costs incurred by the Bank.

When the bank applies the cost method, the existence of the right to use:

- a) accumulated depreciation and accumulated impairment losses are deducted and
- b) measures the restatement of the lease obligation at the restated cost.

The Bank applies the depreciation statutes included in the TAS 16 Tangible Assets standard while depreciating the right to use an asset.

**Lease obligation:**

At the effective date of the lease, the Bank measures its leasing liability at the present value of the lease payments not paid at that time. Lease payments are discounted using the Bank's average borrowing interest rates in the case of this rate being easily determined. Otherwise, the Bank uses its alternative borrowing interest rates.

The lease payments included in the measurement of the lease liability consist of the payments to be made for the right of use during the lease term of the underlying asset and the unpaid payments at the effective date of the lease:

After the effective date of the lease, the Bank measures the leasing liability as follows:

- a) Increases the book value to reflect the interest on the lease obligation,
- b) Reduces the book value to reflect the lease payments made and
- c) The book value is measured to reflect reassessments and restructuring, or to reflect fixed lease payments as of revised nature.

The interest on the lease liability for each period in the lease period is the amount calculated by applying a fixed periodic interest rate to the remaining balance of the lease liability.

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

---

**EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD (Continued):**

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

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

Provisions are 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.

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

The Bank accounts obligations related to employee termination and vacation rights in accordance with “Turkish Accounting Standard for Employee Rights” (“TAS 19”) and classifies these items under the “Reserve for Employee Rights” account in the balance sheet.

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

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



**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

---

**EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD (Continued):**

**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 2021. In accordance with the Temporary Article 10 and Article 32 paragraph 1 added to the Corporate Tax Law at 5 December 2017, the Corporate Tax rate which was 20% will be applied as 22% for corporate earnings for the taxation periods of 2018, 2019 and 2020. The corporate tax rate is implemented on the total income of the Bank after adjusting for certain disallowable expenses (e.g. income from subsidiaries exception), exempt income and other allowances. No further tax is payable unless the profit is distributed.

In accordance with the Temporary Article 10 and Article 32 paragraph 1 added to the Corporate Tax Law at 5 December 2017, the Corporate Tax rate which was 20% applied as 22% for corporate earnings for the taxation periods of 2018, 2019 and 2020. As of March 31, 2021, corporate tax rate has been applied as 20% in the financial statements. In addition, as per the Article 11 of the Law No. 7316 on the Certain Amendments on the Law on the Collection of the Public Receivables and Certain Laws and and as per the temporary Article 13 of the Law No. 5520 on the “Corporate Tax Law” published in the Official Gazette dated 22 April 2021, the corporate tax rate of 20% will be applied as 25% for corporate income for the 2021 taxation period, and 23% for corporate income for the 2022 taxation period. In accordance with Article 14 of the same law on enforcement, the corporate tax rate change become valid on April 22, 2021, starting from the declarations that must be submitted as of July 1, 2021, and to be valid for the corporate earnings for the taxation period starting from January 1, 2021 (accounting period starting from 1 January 2021 for organizations with a special accounting period assigned).

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 on their corporate income with the current rate. 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.

75% portion of the capital gains derived from the sale of equity investments and immovable properties before 5 December 2017, 50% portion of the capital gains derived from the sale of equity investments and immovable properties after 5 December 2017 are tax exempt, if such gains are added to paid-in capital or held in a special account under shareholder’s equity for 5 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.

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

**EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD (Continued):**

**XVIII. EXPLANATIONS ON TAXATION (Continued):**

**b. Deferred Tax:**

The Bank calculates and accounts for deferred income taxes for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with “Turkish Accounting Standard for Income Taxes” (“TAS 12”) and the related decrees of the BRSA concerning income taxes.

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

**XIX. EXPLANATIONS ON BORROWINGS:**

The Bank’s fund resources in essence consist of borrowing from foreign financial institutions, issued securities and money market debt.

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

The 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 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:**

Pursuant to Law No. 5746 on Supporting Research and Development Activities, there is an incentive of TL 1.775 received from TÜBİTAK until the balance sheet date (31 December 2020: TL 6.803).

**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)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

**EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD (Continued):**

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

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

	<b>31 March 2021</b>	<b>31 March 2020</b>
Net Income/(Loss) to be Appropriated to Ordinary Shareholders	50.533	12.396
Weighted Average Number of Issued Ordinary Shares (Thousand)	153.894.444	153.500.000
<b>Earnings/(Losses) Per Ordinary Shares (Disclosed as 1.000 nominal in full TL)</b>	<b>0,328</b>	<b>0,081</b>

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

In Turkey, companies can increase their share capital by making a pro-rata distribution of "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 of "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. In case bonus shares are distributed after the balance sheet date but before the preparation of the financial statements, earnings per share is calculated considering the new number of shares.

**XXV. EXPLANATIONS ON RELATED PARTIES:**

Parties defined in Article 49 of the Banking Law No.5411, Bank's senior management and Board Members are deemed as related parties. Transactions regarding related parties are presented in Note V. of Section Five.

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

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

**XXVII. EXPLANATIONS ON SEGMENT REPORTING:**

Operational field is distinguishable section of the 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:**

None.

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

---

**SECTION FOUR**

**INFORMATION RELATED TO THE FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK**

**I. EXPLANATIONS ON EQUITY:**

Total capital and Capital adequacy ratio have been calculated in accordance with the “Regulation on Equity of Banks” and “Regulation on Measurement and Assessment of Capital Adequacy of Banks”. As of 31 March 2021 Bank’s total capital has been calculated as TL 3.850.919 (31 December 2020: TL 3.669.974) and the Capital adequacy ratio is 19,29% (31 December 2020: 18,85%).

As of 31 March 2021, based on the regulation made by the BRSA on 23 March 2020 and 8 December 2020, due to the fluctuations in the financial markets as a result of the COVID-19 outbreak, in the calculation of the amount subject to credit risk in accordance with the Regulation on Measurement and Evaluation of Capital Adequacy; within monetary assets and non-monetary assets, excluding foreign currency items that are measured in terms of historical cost, when calculating the values of assets in accordance with Turkish Accounting Standards and the related specific provisions, if the revaluation differences is negative of securities classified under “Financial Assets Measured at Fair Value through Other Comprehensive Income” which were acquired before 23 March 2020 with the average of the last 252 work days, in accordance with the Communique related to Bank’s Equity it has been permitted that these differences may not be included in the calculation of the equity amount which will be used in capital adequacy calculation.

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK (Continued):**

**I. EXPLANATIONS ON EQUITY (Continued):**

**a. Information about total capital:**

	Current Period 31 March 2021	Amounts related to treatment before 1/1/2014 (*)	Prior Period 31 December 2020	Amounts related to treatment before 1/1/2014 (*)
<b>COMMON EQUITY TIER 1 CAPITAL</b>				
Paid-in capital following all debts in terms of claim in liquidation of the Bank	1.890.000	-	1.535.000	-
Share issue premiums	-	-	-	-
Legal Reserves	121.992	-	397.443	-
Gains recognized in equity as per TAS	159.839	-	107.019	-
Profit	50.533	-	-	-
Current Period Profit	50.533	-	-	-
Prior Period Profit	-	-	-	-
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognised within profit for the period	-	-	-	-
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>2.222.364</b>	-	<b>2.039.462</b>	-
<b>Deductions from Common Equity Tier 1 Capital</b>	<b>-</b>	-	<b>-</b>	-
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-	-	-	-
Portion of the current and prior periods’ losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	21.241	-	303.409	-
Improvement costs for operating leasing	14.036	-	14.810	-
Goodwill (net of related tax liability)	-	-	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	40.573	40.573	42.069	42.069
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-	-	-
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	103.333	-	13.979	-
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-	-	-
Gains arising from securitization transactions	-	-	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-	-	-
Defined-benefit pension fund net assets	-	-	-	-
Direct and indirect investments of the Bank in its own Common Equity	-	-	-	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	-	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	-	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-	-	-
Excess amount arising from mortgage servicing rights	-	-	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-	-	-
Other items to be defined by the BRSA	-	-	-	-
Deductions to be made from common equity due to insufficient Additional Tier 1 Capital or Tier II Capital	-	-	-	-
<b>Total Deductions From Common Equity Tier 1 Capital</b>	<b>179.183</b>	-	<b>374.267</b>	-
<b>Total Common Equity Tier 1 Capital</b>	<b>2.043.181</b>	-	<b>1.665.195</b>	-

(\*) In this section, the accounts that are liable to the temporary articles of ‘‘Regulation on Equities of Banks’’ which will be considered at the end of the transition period are shown.

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK (Continued):**

**I. EXPLANATIONS ON EQUITY (Continued):**

**a. Information about total capital (Continued):**

	Current Period 31 March 2021	Amounts related to treatment before 1/1/2014 (*)	Prior Period 31 December 2020	Amounts related to treatment before 1/1/2014 (*)
<b>ADDITIONAL TIER I CAPITAL</b>				
Preferred Stock not Included in Common Equity and the Related Share Premiums	-			
Debt instruments and premiums approved by BRSA (*)	416.290		370.970	
Debt instruments and premiums approved by BRSA(Temporary Article 4)	-			
<b>Additional Tier I Capital before Deductions</b>	<b>416.290</b>		<b>370.970</b>	
<b>Deductions from Additional Tier I Capital</b>				
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-			
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7	-			
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-			
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-			
Other items to be defined by the BRSA	-			
<b>Transition from the Core Capital to Continue to deduce Components</b>				
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-			
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-			
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-			
<b>Total Deductions From Additional Tier I Capital</b>	<b>-</b>			
<b>Total Additional Tier I Capital</b>	<b>416.290</b>		<b>370.970</b>	
<b>Total Tier I Capital (Tier I Capital+Common Equity+Additional Tier I Capital)</b>	<b>2.459.471</b>		<b>2.036.165</b>	
<b>TIER II CAPITAL</b>				
Debt instruments and share issue premiums deemed suitable by the BRSA	1.165.612		1.409.686	
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-			
Provisions (Article 8 of the Regulation on the Equity of Banks)	225.864		224.149	
<b>Tier II Capital Before Deductions</b>	<b>1.391.476</b>		<b>1.633.835</b>	
<b>Deductions From Tier II Capital</b>				
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-			
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	28		26	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-			
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-			
Other items to be defined by the BRSA (-)	-			
<b>Total Deductions from Tier II Capital</b>	<b>28</b>		<b>26</b>	
<b>Total Tier II Capital</b>	<b>1.391.448</b>		<b>1.633.809</b>	
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>3.850.919</b>		<b>3.669.974</b>	
<b>Deductions from Total Capital</b>				
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-			
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-			
Other items to be defined by the BRSA	-			
<b>In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components</b>				
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-			
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-			
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-			

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK (Continued):**

**I. EXPLANATIONS ON EQUITY (Continued):**

**a. Information about total capital (Continued):**

	Current Period 31 March 2021	Amounts related to treatment before 1/1/2014 (*)	Prior Period 31 December 2020	Amounts related to treatment before 1/1/2014 (*)
<b>TOTAL CAPITAL</b>				
Total Capital (Sum of Tier I and Tier II capital)	3,850,919		3,669,974	
Total Risk Weighted Amounts	19,967,021		19,464,794	
<b>CAPITAL ADEQUACY RATIOS</b>				
Core Capital Adequacy Ratio (%)	10,23		8,55	
Tier I Capital Adequacy Ratio (%)	12,32		10,46	
Capital Adequacy Ratio (%)	19,29		18,85	
<b>BUFFERS</b>				
Total buffer requirement (a+b+c)	2,577		2,558	
a. Capital conservation buffer requirement (%)	2,500		2,500	
b. Bank specific counter-cyclical buffer requirement (%)	0,077		0,058	
c. Systematic significant buffer (%)	-		-	
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets	5,73		4,06	
<b>Amounts below the Excess Limits as per the Deduction Principles</b>				
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-		-	
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-		-	
Remaining mortgage servicing rights	-		-	
Amount arising from deferred tax assets based on temporary differences	239,074		162,049	
<b>Limits related to provisions considered in Tier II calculation</b>				
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	717,170		720,221	
Up to 1,25% of total risk-weighted amount of general reserves for receivables where the standard approach used	225,864		224,149	
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-		-	
Excess amount of total provision amount to &0,6 of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-		-	
<b>Debt instruments subjected to Article 4 (to be implemented between 1 January 2018 and 1 January 2022)</b>				
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-		-	
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-		-	
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-		-	
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-		-	

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK (Continued):**

**I. EXPLANATIONS ON EQUITY (Continued):**

**b. Information on instruments related to equity estimation:**

<b>Details on debt instruments that will be included in equity calculation:</b>			
Issuer – Loan grantor	Burgan Bank K.P.S.C.	Burgan Bank K.P.S.C.	Burgan Bank K.P.S.C.
Unique Identifier of the Debt Instrument	-	-	-
Governing Legislation of the Debt Instrument	BRSA	BRSA	BRSA
Regulatory Treatment in Equity Calculation	Tier II Capital	Tier II Capital	Tier I Capital
Assessment whether it is subject to being taken into consideration as 10% decreased as of 1/1/2015	No	No	No
Validity status in a consolidated or unconsolidated basis or in a consolidated and unconsolidated basis	Unconsolidated – Consolidated	Unconsolidated - Consolidated	Unconsolidated - Consolidated
Instrument type	Subordinated Loan	Subordinated Loan	Subordinated Loan
Amount recognized in equity calculation (As of most recent reporting date – Thousands TL)	166.516	999.096	416.290
Nominal value of debt instrument (Thousands USD)	100.000	150.000	50.000
The account number that the debt instrument is followed	Liability-Subordinated Loans-Amortized Cost	Liability-Subordinated Loans-Amortized Cost	Liability-Subordinated Loans-Amortized Cost
Original date of issuance of the debt instrument	6.12.2013	30.03.2016	22.02.2021
Maturity structure of the debt instrument (Perpetual/Dated)	Dated	Dated	Perpetual
Original maturity date of the debt instrument	10 Years	10 Years	-
Whether the issuer has a right to call subject to BRSA approval	Yes	Yes	Yes
Optional call date, contingent call options and redemption amount	After 5th year	After 5th year	After 5th year
Subsequent call dates of call options	After 5th year	After 5th year	After 5th year
Coupon/dividend payments	3 Months	3 Months	-
Fixed or floating dividend/coupon payments	Floating dividend	Floating dividend	-
Coupon rate and any related index value	LIBOR+3,75	LIBOR+3,75	-
Existence of a restriction which can stop dividend payments	-	-	-
Being fully discretionary, partially discretionary or mandatory	-	-	-
Existence of an interest rate increase or other incentive to call	-	-	-
Being noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative
Being convertible or non-convertible to stock	None	None	None
If convertible to a stock, conversion trigger(s)	-	-	-
If convertible to a stock, fully or partially	-	-	-
If convertible to a stock, conversion rate	-	-	-
If convertible to a stock, mandatory or optional conversion	-	-	-
If convertible to a stock, specify instrument type convertible into	-	-	-
If convertible to a stock, issuer of debt instrument it converts into	-	-	-
Value reduction feature	None	None	-
If it has a value reduction feature, write-down trigger(s)	-	-	If unsustainability occurs, a decrease in value can be realized.
If it has a value reduction feature, full or partial	-	-	Partially or completely depreciation can be realized.
If it has a value reduction feature, permanent or temporary	-	-	Constant
If temporary value reduction exists, description of value increase mechanism	-	-	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to this instrument)	Before debt instruments to be included in Additional Tier I capital calculation but after the deposit holders and all other creditors of the Debtor.	Before debt instruments to be included in Additional Tier I capital calculation but after the deposit holders and all other creditors of the Debtor.	After the right to claim of the holder, the deposit holders, other creditors and contribution capital calculation included borrowings of the Debtor.
Whether it is in compliance with the terms in articles 7 and 8 of the Communiqué on Bank’s Equities	None.	None.	None.
The terms it is not in compliance with in articles 7 and 8 of the Communiqué on Bank’s Equities	None.	None.	None.



