

BURGAN BANK A.Ş.

**PUBLICLY ANNOUNCED CONSOLIDATED
FINANCIAL STATEMENTS AND
RELATED DISCLOSURES TOGETHER
WITH LIMITED REVIEW REPORT
AT 31 MARCH 2022**

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

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

REPORT ON REVIEW OF CONSOLIDATED INTERIM FINANCIAL INFORMATION

To the General Assembly of Burgan Bank A.Ş.

Introduction

We have reviewed the accompanying consolidated statement of financial position of Burgan Bank A.Ş. (“the Bank”) and its consolidated subsidiaries (collectively referred to as “the Group”) at 31 March 2022 and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders’ equity, consolidated 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 consolidated 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 consolidated 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 the 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 consolidated financial statements as at 31 March 2022 include a free provision amounting to TL 155,153 thousand, which had been recognized with the amount of TL 138,622 thousand as an expense in the prior period and TL 16,531 thousand of which has been recognized as an expense in the consolidated financial statements in the current period, provided by the Bank management for the potential circumstances which may arise from any changes in the economy or market conditions. If the mentioned free provision were not provided, the other provisions would decrease by TL 155,153 thousand and retained earnings would increase by TL 138,622 thousand as at 31 March 2022, and other operating income, profit before tax and net profit for the year would increase by TL 16,531 thousand for the period ended 31 March 2022.

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 consolidated interim financial information does not present fairly, in all material respects, the financial position of Burgan Bank A.Ş. and its consolidated subsidiaries as at 31 March 2022, 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.

Report on Other Legal and Regulatory Requirements

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information provided in the Management's interim report included in section seven of the accompanying consolidated financial statements, is not presented fairly, in all material respects, and is not consistent with the reviewed consolidated 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 consolidated interim financial statements are to be distributed and International Financial Reporting Standards (IFRS) have not been quantified and reflected in the accompanying consolidated financial statements. Accordingly, the accompanying financial statements are not intended to present the Bank and its consolidated subsidiaries financial position and results of its operations in accordance with accounting principles generally accepted in such countries of users of the consolidated interim financial statements and IFRS.

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



Yaman Polat
Partner

Istanbul, 13 May 2022

**THE CONSOLIDATED THREE MONTH INTERIM FINANCIAL REPORT OF
BURGAN BANK A.Ş. AS OF 31 MARCH 2022**

Address of the Bank's Head Office : Maslak Mahallesi, Eski Büyükdere Caddesi, No:13
34485 Sarıyer / İstanbul
Telephone and Fax Numbers of Bank : Telephone : 0 212 371 37 37
Fax : 0 212 371 42 42
Bank's Website : www.burgan.com.tr
Contact E-mail : bilgi@burgan.com.tr

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

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

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

<u>Subsidiaries</u>	<u>Associates</u>	<u>Joint Ventures under Common Control</u>
1. Burgan Finansal Kiralama A.Ş.	-	-
2. Burgan Yatırım Menkul Değerler A.Ş.	-	-

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

13 May 2022

Emin Hakan EMİNSOY
Chairman of the Board of
Directors

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

Zeynep BOZKURT
Deputy General Manager
of Financial Affairs

Bahadır AKSU
Head of Accounting,
Tax, and Reporting Unit

Mehmet Alev GÖÇMEZ
Head of the Audit Committee

Khaled F.A.O. ALZOUMAN
Member of the Audit Committee

Fadhil M. GH. A. ABDULLAH
Member of the Audit Committee

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

Name-Surname / Title : Bahadır AKSU / Head of Department
Telephone Number : 0 212 371 34 88
Fax Number : 0 212 371 42 48

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

BURGAN BANK A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2022

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

SECTION ONE

GENERAL INFORMATION ABOUT THE GROUP

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

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

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

According to the Share Transfer Agreement signed between the SDIF and Tekfen Holding A.Ş. on 30 June 2001, 2,983,800,000 shares with a nominal value of Kr 1 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. (“the Bank”), and has been registered to the Turkish Trade Registry as of 25 January 2013.

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

BURGAN BANK A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2022

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

GENERAL INFORMATION ABOUT THE GROUP (Continued):

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

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).

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BURGAN BANK A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2022

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

GENERAL INFORMATION ABOUT THE GROUP (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 PARENT BANK THEY POSSESS:

<u>Title</u>	<u>Name</u>	<u>Responsibility</u>	<u>Education</u>
Chairman of the Board of Directors:	Emin Hakan Eminsoy	Chairman of Board of Directors	Undergraduate
Board of Directors Members: (*)	Abdelkarim A. S. Kabariti	Deputy Chairman	Undergraduate
	Mehmet Alev Göçmez	Member	Graduate
	Khaled F.A.O. Alzouman	Member	Undergraduate
	Hasan Kılıç	Member	Undergraduate
	Fadhil M. GH. A. Abdullah	Member	Undergraduate
	Mohammad M. A. H. S. Almael	Member	Graduate
	Ali Murat Dinç	Member and General Manager	Graduate
General Manager:	Ali Murat Dinç	Member and General Manager	Graduate
Deputy General Managers:	Suat Kerem Sözügüzel	Corporate & Commercial Banking	Graduate
	Zeynep Bozkurt	Financial Affairs	Graduate
Vice General Managers: (**)	Esra Aydın	Operations & Management Services	Graduate
	Cihan Vural	Internal Systems	Undergraduate
	Rasim Levent Ergin	Human Resources	Graduate
	Suat Kerem Sözügüzel	Corporate & Commercial Banking	Graduate
	Banu Ertürk	Loans and Legal Follow-up	Undergraduate
	Darço Akkaranfil	Information Technologies	Graduate
	Zeynep Bozkurt	Financial Affairs	Graduate
	Ayşen Aslı Koçer	Savings Management	Undergraduate
	Yener Yazlalı	Loans	Graduate
	Halil Özcan	Digital Banking	Undergraduate
	Tuba Onay Ergelen	Risk Management	Undergraduate
	Erdal Arda Türerer	Treasury, Capital Markets and Financial Institutions	Graduate
Audit Committee:	Mehmet Alev Göçmez	Committee President	Graduate
	Khaled F.A.O. Alzouman	Member	Undergraduate
	Fadhil M. GH. A. Abdullah	Member	Undergraduate

(*) Board Member Osama T. Al Ghousein resigned on 31 March 2022.

(**) Halil Özcan has started working as Assistant General Manager of Digital Banking on 21 February 2022. Tuba Onay Ergelen was promoted as the Assistant General Manager of Risk Management on 1 March 2022. Erdal Arda Türerer was promoted on 1 March 2022 as Assistant General Manager of Treasury, Capital Markets and Financial Institutions.

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

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

BURGAN BANK A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2022

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

GENERAL INFORMATION ABOUT THE GROUP (Continued):

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

Name/Commercial title	Share Amounts	Share percentage	Paid-in Capital	Unpaid portion
Burgan Bank 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 PARENT BANK'S SERVICE TYPE AND FIELD OF OPERATIONS:

As of 31 March 2022, the Parent Bank, whose headquarter located in Istanbul, has 32 branches operating in Turkey (31 December 2021: 32). The Bank's core business activities include corporate and commercial banking, retail banking and banking services in treasury fields. As of 31 March 2022, the Group has 1,038 (31 December 2021: 1,042) 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

CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

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

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

BURGAN BANK A.Ş.
CONSOLIDATED BALANCE SHEETS (STATEMENT OF FINANCIAL POSITION)
AT 31 MARCH 2022 AND 31 DECEMBER 2021

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

I. BALANCE SHEET ASSETS	Note (Section Five)	Reviewed 31/03/2022			Audited 31/12/2021		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		3,537,102	8,480,599	12,017,701	3,983,893	6,679,992	10,663,885
1.1 Cash and cash equivalents		1,043,203	7,393,104	8,436,307	727,412	6,263,309	6,990,721
1.1.1 Cash and Balances at Central Bank	I-a	352,236	6,720,766	7,073,002	451,718	5,940,133	6,391,851
1.1.2 Banks	I-c	111,916	672,338	784,254	233,250	323,176	556,426
1.1.3 Receivables from Money Markets		579,114	-	579,114	42,500	-	42,500
1.1.4 Expected Credit Losses (-)		63	-	63	56	-	56
1.2 Financial assets at fair value through other comprehensive income	I-b	57,102	352,682	409,784	16,198	118,796	134,994
1.2.1 Government Debt Securities		2,968	38,247	41,215	599	1,789	2,388
1.2.2 Equity Instruments		-	-	-	-	-	-
1.2.3 Other Financial Assets		54,134	314,435	368,569	15,599	117,007	132,606
1.3 Financial Assets at Fair Value through Other Comprehensive Income	I-d	740,348	208,331	948,679	573,771	110,379	684,150
1.3.1 Government Debt Securities		732,674	190,540	923,214	566,097	93,408	659,505
1.3.2 Equity Instruments		7,674	17,791	25,465	7,674	16,971	24,645
1.3.3 Other Financial Assets		-	-	-	-	-	-
1.4 Derivative Financial Assets	I-l	1,696,449	526,482	2,222,931	2,666,512	187,508	2,854,020
1.4.1 Derivative Financial Assets at Fair Value through Profit or Loss		478,099	96,967	575,066	1,097,495	62,808	1,160,303
1.4.2 Derivative Financial Assets at Fair Value through Other Comprehensive Income		1,218,350	429,515	1,647,865	1,569,017	124,700	1,693,717
II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)		15,838,245	16,946,112	32,784,357	12,574,054	16,219,020	28,793,074
2.1 Loans	I-e-f	15,624,111	14,016,253	29,640,364	12,442,675	13,656,299	26,098,974
2.2 Receivables From Leasing Transactions	I-k	1,238,693	2,896,313	4,135,006	1,100,363	2,965,523	4,065,886
2.3 Factoring Receivables	I-e-f	-	-	-	-	-	-
2.4 Other Financial Assets Measured at Amortized Cost	I-g	-	1,442,686	1,442,686	-	1,023,468	1,023,468
2.4.1 Government Debt Securities		-	1,442,686	1,442,686	-	1,023,468	1,023,468
2.4.2 Other Financial Assets		-	-	-	-	-	-
2.5 Expected Credit Losses (-)	I-e-f	1,024,559	1,409,140	2,433,699	968,984	1,426,270	2,395,254
III. NON-CURRENTS ASSETS OR DISPOSAL GROUPS "HELD FOR SALE" AND "FROM DISCONTINUED OPERATIONS (Net)	I-o	1,024,667	-	1,024,667	1,039,012	-	1,039,012
3.1 Held for Sale		1,024,667	-	1,024,667	1,039,012	-	1,039,012
3.2 Held from Discontinued Operations		-	-	-	-	-	-
IV. INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES		-	-	-	-	-	-
4.1 Investments in Associates (Net)	I-h	-	-	-	-	-	-
4.1.1 Associates Accounted by Using Equity Method		-	-	-	-	-	-
4.1.2 Non-consolidated Associates		-	-	-	-	-	-
4.2 Investments in Subsidiaries (Net)	I-i	-	-	-	-	-	-
4.2.1 Non-consolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2 Non-consolidated Non-financial Subsidiaries		-	-	-	-	-	-
4.3 Jointly Controlled Partnerships (Joint Ventures) (Net)	I-j	-	-	-	-	-	-
4.3.1 Jointly Controlled Partnerships Accounted by Using Equity Method		-	-	-	-	-	-
4.3.2 Non-consolidated Jointly Controlled Partnerships		-	-	-	-	-	-
V. TANGIBLE ASSETS (Net)		931,924	-	931,924	815,278	-	815,278
VI. INTANGIBLE ASSETS (Net)		51,230	-	51,230	53,411	-	53,411
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		51,230	-	51,230	53,411	-	53,411
VII. INVESTMENT PROPERTIES (Net)	I-m	-	-	-	-	-	-
VIII. CURRENT TAX ASSETS		5,841	-	5,841	3,181	-	3,181
IX. DEFERRED TAX ASSETS	I-n	27	-	27	24,416	-	24,416
X. OTHER ASSETS (Net)	I-p	495,878	42,452	538,330	539,405	40,119	579,524
TOTAL ASSETS		21,884,914	25,469,163	47,354,077	19,032,650	22,939,131	41,971,781