**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK  
(Continued):**

**I. EXPLANATIONS ON EQUITY (Continued):**

**c. Information related to the TFRS 9 transition process:**

	<b>T</b>	<b>T-1</b>
<b>EQUITY ITEMS</b>		
Common Equity Tier 1 Capital	2.043.181	2.010.127
Common Equity Tier 1 Capital Without the Implementation of the Transition Process	2.010.127	2.010.127
Tier 1 Capital	2.459.471	2.426.417
Tier 1 Capital Without the Implementation of the Transition Process	2.426.417	2.426.417
Equity	3.850.919	3.817.865
Equity Without the Implementation of the Transition Process	3.817.865	3.817.865
<b>TOTAL RISK WEIGHTED AMOUNTS</b>		
Total Risk Weighted Amounts	19.967.021	19.967.021
<b>CAPITAL ADEQUACY RATIOS</b>		
Common Equity Tier 1 Capital Adequacy Ratio (%)	10,23	10,07
Common Equity Tier 1 Capital Adequacy Ratio Without the Implementation of the Transition Process	10,07	10,07
Tier 1 Capital Adequacy Ratio (%)	12,32	12,15
Tier 1 Capital Adequacy Ratio Without the Implementation of the Transition Process	12,15	12,15
Capital Adequacy Ratio (%)	19,29	19,12
Capital Adequacy Ratio Without the Implementation of the Transition Process	19,12	19,12
<b>LEVERAGE RATIO</b>		
Leverage Ratio Total Risk Amount	32.776.777	32.776.777
Leverage Ratio (%)	6,61	7,40
Leverage Ratio Without the Implementation of the Transition Process	7,40	7,40

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK  
(Continued):**

**II. EXPLANATIONS ON RISK MANAGEMENT:**

**Overview of risk weighted amounts**

Notes and explanations in this section have been prepared in accordance with the Communiqué on Disclosures about Risk Management to Be Announced to Public by Banks that have been published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016. According to Communiqué have to be presented on a quarterly basis. Due to usage of standard approach for the calculation of capital adequacy by the Bank, the following tables have not been presented as of the date 31 March 2021:

- RWA flow statements of credit risk exposures under IRB
- RWA flow statements of CCR exposures under the Internal Model Method (IMM)
- RWA flow statements of market risk exposures under an IMA

		Risk Weighted Amounts		Minimum Capital Liability
		Current Period 31 March 2021	Prior Period 31 December 2020	Current Period 31 March 2021
1	Credit risk (excluding counterparty credit risk) (CCR)	17.457.208	17.403.946	1.396.577
2	Standardised approach (SA)	17.457.208	17.403.946	1.396.577
3	Internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	611.925	527.962	48.954
5	Standardised approach for counterparty credit risk (SACCR)	611.925	527.962	48.954
6	Internal Model method (IMM)	-	-	-
7	Basic risk weight approach to internal models equity position in the banking account	-	-	-
8	Investments made in collective investment companies – look-through approach	-	-	-
9	Investments made in collective investment companies – mandate-based approach	-	-	-
10	Investments made in collective investment companies – 1250% weighted risk approach	-	-	-
11	Settlement risk	-	-	-
12	Securitization positions in banking accounts	-	-	-
13	IRB ratings-based approach (RBA)	-	-	-
14	IRB supervisory formula approach (SFA)	-	-	-
15	SA/simplified supervisory Formula Approach (SSFA)	-	-	-
16	Market risk	463.147	220.164	37.052
17	Standardised approach (SA)	463.147	220.164	37.052
18	Internal model approaches (IMM)	-	-	-
19	Operational risk	1.434.741	1.312.722	114.779
20	Basic indicator approach	1.434.741	1.312.722	114.779
21	Standard approach	-	-	-
22	Advanced measurement approach	-	-	-
23	The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
24	Floor Adjustments	-	-	-
25	<b>Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>19.967.021</b>	<b>19.464.794</b>	<b>1.597.362</b>

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK  
(Continued):**

**III. 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 are set by the Board of Directors annually. The Bank has a short-term conservative foreign currency position management policy.

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:

	EURO		USD	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
<b>Bid Rate</b>	<b>TL 9,7688</b>	<b>TL 9,1164</b>	<b>TL 8,3258</b>	<b>TL 7,4194</b>
1. Day Bid Rate	TL 9,7688	TL 9,1164	TL 8,3258	TL 7,4194
2. Day Bid Rate	TL 9,7741	TL 9,0079	TL 8,3260	TL 7,3405
3. Day Bid Rate	TL 9,5618	TL 9,0697	TL 8,1192	TL 7,4063
4. Day Bid Rate	TL 9,4150	TL 9,1370	TL 7,9893	TL 7,4738
5. Day Bid Rate	TL 9,3778	TL 9,2037	TL 7,9409	TL 7,5517

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:

	EURO		USD	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
Arithmetic average - 30 days	TL 9,1086	TL 9,3887	TL 7,6592	TL 7,7095

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK (Continued):**

**III. EXPLANATIONS ON CURRENCY RISK (Continued):**

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

	<b>Euro</b>	<b>USD</b>	<b>Other FC</b>	<b>Total</b>
<b>31 March 2021</b>				
<b>Assets</b>				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	1.568.145	1.943.547	37.119	3.548.811
Due From Banks	115.104	354.488	7.064	476.656
Financial Assets at Fair Value Through Profit or Loss	45.332	148.163	19	193.514
Interbank Money Market Placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	19.660	7.631	-	27.291
Loans (*)	7.366.926	2.298.724	-	9.665.650
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Financial Assets Measured at Amortized Cost	106.992	435.320	-	542.312
Hedging Derivative Financial Assets	1.938	11.803	-	13.741
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	5.700	76.202	-	81.902
<b>Total Assets (*)</b>	<b>9.229.797</b>	<b>5.275.878</b>	<b>44.202</b>	<b>14.549.877</b>
<b>Liabilities</b>				
Bank Deposits	79.015	18.684	25	97.724
Foreign Currency Deposits	4.568.820	5.143.852	242.860	9.955.532
Funds From Interbank Money Market	-	131.125	-	131.125
Funds Borrowed From Other Financial Institutions	141.549	4.550.357	-	4.691.906
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	557.558	468.161	10.982	1.036.701
Hedging Derivative Financial Liabilities	3.638	35.351	-	38.989
Other Liabilities	31.510	62.029	2.327	95.866
<b>Total Liabilities (*)</b>	<b>5.382.090</b>	<b>10.409.559</b>	<b>256.194</b>	<b>16.047.843</b>
<b>Net On-balance Sheet Position</b>	<b>3.847.707</b>	<b>(5.133.681)</b>	<b>(211.992)</b>	<b>(1.497.966)</b>
<b>Net Off-balance Sheet Position</b>	<b>(3.306.202)</b>	<b>5.006.520</b>	<b>260.745</b>	<b>1.961.063</b>
Financial Derivative Assets	3.375.234	10.486.081	500.783	14.362.098
Financial Derivative Liabilities	6.681.436	5.479.561	240.038	12.401.035
<b>Non-Cash Loans (**)</b>	<b>1.890.731</b>	<b>2.687.953</b>	<b>206.509</b>	<b>4.785.193</b>
<b>31 December 2020</b>				
Total Assets (*)	8.738.478	5.212.669	38.916	13.990.063
Total Liabilities (*)	4.519.345	11.481.841	282.241	16.283.427
<b>Net On-balance Sheet Position</b>	<b>4.219.133</b>	<b>(6.269.172)</b>	<b>(243.325)</b>	<b>(2.293.364)</b>
<b>Net Off-balance Sheet Position</b>	<b>(3.762.291)</b>	<b>6.405.294</b>	<b>248.637</b>	<b>2.891.640</b>
Financial Derivative Assets	3.222.255	10.476.238	413.273	14.111.766
Financial Derivative Liabilities	6.984.546	4.070.944	164.636	11.220.126
<b>Non-Cash Loans (**)</b>	<b>1.771.089</b>	<b>2.260.017</b>	<b>148.516</b>	<b>4.179.622</b>

(\*) The above table shows the Bank’s foreign currency net position based on main currencies. Foreign currency indexed assets are classified as Turkish Lira assets in the financial statements according to the Uniform Chart of Accounts. Due to this, foreign currency indexed loans amounting to TL 123.747 (31 December 2020: TL 133.622) classified as Turkish Lira assets in the 31 March 2021 financial statements are added to the table above. Furthermore, in foreign currency assets “Income Accruals of Derivative Financial Instruments” amounting to TL 81.098 (31 December 2020: TL 68.720) and “Stages 1&2 Allowances for Expected Credit Losses” amounting to TL 619.674 (31 December 2020: TL 617.880), in foreign currency liabilities “Expense Accruals of Derivative Financial Instruments” amounting to TL 55.088 (31 December 2020: TL 143.555) and “Non-cash Loans Stages 1&2 Allowances for Expected Credit Losses” amounting to TL 6.333 (31 December 2020: TL 56.452) and “Marketable Securities Valuation Reserve” with “Hedging Derivative Financials” amounting to TL (17.733) (31 December 2020: TL (19.083)) 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)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK (Continued):**

**IV. 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 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. Additionally, interest rate swaps and cross currency swaps that are followed under banking accounts and aim to hedge risks are conducted by the Treasury, Capital Markets and Financial Institutions Group. Liquidity management is critical in the combination of investments, securities which fair value difference reflected in other comprehensive income 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 (As for the remaining time to repricing):**

<b>31 March 2021</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 Years and Over</b>	<b>Non-Interest Bearing</b>	<b>Total</b>
<b>Assets (***)</b>							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	610.479	-	-	-	-	3.186.330	3.796.809
Due From Banks	272.949	-	-	-	-	204.161	477.110
Financial Assets at Fair Value Through Profit/Loss (*)	180.088	508.154	558.454	73.571	81.421	-	1.401.688
Interbank Money Market Placements	110.058	-	-	-	-	-	110.058
Financial Assets at Fair Value Through Other Comprehensive Income	-	-	92.957	168.993	14.707	7.674	284.331
Loans	7.155.001	1.860.147	3.572.947	1.619.313	598.966	1.174.678	15.981.052
Financial Assets Measured at Amortized Cost	-	-	-	501.451	40.855	-	542.306
Other Assets	-	-	-	-	-	1.678.634	1.678.634
<b>Total Assets</b>	<b>8.328.575</b>	<b>2.368.301</b>	<b>4.224.358</b>	<b>2.363.328</b>	<b>735.949</b>	<b>6.251.477</b>	<b>24.271.988</b>
<b>Liabilities</b>							
Bank Deposits	150.078	78.212	-	-	-	19.834	248.124
Other Deposits	9.822.863	3.323.964	716.983	82.352	-	987.809	14.933.971
Funds From Interbank Money Market	3.640	-	-	131.095	-	-	134.735
Miscellaneous Payables	-	-	-	-	-	1.079.268	1.079.268
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	169.304	2.595.098	1.543.145	416.790	-	-	4.724.337
Other Liabilities (*) (**)	117.098	107.586	186.129	100.687	10.838	2.629.215	3.151.553
<b>Total Liabilities</b>	<b>10.262.983</b>	<b>6.104.860</b>	<b>2.446.257</b>	<b>730.924</b>	<b>10.838</b>	<b>4.716.126</b>	<b>24.271.988</b>
<b>Balance Sheet Long Position</b>	-	-	<b>1.778.101</b>	<b>1.632.404</b>	<b>725.111</b>	<b>1.535.351</b>	<b>5.670.967</b>
<b>Balance Sheet Short Position</b>	<b>(1.934.408)</b>	<b>(3.736.559)</b>	-	-	-	-	<b>(5.670.967)</b>
Off-balance Sheet Long Position	1.487.161	1.155.324	1.069.454	-	-	-	3.711.939
Off-balance Sheet Short Position	-	-	-	(2.663.500)	(58.281)	-	(2.721.781)
<b>Total Position</b>	<b>(447.247)</b>	<b>(2.581.235)</b>	<b>2.847.555</b>	<b>(1.031.096)</b>	<b>666.830</b>	<b>1.535.351</b>	<b>990.158</b>

(\*) Financial Assets at Fair Value Through Profit/Loss includes derivative financial assets amounting to TL 1.288.656 and other liabilities includes derivative financial liabilities amounting to TL 440.223 classified to a related re-pricing periods.

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

(\*\*\*) Assets are shown with their net values in their related period by deducting allowances for expected credit losses.

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK (Continued):**

**IV. EXPLANATIONS ON INTEREST RATE RISK (Continued):**

**a. Interest rate sensitivity of assets, liabilities and off-balance sheet items based on repricing dates (As for the remaining time to repricing) (Continued):**

<b>31 December 2020</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 Years and Over</b>	<b>Non-Interest Bearing</b>	<b>Total</b>
<b>Assets (***)</b>							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	341.612	-	-	-	-	2.928.969	3.270.581
Due From Banks	37.251	-	-	-	-	50.490	87.741
Financial Assets at Fair Value Through Profit/Loss (*)	128.093	173.036	479.664	94.276	47.822	-	922.891
Interbank Money Market Placements	100.050	-	-	-	-	-	100.050
Financial Assets at Fair Value Through Other Comprehensive Income	-	-	73.772	285.056	40.512	7.674	407.014
Loans	7.652.879	2.764.402	2.915.499	1.158.008	499.739	1.201.814	16.192.341
Financial Assets Measured at Amortized Cost	-	151.052	-	352.852	6.499	-	510.403
Other Assets	-	-	-	-	-	1.632.626	1.632.626
<b>Total Assets</b>	<b>8.259.885</b>	<b>3.088.490</b>	<b>3.468.935</b>	<b>1.890.192</b>	<b>594.572</b>	<b>5.821.573</b>	<b>23.123.647</b>
<b>Liabilities</b>							
Bank Deposits	37.096	72.991	-	-	-	26.979	137.066
Other Deposits	8.850.589	3.620.616	376.105	12.550	-	945.361	13.805.221
Funds From Interbank Money Market	4.595	237.974	-	-	-	-	242.569
Miscellaneous Payables	-	-	-	-	-	624.929	624.929
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	116.177	4.131.558	1.258.721	-	-	-	5.506.456
Other Liabilities (*) (**)	181.716	186.421	113.895	133.082	14.579	2.177.713	2.807.406
<b>Total Liabilities</b>	<b>9.190.173</b>	<b>8.249.560</b>	<b>1.748.721</b>	<b>145.632</b>	<b>14.579</b>	<b>3.774.982</b>	<b>23.123.647</b>
<b>Balance Sheet Long Position</b>	<b>-</b>	<b>-</b>	<b>1.720.214</b>	<b>1.744.560</b>	<b>579.993</b>	<b>2.046.591</b>	<b>6.091.358</b>
<b>Balance Sheet Short Position</b>	<b>(930.288)</b>	<b>(5.161.070)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6.091.358)</b>
Off-balance Sheet Long Position	847.970	615.686	987.303	-	-	-	2.450.959
Off-balance Sheet Short Position	-	-	-	(1.954.904)	(14.839)	-	(1.969.743)
<b>Total Position</b>	<b>(82.318)</b>	<b>(4.545.384)</b>	<b>2.707.517</b>	<b>(210.344)</b>	<b>565.154</b>	<b>2.046.591</b>	<b>481.216</b>

(\*) Financial Assets at Fair Value Through Profit/Loss includes derivative financial assets amounting to TL 840.131 and other liabilities includes derivative financial liabilities amounting to TL 554.819 classified to a related re-pricing periods.