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

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

BURGAN BANK A.Ş.

CONSOLIDATED BALANCE SHEETS (STATEMENT OF FINANCIAL POSITION)

AT 31 MARCH 2022 AND 31 DECEMBER 2021

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

I. BALANCE SHEET	Note (Section Five)	Reviewed 31/03/2022			Audited 31/12/2021		
		TL	FC	Total	FC	TL	Total
LIABILITIES							
I. DEPOSITS	II-a	8,942,122	19,916,081	28,858,203	6,077,888	18,285,287	24,363,175
II. LOANS RECEIVED	II-c	363,372	7,470,090	7,833,462	182,243	8,087,012	8,269,255
III. MONEY MARKET FUNDS		174,786	444,672	619,458	62,155	210,613	272,768
IV. MARKETABLE SECURITIES (Net)	II-d	-	-	-	-	-	-
4.1 Bills		-	-	-	-	-	-
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	-	-	-	-	-
V. FUNDS		-	-	-	-	-	-
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	II-b	-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	II-g	293,713	110,623	404,336	516,741	71,046	587,787
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		244,566	94,727	339,293	429,359	40,318	469,677
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		49,147	15,896	65,043	87,382	30,728	118,110
VIII. FACTORING PAYABLES		-	-	-	-	-	-
IX. LEASE PAYABLES (Net)	II-f	79,988	-	79,988	76,060	-	76,060
X. PROVISIONS	II-h	77,689	183,182	260,871	93,583	161,447	255,030
10.1 Provision for Restructuring		-	-	-	-	-	-
10.2 Reserves for Employee Benefits		60,598	-	60,598	77,483	-	77,483
10.3 Insurance Technical Reserves (Net)		-	-	-	-	-	-
10.4 Other Provisions		17,091	183,182	200,273	16,100	161,447	177,547
XI. CURRENT TAX LIABILITIES	II-i	80,597	-	80,597	60,533	-	60,533
XII. DEFERRED TAX LIABILITIES	II-i	68,915	-	68,915	13,440	-	13,440
XIII. LIABILITIES RELATED TO NON-CURRENT ASSETS "HELD FOR SALE" AND "DISCONTINUED OPERATIONS" (Net)	II-j	-	-	-	-	-	-
13.1 Held for Sale		-	-	-	-	-	-
13.2 Related to Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBT	II-k	-	3,676,072	3,676,072	-	3,347,213	3,347,213
14.1 Loans		-	3,676,072	3,676,072	-	3,347,213	3,347,213
14.2 Other Debt Instruments		-	-	-	-	-	-
XV. OTHER LIABILITIES	II-e	809,405	1,778,381	2,587,786	551,187	1,700,924	2,252,111
XVI. SHAREHOLDERS' EQUITY	II-l	2,700,673	183,716	2,884,389	2,464,139	10,270	2,474,409
16.1 Paid-in Capital		1,890,000	-	1,890,000	1,890,000	-	1,890,000
16.2 Capital Reserves		(2,532)	-	(2,532)	(2,532)	-	(2,532)
16.2.1 Equity Share Premiums		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		(2,532)	-	(2,532)	(2,532)	-	(2,532)
16.3 Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		23,783	-	23,783	24,222	-	24,222
16.4 Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		140,990	183,716	324,706	123,047	10,270	133,317
16.5 Profit Reserves		429,402	-	429,402	124,587	-	124,587
16.5.1 Legal Reserves		31,287	-	31,287	25,728	-	25,728
16.5.2 Statutory Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		398,010	-	398,010	98,754	-	98,754
16.5.4 Other Profit Reserves		105	-	105	105	-	105
16.6 Profit Or Loss		219,030	-	219,030	304,815	-	304,815
16.6.1 Prior Years' Profits or Losses		15,708	-	15,708	-	-	-
16.6.2 Current Period Net Profit or Loss		203,322	-	203,322	304,815	-	304,815
16.7 Minority Shares		-	-	-	-	-	-
TOTAL LIABILITIES		13,591,260	33,762,817	47,354,077	10,097,969	31,873,812	41,971,781

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

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

BURGAN BANK A.Ş.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIODS ENDED 31 MARCH 2022 AND 31 MARCH 2021

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

III. STATEMENT OF PROFIT OR LOSS	Note (Section Five)	Reviewed	Reviewed
INCOME AND EXPENSE ITEMS		01/01/2022-31/03/2022	01/01/2021-31/03/2021
I. INTEREST INCOME	IV-a	1,123,202	564,853
1.1 Interest on Loans		774,497	381,777
1.2 Interest Received from Reserve Deposits		9,276	6,355
1.3 Interest Received from Banks		13,374	9,146
1.4 Interest Received from Money Market Transactions		27,897	8,970
1.5 Interest Received from Marketable Securities Portfolio		54,185	20,029
1.5.1 Financial Assets at Fair Value Through Profit or Loss		1,242	913
1.5.2 Financial Assets at Fair Value Through Other Comprehensive Income		33,795	10,380
1.5.3 Financial Assets Measured at Amortized Cost		19,148	8,736
1.6 Finance Lease Interest Income		86,418	61,709
1.7 Other Interest Income	IV-k	157,555	76,867
II. INTEREST EXPENSES (-)	IV-b	846,123	419,498
2.1 Interest on Deposits		386,109	221,535
2.2 Interest on Funds Borrowed		99,700	77,011
2.3 Interest on Money Market Transactions		2,657	1,227
2.4 Interest on Securities Issued		-	-
2.5 Finance Lease Interest Expenses		2,961	2,919
2.6 Other Interest Expenses	IV-k	354,696	116,806
III. NET INTEREST INCOME/EXPENSE (I - II)		277,079	145,355
IV. NET FEES AND COMMISSIONS INCOME/EXPENSES		14,460	8,747
4.1 Fees and Commissions Received		24,483	14,891
4.1.1 Non-cash Loans		9,142	8,525
4.1.2 Other	IV-k	15,341	6,366
4.2 Fees and Commissions Paid (-)		10,023	6,144
4.2.1 Non-cash Loans (-)		224	26
4.2.2 Other (-)	IV-k	9,799	6,118
V. DIVIDEND INCOME		-	12
VI. TRADING PROFIT/LOSS (Net)	IV-c	53,947	64,193
6.1 Profit/Losses from Capital Market Transactions		5,293	8,764
6.2 Profit/Losses from Derivative Financial Transactions		1,559	120,999
6.3 Foreign Exchange Profit/Losses		47,095	(65,570)
VII. OTHER OPERATING INCOME	IV-d	61,089	40,922
VIII. GROSS PROFIT FROM OPERATING ACTIVITIES (III+IV+V+VI+VII)		406,575	259,229
IX. ALLOWANCES FOR EXPECTED CREDIT LOSSES (-)	IV-e	(74,204)	61,490
X. OTHER PROVISION EXPENSES (-)	IV-e	2,918	900
XI. PERSONNEL EXPENSES (-)		110,120	65,503
XII. OTHER OPERATING EXPENSES (-)	IV-f	107,556	68,218
XIII. NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		260,185	63,118
XIV. SURPLUS WRITTEN AS GAIN AFTER MERGER		-	-
XV. PROFIT/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES		-	-
XVI. NET MONETARY POSITION GAIN/LOSS		-	-
XVII. PROFIT/LOSS BEFORE TAXES FROM CONTINUING OPERATIONS (XIII+...+XVI)	IV-g	260,185	63,118
PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	IV-h	(56,863)	(12,585)
18.1 Current Tax Provision		36,210	-
18.2 Expense Effect of Deferred Tax (+)		181,504	143,602
18.3 Income Effect of Deferred Tax (-)		160,851	131,017
XIX. NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	IV-i	203,322	50,533
XX. INCOME FROM DISCONTINUED OPERATIONS		-	-
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		-	-
XXI. EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
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		-	-
PROFIT/LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (±) (XX-XXI)		-	-
XXIII. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-
23.1 Current Tax Provision		-	-
23.2 Expense Effect of Deferred Tax (+)		-	-
23.3 Income Effect of Deferred Tax (-)		-	-
NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)		-	-
XXIV. NET PROFIT/LOSS (XIX+XXIV)	IV-j	203,322	50,533
25.1 Group's Profit / Loss		203,322	50,533
25.2 Minority Shares' Profit / Loss (-)		-	-
Profit / Loss per Share (1,000 nominal in TL full)		1.076	0.328

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

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

BURGAN BANK A.Ş.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2022 AND 31 MARCH 2021