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

(\*\*\*) Assets are shown with their net values in their related period by deducting allowances for expected credit losses.

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK (Continued):**

**IV. EXPLANATIONS ON INTEREST RATE RISK (Continued):**

**b. Average interest rates for monetary financial instruments (Continued):**

Average interest rates in the tables below are calculated by weighting simple interest rates with principal amounts.

<b>31 March 2021</b>	<b>EUR</b>	<b>USD</b>	<b>Yen</b>	<b>TL</b>
<b>Assets</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	-	-	-	13,50
Due From Banks	0,02	0,18	-	-
Financial Assets at Fair Value Through Profit/Loss	4,64	1,50	-	11,62
Interbank Money Market Placements	-	-	-	16,22
Financial Assets at Fair Value Through Other Comprehensive Income	3,38	5,89	-	16,74
Loans	5,20	5,72	-	20,10
Financial Assets Measured at Amortized Cost	3,20	6,80	-	-
<b>Liabilities</b>				
Bank Deposits	1,24	-	-	18,71
Other Deposits (*)	1,17	1,73	-	17,34
Funds From Interbank Money Market	-	1,18	-	14,03
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	1,51	2,76	-	12,73

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

<b>31 December 2020</b>	<b>EUR</b>	<b>USD</b>	<b>Yen</b>	<b>TL</b>
<b>Assets</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	-	-	-	12,00
Due From Banks	-	0,29	-	16,91
Financial Assets at Fair Value Through Profit/Loss	4,89	2,49	-	10,30
Interbank Money Market Placements	-	-	-	15,45
Financial Assets at Fair Value Through Other Comprehensive Income	4,65	5,04	-	15,15
Loans	5,28	6,17	-	18,65
Financial Assets Measured at Amortized Cost	-	6,07	-	-
<b>Liabilities</b>				
Bank Deposits	1,24	0,12	-	-
Other Deposits (*)	1,44	2,63	-	15,97
Funds From Interbank Money Market	-	1,29	-	13,93
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	1,55	3,02	-	10,02

(\*) 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)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK  
(Continued):**

**IV. EXPLANATIONS ON INTEREST RATE RISK (Continued):**

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

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

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

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

2. The table below presents the economic value differences of the Bank 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.

	<b>Applied Shock (+/- x basis point)</b>	<b>Earnings/Losses</b>	<b>Earnings/ Equities-Losses/ Equities</b>
1. TRY	+500 bp	(25.121)	(0,7)%
2. TRY	-400 bp	22.414	0,6%
3. EURO	+200 bp	(40.118)	(1,0)%
4. EURO	-200 bp	(5.866)	(0,2)%
5. USD	+200 bp	(23.444)	(0,6)%
6. USD	-200 bp	26.323	0,7%
<b>Total (For Negative Shocks)</b>		<b>42.871</b>	<b>1,1%</b>
<b>Total (For Positive Shocks)</b>		<b>(88.683)</b>	<b>(2,3)%</b>

**V. EXPLANATIONS ON SHARE CERTIFICATE POSITION RISK:**

None.



**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

---

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK (Continued):**

**VI. EXPLANATIONS ON LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO:**

Liquidity risk is the risk generated as a result of not having an effect or cash inflow at a level which can meet cash outflow, formed because of an imbalance in cash flow, timely and completely.

Effective liquidity risk management requires assigning appropriate staff for measurement and monitoring and timely informing management of the Bank. Board of Directors and senior management is responsible to understand the nature and level of the liquidity risk taken by the Bank and the instruments measuring these risks. Additionally, Board of Directors and Senior Management are responsible for the compliance of funding strategies to risk tolerance which is determined to be applied.

Liquidity risk management framework of the Bank is determined with “Burgan Bank Risk Management Policy” and “Burgan Bank Liquidity Risk Policy” documents approved by Bank’s Board of Directors and “Burgan Bank Risk Management Policy” and “Burgan Bank Treasury Policy” and “Burgan Bank Assets & Liabilities Management Committee (ALCO)” in scope of banking legislation.

Liquidity management is primarily under the responsibility of ALCO in accordance with the Liquidity Risk Management of the Bank. Treasury, Capital Markets and Financial Corporations Group are responsible to perform required actions in accordance with the liquidity standards determined in accordance with the Liquidity Risk Policy. Market Risk Departments is secondarily responsible and it is responsible to control and report compliance with the limits. Detailed information related to periodic and specific reports related to liquidity risk, stress tests, scenario tests, scenario analysis, compliance with risk limits and legal liquidity reports are included in Liquidity Risk Policy of the Bank.

Liquidity risk exposed by the Bank, risk appetite, liquidity risk reduction appropriate to liquidity and funding policies (diversification of funding sources and maturities, derivative transactions), establishment of effective control environment, risk limits, early warning and triggering market indicators are managed through monitoring closely.

The liquidity risk is removed by short term placements, liquid marketable assets wallet and strong equity structure in the management of liquidity risk. Board of Directors of Bank can perform limit reduction regardless of credit value in current placement limits when the volatility in markets increases. Management of the Bank and ALCO monitors possible marginal costs of payments and spurts as a result of studies made in scope of scenario analysis while tracking interest margin in diversified maturity segments between assets and liabilities. Borrowing limits which can be used in short-term for spurts from Central Bank, BIST Repo Market, Takasbank Money Market and banks are applied at a minimum level. The Bank does not need to use these sources because of its current liquidity position but it uses the aforementioned limits for short-term transaction opportunities. Assets, liabilities and positions on the basis of main types of currencies (currencies forming at least 5% of Bank’s total liabilities) are managed under the control of Treasury and Capital Markets.

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

---

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK (Continued):**

**VI. EXPLANATIONS ON LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO (Continued):**

Although the Bank is responsible to comply with liquidity limitations which are determined in Liquidity Risk Policy, it is primarily obliged with minimum liquidity limits determined by the legal legislation. There should be no excess in liquidity limits in accordance with the Bank’s policy. Acceptation of current risk level, reduction or termination of activities causing to risk are evaluated for the risk which are not reduced. The actions, which shall be taken if there is an excess in the legal and internal limits, are detailed in Liquidity Risk Policy of the Bank. Overflow which is formed in liquidity ratios tracked according to legal limitations is eliminated in the period which is also determined by legal legislation.

Triggering market indicators are indicators which are tracked as early warning signals before the transition to stress environment which can form in the market as a result of ordinary business condition. Early warning limits related to liquidity risk in Bank are determined and aforementioned limits are monitored closely with the triggering market indicators.

Market Risk Department reports results of scenarios related to liquidity risk to Board of Directors, Risk Coordination Committee, Risk Committee and ALCO through making monthly calculations based on stress scenarios. These stress tests identify negative market conditions and potential fund outflows which occur in funding resources in a liquidity crisis. The purpose of stress test is to inform related committees and Board of Directors regarding liquidity outflows and derogation which can occur in the liquidity ratios of the Bank. Required actions are taken by ALCO if there are similar situations mentioned in stress scenarios.

An ALCO meeting is held with a call made by Treasury, Capital Markets and Deputy General Manager of Financial Corporations if there is a negative development sourcing from the group or liquidity and precautions which shall be taken in this process are determined in scope of Liquidity Emergency Plan. Details related to Liquidity Emergency Plan are included in Liquidity Risk Policy of the Bank.

The Bank does not serve a function as a central funding institution in its relationship with its partnerships. Intra-group liquidity management and funding strategies are limited to related legal limitations.

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK (Continued):**

**VI. EXPLANATIONS ON LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO (Continued):**

**Liquidity Coverage Ratio:**

31 March 2021	Unweighted Amounts (*)		Weighted Amounts (*)	
	TL+FC	FC	TL+FC	FC
<b>HIGH QUALITY LIQUID ASSETS</b>				
<b>1</b>	<b>High Quality Liquid Assets</b>		<b>4.288.337</b>	<b>3.610.744</b>
<b>CASH OUTFLOWS</b>				
<b>2</b>	<b>Retail and Small Business Customers Deposits</b>	<b>9.827.574</b>	<b>6.231.911</b>	<b>931.259</b>
3	Stable deposits	1.029.974	-	51.499
4	Less stable deposits	8.797.600	6.231.911	879.760
<b>5</b>	<b>Unsecured Funding other than Retail and Small Business Customers Deposits</b>	<b>4.302.051</b>	<b>3.381.917</b>	<b>2.196.983</b>
6	Operational deposits	1.694.725	1.452.733	423.681
7	Non-Operational Deposits	1.706.956	1.321.165	872.932
8	Other Unsecured Funding	900.370	608.019	900.370
<b>9</b>	<b>Secured funding</b>			
<b>10</b>	<b>Other cash outflows</b>	<b>492.226</b>	<b>470.820</b>	<b>492.226</b>
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	492.226	470.820	492.226
12	Debts related to the structured financial products	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-
<b>14</b>	<b>Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments</b>			
<b>15</b>	<b>Other irrevocable or conditionally revocable commitments</b>	<b>5.246.282</b>	<b>4.191.924</b>	<b>697.135</b>
<b>16</b>	<b>TOTAL CASH OUTFLOWS</b>			<b>4.317.603</b>
<b>CASH INFLOWS</b>				
17	Secured lending transactions	-	-	-
18	Unsecured lending transactions	2.756.167	1.383.550	1.991.499
19	Other contractual cash inflows	1.750	332.148	1.750
<b>20</b>	<b>TOTAL CASH INFLOWS</b>	<b>2.757.917</b>	<b>1.715.698</b>	<b>1.993.249</b>
			<b>Upper Limit Applied Values</b>	
<b>21</b>	<b>TOTAL HIGH QUALITY LIQUID ASSETS</b>		<b>4.288.337</b>	<b>3.610.744</b>
<b>22</b>	<b>TOTAL NET CASH OUTFLOWS</b>		<b>2.324.354</b>	<b>1.937.579</b>
<b>23</b>	<b>LIQUIDITY COVERAGE RATIO (%)</b>		<b>184,50</b>	<b>186,35</b>

(\*) The arithmetic average of the last three months weekly Liquidity Coverage Ratio's are used.

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK  
(Continued):**

**VI. EXPLANATIONS ON LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO (Continued):**

31 December 2020		Unweighted Amounts (*)		Weighted Amounts (*)	
		TL+FC	FC	TL+FC	FC
<b>HIGH QUALITY LIQUID ASSETS</b>					
<b>1</b>	<b>High Quality Liquid Assets</b>			<b>4.734.317</b>	<b>4.119.046</b>
<b>CASH OUTFLOWS</b>					
<b>2</b>	<b>Retail and Small Business Customers Deposits</b>	<b>9.439.072</b>	<b>6.333.964</b>	<b>899.174</b>	<b>633.396</b>
3	Stable deposits	894.666	-	44.733	-
4	Less stable deposits	8.544.406	6.333.964	854.441	633.396
<b>5</b>	<b>Unsecured Funding other than Retail and Small Business Customers Deposits</b>	<b>4.816.994</b>	<b>4.125.771</b>	<b>2.017.395</b>	<b>1.613.806</b>
6	Operational deposits	2.273.640	2.116.033	568.410	529.008
7	Non-Operational Deposits	2.155.507	1.823.848	1.061.138	898.907
8	Other Unsecured Funding	387.847	185.890	387.847	185.891
<b>9</b>	<b>Secured funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>10</b>	<b>Other cash outflows</b>	<b>426.062</b>	<b>408.259</b>	<b>426.062</b>	<b>408.259</b>
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	426.062	408.259	426.062	408.259
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
<b>14</b>	<b>Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>15</b>	<b>Other irrevocable or conditionally revocable commitments</b>	<b>4.817.995</b>	<b>3.881.699</b>	<b>611.852</b>	<b>461.660</b>
<b>16</b>	<b>TOTAL CASH OUTFLOWS</b>			<b>3.954.483</b>	<b>3.117.121</b>
<b>CASH INFLOWS</b>					
17	Secured lending transactions	-	-	-	-
18	Unsecured lending transactions	2.377.083	1.172.295	1.668.902	787.550
19	Other contractual cash inflows	8.480	442.138	8.480	442.138
<b>20</b>	<b>TOTAL CASH INFLOWS</b>	<b>2.385.563</b>	<b>1.614.433</b>	<b>1.677.382</b>	<b>1.229.688</b>
				<b>Upper Limit Applied Values</b>	
<b>21</b>	<b>TOTAL HIGH QUALITY LIQUID ASSETS</b>			<b>4.734.317</b>	<b>4.119.046</b>
<b>22</b>	<b>TOTAL NET CASH OUTFLOWS</b>			<b>2.277.101</b>	<b>1.887.433</b>
<b>23</b>	<b>LIQUIDITY COVERAGE RATIO (%)</b>			<b>207,91</b>	<b>218,24</b>

(\*) The arithmetic average of the last three months weekly Liquidity Coverage Ratio's are used.

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK  
(Continued):**

**VI. EXPLANATIONS ON LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO (Continued):**

Liquidity coverage rate is calculated through estimating high quality liquid assets owned by the Bank to net cash out flows based on 30 days of maturity. Balance items which are determinant on the ratio are sorted as required reserves kept in Central Bank of the Republic of Turkey, securities which are not subject to repo/guarantee, deposit having a corporate transaction, banks deposits, foreign sourced funds and receivables from banks. The impacts of aforementioned items on liquidity coverage ratio are higher than other items since they have a higher share in liquid assets and net cash out flows and they can change in time.

High quality liquid assets of the Bank consist of accounts in Central Bank of the Republic of Turkey, at a ratio of 70% and securities issued by Undersecretariat of Treasury at a ratio of 17%. The fund resources are distributed among deposits of individuals and retail, corporate deposits and due to banks at ratios of 23%, 45% and 9% respectively.

Fluctuations in foreign currency derivative transaction volumes, mainly in foreign currency swaps, can have an impact on foreign currency liquidity coverage rate although derivative transactions generate a lower level of net cash flow with respect to liquidity coverage rate.

Absolute value of net warrant flows realized as of 30 days periods for each transaction and liability are calculated provided that changes in fair values of derivative transactions and other liabilities can form a margin liability in accordance with “Regulation on Calculation of Liquidity Coverage Ratio of Banks” entered into force through publishing in Official Gazette dated 21 March 2014 and numbered 28948. The biggest absolute value, which is calculated in the last 24 months, is taken into consideration as cash outflow. Calculations for derivative transactions and other liabilities, having a flow history shorter than 24 months, are performed from the date in which the transaction is triggered. Information related to the aforementioned cash outflow occurred on 31 March 2021 is given below:

Date	FC	FC + TL
31 March 2021	467.769	467.769

Liquidity coverage rates are calculated weekly for unconsolidated basis and monthly for consolidated basis as of 31 December 2015 in accordance with the “Regulation on Calculation of Liquidity Coverage Ratio of Banks” published in Official Gazette dated 21 March 2014 and numbered 28948. Liquidity coverage rates must be at least 80% for foreign currency assets and liabilities and at least 100% in total assets and liabilities for the period 31 March 2021. Dates and values of lowest and highest foreign currency and total unconsolidated liquidity coverage rates calculated weekly related to the last quarter and average rates are explained in the table below:

Current Period	Maximum (%)		Minimum (%)	
	FC	FC+TL	FC	FC + TL
Weekly Arithmetic Average (%)	249,46%	270,47%	129,57%	126,06%
Week	18.01.2021	11.01.2021	22.02.2021	22.02.2021

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK (Continued):**

**VI. EXPLANATIONS ON LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO (Continued):**

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

31 March 2021	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 years	5 Years and Over	Unclassified (***)	Total
<b>Assets (***)</b>								
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	1.540.570	2.256.239	-	-	-	-	-	3.796.809
Due From Banks	204.161	272.949	-	-	-	-	-	477.110
Financial Assets at Fair Value Through Profit or Loss (*)	-	93.001	230.550	439.313	553.949	84.875	-	1.401.688
Interbank Money Market Placements	-	110.058	-	-	-	-	-	110.058
Financial Assets at Fair Value Through Other Comprehensive Income	-	-	-	92.957	168.993	14.707	7.674	284.331
Loans	-	2.662.519	2.759.586	2.457.395	4.829.677	2.097.197	1.174.678	15.981.052
Financial Assets Measured at Amortized Cost	-	-	-	-	501.451	40.855	-	542.306
Other Assets (**)	-	73.018	306	29.360	70.355	354	1.505.241	1.678.634
<b>Total Assets</b>	<b>1.744.731</b>	<b>5.467.784</b>	<b>2.990.442</b>	<b>3.019.025</b>	<b>6.124.425</b>	<b>2.237.988</b>	<b>2.687.593</b>	<b>24.271.988</b>
<b>Liabilities</b>								
Bank Deposits	19.834	150.078	78.212	-	-	-	-	248.124
Other Deposits	987.809	9.822.863	3.323.964	716.983	82.352	-	-	14.933.971
Funds Borrowed From Other Financial Institutions	-	261	511.605	1.543.145	2.669.326	-	-	4.724.337
Funds From Interbank Money Market	-	3.610	-	-	131.125	-	-	134.735
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	-	636	-	-	-	-	1.078.632	1.079.268
Other Liabilities (*) (***)	-	251.543	69.567	140.817	211.957	24.802	2.452.867	3.151.553
<b>Total Liabilities</b>	<b>1.007.643</b>	<b>10.228.991</b>	<b>3.983.348</b>	<b>2.400.945</b>	<b>3.094.760</b>	<b>24.802</b>	<b>3.531.499</b>	<b>24.271.988</b>
<b>Net Liquidity Gap</b>	<b>737.088</b>	<b>(4.761.207)</b>	<b>(992.906)</b>	<b>618.080</b>	<b>3.029.665</b>	<b>2.213.186</b>	<b>(843.906)</b>	<b>-</b>
<b>Net Off-balance sheet Position</b>	<b>-</b>	<b>607.807</b>	<b>62.101</b>	<b>170.026</b>	<b>137.209</b>	<b>(3.247)</b>	<b>-</b>	<b>973.896</b>
Financial Derivative Assets	-	7.632.125	3.679.938	1.646.803	2.835.852	53	-	15.794.771
Financial Derivative Liabilities	-	(7.024.318)	(3.617.837)	(1.476.777)	(2.698.643)	(3.300)	-	(14.820.875)
<b>Non-cash Loans</b>	<b>-</b>	<b>3.766.510</b>	<b>724.341</b>	<b>1.083.217</b>	<b>274.352</b>	<b>4.645</b>	<b>-</b>	<b>5.853.065</b>
<b>31 December 2020</b>								
<b>Total Assets</b>	<b>1.392.157</b>	<b>4.823.782</b>	<b>2.918.240</b>	<b>3.307.217</b>	<b>6.010.198</b>	<b>2.006.329</b>	<b>2.665.724</b>	<b>23.123.647</b>
<b>Total Liabilities</b>	<b>972.340</b>	<b>9.302.958</b>	<b>4.827.742</b>	<b>2.552.628</b>	<b>1.670.561</b>	<b>1.142.265</b>	<b>2.655.153</b>	<b>23.123.647</b>
<b>Net Liquidity Gap</b>	<b>419.817</b>	<b>(4.479.176)</b>	<b>(1.909.502)</b>	<b>754.589</b>	<b>4.339.637</b>	<b>864.064</b>	<b>10.571</b>	<b>-</b>
<b>Net Off-balance sheet Position</b>	<b>-</b>	<b>186.736</b>	<b>93.064</b>	<b>(389.169)</b>	<b>(672.443)</b>	<b>(965)</b>	<b>-</b>	<b>(782.777)</b>
Financial Derivative Assets	-	7.644.932	3.893.619	661.899	4.371.203	2.501	-	16.574.154
Financial Derivative Liabilities	-	(7.458.196)	(3.800.555)	(1.051.068)	(5.043.646)	(3.466)	-	(17.356.931)
<b>Non-cash Loans</b>	<b>-</b>	<b>3.282.154</b>	<b>638.933</b>	<b>1.005.282</b>	<b>240.760</b>	<b>4.638</b>	<b>-</b>	<b>5.171.767</b>

(\*) Financial Assets at Fair Value Through Profit or Loss includes derivative financial assets amounting to TL 1.288.656 and Other Liabilities includes derivative financial liabilities amounting to TL 440.223 classified to a related maturity period.

(\*\*) Assets forming the balance sheet such as fixed and intangible assets, subsidiaries, associates and stationary stocks are classified in this column.

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

(\*\*\*\*) Assets are shown with their net values in their related period by deducting allowances for expected credit losses.

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK  
(Continued):**

**VII. EXPLANATIONS ON LEVERAGE RATIO:**

**Information on subjects that causes difference in leverage ratio between current and prior periods:**

As of 31 March 2021, leverage ratio of the Bank calculated from the arithmetic average of the three months is 6,61% (31 December 2020: 6,33%). This ratio is above the minimum required. The most important reason for the difference in leverage ratio between current and prior period is the increase in balance sheet and off-balance sheet assets.

**Disclosure of leverage ratio template:**

	<b>31 March 2021 (*)</b>	<b>31 December 2020 (*)</b>
<b>Balance sheet assets</b>		
Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	23.538.228	23.957.801
(Assets deducted from Core capital)	55.535	51.190
Total risk amount of balance sheet assets	23.482.693	23.906.611
<b>Derivative financial assets and credit derivatives</b>		
Cost of replenishment for derivative financial assets and credit derivatives	815.588	658.232
Potential credit risk amount of derivative financial assets and credit derivatives	158.338	164.521
Total risk amount of derivative financial assets and credit derivatives	973.926	822.753
<b>Financing transactions secured by marketable security or commodity</b>		
Risk amount of financing transactions secured by marketable security or commodity (excluding Balance sheet)	-	-
Risk amount arising from intermediary transactions	-	-
Total risk amount of financing transactions secured by marketable security or commodity	-	-
<b>Off-balance sheet transactions</b>		
Gross nominal amount of off-balance sheet transactions	8.320.158	6.786.223
(Correction amount due to multiplication with credit conversion rates)	-	-
Total risk of off-balance sheet transactions	8.320.158	6.786.223
<b>Capital and total risk</b>		
Core Capital	2.168.942	1.993.273
Total risk amount	32.776.777	31.515.587
<b>Leverage ratio</b>		
Leverage ratio	6,61%	6,33%

(\*) The arithmetic average of the last 3 months in the related periods.

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK (Continued):**

**VIII. EXPLANATIONS ON HEDGE TRANSACTIONS:**

As of 31 March 2021, The Bank applies cash flow hedge accounting using interest swaps to hedge its FC deposits with an average maturity up to 3 months against interest rate fluctuations. The Bank implements effectiveness tests at the balance sheet dates for hedge accounting; the effective parts are accounted as defined in TFRS 9, in financial statements under equity “Hedging Funds”, whereas the amount concerning ineffective parts is associated with the statement of profit or loss.

As of the balance sheet date derivative financial assets of which carrying amount is TL 845.840 (31 December 2020: TL 554.469) and derivative financial payables of which carrying amount is TL 99.857 (31 December 2020: TL 94.972), are subject to hedge accounting as hedging instruments. As a result of the mentioned hedge accounting, fair value income amounting to TL 97.825 (31 December 2020: TL 21.901 fair value income) after tax is recognized under the equity in the current period. Ineffective part is not available (31 December 2020: None).

Hedging Instrument	Hedging Subject	Exposed Risk	Hedging Instruments Fair Value		Hedging Funds (*)	Ineffective Part Accounted in the Statement of Profit or Loss(Net)
			Assets	Liabilities		
Cross Currency Swap	Floating rate up to 3 month maturity FC deposits	Cash flow risk of changes in market interest rates	845.177	90.009	104.684	-
Interest Rate Swap	Floating rate up to 3 month maturity FC deposits	Cash flow risk of changes in market interest rates	663	9.848	(17.096)	-

(\*) Includes TAS 27 impacts and describes after tax amounts.

When hedge accounting of cash flow hedges cannot be maintained effectively as defined in TFRS 9, the accounting application is ended. In case of deterioration of efficiency, the effective amounts, which are recognized under the equity due to the risk hedge accounting, are eliminated from equities in the periods or periods, when cash flow effects profit and losses (periods, when interest income or expenses are recognized) as re-classification adjustment and then it is re-classified in the profit and loss. There is no amount, which is transferred to statement of profit or loss due to the swaps, of which effectiveness is damaged or closed in the current period (31 December 2020: None).

The measurements conducted as of 31 March 2021 show that the cash flow hedging transactions shown above are effective.



**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK (Continued):**

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

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.

**X. EXPLANATIONS ON OPERATING SEGMENTS:**

The Bank manages its banking operations through three main business units; Retail banking, corporate and commercial banking and treasury.

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

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

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

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

The prior period information is presented as of 31 December 2020 for balance sheet and 31 March 2021 for income statement items.

	<b>Retail Bank</b>	<b>Corporate and Commercial Banking</b>	<b>Treasury</b>	<b>Other and Unclassified</b>	<b>Total Operations of the Bank</b>
<b>31 March 2021</b>					
Net Interest Income	30.606	88.735	(13.823)	-	105.518
Net Fees and Commissions	-	6.172	-	-	6.172
Trading Profit/Loss	8.247	1.472	48.215	-	57.934
Other Operating Income	-	28.419	-	-	28.419
<b>Operating Income</b>	<b>38.853</b>	<b>124.798</b>	<b>34.392</b>	<b>-</b>	<b>198.043</b>
<b>Operating Costs (-)</b>	<b>24.099</b>	<b>89.899</b>	<b>11.317</b>	<b>26.482</b>	<b>151.797</b>
<b>Net Operating Income</b>	<b>14.754</b>	<b>34.899</b>	<b>23.075</b>	<b>(26.482)</b>	<b>46.246</b>
Dividend Income	-	-	-	-	-
Income/Loss from subsidiaries based on equity method	-	-	-	13.919	13.919
<b>Profit Before Tax</b>	<b>14.754</b>	<b>34.899</b>	<b>23.075</b>	<b>(12.563)</b>	<b>60.165</b>
Tax Provisions (-)	2.950	6.980	4.615	(4.913)	9.632
<b>Net Profit/Loss</b>	<b>11.804</b>	<b>27.919</b>	<b>18.460</b>	<b>(7.650)</b>	<b>50.533</b>
Segment Assets	2.042.741	15.863.286	4.687.327	-	22.593.354
Investments in associates, subsidiaries and joint ventures	-	-	-	583.767	583.767
Unallocated Assets	-	-	-	1.094.867	1.094.867
<b>Total Assets</b>	<b>2.042.741</b>	<b>15.863.286</b>	<b>4.687.327</b>	<b>1.678.634</b>	<b>24.271.988</b>
Segments Liabilities	11.248.124	3.613.075	5.547.419	1.702.218	22.110.836
Unclassified Liabilities	-	-	-	2.161.152	2.161.152
<b>Total Liabilities</b>	<b>11.248.124</b>	<b>3.613.075</b>	<b>5.547.419</b>	<b>3.863.370</b>	<b>24.271.988</b>

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK (Continued):**

**X. EXPLANATIONS ON OPERATING SEGMENTS (Continued):**

<b>31 March 2020</b>	<b>Retail Bank</b>	<b>Corporate and Commercial Banking</b>	<b>Treasury</b>	<b>Other and Unclassified</b>	<b>Total Operations of the Bank</b>
Net Interest Income	23.529	97.121	31.841	-	152.491
Net Fees and Comissions	1.630	7.919	-	-	9.549
Commercial Profit/Loss	6.268	795	6.558	-	13.621
Other Operating Income	921	4.536	-	-	5.457
<b>Operating Income</b>	<b>32.348</b>	<b>110.371</b>	<b>38.399</b>	<b>-</b>	<b>181.118</b>
<b>Operating Costs (-)</b>	<b>25.909</b>	<b>98.588</b>	<b>9.659</b>	<b>41.976</b>	<b>176.132</b>
<b>Net Operating Income</b>	<b>6.439</b>	<b>11.783</b>	<b>28.740</b>	<b>(41.976)</b>	<b>4.986</b>
Dividend Income	-	-	-	-	-
Income/Loss from subsidiaries based on equity method	-	-	-	8.303	8.303
<b>Profit Before Tax</b>	<b>6.439</b>	<b>11.783</b>	<b>28.740</b>	<b>(33.673)</b>	<b>13.289</b>
Tax Provisions (-)	1.417	2.579	6.323	(9.426)	893
<b>Net Profit / Loss</b>	<b>5.022</b>	<b>9.204</b>	<b>22.417</b>	<b>(24.247)</b>	<b>12.396</b>
Segment Assets	1.876.080	16.039.165	3.575.776	-	21.491.021
Investments in associates, subsidiaries and joint ventures	-	-	-	548.560	548.560
Unallocated Assets	-	-	-	1.084.066	1.084.066
<b>Total Assets</b>	<b>1.876.080</b>	<b>16.039.165</b>	<b>3.575.776</b>	<b>1.632.626</b>	<b>23.123.647</b>
Segments Liabilities	11.307.269	2.435.085	6.440.907	1.270.329	21.453.590
Unclassified Liabilities	-	-	-	1.670.057	1.670.057
<b>Total Liabilities</b>	<b>11.307.269</b>	<b>2.435.085</b>	<b>6.440.907</b>	<b>2.940.386</b>	<b>23.123.647</b>

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

(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 Central Bank of the Republic of Turkey (“CBRT”):**

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

	31 March 2021		31 December 2020	
	TL	FC	TL	FC
Cash/Foreign currency	17.009	494.516	18.805	376.722
CBRT	230.989	3.042.159	217.995	2.637.422
Other	-	12.136	-	19.637
<b>Total</b>	<b>247.998</b>	<b>3.548.811</b>	<b>236.800</b>	<b>3.033.781</b>

2. Information on the account of the CBRT:

	31 March 2021		31 December 2020	
	TL	FC	TL	FC
Demand Unrestricted Amount	230.989	1.011.632	217.995	915.591
Time Unrestricted Amount	-	390.752	-	136.746
Time Restricted Amount	-	1.639.775	-	1.585.085
<b>Total</b>	<b>230.989</b>	<b>3.042.159</b>	<b>217.995</b>	<b>2.637.422</b>

3. Information on reserve requirements:

In accordance with the “Communiqué Regarding Reserve Requirements” No. 2013/15, the Bank is required to maintain reserves in CBRT for TL and foreign currency liabilities. According to the “Communiqué Regarding Reserve Requirements”, reserve requirements in CBRT can be maintained as TL, USD, EUR and standard gold. As of 19 September 2019, interest on foreign currency reserve deposits is not paid. As for Turkish lira denominated required reserves, 13,5% interest is paid as of 5 March 2021.