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

IV. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	Reviewed 31/03/2022	Reviewed 31/03/2021
I. CURRENT PERIOD INCOME/LOSS	203,322	50,533
II. OTHER COMPREHENSIVE INCOME	190,950	87,316
2.1 Other Comprehensive Income not to be Reclassified to Profit or Loss	(439)	-
2.1.1 Increases/Decreases in Revaluation of Tangible Assets	-	-
2.1.2 Increases/Decreases in Revaluation 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	(439)	-
2.2 Items to be Reclassified to Profit or Loss	191,389	87,316
2.2.1 Foreign Currency Translation Differences	-	-
2.2.2 Gains or Losses on Valuation or Reclassification Arising from Financial Assets at Fair Value Through Other Comprehensive Income	7,681	(13,136)
2.2.3 Gains or Losses Arising on Cash Flow Hedges	243,295	122,280
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	(59,587)	(21,828)
III. TOTAL COMPREHENSIVE INCOME (I+II)	394,272	137,849

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

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

BURGAN BANK A.Ş.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD 31 MARCH 2022

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY						Accumulated Other Comprehensive Income Not To Be Reclassified To Profit Or Loss			Accumulated Other Comprehensive Income To Be Reclassified To Profit Or Loss								
						1	2	3	4	5	6	Profit Reserves	Prior Period Profit / Loss	Current Period Net Income or Loss	Total Shareholders' Equity Except From Minority Interest	Minority Interest	Total Shareholders' Equity
Reviewed	Note (Section Five)	Paid-in Capital	Share Premium	Share Cancellati on Profits	Other Capital Reserves												
CURRENT PERIOD 31.03.2022																	
I. Prior Period End Balance	II-1	1,890,000	-	-	(2,532)	34,176	(9,954)	-	-	(52,206)	185,523	124,587	304,815	-	2,474,409	-	2,474,409
II. Corrections according to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Corrections of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Amendments in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New Balance (I+II)		1,890,000	-	-	(2,532)	34,176	(9,954)	-	-	(52,206)	185,523	124,587	304,815	-	2,474,409	-	2,474,409
IV. Total Comprehensive Income		-	-	-	-	(948)	509	-	-	9,024	182,365	-	-	203,322	394,272	-	394,272
V. Capital Increase in Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase in Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Adjustment to Share Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt Instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Gain or Loss related to Other Changes		-	-	-	-	-	-	-	-	-	-	-	15,708	-	15,708	-	15,708
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	304,815	(304,815)	-	-	-	-
11.1 Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	304,815	(304,815)	-	-	-	-
11.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (III+IV+.....+X+XI)		1,890,000	-	-	(2,532)	33,228	(9,445)	-	-	(43,182)	367,888	429,402	15,708	203,322	2,884,389	-	2,884,389

1. Accumulated revaluation increases/decreases of fixed assets,
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 amounts of other comprehensive income items 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 CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)

BURGAN BANK A.Ş.

CONSOLIDATED 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						Accumulated Other Comprehensive Income Not To Be Reclassified To Profit Or Loss			Accumulated Other Comprehensive Income To Be Reclassified To Profit Or Loss								
						1	2	3	4	5	6	Profit Reserves	Prior Period Profit / Loss	Current Period Net Income or Loss	Total Shareholders' Equity Except From Minority Interest	Minority Interest	Total Shareholders' Equity
Reviewed	Note (Section Five)	Paid-in Capital	Share Premium	Share Cancellati on Profits	Other Capital Reserves												
PRIOR PERIOD 31.03.2021																	
I. Prior Period End Balance	II-1	1,535,000	-	-	(736)	23,452	(5,496)	-	-	3,592	(10,237)	398,179	(273,697)	-	1,670,057	-	1,670,057
II. Corrections according to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Corrections of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Amendments in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New Balance (I+II)		1,535,000	-	-	(736)	23,452	(5,496)	-	-	3,592	(10,237)	398,179	(273,697)	-	1,670,057	-	1,670,057
IV. Total Comprehensive Income		-	-	-	-	-	-	-	-	(10,509)	97,825	-	-	50,533	137,849	-	137,849
V. Capital Increase in Cash		355,000	-	-	-	-	-	-	-	-	-	-	-	-	355,000	-	355,000
VI. Capital Increase in Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Adjustment to Share Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt Instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Gain or Loss related to Other Changes		-	-	-	(1,754)	-	-	-	-	-	-	-	-	-	(1,754)	-	(1,754)
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	(273,697)	273,697	-	-	-	-
11.1 Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	(273,697)	273,697	-	-	-	-
11.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (III+IV+.....+X+XI)		1,890,000	-	-	(2,490)	23,452	(5,496)	-	-	(6,917)	87,588	124,482	-	50,533	2,161,152	-	2,161,152

1. Accumulated revaluation increases/decreases of fixed assets,
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 amounts of other comprehensive income items 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 CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)

BURGAN BANK A.Ş.
CONSOLIDATED STATEMENT OF CASH FLOWS
AS OF 31 MARCH 2022 AND 31 MARCH 2021

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

VI. STATEMENT OF CASH FLOWS	Reviewed 31/03/2022	Reviewed 31/03/2021
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1 Operating Profit Before Changes in Operating Assets and Liabilities	586,135	103,093
1.1.1 Interest Received	1,003,912	647,843
1.1.2 Interest Paid	(795,238)	(425,053)
1.1.3 Dividend Received	-	12
1.1.4 Fees and Commissions Received	8,045	3,703
1.1.5 Other Income	-	-
1.1.6 Collections from Previously Written-off Loans and Other Receivables	74,190	162,060
1.1.7 Payments to Personnel and Service Suppliers	(110,120)	(65,503)
1.1.8 Taxes Paid	(7,689)	(5,314)
1.1.9 Other	413,035	(214,655)
1.2 Changes in Operating Assets and Liabilities	1,143,186	(592,955)
1.2.1 Net (Increase) Decrease in Financial Assets at Fair Value Through Profit or Loss	(273,596)	(33,368)
1.2.2 Net (Increase) Decrease in Due from Banks	53,358	(843,411)
1.2.3 Net (Increase) Decrease in Loans	(3,406,017)	(53,316)
1.2.4 Net (Increase) Decrease in Other Assets	(590,171)	(294,548)
1.2.5 Net Increase (Decrease) in Bank Deposits	(140,516)	111,058
1.2.6 Net Increase (Decrease) in Other Deposits	4,635,850	1,183,566
1.2.7 Net Increase (Decrease) in Financial Liabilities at Fair Value Through Profit or Loss	(55,486)	14,780
1.2.8 Net Increase (Decrease) in Funds Borrowed	(102,639)	(728,598)
1.2.9 Net Increase (Decrease) in Overdue Debts	-	-
1.2.10 Net Increase (Decrease) in Other Liabilities	1,022,403	50,882
I. Net Cash Provided from Banking Operations	1,729,321	(489,862)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II. Net Cash Provided from Investing Activities	(279,157)	129,144
2.1 Acquired Investments, Associates and Subsidiaries (Joint Partnerships)	-	-
2.2 Disposed Investments, Associates and Subsidiaries (Joint Partnerships)	-	-
2.3 Acquired Property and Equipment	(2,877)	(2,204)
2.4 Disposed Property and Equipment	296,135	55,362
2.5 Acquired Financial Assets at Fair Value Through Other Comprehensive Income	(556,559)	(10,744)
2.6 Disposed Financial Assets at Fair Value Through Other Comprehensive Income	313,917	121,474
2.7 Acquired Financial Assets at Amortised Cost	(329,773)	(200,038)
2.8 Disposed Financial Assets at Amortised Cost	-	165,294
2.9 Other	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net Cash Provided from Financing Activities	-	355,000
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	-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	49,917	72,374
V. Net Increase/(Decrease) in Cash and Cash Equivalents (I+II+III+IV)	1,500,081	66,656
VI. Cash and Cash Equivalents at Beginning of the Period	3,410,629	2,157,969
VII. Cash and Cash Equivalents at end of the Period	4,910,710	2,224,625

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

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

BURGAN BANK A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2022

(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. Preparation of the consolidated financial statements and related notes and explanations in accordance with the Turkish Accounting Standards and Regulation on the Principles and Procedures numbered 5411 Regarding Banks’ Accounting Application and Keeping Documents:

The consolidated 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 the Public Oversight Accounting and Auditing Standards Authority (POA). The format and the content of the publicly announced consolidated 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 related to these Financial Statements” published in the Official Gazette No. 28337 dated 28 June 2012, and changes and amendments to this communiqué. The Parent Bank maintains its accounting entries in Turkish Lira, in accordance with the Banking Law, Turkish Trade Law and the Turkish Tax Legislation.

The consolidated 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 consolidated financial statements and notes related to these financial statements have been expressed in thousands of Turkish Lira, unless otherwise stated. The preparation of consolidated financial statements in conformity with TAS requires the use of certain critical accounting estimates by the Parent 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.

Under the decision of CMB dated 17 March 2005 and numbered 11/367, Group has ended the implementation of adjustments of consolidated financial statements in hyperinflationary periods for companies operating in Turkey and preparing financial statements in accordance with Turkish Financial Reporting Standards since 1 January 2005. Since 1 January 2015, Standard numbered 29 “Financial Reporting in Hyperinflationary Economies” (“TAS 29”) has not been applied.

In the statement made by the Public Oversight Accounting and Auditing Standards Authority (“POA”) on 20 January 2022, since the cumulative change in the general purchasing power of the last three years according to the Consumer Price Index (“CPI”) is 74.41%, it is stated that there is no need to make any adjustments in the financial statements for 2021 within the scope of TAS 29 Financial Reporting Standard in Hyperinflationary Economies. In the accompanying financial statements, no inflation adjustment has been made in accordance with TAS 29.

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

I. BASIS OF PRESENTATION (Continued):

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 2022, considering the magnitude of the economic changes due to COVID-19, the Group 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 Group will update its relevant assumptions as necessary and revise the realizations of past estimates.

The tension between Russia and Ukraine since January 2022 turned into a crisis and a hot conflict. The Bank does not carry out any activity in the two subject countries. Considering the geographies in which the Bank operates, the crisis is not expected to have a direct impact on the Group's operations. However, since the course of the crisis is uncertain as of the report date, developments that may occur on a global scale, and the effects of these developments on the global and regional economy, on the Group's operations are closely monitored and taken into account with the best estimation approach in the preparation of the financial statements.

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

None.

c. Items subject to different accounting policies in the preparation of consolidated financial statements:

None.