As of 31 March 2021, the valid TL required reserve rates vary between 3% and 8% according to their maturities (31 December 2020: Between 1% and 6%). The valid foreign currency required reserve rates vary between 5% and 22% according to their maturities (31 December 2020: Between 5% and 22%).

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

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

**I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued):**

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

1. Financial assets at fair value through profit / loss given as collateral / blocked:

As of 31 March 2021, there are no assets given as collateral/blocked to financial assets at fair value through profit or loss (31 December 2020: None).

2. Financial assets at fair value through profit / loss subject to repo transactions:

As of 31 March 2021, there is no amount subject to repo transactions from financial assets at fair value through profit or loss (31 December 2020: None).

**c. Information on banks:**

1. Information on banks:

	31 March 2021		31 December 2020	
	TL	FC	TL	FC
<b>Banks</b>				
Domestic	483	248.834	15.528	3.713
Foreign	-	227.822	-	68.516
Headquarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>483</b>	<b>476.656</b>	<b>15.528</b>	<b>72.229</b>

**d. Information on Financial Assets at Fair Value Through Other Comprehensive Income:**

1. Financial assets at fair value through other comprehensive income given as collateral:

As of 31 March 2021, there are TL 106.154 financial assets at fair value through other comprehensive income given as collateral/blocked (31 December 2020: TL 58.080).

2. Financial assets at fair value through other comprehensive income subject to repo transactions:

As of 31 March 2021, there are TL 3.486 financial assets at fair value through other comprehensive income subject to repurchase agreements (31 December 2020: TL 3.711).

3. Information on financial assets at fair value through other comprehensive income:

	31 March 2021	31 December 2020
Debt Securities	284.436	400.296
Quoted on Stock Exchange	284.436	400.296
Not Quoted	-	-
Share Certificates	7.674	7.674
Quoted on Stock Exchange	-	-
Not Quoted	7.674	7.674
Impairment Provision (-)	7.779	956
<b>Total</b>	<b>284.331</b>	<b>407.014</b>

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

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

**I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued):**

**e. Explanations on loans:**

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

	31 March 2021		31 December 2020	
	Cash	Non-cash	Cash	Non-cash
Direct Loans Granted to Shareholders	-	8.187	-	12.944
Corporate Shareholders	-	8.187	-	12.944
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees	3.972	-	4.238	-
<b>Total</b>	<b>3.972</b>	<b>8.187</b>	<b>4.238</b>	<b>12.944</b>

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

i.

Cash Loans	Standard Loans	Loans Under Close Monitoring		
		Loans Not Subject to Restructuring	Loans with Revised Contract Terms	Re-finance
Non-Specialized Loans	12.523.495	1.330.581	1.659.881	-
Loans given to enterprises	-	-	-	-
Export Loans	327.840	-	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	1.664.288	-	-	-
Consumer Loans	210.972	11.299	13.057	-
Credit Cards	-	-	-	-
Other	10.320.395	1.319.282	1.646.824	-
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Total</b>	<b>12.523.495</b>	<b>1.330.581</b>	<b>1.659.881</b>	<b>-</b>

ii.

	Standard Loans	Loans Under Close Monitoring
<b>General Provisions</b>	<b>27.156</b>	<b>680.433</b>
12 Month Expected Credit Losses	27.156	-
Significant Increase in Credit Risk	-	680.433

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

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

**I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued):**

**e. Explanations on loans (Continued):**

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

	Short-term	Medium and Long-term	Total
<b>Consumer Loans-TL</b>	<b>8.385</b>	<b>211.952</b>	<b>220.337</b>
Real estate loans		51.383	51.383
Automotive loans	7	2.709	2.716
Consumer loans	8.378	157.860	166.238
Other	-	-	-
<b>Consumer Loans-FC Indexed</b>			
Real estate loans			
Automotive loans			
Consumer loans			
Other			
<b>Consumer Loans-FC</b>		<b>5.920</b>	<b>5.920</b>
Real estate loans		5.920	5.920
Automotive loans			
Consumer loans			
Other			
<b>Individual Credit Cards-TL</b>			
With installments			
Without installments			
<b>Individual Credit Cards-FC</b>			
With installments			
Without installments			
<b>Personnel Loans-TL</b>	<b>252</b>	<b>3.720</b>	<b>3.972</b>
Real estate loans			
Automotive loans			
Consumer loans	252	3.720	3.972
Other			
<b>Personnel Loans-FC Indexed</b>			
Real estate loans			
Automotive loans			
Consumer loans			
Other			
<b>Personnel Loans-FC</b>			
Real estate loans			
Automotive loans			
Consumer loans			
Other			
<b>Personnel Credit Cards-TL</b>			
With installments			
Without installments			
<b>Personnel Credit Cards-FC</b>			
With installments			
Without installments			
<b>Credit Deposit Account-TL (Real Person)</b>	<b>5.099</b>		<b>5.099</b>
<b>Credit Deposit Account-FC (Real Person)</b>			
<b>Total</b>	<b>13.736</b>	<b>221.592</b>	<b>235.328</b>

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

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

**(Continued):**

**I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued):**

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

	Short-term	Medium and long-term	Total
<b>Commercial Installments Loans-TL</b>	<b>342.299</b>	<b>1.292.740</b>	<b>1.635.039</b>
Real estate Loans	-	-	-
Automotive Loans	-	827	827
Consumer Loans	342.299	1.291.913	1.634.212
Other	-	-	-
<b>Commercial Installments Loans-FC Indexed</b>	<b>-</b>	<b>89.064</b>	<b>89.064</b>
Real estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	89.064	89.064
Other	-	-	-
<b>Commercial Installments Loans-FC</b>	<b>31.181</b>	<b>7.075.153</b>	<b>7.106.334</b>
Real estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	31.181	7.075.153	7.106.334
Other	-	-	-
<b>Corporate Credit Cards-TL</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installments	-	-	-
Without installments	-	-	-
<b>Corporate Credit Cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installments	-	-	-
Without installments	-	-	-
<b>Credit Deposit Account-TL (Legal Person)</b>	<b>6.072</b>	<b>-</b>	<b>6.072</b>
<b>Credit Deposit Account-FC (Legal Person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>379.552</b>	<b>8.456.957</b>	<b>8.836.509</b>

5. Loans according to types of borrowers:

	31 March 2021	31 December 2020
Public	265.360	182.698
Private	15.248.597	15.468.043
<b>Total</b>	<b>15.513.957</b>	<b>15.650.741</b>

6. Distribution of domestic and foreign loans:

	31 March 2021	31 December 2020
Domestic Loans	15.513.485	15.650.276
Foreign Loans	472	465
<b>Total</b>	<b>15.513.957</b>	<b>15.650.741</b>

7. Loans given to associates and subsidiaries:

None (31 December 2020: None).

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

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

**I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued):**

8. Specific provisions provided against loans:

	31 March 2021	31 December 2020
Loans with Limited Collectability	95.018	98.377
Loans with Doubtful Collectability	393.716	294.996
Uncollectible Loans	276.210	276.291
<b>Total</b>	<b>764.944</b>	<b>669.664</b>

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

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

	Group III	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
<b>31 March 2021</b>			
Gross amounts before the Provisions	-	-	-
Restructured Loans	-	-	18.950
<b>31 December 2020</b>			
Gross amounts before the Provisions	-	-	-
Restructured Loans	-	-	21.343

ii. Information on the movement of total non-performing loans:

	Group III	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
<b>Prior Period End Balance</b>	<b>223.439</b>	<b>782.901</b>	<b>865.138</b>
Additions (+)	206.338	8.775	2.349
Transfers from Other Categories of Non-performing Loans (+)	-	211.975	1.119
Transfers to Other Categories of Non-performing Loans (-)	211.975	1.119	-
Collections (-)	5.405	121.786	22.127
Write-offs (-)	-	-	-
Sold Portfolio (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
<b>Balance at the End of the Period</b>	<b>212.397</b>	<b>880.746</b>	<b>846.479</b>
<b>Specific Provision (-)</b>	<b>95.018</b>	<b>393.716</b>	<b>276.210</b>
<b>Net Balance on Balance Sheet</b>	<b>117.379</b>	<b>487.030</b>	<b>570.269</b>



**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

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

**I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued):**

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

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

	<b>Group III Loans with limited collectability</b>	<b>Group IV Loans with doubtful collectability</b>	<b>Group V Uncollectible loans</b>
<b>31 March 2021</b>			
Period-End Balance	164.120	813.749	268.698
Specific Provision (-)	73.980	361.443	110.226
<b>Net Balance on balance sheet</b>	<b>90.140</b>	<b>452.306</b>	<b>158.472</b>
<b>31 December 2020</b>			
Period-End Balance	217.685	688.633	271.847
Specific Provision (-)	97.352	263.876	109.152
<b>Net Balance on balance sheet</b>	<b>120.333</b>	<b>424.757</b>	<b>162.695</b>

iv. Information on gross and net amounts of non-performing loans based on types of borrowers:

	<b>Group III Loans with limited collectability</b>	<b>Group IV Loans with doubtful collectability</b>	<b>Group V Uncollectible loans</b>
<b>31 March 2021</b>			
<b>Current Period (Net)</b>	<b>117.379</b>	<b>487.030</b>	<b>570.269</b>
Loans Given to Real Persons and Legal Persons (Gross)	212.397	880.746	846.479
Provision Amount (-)	95.018	393.716	276.210
Loans Given to Real Persons and Legal Persons (Net)	117.379	487.030	570.269
Banks (Gross)	-	-	-
Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	-
Provision Amount (-)	-	-	-
Other Loans (Net)	-	-	-
<b>Prior Period (Net)</b>	<b>125.062</b>	<b>487.905</b>	<b>588.847</b>
Loans Given to Real Persons and Legal Persons (Gross)	223.439	782.901	865.138
Provision Amount (-)	98.377	294.996	276.291
Loans Given to Real Persons and Legal Persons (Net)	125.062	487.905	588.847
Banks (Gross)	-	-	-
Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	-
Provision Amount (-)	-	-	-
Other Loans (Net)	-	-	-

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

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

**I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued):**

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

v. Information on the calculation of interest accruals, valuation differences and their provisions for non-performing loans by banks which allocate expected credit losses according to TFRS 9:

	<b>Group III</b>	<b>Group IV</b>	<b>Group V</b>
	<b>Loans with limited collectability</b>	<b>Loans with doubtful collectability</b>	<b>Uncollectible loans</b>
<b>Current Period (Net)</b>	<b>3.135</b>	<b>19.671</b>	<b>75.365</b>
Interest Accruals and Valuation Differences	6.288	36.697	128.656
Provision Amount (-)	3.153	17.026	53.291
<b>Prior Period (Net)</b>	<b>4.918</b>	<b>18.023</b>	<b>75.319</b>
Interest Accruals and Valuation Differences	8.766	28.553	128.608
Provision Amount (-)	3.848	10.530	53.289

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

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

11. Explanations of the write-off policy:

Within the scope of the amendment to the Banking Act, the Regulation on the Classification of Loans and the Procedures and Principles for the provisions to be allocated for them were also amended;

- Classified under Fifth Group-Uncollectible Loans,
- Part of the borrower's default for the lifetime expected credit losses or if there are no reasonable expectations for the recover of loans allocated in specific provision,
- From the first reporting period (interim or year-end reporting period) following their classification in the group,

It has been allowed to be written-off from the accounts under TFRS 9.

Accordingly, non-performing loans are tracked in off-balance sheet accounts by writing-off the records. This transaction is an accounting application that allows the transfer of the legal proceeding balance to the off-balance sheet by removing it from asset accounts and not the result of the Bank giving up the right to credit.

It is not compulsory that the entire receivable for collecting from registration has no possibility to collect, but it is possible to remove the part that does not have partial collection possibility from the assets.

In order to write-off any legal proceedings from the account;

- Classified under Fifth Group (Uncollectible Loans),
- 100% provision for the portion of the account balance that will be written-off,
- Either the legal proceedings to be continued or to be started,

must be met.

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

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

**I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued):**

11. Explanations of the write-off policy (Continued):

Provisions allocated for amounts written-off from the accounts are considered "expense" in terms of tax legislation. The write-off process is only an accounting process and will continue the legal proceedings for the collection of the Bank's receivables. After the writing-off process, the balance in the off-balance sheet accounts will be collected for the part of the debt that is written-off from the account in full or part of the collection by agreeing with the borrower and the debtor's request.

As of 31 March 2021, the Bank has no written-off liabilities (31 December 2020: None).

**f. Information on financial assets measured at amortized cost:**

1. Information on financial assets valued at amortized cost subject to repurchase agreements:

	31 March 2021		31 December 2020	
	TL	FC	TL	FC
Bonds	-	-	-	-
Bonds and Similar Securities	-	170.041	-	304.621
Other	-	-	-	-
<b>Total</b>	-	<b>170.041</b>	-	<b>304.621</b>

2. Information on financial assets measured at amortized cost given as collateral/blocked:

	31 March 2021		31 December 2020	
	TL	FC	TL	FC
Bonds	-	-	-	-
Bonds and Similar Securities	-	231.621	-	205.782
Other	-	-	-	-
<b>Total</b>	-	<b>231.621</b>	-	<b>205.782</b>

3. Information on government debt securities measured at amortized cost:

	31 March 2021		31 December 2020	
	TL	FC	TL	FC
Government Bond	-	542.312	-	510.403
Treasury Bond	-	-	-	-
Other Public Debt Securities	-	-	-	-
<b>Total</b>	-	<b>542.312</b>	-	<b>510.403</b>

4. Information on financial assets measured at amortized cost:

	31 March 2021		31 December 2020	
	TL	FC	TL	FC
Debt securities	-	542.312	-	510.403
Publicly-traded	-	542.312	-	510.403
Not publicly-traded	-	-	-	-
Provision for impairment (-)	-	-	-	-
<b>Total</b>	-	<b>542.312</b>	-	<b>510.403</b>

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

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

**I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued):**

**g. Information on financial assets measured at amortized cost (Continued):**

5. Movement of financial assets measured at amortized cost within the period:

	31 March 2021	31 December 2020
Opening balance	510.403	262.923
Foreign exchange differences in monetary assets	68.091	79.706
Purchases during the year	129.112	167.774
Disposals through Sales and Redemptions	165.294	-
Value decrease equivalent (-)	-	-
<b>Period end balance</b>	<b>542.312</b>	<b>510.403</b>

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

None (31 December 2020: None).

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

1. Information on unconsolidated subsidiaries:

None (31 December 2020: None).

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

None (31 December 2020: None).

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

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

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

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/ Loss	Fair value
1	4.009.517	423.430	453.679	99.361	-	8.788	6.543	-
2	215.449	160.422	4.816	7.428	5	5.131	1.760	-

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

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

**I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued):**

**i. Information on subsidiaries (Net) (Continued):**

5. Movement schedules of consolidated subsidiaries:

	31 March 2021	31 December 2020
<b>Balance at the beginning of the Period</b>	<b>548.560</b>	<b>523.728</b>
<b>Movements during the Period</b>	<b>35.207</b>	<b>24.832</b>
Purchases	-	-
Bonus Shares Obtained	-	-
Dividends from Current Year Income (*)	13.919	31.299
Sales	-	-
Revaluation Increase/Decrease (*)	21.288	(6.467)
Impairment Provision	-	-
<b>Balance at the end of the Period</b>	<b>583.767</b>	<b>548.560</b>
<b>Capital Commitments</b>	<b>-</b>	<b>-</b>
<b>Share Percentage at the end of the Period (%)</b>	<b>99,99%</b>	<b>99,99%</b>

(\*) Includes the increases occurred as a result of the application of the equity method in accordance with TAS 27 disclosed.

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

Subsidiaries	31 March 2021	31 December 2020
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	500.421	470.345
Finance Companies	-	-
Other Financial Subsidiaries	83.346	78.215
<b>Total</b>	<b>583.767</b>	<b>548.560</b>

7. Subsidiaries quoted on stock exchange:

None (31 December 2020: None).

**j. Information on jointly controlled partnerships (Joint Ventures):**

None (31 December 2020: None).

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

None (31 December 2020: None).

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

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

**I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued):**

**1. Information on derivative financial assets:**

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

	31 March 2021		31 December 2020	
	TL	FC	TL	FC
Forward Transactions	5.553	2.997	2.441	4.879
Swap Transactions	270.858	136.332	143.179	132.365
Futures Transactions	5.168	-	-	-
Options	452	21.456	1.162	1.636
Other	-	-	-	-
<b>Total</b>	<b>282.031</b>	<b>160.785</b>	<b>146.782</b>	<b>138.880</b>

2. Information on derivative financial assets at fair value through other comprehensive income:

	31 March 2021		31 December 2020	
	TL	FC	TL	FC
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	830.649	15.191	553.532	937
Foreign Net Investment Hedge	-	-	-	-
<b>Total</b>	<b>830.649</b>	<b>15.191</b>	<b>553.532</b>	<b>937</b>

**m. Information on investment property:**

None (31 December 2020: None).

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

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

**I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued):**

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

As of 31 March 2021, Bank has netted-off the calculated deferred tax asset of TL 241.788 (31 December 2020: TL 162.492) and deferred tax liability of TL 176.169 (31 December 2020: TL 70.735) in accordance with “TAS 12” and has recorded a net deferred tax asset of TL 65.619 (31 December 2020: TL 91.757 net deferred tax assets) in the financial statements.

As of 31 March 2021 and 31 December 2020, the details of accumulated temporary differences and deferred tax assets and liabilities are presented below:

	Accumulated Temporary Differences		Deferred Tax Assets/Liabilities	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
Carried Financial Loss	418.948	-	83.790	-
Provision for Legal Cases	8.635	8.939	1.727	1.788
General Provisions and Other Provisions	722.058	749.547	144.412	149.909
Reserve for Employee Rights	29.178	25.604	5.836	5.121
Unearned Revenue	26.090	28.370	5.219	5.674
Other	4.021	-	804	-
<b>Deferred Tax Assets</b>	<b>1.208.930</b>	<b>812.460</b>	<b>241.788</b>	<b>162.492</b>
Difference Between Book Value and Tax Base of Tangible and Intangible Assets	16.338	40.138	662	5.422
Valuation Differences of Derivative Instruments	877.535	318.663	175.507	63.733
Other	-	7.901	-	1.580
<b>Deferred Tax Liabilities</b>	<b>893.873</b>	<b>366.702</b>	<b>176.169</b>	<b>70.735</b>
<b>Deferred Tax Assets/(Liabilities) (Net)</b>			<b>65.619</b>	<b>91.757</b>

Movement of deferred tax asset/liabilities is presented below:

	31 March 2021	31 December 2020
<b>Balance as of 1 January</b>	<b>91.757</b>	<b>44.480</b>
Current year deferred tax income/(expense), net	(9.632)	61.521
Deferred tax charged to equity, net (*)	(16.506)	(14.244)
<b>Balance at the End of the Period</b>	<b>65.619</b>	<b>91.757</b>

(\*) Deferred tax accounted in equity due to the effects of TAS 27 amounts to TL 5.322.

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

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

**I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued):**

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

The Bank has assets held for resale amounting to TL 577.283 (31 December 2020: TL 495.818) and has no discontinued operations.

<b>Prior Period</b>	<b>31 March 2021</b>	<b>31 December 2020</b>
Cost	496.182	408.604
Accumulated Depreciation (-)	364	428
<b>Net Book Value</b>	<b>495.818</b>	<b>408.176</b>
<b>Current Period</b>		
Net book value at beginning of the period	495.818	408.176
Additions	117.919	172.268
Disposals (-), net	36.454	84.260
Impairment (-)	-	366
Depreciation (-)	-	-
Cost	577.644	496.182
Accumulated Depreciation (-)	361	364
<b>Closing Net Book Value</b>	<b>577.283</b>	<b>495.818</b>

**p. Information on other assets:**

Other assets amount to TL 269.959 (31 December 2020: TL 315.947) and 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)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

(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 March 2021:

	Demand	With 7 days notifications	Up to 1 month	1-3 months	3-6 months	6 months -1 year	1 year and over	Accumulated Deposit	Total
Saving Deposits	57.287	-	556.130	2.651.474	178.341	136.434	391.201	-	3.970.867
Foreign Currency Deposits	751.818	-	1.039.021	7.621.917	322.284	143.921	57.295	-	9.936.256
Residents in Turkey	701.945	-	998.477	7.534.707	317.464	139.252	44.643	-	9.736.488
Residents Abroad	49.873	-	40.544	87.210	4.820	4.669	12.652	-	199.768
Public Sector Deposits	30.556	-	-	-	-	-	-	-	30.556
Commercial Deposits	122.961	-	296.219	456.563	19.724	12.308	13.306	-	921.081
Other Institutions Deposits	5.911	-	5.382	12.836	429	-	31.377	-	55.935
Precious Metal Deposits	19.276	-	-	-	-	-	-	-	19.276
Bank Deposits	19.834	-	150.078	-	78.212	-	-	-	248.124
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	450	-	150.078	-	-	-	-	-	150.528
Foreign Banks	19.384	-	-	-	78.212	-	-	-	97.596
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1.007.643</b>	<b>-</b>	<b>2.046.830</b>	<b>10.742.790</b>	<b>598.990</b>	<b>292.663</b>	<b>493.179</b>	<b>-</b>	<b>15.182.095</b>

ii. 31 December 2020:

	Demand	With 7 days notifications	Up to 1 month	1-3 months	3-6 months	6 months -1 year	1 year and over	Accumulated Deposit	Total
Saving Deposits	64.374	-	408.687	2.463.424	120.609	36.776	128.231	4	3.222.105
Foreign Currency Deposits	732.870	-	665.370	7.961.569	279.388	57.809	59.593	-	9.756.599
Residents in Turkey	698.258	-	614.103	7.877.919	273.774	56.527	39.673	-	9.560.254
Residents Abroad	34.612	-	51.267	83.650	5.614	1.282	19.920	-	196.345
Public Sector Deposits	28.353	-	-	-	-	-	-	-	28.353
Commercial Deposits	98.580	-	145.013	463.169	86	2.676	175	-	709.699
Other Institutions Deposits	1.820	-	32.035	4.797	352	-	30.097	-	69.101
Precious Metal Deposits	19.364	-	-	-	-	-	-	-	19.364
Bank Deposits	26.979	-	37.097	72.990	-	-	-	-	137.066
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	1.097	-	37.097	-	-	-	-	-	38.194
Foreign Banks	25.882	-	-	72.990	-	-	-	-	98.872
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>972.340</b>	<b>-</b>	<b>1.288.202</b>	<b>10.965.949</b>	<b>400.435</b>	<b>97.261</b>	<b>218.096</b>	<b>4</b>	<b>13.942.287</b>

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

(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 (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 March 2021	31 December 2020	31 March 2021	31 December 2020
<b>Saving Deposits</b>				
Saving Deposits	1.525.728	1.276.718	2.445.139	1.945.387
Foreign Currency Savings Deposit	703.955	756.960	6.092.924	5.472.613
Other Deposits in the Form of Savings Deposits	6.485	5.956	12.791	13.408
Foreign Branches’ Deposits Under Foreign Authorities’ Insurance	-	-	-	-
Off-shore Banking Regions’ Deposits Under Foreign Authorities’ Insurance	-	-	-	-
<b>Total</b>	<b>2.236.168</b>	<b>2.039.634</b>	<b>8.550.854</b>	<b>7.431.408</b>

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

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

	31 March 2021	31 December 2020
Deposits and Other Accounts in Foreign Branches	-	-
Deposits and Other Accounts of Main Shareholders and their Families	-	-
Deposits and Other Accounts of President of Board of Directors, Members of Board of Directors, Vice General Managers and Their Families	14.164	16.763
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 September 2004	-	-
Deposits in Banks Incorporated in Turkey Exclusively for Off-shore Banking Operations	-	-
<b>Total</b>	<b>14.164</b>	<b>16.763</b>

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

None. (31 December 2020: None).

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

(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 (Continued):**

**c. Information on borrowings:**

1. Information on banks and other financial institutions:

	31 March 2021		31 December 2020	
	TL	FC	TL	FC
CBRT Borrowings	-	-	-	-
From Domestic Banks and Institutions	32.431	36.879	39.279	37.976
From Foreign Banks, Institutions and Funds	-	2.155.244	-	3.200.680
<b>Total</b>	<b>32.431</b>	<b>2.192.123</b>	<b>39.279</b>	<b>3.238.656</b>

2. Information on maturity structure of borrowings:

	31 March 2021		31 December 2020	
	TL	FC	TL	FC
Short-term	32.431	372.496	39.279	374.550
Medium and Long-term	-	1.819.627	-	2.864.106
<b>Total</b>	<b>32.431</b>	<b>2.192.123</b>	<b>39.279</b>	<b>3.238.656</b>

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

The Bank’s main funding sources are deposits and borrowings. As of 31 March 2021, deposits and borrowings from Bank’s risk group comprise 1,63% (31 December 2020: 2,08%) of total deposits. Besides this, Borrowings from Bank’s risk group comprise 52,91% (31 December 2020: 58,72%) of subordinated and other borrowings.

**d. Information on marketable securities issued:**

None (31 December 2020: None).

**e. Information on other liabilities:**

Other foreign liabilities amounting to TL 1.259.695 (31 December 2020: TL 761.651) do not exceed 10% of the total of the balance sheet excluding off-balance sheet commitments.

**f. Information on lease payables:**

	31 March 2021		31 December 2020	
	Gross	Net	Gross	Net
Less Than 1 Year	1.092	1.026	937	924
Between 1-4 Years	25.244	20.216	19.852	15.912
More Than 4 Years	81.681	60.873	79.451	58.036
<b>Total</b>	<b>108.017</b>	<b>82.115</b>	<b>100.240</b>	<b>74.872</b>

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

(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 (Continued):**

**g. Information on derivative financial liabilities:**

1. Information on derivative financial liabilities at fair value through profit or loss:

Trading Derivative Financial Liabilities	31 March 2021		31 December 2020	
	TL	FC	TL	FC
Forward Transactions	12.816	2.669	1.907	1.916
Swap Transactions	189.951	104.021	250.277	203.683
Futures Transactions	2.364	-	-	-
Options	104	28.441	-	2.064
Other	-	-	-	-
<b>Total</b>	<b>205.235</b>	<b>135.131</b>	<b>252.184</b>	<b>207.663</b>

2. Information on derivative financial liabilities at fair value through other comprehensive income:

	31 March 2021		31 December 2020	
	TL	FC	TL	FC
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	59.436	40.421	56.399	38.573
Foreign Net Investment Hedge	-	-	-	-
<b>Total</b>	<b>59.436</b>	<b>40.421</b>	<b>56.399</b>	<b>38.573</b>

**h. Information on provisions:**

1. Information on reserve for employment termination benefits:

Under the Turkish Labor 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 to the working period before retirement were enacted.

The payment amount that is one month's salary for each working year is restricted to TL 7.638,96 since 1 January 2021 (31 December 2020: TL 7.117,17). Employment termination benefits are not funded, as there is no funding requirement.

In accordance with Turkish Labor Law, the reserve has been calculated by estimating the present value of the future probable obligation of the Bank 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 are used in the calculation of total liabilities.

	31 March 2021	31 December 2020
Discount rate (%)	3,01	3,01
Salary increase rate (%)	9,50	9,50
Average remaining work period (Year)	11,22	11,22

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

(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 (Continued):**

**h. Information on provisions (Continued):**

Movement of reserve for employment termination benefits during the period:

	<b>31 March 2021</b>	<b>31 December 2020</b>
Prior period balance	22.186	18.670
Service cost	2.063	3.006
Interest cost	-	1.996
Settlement cost	-	76
Actuarial loss/gain	-	396
Benefits paid (-)	713	1.958
<b>Total</b>	<b>23.536</b>	<b>22.186</b>

In addition, as of 31 March 2021 the Bank has accounted for vacation rights provision and personnel bonus provision amounting to TL 9.730 (31 December 2020: TL 16.744).

**2. Other Provisions:**

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

The provisions related to foreign currency differences of foreign indexed loans calculated as of the balance sheet date have been netted-off from the loan amount in the financial statements, and there is no the provision related to foreign currency differences of foreign indexed loans (31 December 2020: None).

**ii. Information on other provisions:**

The Bank set aside general reserves under other provisions amounting to TL 195.000 (31 December 2020: TL 195.000), TL 19.455 (31 December 2020: TL 68.408) for provisions for non-cash loans and commitments that are not converted to cash and not indemnified, TL 9.435 for the provision for other (31 December 2020: TL 24.939).

**i. Information on taxes payable:**

**1. Information on tax provision:**

As of 31 March 2021, there is no corporate tax provision (31 December 2020: TL 13.461).

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

(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 (Continued):**

**i. Information on taxes payable (Continued):**

2. Information on taxes payable:

	<b>31 March 2021</b>	<b>31 December 2020</b>
Corporate Tax Payable	-	13.461
Taxation of Marketable Securities	9.720	8.958
Property Tax	131	36
Banking Insurance Transaction Tax	9.023	12.149
Foreign Exchange Transaction Tax	471	237
Value Added Tax Payable	1.153	651
Other	5.561	4.301
<b>Total</b>	<b>26.059</b>	<b>39.793</b>

3. Information on premium payables:

	<b>31 March 2021</b>	<b>31 December 2020</b>
Social Security Premiums-Employee	1.825	1.618
Social Security Premiums-Employer	2.166	1.916
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	125	111
Unemployment Insurance-Employer	249	221
Other	56	-
<b>Total</b>	<b>4.421</b>	<b>3.866</b>

4. Explanations on deferred tax asset/liability:

As of 31 March 2021, the Bank has netted-off the calculated deferred tax asset of TL 241.788 (31 December 2020: TL 162.492) and deferred tax liability of TL 176.169 (31 December 2020: TL 70.735) in accordance with “TAS 12” and has recorded a net deferred tax asset of TL 65.619 (31 December 2020: TL 91.757 net deferred tax asset) in the financial statements.

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

(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 (Continued):**

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

None (31 December 2020: None).