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

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

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

As of 31 March 2022, foreign currency denominated balances are translated into TL using the exchange rates of TL 14,6371 and TL 16,2855 for USD and EURO respectively.

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

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

Consolidated financial statements are prepared in accordance with the TFRS 10 “Turkish Accounting Standard for Consolidated Financial Statements”. Consolidation principles for subsidiaries:

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

Control depicts the significant influence the Parent Bank has over an investment to a legal entity, the varying yield the Parent Bank receives due to its relationship with this entity or the rights of the Parent Bank entitled over this yield and the power to impact the yield that the invested legal entity will generate.

In the full consolidation method, 100% of subsidiaries’ assets, liabilities, income, expense and off-balance sheet items are combined with the Parent Bank’s assets, liabilities, income, expense and off-balance sheet items.

The carrying amount of the Group’s investment in each subsidiary and the Group’s portion of the cost value of the capital of each subsidiary are eliminated. Intergroup balances and intergroup transactions and resulting unrealized profits and losses are eliminated. Minority interests in the net income of consolidated subsidiaries are identified and adjusted against the income of the Group in order to arrive at the net income attributable to the Group. Minority interests are presented in the consolidated balance sheet, under shareholder’s equity. Minority interests are presented separately in the Group’s income.

The Group has no joint ventures as of 31 March 2022 and 31 December 2021.

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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 Group are currency and interest rate swaps, cross currency swaps, currency options and currency forwards.

The Group 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. Valuation differences in the fair value of trading derivative instruments are reflected to the statement of profit or loss. 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 2022, The Group 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 Group implements effectiveness tests at the balance sheet dates for hedge accounting, the effective parts are accounted as defined in TAS 39, 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 by using the effective interest method.

VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSE:

Fees and commission income/expenses are primarily recognized on an accrual basis or “Effective Interest (Internal Efficiency) 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 an integral part of their effective profit rate, are accounted over time in accordance with the TFRS 15 Revenue From Contracts With Customers Standard.

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

VII. EXPLANATIONS ON FINANCIAL ASSETS:

The Group 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 three “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 Group 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 remeasured at their fair value after recognition. The gains and losses arising from the conducted valuations are included in profit/loss accounts.

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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 income statement. 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 “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. In case of disposal of the equity investment, the total accumulated gain or loss is followed in the “Other Accumulated Comprehensive Income or Expense That Cannot Be Reclassified to Profit or Loss”.

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:

A financial asset is classified as a financial asset measured at amortized cost if the financial asset is held within the scope of a business model that aims to collect contractual cash flows and the contractual terms of the financial asset result in cash flows that only consist of principal and interest payments on the principal balance on specified dates. 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.

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

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

VIII. EXPLANATIONS ON EXPECTED CREDIT LOSSES:

The Group 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.

While preparing its financial statements as of 31 March 2022, the Bank has reflected the possible effects of the COVID-19 outbreak on the important estimates and assumptions used in the preparation of the financial statements.

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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 reporting date.
- **Lifetime PD:** The probability of default occurring over the remaining life of the loan.

The Group 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 Group 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.

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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 based on 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 Group 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 Group carries out its determination regarding the significant increase in credit risk by taking into consideration of the following criteria:

- 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 Group also provides additional provisions through individual assessment.

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

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 “Financial assets measured at amortized cost” according to the investment purposes of the Group and are measured according to the portfolio to which they belong. Funds obtained from repurchase agreements are accounted under “Funds Provided under Repurchase Agreements” in liabilities and the difference between the sale and repurchase price is accrued over the life of repurchase agreements using the effective interest method.

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

XI. EXPLANATIONS ON 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 Group has no discontinued operations.

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

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS:

a. Goodwill:

As of 31 March 2022, the Group has no goodwill (31 December 2021: 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 amounts 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 amortization 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 TANGIBLE ASSETS:

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

The Group has adopted the “revaluation method” in accordance with the “Communiqué Regarding the Principles and Procedures for the Tangible Assets (“TAS 16”)” for its buildings. Independent expert appraisal values determined by independent experts 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%

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

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

Gains and losses arising from the disposal of tangible assets are determined by deducting the net book value of the tangible asset from the sales revenue.

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

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

XIV. EXPLANATIONS ON LEASING TRANSACTIONS:

The Group 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 these assets are depreciated by taking their useful lives into consideration. If impairment is detected in the value of the leased asset, a "Provision for impairment" is recognized. Liabilities arising from leasing transactions are included in "Financial Lease Payables" on the balance sheet. Interest and foreign exchange expenses regarding lease transactions are charged to the income statement. The Group realizes financial leasing transactions as a "Lessor" by means of Burgan Finansal Kiralama A.Ş. which is the consolidated subsidiary of the Group.

With the "IFRS 16 Leases" standard, which became effective as of 1 January 2019, the difference between 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 Group 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 Group.

IFRS 16 "Leases" Standard

Group – lessee:

At the beginning of a contract, the Group 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 Group reflects the existence of a right of use and a lease liability to the financial statements at the effective date of the lease.

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 Group.

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.

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

XIV. EXPLANATIONS ON LEASING TRANSACTIONS (Continued):

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

The lease payments included in the measurement of the lease liability at the effective date of the lease, consist of payments for the right to use the underlying asset during the lease term that are not paid at the effective date of the lease.

After the effective date of the lease, the Group 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.

XV. EXPLANATIONS ON PROVISIONS AND CONTINGENT LIABILITIES:

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

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

XVI. EXPLANATIONS ON CONTINGENT ASSETS:

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

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

XVII. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS:

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

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

XVIII. EXPLANATIONS ON TAXATION:

a. Current Tax:

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

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. 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 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.

However, with Article 25 of Law No. 7394, for banks, companies within the scope of the "Financial Leasing, Factoring, Financing and Savings Financing Companies Law" numbered 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies, the corporate tax rate was increased to 25%. This provision entered into force on 15 April 2022 to be applied to corporate earnings for the 2022 taxation period.

This amendment will be valid in the taxation of corporate earnings for the periods starting from 1 January 2022, starting with the declarations that must be submitted as of 1 July 2022. Since the tax rate change came into effect as of 15 April 2022, 23% was used as the tax rate in Corporate Tax calculations in the financial statements dated 31 March 2022.

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

XVIII. EXPLANATIONS ON TAXATION (Continued):

a. Current Tax (Continued):

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, which are held at least for two years, 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.

With the Presidential Decision No. 4936 published in the Official Gazette dated 22 December 2021 and numbered 31697, Within the scope of Article 94 of the Income Tax Law and Articles 15 and 30 of the Corporate Tax Law, the rate of tax withholding in dividend distribution has been reduced from 15% to 10%.

According to the Law No. 7352 Amending the Corporate Tax Law and the Tax Procedure Law No. 31734 published in the Official Gazette dated 29 January 2022 and numbered 31734, the application of inflation adjustment in the legal books based on the Tax Procedure Law has been postponed to 31 December 2023.

a. Deferred Tax:

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

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

Due to the fact that the change in the corporate tax rate that came into effect on 15 April 2022, will be taken into account in the taxation of corporate earnings for the periods valid from 1 January 2022, starting from 1 July 2022, under TAS 12, deferred tax assets or liabilities are calculated according to 25% tax rate as of the end of the reporting period (balance sheet date).

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

XIX. EXPLANATIONS ON BORROWINGS:

The Group’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 “discounted cost” using the effective interest method.

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

XX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES:

Direct 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 no incentive received from TÜBİTAK until the balance sheet date (31 December 2021: TL 6.500).

XXIII. EXPLANATIONS ON PROFIT RESERVES AND PROFIT DISTRIBUTION:

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

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

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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.

	31 March 2022	31 March 2021
Net Profit/(Loss) to be Appropriated to Ordinary Shareholders	203,322	50,533
Weighted Average Number of Issued Ordinary Shares (Thousand)	189,000,000	153,894,444
Earnings and Losses Per Ordinary Shares (Disclosed as 1,000 nominal in full TL)	1.076	0.328

Based on the Principal Agreement, the Parent 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. Such “bonus share” distributions are treated as issued shares in earnings per share calculations. Accordingly, the weighted average number of shares used in these calculations is calculated by taking into account the retrospective effects of the said share distributions. 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, Group’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. EXPLANATION ON SEGMENT REPORTING:

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

XXVIII. CLASSIFICATIONS:

In order to provide comparative information, classification processes have been made in the income statement, cash flow statement and various notes.

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SECTION FOUR

INFORMATION RELATED TO THE FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE GROUP ON A CONSOLIDATED BASIS

I. EXPLANATIONS ON CONSOLIDATED EQUITY ITEMS:

Total equity 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 2022, Bank's total capital has been calculated as TL 6,505,102 (31 December 2021: TL 5,974,815), consolidated standard capital adequacy ratio is 20.81% (31 December 2021: 20.88%).

As of 31 March 2022, within the scope of BRSA's instructions dated 6 September 2021 and 21 December 2021, in the calculation of the amount subject to credit risk, in accordance with the Regulation on the Measurement and Evaluation of Capital Adequacy of Banks (Capital Adequacy Regulation) published in the Official Gazette dated 23 October 2015 and numbered 29511, when calculating the amounts of monetary assets and non-monetary assets other than items in foreign currency measured at historical cost, valued in accordance with Accounting Standards and related special provisions, the simple arithmetic average of the Central Bank's foreign exchange buying rates for the last 252 business days as of 31 December 2021 is used and in case the net valuation differences of the securities held by the Bank in the portfolio of "Securities at Fair Value Reflected in Other Comprehensive Income" as of 21 December 2021 Decision date are negative, it is possible to ignore these differences in the amount of equity to be calculated in accordance with the Regulation on the Equity of Banks published in the Official Gazette dated 5 September 2013 and numbered 28756 and to be used for the capital adequacy ratio.