**k. Information on subordinated debt instruments:**

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

Issuing Institution	Amount	Opening Date	Maturity Date	Interest Rate (%)
Burgan Bank K.P.S.C. (Main Shareholder)	USD 100.000.000	6 December 2013	4 December 2023	LIBOR+3,75
Burgan Bank K.P.S.C. (Main Shareholder)	USD 150.000.000	30 March 2016	30 March 2026	LIBOR+3,75
Burgan Bank K.P.S.C. (Main Shareholder)	USD 50.000.000	22 February 2021	Indefinite	-

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

	31 March 2021		31 December 2020	
	TL	FC	TL	FC
Domestic Banks	-	-	-	-
Other Domestic Institutions	-	-	-	-
Foreign Banks	-	2.499.783	-	2.228.521
Other Foreign Institutions	-	-	-	-
<b>Total</b>	-	<b>2.499.783</b>	-	<b>2.228.521</b>

	31 March 2021		31 December 2020	
	TL	FC	TL	FC
<b>Debt Instruments Subject to Common Equity</b>	-	<b>416.290</b>	-	-
Subordinated Loans	-	416.290	-	-
Subordinated Debt Instruments	-	-	-	-
<b>Debt Instruments Subject to Tier 2 Equity</b>	-	<b>2.083.493</b>	-	<b>2.228.521</b>
Subordinated Loans	-	2.083.493	-	2.228.521
Subordinated Debt Instruments	-	-	-	-
<b>Total</b>	-	<b>2.499.783</b>	-	<b>2.228.521</b>

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

(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 (Continued):**

**I. Information on shareholders' equity:**

1. Presentation of paid-in capital:

	31 March 2021	31 December 2020
Common Stock	1.890.000	1.535.000
Preferred Stock	-	-

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

Capital System	Paid-in Capital	Ceiling
Registered Capital	1.890.000	4.000.000

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

Increase Date	Increase Amount	Cash	Profit Reserves Subject to Increase	Capital Reserves Subject to Increase
24.02.2021	355.000	355.000	-	-

(\*) In accordance with the Decision of the Board of Directors of the Bank dated 24 February 2021 and numbered 2021/06, the required permission was obtained from Banking Regulation and Supervision Agency regarding increasing the capital amounting to full TL 1.535.000.000 by full TL 355.000.000 to full TL 1.890.000.000, being within the limit of registered capital ceiling amounting to full TL 4.000.000.000, and it was notified that there is no objection for consummation of transactions regarding the capital increase. In this context, the capital amount provided by the shareholders were transferred to the paid-in capital account and it was registered and announced in Turkish Trade Registry Gazette numbered 10314 and dated 21 April 2021.

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 period:

None.

6. Information on equity by considering the prior period indicators of income, profitability and liquidity of the Parent Bank and the uncertainties on these indicators:

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

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

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



**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

(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 (Continued):**

**I. Information on shareholders' equity (Continued):**

8. Information on marketable securities valuation reserve:

	31 March 2021		31 December 2020	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	(4.930)	(1.987)	(1.541)	5.133
Foreign Currency Translation Difference	-	-	-	-
<b>Total</b>	<b>(4.930)</b>	<b>(1.987)</b>	<b>(1.541)</b>	<b>5.133</b>

9. Information on tangible assets revaluation reserve:

	31 March 2021		31 December 2020	
	TL	FC	TL	FC
Movables	-	-	-	-
Immovables	23.452	-	23.452	-
Common Stocks of Investments in Associates, Subsidiaries that will be added to the Capital and Sales Income from Immovables (*)	1.413	-	1.413	-

(\*) Classified under other capital reserves.

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

In accordance with the decision of the Bank's Ordinary General Assembly Meeting held on 26 March 2021; TL 267.414 including the effects of TAS 27 Standard, which is the loss of 2020, was transferred to reserve funds.

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

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

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

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

1. The amount and type of irrevocable commitments:

	<b>31 March 2021</b>	<b>31 December 2020</b>
Foreign currency buy/sell commitments	1.361.207	1.704.275
Loan limit commitments	280.431	276.854
Deposits buy/sell commitments	219.521	136.746
Commitments for cheques	81.972	72.695
Securities buy/sell commitments	70.826	14.986
<b>Total</b>	<b>2.013.957</b>	<b>2.205.556</b>

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

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

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

	<b>31 March 2021</b>	<b>31 December 2020</b>
Letters of guarantee	2.625.576	2.554.181
Other guarantees	1.627.951	1.329.236
Letters of credit	1.414.071	1.117.312
Bank acceptance loans	185.467	171.038
<b>Total</b>	<b>5.853.065</b>	<b>5.171.767</b>

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

	<b>31 March 2021</b>		<b>31 December 2020</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Irrevocable letters of guarantee	822.873	708.266	727.790	725.036
Revocable letters of guarantee	55.127	6.720	58.393	4.576
Letters of guarantee given in advance	19.752	426.992	17.904	394.099
Guarantees given to customs	25.776	101.254	28.924	94.492
Other letters of guarantee	144.344	314.472	159.134	343.833
<b>Total</b>	<b>1.067.872</b>	<b>1.557.704</b>	<b>992.145</b>	<b>1.562.036</b>

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

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

**III. EXPLANATIONS AND NOTES RELATED TO OFF-BALANCE SHEET ACCOUNTS  
(Continued):**

**a. Information on off balance sheet commitments (Continued):**

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

	<b>31 March 2021</b>	<b>31 December 2020</b>
Non-cash loans given against cash loans	2.065.540	1.812.420
With original maturity of 1 year or less than 1 year	-	-
With original maturity of more than 1 year	2.065.540	1.812.420
Other non-cash loans	3.787.525	3.359.347
<b>Total</b>	<b>5.853.065</b>	<b>5.171.767</b>

ii. I. ve II'nci grupta sınıflandırılan gayrinakdi kredilere ilişkin bilgiler:

<b>Current Period (*)</b>	<b>Group I</b>		<b>Group II</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Letters of Guarantee	1.046.424	1.524.540	8.876	20.221
Bill of Exchange and Acceptances	-	185.467	-	-
Letters of Credit	-	1.412.651	-	-
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	-	1.627.951	-	-
<b>Total</b>	<b>1.046.424</b>	<b>4.750.609</b>	<b>8.876</b>	<b>20.221</b>

(\*) In addition to the non-cash loans stated in the table above, the Bank has a non-cash loan amounting to TL 26.935, which is classified as total non-performing loans. As of 31 March 2021, the Bank has recorded a TL 9.256 provision regarding these loans.

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

As of 31 March 2021, the total amount of legal cases against the Bank is TL 27.108 (31 December 2020: TL 27.425) and the Bank sets aside a provision of TL 8.635 (31 December 2020: TL 8.939) regarding these risks.

**c. Brief information on the Bank's rating given by International Rating Institutions:**

**FITCH (26 February 2021)**

<b>Outlook</b>	Stable
<b>Long Term FC</b>	B+
<b>Short Term FC</b>	B
<b>Long Term TL</b>	BB-
<b>Short Term TL</b>	B
<b>Support Rating</b>	4
<b>National Rating</b>	AA(tour)
<b>Viability Note</b>	b-(negative)

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

(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:

Interest Income on Loans (*)	31 March 2021		31 March 2020	
	TL	FC	TL	FC
Short-term Loans	158.920	6.260	63.646	12.137
Medium/Long-term Loans	98.073	116.467	100.392	125.828
Interest on Loans Under Follow-up	3.391	-	3.388	-
Premiums Received from Resource Utilisation Support Fund	-	-	-	-
<b>Total</b>	<b>260.384</b>	<b>122.727</b>	<b>167.426</b>	<b>137.965</b>

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

2. Information on interest income on banks:

	31 March 2021		31 March 2020	
	TL	FC	TL	FC
From the CBRT	-	-	206	72
From Domestic Banks	5.961	164	7.044	35
From Foreign Banks	-	89	-	811
Headquarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>5.961</b>	<b>253</b>	<b>7.250</b>	<b>918</b>

3. Information on interest income on marketable securities:

	31 March 2021		31 March 2020	
	TL	FC	TL	FC
Financial Assets Measured at Fair Value through Profit/Loss	375	533	40	472
Financial Assets Measured at Fair Value through Other Comprehensive Income	9.765	615	5.445	1.170
Financial Assets Measured at Amortized Cost	-	8.736	-	3.355
<b>Total</b>	<b>10.140</b>	<b>9.884</b>	<b>5.485</b>	<b>4.997</b>

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

(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 (Continued):**

**a. Information on interest income (Continued):**

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

	31 March 2021	31 March 2020
Interest Received From Investments in Associates and Subsidiaries	-	-

**b. Information on interest expense:**

1. Information on interest expense on borrowings:

	31 March 2021		31 March 2020	
	TL	FC	TL	FC
<b>Banks</b>	<b>1.000</b>	<b>38.096</b>	<b>1.018</b>	<b>47.328</b>
The CBRT	-	-	-	-
Domestic Banks	1.000	222	1.018	142
Foreign Banks	-	37.874	-	47.186
Headquarters and Branches Abroad	-	-	-	-
<b>Other Institutions</b>	<b>-</b>	<b>1.316</b>	<b>-</b>	<b>2.678</b>
<b>Total (*)</b>	<b>1.000</b>	<b>39.412</b>	<b>1.018</b>	<b>50.006</b>

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

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

	31 March 2021	31 March 2020
Interest Paid to Investment in Associates and Subsidiaries	100	173

3. Interest expense on issued marketable securities:

None (31 March 2020: None).

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

Current Period	Demand Deposit	Time Deposit					Accum. Deposit	Total	Prior Period Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year			
<b>Turkish Currency</b>									
Bank Deposits	-	136	-	-	-	-	-	136	27
Savings Deposits	-	19.453	114.724	6.226	2.051	6.282	-	148.736	83.819
Public Deposits	-	-	-	-	-	-	-	-	-
Commercial Deposits	-	5.813	19.892	308	380	367	-	26.760	8.271
Other Deposits	-	161	2.842	15	-	1.280	-	4.298	783
7 Day Notice Deposits	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>25.563</b>	<b>137.458</b>	<b>6.549</b>	<b>2.431</b>	<b>7.929</b>	<b>-</b>	<b>179.930</b>	<b>92.900</b>
<b>Foreign Currency</b>									
Foreign Currency Account	-	1.993	36.741	1.883	537	236	-	41.390	27.791
Bank Deposits	-	315	-	-	-	-	-	315	419
7 Day Notice Deposits	-	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>2.308</b>	<b>36.741</b>	<b>1.883</b>	<b>537</b>	<b>236</b>	<b>-</b>	<b>41.705</b>	<b>28.210</b>
<b>Grand Total</b>	<b>-</b>	<b>27.871</b>	<b>174.199</b>	<b>8.432</b>	<b>2.968</b>	<b>8.165</b>	<b>-</b>	<b>221.635</b>	<b>121.110</b>

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

(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 (Continued):**

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

	<b>31 March 2021</b>	<b>31 March 2020</b>
<b>Income</b>	<b>11.294.487</b>	<b>8.034.462</b>
Capital Market Transactions	16.203	12.337
Derivative Financial Transactions	124.381	45.373
Foreign Exchange Gains	11.153.903	7.976.752
<b>Loss (-)</b>	<b>11.236.553</b>	<b>8.020.841</b>
Capital Market Transactions	7.367	2.532
Derivative Financial Transactions	92.775	47.143
Foreign Exchange Losses	11.136.411	7.971.166
<b>Net Income/Loss</b>	<b>57.934</b>	<b>13.621</b>

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

In the current period, the Bank's other operating income is TL 28.419 (31 March 2020: TL 5.457). TL 18.831 (31 March 2020: TL 3.236) amount of the other operating income is composed of the profit from sales of the fixed assets that were classified as "Asset Held for Resale".

**e. Expected loss provisions and other provision expenses:**

	<b>31 March 2021</b>	<b>31 March 2020</b>
<b>Expected Credit Loss</b>	<b>42.159</b>	<b>65.832</b>
12 Month Expected Credit Loss (Stage 1)	116	6.307
Significant Increase in Credit Risk (Stage 2)	16.443	48.227
Non-performing Loans (Stage 3)	25.600	11.298
<b>Marketable Securities Impairment Expense</b>	-	-
Financial Assets at Fair Value through Profit or Loss	-	-
Financial Assets at Fair Value through Other Comprehensive Income	-	-
<b>Investments in Associates, Subsidiaries and Joint Ventures Value Decrease</b>	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
<b>Other</b>	-	-
<b>Total</b>	<b>42.159</b>	<b>65.832</b>

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

(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 (Continued):**

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

	<b>31 March 2021</b>	<b>31 March 2020</b>
Reserve For Employment Termination Benefits (*)	4.287	3.654
Bank Social Aid Pension Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Amortization Expenses of Fixed Assets	8.395	8.982
Impairment Expenses of Intangible Assets	-	-
Amortization Expenses of Intangible Assets	2.968	3.194
Impairment Expenses of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held For Resale	-	291
Amortization Expenses of Assets Held for Resale	-	-
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	34.187	31.466
Leasing expenses related to TFRS 16 exceptions	391	406
Maintenance Expenses	327	373
Advertising Expenses	960	2.305
Other Expense	32.509	28.382
Loss on Sales of Assets	12	3
Other	4.918	9.702
<b>Total</b>	<b>54.767</b>	<b>57.292</b>

(\*) As of 31 March 2021, there is "Employee Vacation Fee Provision Expense" amounting to TL 2.224 (31 March 2020: TL 1.942).

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

The Bank has no discontinued operations. The Bank's net in profit before taxes from continuing operations is TL 60.165 (31 March 2020: TL 13.289).

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

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

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

As of 31 March 2021, the Bank has deferred tax amounting to TL 9.632 and no current tax expense.

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

The Bank has TL 24.610 deferred tax income from temporary differences and TL 83.790 deferred tax income from financial loss carried forward. The bank also has deferred tax expense from closed temporary differences amounting to TL 118.032, deferred tax expense and income net-off to TL 9.632 deferred tax expense.

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

(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 (Continued):**

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

As of 31 March 2021, the Bank has TL 93.422 (31 March 2020: TL 2.757 deferred tax income) deferred tax expense arising from temporary differences and deferred tax income from financial loss carried forward from amounting to TL 83.790 (31 March 2020: TL 1.864 deferred tax expense).

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

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

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

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

None.

2. If an estimation change related to financial statement items significantly affects profit/loss or has the probability of affecting the profit/loss of the following periods, the effect including these periods:

None.



**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

(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 (Continued):**

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

1. In the current period, the Bank's interest income amounts to TL 496.830 (31 March 2020: TL 395.474) and TL 72.156 (31 March 2020: TL 62.786) of this amount is classified as "Other Interest Income" in the income statement.

	31 March 2021	31 March 2020
<b>Other Interest Income</b>		
Interest Income Related to Derivative Transactions	69.518	60.786
Other	2.638	2.000
<b>Total</b>	<b>72.156</b>	<b>62.786</b>

2. In the current period, the Bank's interest expense amounts to TL 391.312 (31 March 2020: TL 242.983), TL 125.119 (31 March 2020: TL 66.294) of this amount is classified as "Other Interest Expense" in the income statement.

	31 March 2021	31 March 2020
<b>Other Interest Expense</b>		
Interest Expense Related to Derivative Transactions	124.497	57.306
Other	622	8.988
<b>Total</b>	<b>125.119</b>	<b>66.294</b>

3. In the current period, the Bank's fee and commission income amounts to TL 11.542 (31 March 2020: TL 12.020) and TL 2.910 (31 March 2020: TL 4.979) the related amount is classified under "Other" account in the income statement.

	31 March 2021	31 March 2020
<b>Other Fee and Commissions Received</b>		
Commissions on Investment Fund Services	1.354	2.220
Insurance Commissions	643	1.545
Commissions from Correspondent Banks	267	225
Transfer Commissions	75	103
Credit Card and POS Transaction Commission	31	13
Common Point Commissions	23	37
Other	517	836
<b>Total</b>	<b>2.910</b>	<b>4.979</b>

4. In the current period, Bank's fee and commission expense amounts to TL 5.370 (31 March 2020: TL 2.471) and TL 5.358 (31 March 2020: TL 2.456) of the related amount is classified under "Other" account.