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INFORMATION RELATED TO THE FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE GROUP ON A CONSOLIDATED BASIS (Continued):

I. EXPLANATIONS ON CONSOLIDATED EQUITY ITEMS (Continued):

a. Information about equity items:

	Current Period 31 March 2022	Amounts related to treatment before 1/1/2014 (*)	Prior Period 31 December 2021	Amounts related to treatment before 1/1/2014 (*)
COMMON EQUITY TIER 1 CAPITAL				
Paid-in capital following all debts in terms of claim in liquidation of the Bank	1,890,000		1,890,000	
Share issue premiums	-		-	
Legal reserves	426,870		122,055	
Gains recognized in equity as per TAS	401,116		258,775	
Profit	219,030		304,815	
Current Period Profit	203,322		304,815	
Prior Period Profit	15,708		-	
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	-		-	
Common Equity Tier 1 Capital Before Deductions	2,937,016		2,575,645	
Deductions from Common Equity Tier 1 Capital	-		-	
Common Equity as per the subparagraph (i) of 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	11,144		9,954	
Improvement costs for operating leasing	12,268		13,082	
Goodwill remaining after offsetting with the related deferred tax liability	-		-	
Other intangible assets after offsetting the related deferred tax liability, excluding mortgage servicing rights	51,752	51,752	53,782	53,782
The remaining part of the deferred tax asset based on future taxable income, excluding deferred tax assets based on temporary differences, after offsetting with the related deferred tax liability	-		-	
Differences that arise when assets or liabilities that are not monitored at fair value are subject to cash flow hedges	367,888		185,523	
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 resulting from differences in the fair value of the bank's liabilities due to changes in credit worthiness	-		-	
Net amount of defined benefit plan 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 I Capital or Tier II Capital	-		-	
Total Deductions from Common Equity Tier 1 Capital	443,052		262,341	
Total Common Equity Tier 1 Capital	2,493,964		2,313,304	

(*) In this column, 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.

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I. EXPLANATIONS ON CONSOLIDATED EQUITY ITEMS (Continued):

a. Information about equity items (Continued):

	Current Period 31 March 2022	Amounts related to treatment before 1/1/2014 (*)	Prior Period 31 December 2021	Amounts related to treatment before 1/1/2014 (*)
ADDITIONAL TIER I CAPITAL				
The capital corresponding to the privileged shares not included in the core capital and the issuance premiums related to them				
Debt instruments and premiums approved by BRSA (*)	731.855		666.450	
Debt instruments and premiums approved by BRSA (Temporary Article 4)				
Additional Tier I Capital before Deductions	731.855		666.450	
Deductions from Additional Tier I Capital				
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				
Items that will Continue to deduce from the Core Capital during Transition				
Portion of the 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 (-)				
Portion of the 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 (-)				
Total Deductions from Additional Tier I Capital				
Total Additional Tier I Capital	731.855		666.450	
Total Tier I Capital (Tier I Capital=Common Equity + Additional Tier I Capital)	3.225.819		2.979.754	
TIER II CAPITAL				
Debt instruments and share issue premiums deemed suitable by the BRSA	2.927.420		2.665.800	
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)				
Provisions (Article 8 of the Regulation on the Equity of Banks)	357.309		330.887	
Tier II Capital Before Deductions	3.284.729		2.996.687	
Deductions from Tier II Capital				
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.	5.446		1.626	
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 (-)				
Total Deductions from Tier II Capital	5.446		1.626	
Total Tier II Capital	3.279.283		2.995.061	
Total Capital (The sum of Tier I Capital and Tier II Capital)	6.505.102		5.974.815	
Deductions from Total Capital				
Deductions from Capital Loans granted contrary to the 50th and 51st 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				
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Deduct Components				
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 and second sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds				

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I. EXPLANATIONS ON CONSOLIDATED EQUITY ITEMS (Continued):

a. Information about equity items (Continued):

	Current Period 31 March 2022	Amounts related to treatment before 1/1/2014 (*)	Prior Period 31 December 2021	Amounts related to treatment before 1/1/2014 (*)
EQUITY				
Total Equity (Tier I and Tier II Capital)	6,505,102		5,974,815	
Total risk weighted amounts	31,253,400		28,616,684	
CAPITAL ADEQUACY RATIOS				
Core Capital Adequacy Ratio (%)	7.98		8.08	
Tier I Capital Adequacy Ratio (%)	10.32		10.41	
Capital Adequacy Ratio (%)	20.81		20.88	
BUFFERS				
Total additional Tier I Capital requirement ratio (a + b + c)	2.515		2.512	
a. Capital conservation buffer requirement (%)	2.500		2.500	
b. Bank specific counter-cyclical buffer requirement (%)	0.015		0.012	
c. Systematically important bank buffer ratio (%)	-		-	
The ratio of Additional Common Equity Tier I capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets	3.48		3.58	
Amounts below the Excess Limits as per the Deduction Principles				
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	-		-	
Amount arising from rights to provide mortgage service	-		-	
Amount arising from deferred tax assets based on temporary differences	442,080		634,681	
Limits Related to Provisions Considered in Tier II Calculation				
General provisions for standard based receivables (before ten thousand twenty-five limitation)	1,509,143		1,524,981	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	357,309		330,887	
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	-		-	
Debt instruments subjected to Article 4 (to be implemented between 1 January 2018 and 1 January 2022)				
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	-		-	

(*) In this column, the accounts that are liable to transition principles “the temporary articles of Regulation on Equities of Banks” which will be considered at the end of the transition period are shown.

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I. EXPLANATIONS ON CONSOLIDATED EQUITY ITEMS (Continued):

b. Information on instruments related to equity estimation:

Issuer – Loan grantor	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
Regulatory Treatment in Equity Calculation	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
Validity status in a consolidated or unconsolidated basis or in a consolidated and unconsolidated basis	Unconsolidated – Consolidated	Unconsolidated –Consolidated
Instrument type	Subordinated Loan	Subordinated Loan
Amount recognized in equity calculation (As of most recent reporting date – Thousands TL)	2,927,420	731,855
Nominal value of debt instrument (Thousands USD)	200,000	50,000
The account number that the debt instrument is followed	Liability-Subordinated Loans-Amortized Cost	Liability-Subordinated Loans-Amortized Cost
Original date of issuance of the debt instrument	16.08.2021	22.02.2021
Maturity structure of the debt instrument (Perpetual/Dated)	Dated	Undated
Original maturity date of the debt instrument	10 Years	-
Whether the issuer has a right to call subject to BRSA approval	Yes	Yes
Optional call date, contingent call options and redemption amount	After 5th year	After 5th year
Subsequent call dates of call options	After 5th year	After 5th year
Interest/dividend payments	3 Months	-
Fixed or floating dividend/interest payments	Floating dividend	-
Interest rate and any related index value	LIBOR+4,25	-
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
Being convertible or non-convertible to stock	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	-
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.	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.
The terms it is not in compliance within articles 7 and 8 of the Communiqué on Bank’s Equities	None.	None.

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INFORMATION RELATED TO THE FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE GROUP ON A CONSOLIDATED BASIS (Continued):

II. EXPLANATIONS ON CONSOLIDATED RISK MANAGEMENT:

a. 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 2022:

- 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	Prior Period	Current Period
		31 March 2022	31 December 2021	31 March 2022
1	Credit risk (excluding counterparty credit risk) (CCR)	27,748,418	25,739,586	2,219,873
2	Standardized approach (SA)	27,748,418	25,739,586	2,219,873
3	Internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	836,321	731,365	66,906
5	Standardized approach for counterparty credit risk (SA-CCR)	836,321	731,365	66,906
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	854,092	464,105	68,327
17	Standardized approach (SA)	854,092	464,105	68,327
18	Internal model approaches (IMM)	-	-	-
19	Operational risk	1,814,569	1,681,628	145,166
20	Basic indicator approach	1,814,569	1,681,628	145,166
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	Total (1+4+7+8+9+10+11+12+16+19+23+24)	31,253,400	28,616,684	2,500,272

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INFORMATION RELATED TO THE FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE GROUP ON A CONSOLIDATED BASIS (Continued):

III. EXPLANATIONS ON CONSOLIDATED CURRENCY RISK:

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

A series of limits for the tenure of spot and forward foreign exchange positions are set by the Board of Directors annually. The Group has a short-term conservative foreign currency position management policy.

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

	EUR		USD	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021

Bid Rate	TL 16.2855	TL 15.0867	TL 14.6371	TL 13.3290
1. Day Bid Rate	TL 16.2855	TL 15.0867	TL 14.6371	TL 13.3290
2. Day Bid Rate	TL 16.3086	TL 14.6823	TL 14.6458	TL 12.9775
3. Day Bid Rate	TL 16.3117	TL 13.8011	TL 14.7933	TL 12.2219
4. Day Bid Rate	TL 16.2620	TL 13.4000	TL 14.8221	TL 11.8302
5. Day Bid Rate	TL 16.3136	TL 12.8903	TL 14.8068	TL 11.3900

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

	EUR		USD	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
Arithmetic average – 30 days	TL 16.1245	TL 15.4228	TL 14.6412	TL 13.6455

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INFORMATION RELATED TO THE FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE GROUP ON A CONSOLIDATED BASIS (Continued):

III. EXPLANATIONS ON CONSOLIDATED CURRENCY RISK (Continued):

Information on currency risk of the Group:

	EUR	USD	Other FC	Total
31 March 2022				
Assets				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	2,473,929	4,071,767	175,070	6,720,766
Banks	80,476	572,356	19,506	672,338
Financial Assets at Fair Value Through Profit or Loss (*)	11,501	403,688	16	415,205
Interbank Money Market Placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	134,315	74,016	-	208,331
Loans (*)	12,965,404	4,102,858	-	17,068,262
Investments in Associates, Subsidiaries and Joint Ventures (Business Partnerships)	-	-	-	-
Financial Assets Measured at Amortized Cost	341,551	1,101,135	-	1,442,686
Hedging Derivative Financial Assets (*)	28,727	179,786	-	208,513
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets (*)	22,134	17,112	1,005	40,251
Total Assets	16,058,037	10,522,718	195,597	26,776,352
Liabilities				
Bank Deposits	87,405	269,343	-	356,748
Foreign Currency Deposits	6,542,364	12,148,700	868,269	19,559,333
Payables to Interbank Money Market	-	444,672	-	444,672
Funds Borrowed From Other Financial Institutions	1,610,373	9,535,789	-	11,146,162
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	1,049,014	682,530	1,047	1,732,591
Hedging Derivative Financial Liabilities	11,325	4,571	-	15,896
Other Liabilities (*)	20,739	33,602	17,667	72,008
Total Liabilities	9,321,220	23,119,207	886,983	33,327,410
Net On-balance Sheet Position	6,736,817	(12,596,489)	(691,386)	(6,551,058)
Net Off-balance Sheet Position	(5,530,334)	12,452,885	703,607	7,626,158
Receivables from Derivative Financial Instruments	4,816,223	19,984,177	1,299,696	26,100,096
Payables from Derivative Financial Instruments	10,346,557	7,531,292	596,089	18,473,938
Non-Cash Loans (**)	2,007,584	3,858,110	70,096	5,935,790
31 December 2021				
Total Assets (*)	15,379,392	8,914,424	153,957	24,447,773
Total Liabilities (*)	9,491,863	21,454,450	732,105	31,678,418
Net On-balance Sheet Position	5,887,529	(12,540,026)	(578,148)	(7,230,645)
Net Off-balance Sheet Position	(4,815,773)	12,471,150	581,154	8,236,531
Receivables from Derivative Financial Instruments	2,193,480	16,846,883	837,068	19,877,431
Payables from Derivative Financial Instruments	7,009,253	4,375,733	255,914	11,640,900
Non-Cash Loans (**)	1,801,707	3,515,723	64,128	5,381,558

(*) 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. Therefore, as of 31 March 2022, foreign currency indexed loans of TL 157,815 (31 December 2021: TL 153,438) included in the Turkish Lira column in the balance sheet are included in the table above. In addition, in foreign currency assets; "Prepaid Expenses" amounting to TL 2,201 (31 December 2021: 2,150), and "Derivative Financial Instruments Income Rediscounts" amounting to TL 255,446 (31 December 2021: TL 63,737) and "First and Second Stage Expected Loss Provisions" amounting to TL 1,407,021 (31 December 2021: TL 1,421,091) and in foreign currency liabilities; "Derivative Financial Instruments Expense Rediscounts" amounting to TL 90,092 (31 December 2021: TL 39,101) and "Free Reserves" amounting to TL 155,153 (31 December 2021: 138,622.) and "Non-cash Loans First and Second Stage Expected Loss Provisions" amounting to TL 6,446 (31 December 2021: TL 7,401) and "Securities Valuation Differences" and "Hedging Funds" amounting to TL 183,716 (31 December 2021: TL 10,270) are not included in the table.

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

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INFORMATION RELATED TO THE FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE GROUP ON A CONSOLIDATED BASIS (Continued):

IV. EXPLANATIONS ON CONSOLIDATED INTEREST RATE RISK:

Interest rate risk is the risk that expresses the effects of fluctuations in the market interest rates on the value increase/decrease of the 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 Group 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, fair value through 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):

31 March 2022	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets (***)							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	271,296	-	-	-	-	6,801,706	7,073,002
Banks	506,935	-	-	-	-	277,256	784,191
Financial Assets at Fair Value Through Profit/Loss (*)	604,451	886,937	689,309	268,369	134,908	48,741	2,632,715
Interbank Money Market Placements	579,114	-	-	-	-	-	579,114
Financial Assets at Fair Value Through Other Comprehensive Income	-	101,406	135,017	555,317	131,474	25,465	948,679
Loans Given	16,096,419	2,368,750	5,259,948	3,880,715	2,042,938	1,692,922	31,341,692
Financial Assets Measured at Amortized Cost	-	-	331,344	699,149	412,172	-	1,442,665
Other Assets	30,553	-	-	-	-	2,521,466	2,552,019
Total Assets	18,088,768	3,357,093	6,415,618	5,403,550	2,721,492	11,367,556	47,354,077
Liabilities							
Bank Deposits	301,010	-	-	-	-	56,347	357,357
Other Deposits	17,757,938	5,190,569	2,119,128	16,504	-	3,416,707	28,500,846
Payables to Interbank Money Market	174,860	-	230,470	214,128	-	-	619,458
Miscellaneous Payables	-	-	-	-	-	2,188,596	2,188,596
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	1,782,644	6,325,049	2,535,233	134,753	-	731,855	11,509,534
Other Liabilities (*) (**)	228,783	49,154	64,387	145,055	825	3,690,082	4,178,286
Total Liabilities	20,245,235	11,564,772	4,949,218	510,440	825	10,083,587	47,354,077
Balance Sheet Long Position	-	-	1,466,400	4,893,110	2,720,667	1,283,969	10,364,146
Balance Sheet Short Position	(2,156,467)	(8,207,679)	-	-	-	-	(10,364,146)
Off-balance Sheet Long Position	3,569,786	3,202,537	1,966,392	-	-	-	8,738,715
Off-balance Sheet Short Position	-	-	-	(5,853,674)	(2,105,179)	-	(7,958,853)
Total Position	1,413,319	(5,005,142)	3,432,792	(960,564)	615,488	1,283,969	779,862

(*) Financial Assets at Fair Value Through Profit/Loss includes derivative financial assets amounting to TL 2,222,931 and Other Liabilities includes derivative financial liabilities amounting to TL 404,336 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.

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INFORMATION RELATED TO THE FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE GROUP ON A CONSOLIDATED BASIS (Continued):

IV. EXPLANATIONS ON CONSOLIDATED 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):

31 December 2021	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets (***)							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	350,642	-	-	-	-	6,041,209	6,391,851
Banks	238,349	-	-	-	-	318,021	556,370
Financial Assets at Fair Value Through Profit/Loss (*)	996,222	1,279,815	536,357	112,390	48,631	15,599	2,989,014
Interbank Money Market Placements	42,500	-	-	-	-	-	42,500
Financial Assets at Fair Value Through Other Comprehensive Income	20,521	-	-	510,352	128,632	24,645	684,150
Loans	14,893,336	1,171,103	3,811,646	3,759,808	2,439,910	1,693,816	27,769,619
Financial Assets Measured at Amortized Cost	-	-	307,573	582,010	133,872	-	1,023,455
Other Assets	53,581	-	-	-	-	2,461,241	2,514,822
Total Assets	16,595,151	2,450,918	4,655,576	4,964,560	2,751,045	10,554,531	41,971,781
Liabilities							
Bank Deposits	468,243	5,649	-	-	-	23,981	497,873
Other Deposits	14,816,036	4,703,545	730,629	32,781	-	3,582,311	23,865,302
Payables to Interbank Money Market	62,895	-	209,873	-	-	-	272,768
Miscellaneous Payables	-	-	-	-	-	1,971,807	1,971,807
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	4,879,122	4,133,875	1,837,360	99,661	-	666,450	11,616,468
Other Liabilities (*) (**)	540,341	280,286	(341,664)	181,805	734	3,086,061	3,747,563
Total Liabilities	20,766,637	9,123,355	2,436,198	314,247	734	9,330,610	41,971,781
Balance Sheet Long Position	-	-	2,219,378	4,650,313	2,750,311	1,223,921	10,843,923
Balance Sheet Short Position	(4,171,486)	(6,672,437)	-	-	-	-	(10,843,923)
Off-balance Sheet Long Position	2,635,609	3,162,230	1,122,704	-	-	-	6,920,543
Off-balance Sheet Short Position	-	-	-	(4,829,235)	(93,303)	-	(4,922,538)
Total Position	(1,535,877)	(3,510,207)	3,342,082	(178,922)	2,657,008	1,223,921	1,998,005

(*) Financial Assets at Fair Value Through Profit/Loss includes derivative financial assets amounting to TL 2,854,020 and Other Liabilities includes derivative financial liabilities amounting to TL 587,787 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.

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

b. Average interest rates for monetary financial instruments:

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

31 March 2022	EUR	USD	Yen	TL
Assets	%	%	%	%
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	-	-	-	8.50
Banks	0.37	0.24	-	17.03
Financial Assets at Fair Value Through Profit/Loss	3.63	2.69	-	8.83
Interbank Money Market Placements	-	-	-	15.54
Financial Assets at Fair Value Through Other Comprehensive Income	4.76	6.69	-	15.62
Loans	4.92	5.78	-	20.97
Financial Assets Measured at Amortized Cost	3.89	7.07	-	-
Liabilities				
Bank Deposits	0.93	0.33	-	-
Other Deposits (*)	1.17	2.09	-	15.45
Payables to Interbank Money Market	-	1.39	-	11.74
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	3.16	2.88	-	15.15

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

31 December 2021	EUR	USD	Yen	TL
Assets	%	%	%	%
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	-	-	-	8.50
Banks	-	0.05	-	13.24
Financial Assets at Fair Value Through Profit/Loss	3.63	1.47	-	11.67
Interbank Money Market Placements	-	-	-	15.23
Financial Assets at Fair Value Through Other Comprehensive Income	4.13	6.02	-	17.02
Loans	5.04	5.27	-	23.32
Financial Assets Measured at Amortized Cost	3.43	6.71	-	-
Liabilities				
Bank Deposits	-	0.10	-	15.79
Other Deposits (*)	0.60	1.12	-	15.29
Payables to Interbank Money Market	-	1.13	-	11.48
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	3.05	2.69	-	15.06

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

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IV. EXPLANATIONS ON CONSOLIDATED 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 Parent 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.

Currency	Applied Shock (+/- x basis point)	Earnings/(Losses)	Earnings/ Equities-Losses/Equities
1. TRY	+500 bp	9,169	0.1%
2. TRY	-400 bp	(6,064)	(0.1)%
3. EURO	+200 bp	754	-
4. EURO	-200 bp	3,147	0.1%
5. USD	+200 bp	(37,566)	(0.6)%
6. USD	-200 bp	39,918	0.6%
Total (For Negative Shocks)		37,001	0.6%
Total (For Positive Shocks)		(27,643)	(0.4)%

V. EXPLANATIONS ON CONSOLIDATED SHARE CERTIFICATE POSITION RISK:

None.

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VI. EXPLANATIONS ON CONSOLIDATED LIQUIDITY RISK MANAGEMENT AND THE CONSOLIDATED 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 Parent 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 Parent 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 (frequency of reports and authorities to which they are submitted) 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 Parent 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 Parent 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.

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

Firstly, the Parent Bank and subsidiaries subject to consolidation are responsible to be in accord with the minimum liquidity restrictions that are set by legislation and consolidated and unconsolidated liquidity restrictions that is determined in the Bank’s Liquidity Risk Policy. 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 tests is to inform related committees and Board of Directors regarding liquidity outflows and derogation which can occur in the liquidity ratios of the Parent Bank. Required actions are taken by ALCO if there are similar situations mentioned in stress scenarios. The Market Risk Unit conducts stress tests more frequently during periods of high volatility and shares the results with the relevant managements.

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. Precautions which shall be taken in this process are determined in scope of Liquidity Emergency Plan and details related to Liquidity Emergency Plan are included in Liquidity Risk Policy of the Parent Bank.