	31 March 2021	31 March 2020
<b>Other Fee and Commissions Given</b>		
Card Transaction Commission	890	585
Commissions Granted to Correspondent Banks	398	284
Common Point Commissions	171	160
EFT Commissions	163	138
Transfer Commissions	25	19
Other	3.711	1.270
<b>Total</b>	<b>5.358</b>	<b>2.456</b>

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

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

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

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

1. Prior period financial information is presented as at 31 December 2020 for balance sheet and 31 March 2020 income statement items.

31 March 2021	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
<b>Banks’ Risk Group</b>						
<b>Loans and Other Receivables</b>						
Balance at the Beginning of the Period	-	62.497	-	12.944	790	-
Balance at the End of the Period	-	58.163	-	8.187	754	-
<b>Interest and Commission Income Received</b>	-	107	-	1	40	1

31 December 2020	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
<b>Banks’ Risk Group</b>						
<b>Loans and Other Receivables</b>						
Balance at the Beginning of the Period	-	39.591	-	35.560	98	-
Balance at the End of the Period	-	62.497	-	12.944	790	-
<b>Interest and Commission Income Received</b>	-	72	-	1	4	-

2. 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	Current Period	Current Period	Current Period
<b>Deposit</b>						
Beginning of the Period	94.838	157.181	171.520	147.223	24.112	15.264
End of the Period	40.101	94.838	183.808	171.520	23.490	24.112
<b>Interest Expense on Deposits</b>	100	173	921	1.057	523	256

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	Current Period	Current Period	Current Period
<b>Repurchase Transactions</b>						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
<b>Interest Expense on Repurchase Transactions</b>	-	-	-	2	-	1

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

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

**V. EXPLANATIONS AND NOTES RELATED TO BANK'S RISK GROUP (Continued):**

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

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

Banks' Risk Group	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Transactions at fair value through profit or loss</b>						
Beginning of the Period (*)	2.508.920	1.294.994	-	-	-	-
End of the period (*)	2.643.757	2.508.920	-	-	-	-
<b>Total Profit/Loss</b>	<b>(73.871)</b>	<b>3.446</b>	-	-	-	-
<b>Transactions for hedging purposes</b>						
Beginning of the Period	-	-	-	-	-	-
Balance at the end of the period	-	-	-	-	-	-
<b>Total Profit/Loss</b>	-	-	-	-	-	-

(\*) The information in the table above shows the total amount of "buy".

**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 regardless of the presence of a transaction between parties:

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

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

	Total Risk Group	Share in Financial Statements (%)
Borrowings and Subordinated Debt Instruments	2.499.783	52,91
Deposit	247.399	1,63
Non-cash loans	66.350	1,13
Banks and Other Institutions	26.430	5,54
Loans	754	-

As of 31 March 2021, the Bank has realized interest income from deposits given to banks included in the risk group amounting to TL 12 (31 March 2020: TL 113), the Bank has realized interest expense amounting to TL 25.133 (31 March 2020: TL 40.029) on loans borrowed from the banks in the Bank's risk group.

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

---

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

**V. EXPLANATIONS AND NOTES RELATED TO BANK'S RISK GROUP (Continued):**

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

3. 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:

According to the Joint Expense Sharing Agreement with the Bank and its subsidiaries; the Bank has received TL 94 (31 March 2020: TL 168) from Burgan Finansal Kiralama A.Ş., TL 95 (31 March 2020: TL 64) other operation income from Burgan Yatırım Menkul Değerler A.Ş.

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 0,29% (31 March 2020: 0,39%) of the Bank's total cash and non-cash loans.

As of 31 March 2021 there are no purchase-sales transactions on any assets including real estate with the risk group consisting the Bank.

As of 31 March 2021 there are no agreements related to transfer and management of the information gathered from the research and development with the risk group that the Bank is included.

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

Top management of the Bank is composed of the Board of Directors, General Manager and Vice General Managers. The sum of benefits paid to top management in the current period, totals TL 12.074 (31 March 2020: TL 9.934) which constitutes of the sum of other benefits including yearly gross salaries and other payments and travel, meal aids, health and life insurances and vehicle expenses.

**VI. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS:**

With the addition of the provisional article 13 to Corporate Tax Law through the article number 11 of the Law No. 7316 on Certain Amendments on the Law on the Collection of the Public Receivables and Certain Laws published in the Official Gazette on 22 April 2021, 20% corporate tax rate will be effective as 25% for corporate earnings in 2021, and 23% for corporate earnings in 2022.

In accordance with the article 14 of the same law on enforcement, the corporate tax rate change entered into force on 22 April 2021, to be effective for the declarations that must be submitted as of 1 July 2021 and to be effective for corporate earnings in the accounting period starting from 1 January 2021 (accounting period starting from 1 January 2021 for organizations with a special accounting period assigned).

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

---

**SECTION SIX**

**EXPLANATIONS ON THE LIMITED REVIEW REPORT**

**I. EXPLANATIONS ON THE LIMITED REVIEW REPORT**

The unconsolidated financial statements as of 31 March 2021 have been reviewed by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of DELOITTE TOUCHE TOHMATSU LIMITED) and the auditor’s limited review report dated 6 May 2021 has been presented prior to the unconsolidated financial statements.

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

None.

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

---

**SECTION SEVEN**

**EXPLANATIONS ON INTERIM ACTIVITY REPORT**

**I. EVALUATIONS FOR THE OPERATING PERIOD AND EXPECTATIONS FOR THE FUTURE BY THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE GENERAL MANAGER**

With rising number of cases and new variations, Covid-19 pandemic is still on top of global economic agenda. The number of approved vaccines and vaccinations nurture hope that the pandemic will be contained in 2021. Extensive policy responses to mitigate the economic impact of the pandemic, progress in vaccination and new fiscal packages support higher growth prospects. IMF expects global economy to grow by 6% yoy in 2021 after 3.3% contraction last year. Yet, vaccination rates, output losses and hence the pace of recovery vary widely across countries. Existing challenges in labour markets require continuation of accommodative monetary policy stance for a long period. However, surging commodity prices, extraordinary liquidity conditions and fiscal stimuli raise the risk of accelerating global inflation.

Turkey has been one of the few countries posted a positive growth rate in 2020. Extensive credit expansion as well as expansionary monetary and fiscal policies stimulated domestic demand. Although the policy stance has tightened since November 2020, economic activity remains strong as of 1Q21 given the carry-over effect. We expect Turkish economy to continue to grow at a fast pace in the first quarter while service and tourism sectors have been affected negatively by high number of daily cases and lockdowns. On the other hand, risks on inflation outlook remains high on the back of buoyant domestic demand, rising commodity prices and FX pass-through. We maintain our view that Turkish economy will return to sustainable growth path, financial stability will be restored and inflation outlook will improve gradually as of second half of 2021.

The balance sheet size of our bank dated 31 March 2021 is TL 24.271.988, while deposits are TL 15.182.095. In the current period Burgan Bank has maintained its support to its customers uninterruptedly and net cash loans has been realized as TL 15.981.046. The net profit of our bank in the first quarter of 2021 is TL 50.533, and our equity has been realized as TL 2.161.152 by increasing by 355 million. Our capital adequacy ratio is 19,29%. In addition to deepening our existing customers in 14 provinces in which we operate, we will continue to serve with new customer acquisitions, keeping customer satisfaction in the foreground.

We believe that our Bank will reach its future targets easily with the support and guidance of our shareholders and board of directors. We would like to take this opportunity to thank our customers, employees and investors for their valuable contributions, trusts to Burgan brand and their loyalty.

Ali Murat DİNÇ  
Member of Board of Directors and General Manager

Emin Hakan EMİNSOY  
Chairman of Board of Directors

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

**EXPLANATIONS ON INTERIM ACTIVITY REPORT (Continued):**

**II. NAMES AND SURNAMES, DUTY TERMS, FIELDS OF RESPONSIBILITIES, EDUCATIONAL BACKGROUNDS, PROFESSIONAL EXPERIENCES OF MEMBERS AND CHAIRMAN OF BOARD OF DIRECTORS, MEMBERS OF THE AUDIT COMMITTEE, GENERAL MANAGER AND DEPUTY GENERAL MANAGERS AND MANAGERS OF DEPARTMENTS WITHIN THE SCOPE OF INTERNAL SYSTEMS:**

<u>Name</u>	<u>Duty</u>	<u>Date of Assignment</u>	<u>Educational Background</u>	<u>Banking and Managership Experience (Year)</u>
<i>Chairman and Members of Board of Directors:</i>				
Emin Hakan Eminsoy	Chairman	07.08.2019	Undergraduate	34
Faisal M.A. Al Radwan	Deputy Chairman	21.12.2012	Undergraduate	23
Adrian Alejandro Gostuski	Member	21.12.2012	Graduate	35
Mehmet Alev Göçmez	Member	23.01.2013	Graduate	33
Halil Cantekin	Member	30.03.2015	Undergraduate	31
Osama T. Al Ghoussein	Member	25.06.2014	Undergraduate	33
Ali Murat Dinç	Member and General Manager	03.02.2014	Graduate	21
Fouad Husni Douglas	Member	13.06.2019	Graduate	32
Khaled F.A.O. Alzouman	Member	13.06.2019	Undergraduate	31
<i>General Manager:</i>				
Ali Murat Dinç	Member and General Manager	03.02.2014	Graduate	21
<i>Vice General Managers:</i>				
Esra Aydın	Operation & Management Services	01.08.2007	Undergraduate	16
Cihan Vural	Internal Systems	03.11.2008	Undergraduate	13
Rasim Levent Ergin	Human Resources	01.11.2012	Graduate	17
Suat Kerem Sözügüzel	Corporate & Commercial Banking	01.04.2014	Undergraduate	17
Banu Ertürk	Loan Follow-up and Legal Procedures	01.08.2020	Undergraduate	27
Darço Akkaranfil	Information Technologies	14.09.2020	Graduate	15
Zeynep Terzioğlu	Financial Affairs	05.01.2021	Graduate	13

**Assignments:**

Zeynep Terzioğlu has started working as Vice General Manager of Financial Affairs on 15 January 2021.

**Resignations:**

Mutlu Akpara, the Deputy General Manager of Financial Corporations in charge of Treasury and Capital Markets, resigned from this duty on 8 February 2021. Hasan Hüseyin Uyar, the Deputy General Manager in charge of Loans resigned on 22 February 2021.

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

**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

---

**EXPLANATIONS ON INTERIM ACTIVITY REPORT (Continued):**

**III. INFORMATION ON ACTIVITIES OF COMMITTEES ESTABLISHED LINKED TO BOARD OF DIRECTORS OR IN ORDER TO ASSIST BOARD OF DIRECTORS IN THE FRAMEWORK OF RISK MANAGEMENT SYSTEMS IN ACCORDANCE WITH THE REGULATION ON CREDIT COMMITTEE AND INTERNAL SYSTEMS OF THE BANK AND NAMES, SURNAMES AND FUNDAMENTAL DUTIES OF CHAIRMAN AND MEMBERS ASSIGNED IN AFOREMENTIONED COMMITTEES:**

Emin Hakan Eminsoy, chairman of Board of Directors, performs the duty of chairmanship of Credit Committee. Faisal M.A. Al Radwan and Ali Murat Dinç, Deputy Chairman of Board of Directors and General Manager, are performing their duties as noble members of the committee. Halil Cantekin and Adrian Alejandro Gostuski, who are also members of Board of Directors, are substitute members of the Committee.

Halil Cantekin has been elected as the Chairman of the Audit Committee while Adrian Alejandro Gostuski and Fouad Husni Douglas have been elected as members of the Audit Committee.

Adrian Alejandro Gostuski has been elected as the Chairman of the Risk Committee while Halil Cantekin and Osama T. Al Ghoussein have been elected as members of the Risk Committee.

Faisal M.A. Al Radwan has been elected as the Chairman of the Corporate Executive Committee while Emin Hakan Eminsoy and Ali Murat Dinç have been elected as members of the Corporate Executive Committee.

Faisal M.A. Al Radwan has been elected as the Chairman of the Appointment and Pricing Committee while Khaled F.A.O Alzouman and Mehmet Alev Göçmez have been elected as members of the Appointment and Pricing Committee.

**IV. EVALUATIONS OF THE AUDIT COMMITTEE REGARDING INTERNAL CONTROL, INTERNAL AUDIT AND OPERATION OF RISK MANAGEMENT SYSTEMS AND INFORMATION ON THEIR ACTIVITIES WITHIN THE ACCOUNTING PERIOD:**

The principal duty of Burgan Bank A.Ş. Audit Committee is to provide assistance to the Board of Directors of the Bank in order to fulfil its supervision responsibility related to the Bank and its consolidated affiliates through examining financial information which shall be presented to shareholders, ensuring the effectiveness, adequateness and efficiency of internal systems established by the management and Board of Directors and monitoring audit process. There is no change in the period related to activities of the Audit Committee.

**V. SIGNIFICANT EVENTS AND TRANSACTIONS WITHIN THE PERIOD:**

There is no significant change related to information except the explanations including numeric disclosures in financial statements included in the annual activity report prepared in accordance with the Regulation on Procedures and Principals related to Preparation and Publication of Activity Report.



**(CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2021**

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

**EXPLANATIONS ON INTERIM ACTIVITY REPORT (Continued):**

**VI. SUMMARY FINANCIAL INFORMATION RELATED TO ACTIVITY RESULTS OF ACCOUNTING PERIOD:**

	<b>31.03.2021</b>	<b>31.12.2020</b>	<b>Change (%)</b>
Total Assets	24.271.988	23.123.647	5,0
Loans and Factoring Receivables (Net)	15.981.046	16.192.341	(1,3)
Securities	932.001	992.503	(6,1)
Deposits	15.182.095	13.942.287	8,9
Debts Having Loan Characteristics	4.859.072	5.749.025	(15,5)
Shareholder’s Equity	2.161.152	1.670.057	29,4
Guarantee and Suretyship	5.853.065	5.171.767	13,2
Capital Adequacy Ratio	% 19,29	% 18,85	0,4

	<b>(01/01/2021 31/03/2021)</b>	<b>(01/01/2020 - 31/03/2020)</b>	<b>Change (%)</b>
Current Period Net Profit/(Loss)	50.533	12.396	307,7

**VII. DISCLOSURE RELATED TO PERSONNEL AND BRANCH NUMBER, SERVICE TYPE OF THE BANK AND ACTIVITY SUBJECTS AND EVALUATION OF THE POSITION OF THE BANK IN THE SECTOR BASED UPON AFOREMENTIONED ITEMS:**

The Bank provides high value added banking services and products in corporate, commercial, individual, financial leasing with private banking and via factoring and associates and investment banking areas with a total of 32 branches, including 8 retail, 1 corporate and 23 mixed banking branches, internet banking applications, call center and 907 employees.

Indicators related to shares of the Bank in the sector with respect to base quantities are as follows.

<b>Million TL</b>	<b>Burgan Bank</b>	<b>Sector (*)</b>	<b>Share of our Bank (%)</b>
Cash Loans	13.715	3.598.987	0,38
Customer Deposits	13.895	3.451.502	0,40
Branch Number	32	11.116	0,29
Personnel Number	907	202.088	0,45

(\*) Reference BRSA Data of 28 February 2021