The Parent Bank has a central funding institution function in its relations with partners. Intra-group liquidity management and funding strategies are limited to related legal limitations.

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

Consolidated Liquidity Coverage Ratio:

31 March 2022		Unweighted Amounts (*)		Weighted Amounts (*)	
		TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS					
1	High quality liquid assets			8,953,627	7,749,048
CASH OUTFLOWS					
2	Real person deposits and retail deposits	16,811,234	11,422,024	1,608,263	1,142,202
3	Stable deposits	1,457,204	-	72,860	-
4	Less stable deposits	15,354,030	11,422,024	1,535,403	1,142,202
5	Unsecured debts excluding real person deposits and retail deposits	8,346,856	7,135,723	3,986,295	3,288,411
6	Operational deposits	3,333,506	3,068,646	833,377	767,162
7	Non-operational deposits	3,938,918	3,378,975	2,078,486	1,833,147
8	Other unsecured funding	1,074,432	688,102	1,074,432	688,102
9	Secured funding			-	-
10	Other cash outflows	1,468,373	1,468,373	1,468,373	1,468,373
11	Derivative and collateral liabilities	1,468,373	1,468,373	1,468,373	1,468,373
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off-balance sheet liabilities	-	-	-	-
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15	Other irrevocable or conditionally revocable commitments	7,397,852	5,396,888	1,151,764	837,802
16	TOTAL CASH OUTFLOWS			8,214,695	6,736,788
CASH INFLOWS					
17	Secured receivables	-	-	-	-
18	Unsecured receivables	4,545,561	1,274,449	3,198,812	941,513
19	Other cash inflows	393,365	2,333,687	393,365	2,333,687
20	TOTAL CASH INFLOWS	4,938,926	3,608,136	3,592,177	3,275,200
				Upper Limit Applied Values	
21	TOTAL HIGH QUALITY LIQUID ASSETS			8,953,627	7,749,048
22	TOTAL NET CASH OUTFLOWS			4,622,518	3,461,588
23	LIQUIDITY COVERAGE RATIO (%)			193.70	223.86

(*) The simple arithmetic average of the daily values calculated by taking the monthly simple arithmetic average for the last three months has been taken.

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

Consolidated Liquidity Coverage Ratio (Continued):

31 March 2021		Unweighted Amounts (*)		Weighted Amounts (*)	
		TL+FC	FC	TP+YP	TL+FC
HIGH QUALITY LIQUID ASSETS					
1	High quality liquid assets			6,944,894	5,961,887
CASH OUTFLOWS					
2	Retail and small business customers deposits	14,166,092	9,188,205	1,354,575	918,820
3	Stable deposits	1,240,687	-	62,034	-
4	Less stable deposits	12,925,405	9,188,205	1,292,541	918,820
5	Unsecured debts excluding real person deposits and retail deposits	5,914,223	4,865,258	2,645,028	1,984,664
6	Operational deposits	2,422,062	2,238,772	605,515	559,693
7	Non-operational deposits	2,864,257	2,397,487	1,411,609	1,195,972
8	Other unsecured funding	627,904	228,999	627,904	228,999
9	Secured funding			-	-
10	Other cash outflows	804,430	798,302	804,430	798,302
11	Derivative and collateral liabilities	804,430	798,302	804,430	798,302
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off-balance sheet liabilities	-	-	-	-
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15	Other irrevocable or conditionally revocable commitments	6,111,430	4,683,503	927,723	713,525
16	TOTAL CASH OUTFLOWS			5,731,756	4,415,311
CASH INFLOWS					
17	Secured receivables	-	-	-	-
18	Unsecured receivables	4,327,949	1,702,603	2,918,766	1,148,042
19	Other cash inflows	108,239	1,050,607	108,239	1,050,607
20	TOTAL CASH INFLOWS	4,436,188	2,753,210	3,027,005	2,198,649
				Upper Limit Applied Values	
21	TOTAL HIGH QUALITY LIQUID ASSETS			6,944,894	5,961,887
22	TOTAL NET CASH OUTFLOWS			2,704,751	2,216,662
23	LIQUIDITY COVERAGE RATIO (%)			256.77	268.96

(*) The simple arithmetic average of the daily values calculated by taking the monthly simple arithmetic average for the last three months has been taken.

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VI. EXPLANATIONS ON CONSOLIDATED LIQUIDITY RISK MANAGEMENT AND THE CONSOLIDATED 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.

As of the period-end, high quality liquid assets of the Bank consist of accounts in Central Bank of the Republic of Turkey at a ratio of 73% and securities issued by under secretariat of Treasury at a ratio of 19%. The fund resources are distributed among deposits of individuals and retail, corporate deposits and due to bank debt at ratios of 18%, 46% and 11% 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 2022 is given below:

Date	FC	FC + TL
31 March 2022	1,483,016	1,483,016

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. As of 31 March 2022, liquidity coverage rates must be at least 80% for foreign currency assets and liabilities and at least 100% in total assets and liabilities. Dates and values of the lowest and highest foreign currency and total consolidated liquidity coverage ratios related to the three-month period calculated by taking daily arithmetic averages are explained in the table below:

Current Period	Maximum (%)		Minimum (%)	
	FC	FC + TL	FC	FC + TL
Monthly Arithmetic Average (%)	275.71	209.33	197.93	181.14
Month	31.01.2022	31.01.2022	28.02.2022	28.02.2022

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

Breakdown of assets and liabilities according to their outstanding maturities:

31 March 2022	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Unclassified (***)	Total
Assets (****)								
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	2,889,928	4,183,074	-	-	-	-	-	7,073,002
Banks	188,961	506,935	-	-	-	-	88,295	784,191
Financial Assets at Fair Value Through Profit or Loss (*)	-	295,921	758,505	11,337	1,232,922	279,896	54,134	2,632,715
Interbank Money Market Placements	-	579,114	-	-	-	-	-	579,114
Financial Assets at Fair Value Through Other Comprehensive Income	-	-	-	92,789	544,050	286,375	25,465	948,679
Loans Given	-	6,191,367	5,768,585	5,890,980	6,901,305	4,896,533	1,692,922	31,341,692
Financial Assets Measured at Amortized Cost	-	-	-	331,344	699,149	412,172	-	1,442,665
Other Assets (**)	17,287	158,439	32,889	145,124	-	-	2,198,280	2,552,019
Total Assets	3,096,176	11,914,850	6,559,979	6,471,574	9,377,426	5,874,976	4,059,096	47,354,077
Liabilities								
Bank Deposits	56,347	301,010	-	-	-	-	-	357,357
Other Deposits	3,416,707	17,757,938	5,190,569	2,119,128	16,504	-	-	28,500,846
Funds Borrowed From Other Financial Institutions	-	130,317	346,475	3,737,293	3,619,376	3,676,073	-	11,509,534
Payables to Interbank Money Market	-	174,786	-	230,507	214,165	-	-	619,458
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	6,841	54,097	-	-	-	-	2,127,658	2,188,596
Other Liabilities (*) (***)	-	479,449	167,356	171,540	139,896	470	3,219,575	4,178,286
Total Liabilities	3,479,895	18,897,597	5,704,400	6,258,468	3,989,941	3,676,543	5,347,233	47,354,077
Net Liquidity Gap	(383,719)	(6,982,747)	855,579	213,106	5,387,485	2,198,433	(1,288,137)	-
Net Off-balance Sheet Position	-	(196,363)	(101,012)	52,760	1,520,571	246,964	-	1,522,920
Receivables from Derivative Financial Instruments	-	12,041,924	6,842,332	913,546	6,452,015	2,572,646	-	28,822,463
Payables from Derivative Financial Instruments	-	(12,238,287)	(6,943,344)	(860,786)	(4,931,444)	(2,325,682)	-	(27,299,543)
Non-cash Loans	-	3,983,519	2,046,078	1,746,453	439,952	4,745	-	8,220,747
31 December 2020								
Total Assets	2,680,761	10,697,542	5,848,807	5,054,434	8,876,425	4,795,499	4,018,313	41,971,781
Total Liabilities	3,611,503	16,522,964	6,308,898	3,789,861	3,667,746	3,347,572	4,723,237	41,971,781
Net Liquidity Gap	(930,742)	(5,825,422)	(460,091)	1,264,573	5,208,679	1,447,927	(704,924)	-
Net Off-balance Sheet Position	-	192,654	(106,509)	416,220	459,172	2,456	-	963,993
Receivables from Derivative Financial Instruments	-	10,951,870	3,910,276	1,355,543	2,997,378	6,919	-	19,221,986
Payables from Derivative Financial Instruments	-	(10,759,216)	(4,016,785)	(939,323)	(2,538,206)	(4,463)	-	(18,257,993)
Non-cash Loans	-	4,143,098	1,199,728	1,215,942	478,284	9,498	-	7,046,550

(*) Financial Assets at Fair Value Through Profit or Loss includes derivative financial assets amounting to TL 2,222,931 and Other Liabilities includes derivative financial liabilities amounting to TL 404,336 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.

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VII. EXPLANATIONS ON CONSOLIDATED LEVERAGE RATIO:

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

As of 31 March 2022, the leverage ratio of the Group calculated from the arithmetic average of the three months is 5.38% (31 December 2021: 6.05%). 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 the balance sheet and off-balance sheet assets.

Disclosure of leverage ratio template:

	31 March 2022 (*)	31 December 2021 (*)
Balance sheet assets		
Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	44,502,498	37,654,863
(Assets deducted from Core capital)	65,209	58,443
Total risk amount of balance sheet assets	44,437,289	37,596,420
Derivative financial assets and credit derivatives		
Cost of replenishment for derivative financial assets and credit derivatives	1,169,862	1,434,239
Potential credit risk amount of derivative financial assets and credit derivatives	253,103	187,960
Total risk amount of derivative financial assets and credit derivatives	1,422,965	1,622,199
Financing transactions secured by marketable security or commodity		
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	-	-
Off-balance sheet transactions		
Gross notional amount of off-balance sheet transactions	11,571,105	7,947,351
(Correction amount due to multiplication with credit conversion rates)	-	-
Total risk of off-balance sheet transactions	11,571,105	7,947,351
Capital and total risk		
Core Capital	3,085,470	2,806,646
Total risk amount	57,431,359	47,165,970
Leverage ratio		
Leverage ratio	5.38%	6.05%

(*) Average amounts of the 3 months.

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VIII. EXPLANATIONS ON HEDGE TRANSACTIONS:

As of 31 March 2022, The Group applies cash flow hedge accounting using cross and interest swaps to hedge its FC deposits and other liabilities with an average maturity up to 3 months against interest rate fluctuations. The Group 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 with a carrying amount of TL 1,647,865 (31 December 2021: TL 1,693,717) and derivative financial payables with a carrying amount of TL 65,043 (31 December 2021: TL 118,110), are subject to hedge accounting as hedging instruments. As a result of the mentioned hedge accounting, fair value expense at the amount of TL 182,365 (31 December 2021: TL 195,760 fair value income) after tax is recognized under the equity in the current period. Ineffective part is not available (31 December 2021: None).

Hedging Instrument	Hedging Subject	Exposed Risk	Hedging Instruments Fair Value		Hedging Funds	Ineffective Part Accounted in Income Statement (Net)
			Assets	Liabilities		
Cross Currency Swap	Floating rate up to 3 month maturity FC deposits and other payables	Cash flow risk of changes in market interest rates	1,437,983	35,377	228,139	-
Interest Rate Swap	D Floating rate up to 3 month maturity FC deposits and other payables	Cash flow risk of changes in market interest rates	209,882	29,666	139,749	-

When hedge accounting of cash flow hedges cannot be maintained effectively as defined in TAS 39, 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 2021: None).

The measurements conducted as of 31 March 2022 show that the cash flow hedging transactions shown above are effective.

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IX. EXPLANATIONS 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 Parent Bank manages its banking operations through three main business units; retail banking, corporate and commercial banking and treasury.

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

Corporate and commercial banking provides services like loan, deposit, cash management, foreign trade financing, non-cash loans, foreign currency transaction services to customers.

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 2021 for balance sheet items and 31 March 2021 for income/expense statement items.

	Retail Banking	Corporate and Commercial Banking	Treasury	Other and Unclassified (*)	Total Operations of the Group
31 March 2022					
Net Interest Income	53,285	201,350	(30,105)	52,549	277,079
Net Fees and Commissions	153	12,218	-	2,089	14,460
Trading Profit/Loss	11,155	3,398	48,542	(9,148)	53,947
Other Operating Income	587	26,077	-	34,425	61,089
Operating Income	65,180	243,043	18,437	79,915	406,575
Operating and Provision Expenses (-)	44,678	(13,711)	17,678	97,745	146,390
Net Operating Income	20,502	256,754	759	(17,830)	260,185
Dividend Income	-	-	-	-	-
Profit/Loss from Subsidiaries based on Equity Method	-	-	-	-	-
Profit Before Tax	20,502	256,754	759	(17,830)	260,185
Tax Provisions (-)	5,125	64,188	190	(12,640)	56,863
Net Profit/Loss	15,377	192,566	569	(5,190)	203,322
Segment Assets	3,493,052	28,941,362	8,252,840	5,079,692	45,766,946
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-	-
Unallocated Assets	-	-	-	1,587,131	1,587,131
Total Assets	3,493,052	28,941,362	8,252,840	6,666,823	47,354,077
Segments Liabilities	18,513,776	10,038,027	8,354,223	7,563,662	44,469,688
Unallocated Liabilities	-	-	-	2,884,389	2,884,389
Total Liabilities	18,513,776	10,038,027	8,354,223	10,448,051	47,354,077

(*) Other activities include the activities carried out by Burgan Financial Leasing A.Ş. and Burgan Yatırım Menkul Değerler A.Ş., which are consolidated as subsidiaries of the Bank.

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X. EXPLANATIONS ON OPERATING SEGMENTS (Continued):

	Retail Banking	Corporate and Commercial Banking	Treasury	Other and Unclassified (*)	Total Operations of the Group
31 March 2021					
Net Interest Income	30,606	87,401	(13,823)	41,171	145,355
Net Fees and Commissions	-	7,506	-	1,241	8,747
Trading Profit/Loss	8,247	1,472	48,215	6,259	64,193
Other Operating Income	-	28,230	-	12,692	40,922
Operating Income	38,853	124,609	34,392	61,363	259,217
Operating and Provision Expenses (-)	24,099	89,710	11,317	70,985	196,111
Net Operating Income	14,754	34,899	23,075	(9,622)	63,106
Dividend Income	-	-	-	12	12
Profit/Loss from Subsidiaries based on Equity Method	-	-	-	-	-
Profit Before Tax	14,754	34,899	23,075	(9,610)	63,118
Tax Provisions (-)	2,950	6,980	4,615	(1,960)	12,585
Net Profit/Loss	11,804	27,919	18,460	(7,650)	50,533
Segment Assets	2,937,212	25,231,179	7,482,947	4,626,877	40,278,215
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-	-
Unallocated Assets	-	-	-	1,693,566	1,693,566
Total Assets	2,937,212	25,231,179	7,482,947	6,320,443	41,971,781
Segments Liabilities	15,374,769	8,154,507	8,873,548	7,094,548	39,497,372
Unallocated Liabilities	-	-	-	2,474,409	2,474,409
Total Liabilities	15,374,769	8,154,507	8,873,548	9,568,957	41,971,781

(*) Other activities include the activities carried out by Burgan Financial Leasing A.Ş. and Burgan Yatırım Menkul Değerler A.Ş., which are consolidated as subsidiaries of the Bank.

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SECTION FIVE

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS:

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

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

	31 March 2022		31 December 2021	
	TL	FC	TL	FC
Cash/Foreign currency	30,404	396,257	24,317	397,942
CBRT	321,832	6,198,784	427,401	5,450,020
Other	-	125,725	-	92,171
Total	352,236	6,720,766	451,718	5,940,133

2. Information on the account of the CBRT:

	31 March 2022		31 December 2021	
	TL	FC	TL	FC
Demand Unrestricted Amount	321,832	2,296,277	427,401	1,846,171
Time Unrestricted Amount	-	-	-	-
Time Restricted Amount	-	3,902,507	-	3,603,849
Total	321,832	6,198,784	427,401	5,450,020

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 "Communique 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. Effective from the establishment date of 15 April 2022, no interest payments will be made on required reserves held in TL.

Within the scope of the "Communiqué on Supporting the Conversion of Turkish Lira Deposit and Participation Accounts" numbered 2021/14, for banks whose conversion rate from USD, EUR and GBP denominated FX deposit accounts and FX denominated participation fund accounts to TL time deposits and participation accounts has reached the level of 10% as of the obligation date of 15 April 2022 and to 20% as of the obligation date of 2 September 2022, until the end of 2022, it has been decided not to apply an annual commission of 1.5% over the amount up to the amount to be kept for its liabilities. As of 2 September 2022, the rate of commission to be collected from banks whose conversion rate cannot reach 10% for real and legal persons separately, will be 3%.

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

I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED 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 2022, there are TL 68 financial assets at fair value through profit or loss given as collateral/blocked (31 December 2021: TL 70).

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

As of 31 March 2022, there are no financial assets at fair value through profit/loss subject to repurchase agreements. (31 December 2021: None).

c. Information on banks:

	31 March 2022		31 December 2021	
	TL	FC	TL	FC
Banks				
Domestic	111,916	32,177	233,250	6,797
Foreign	-	640,161	-	316,379
Headquarters and Branches				
Abroad	-	-	-	-
Total	111,916	672,338	233,250	323,176

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 2022, there are TL 483,755 financial assets at fair value through other comprehensive income given as collateral/blocked (31 December 2021: TL 388,086).

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

As of 31 March 2022, there are TL 107,631 financial assets at fair value through other comprehensive income subject to repurchase agreements (31 December 2021: TL 1,295).

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

	31 March 2021	31 December 2020
Debt Securities	992,754	712,965
Quoted on Stock Exchange	992,754	712,965
Not Quoted	-	-
Share Certificates	25,465	24,645
Quoted on Stock Exchange	-	-
Not Quoted	25,465	24,645
Impairment Provision (-)	69,540	53,460
Total	948,679	684,150

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

e. Explanations on loans:

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

	31 March 2021		31 December 2020	
	Cash	Non-cash	Cash	Non-cash
Direct Loans Granted To Shareholders	-	89,324	-	24,860
Corporate Shareholders	-	89,324	-	24,860
Real Person Shareholders	-	-	-	-
Indirect Loans Granted To Shareholders	-	-	-	-
Loans Granted To Employees	4,180	-	4,361	-
Total	4,180	89,324	4,361	24,860

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

i.

Cash Loans	Standard Loans	Loans Under Close Monitoring		
		Loans Not Subject to Restructuring	Restructured Loans	
			Loans with Revised Contract Terms	Re-finance
Non-Specialized Loans	21,965,527	1,134,714	4,646,683	-
Loans given to enterprises	-	-	-	-
Export Loans	2,133,346	-	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	2,328,792	-	-	-
Consumer Loans	285,937	6,263	4,894	-
Credit Cards	-	-	-	-
Other (*)	17,217,452	1,128,451	4,641,789	-
Specialized Loans	-	-	-	-
Other Receivables (**)	2,153,305	36,701	1,207,986	-
Total	24,118,832	1,171,415	5,854,669	-

(*) Standard loans include loans that Burgan Yatırım gives to its customers.

(**) Other Receivables include lease receivables of Burgan Finansal Kiralama.

ii.

	Standard Loans	Loans Under Close Monitoring
General Provisions	68,484	1,427,659
12 Month Expected Credit Losses	68,484	-
Significant Increase in Credit Risk	-	1,427,659

(*) Provisions for Lease Receivables are included in the table.

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

I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED 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
Consumer Loans-TL	60,536	224,029	284,565
Real Estate Loans		37,233	37,233
Automotive Loans	703	34,095	34,798
Consumer Loans	59,833	152,701	212,534
Other			
Consumer Loans-FC Indexed			
Real Estate Loans			
Automotive Loans			
Consumer Loans			
Other			
Consumer Loans-FC		3,955	3,955
Real Estate Loans		3,955	3,955
Automotive Loans			
Consumer Loans			
Other			
Individual Credit Cards-TL			
With Installments			
Without Installments			
Individual Credit Cards-FC			
With Installments			
Without Installments			
Personnel Loans-TL	419	3,761	4,180
Real Estate Loans			
Automotive Loans			
Consumer Loans	419	3,761	4,180
Other			
Personnel Loans-FC Indexed			
Real Estate Loans			
Automotive Loans			
Consumer Loans			
Other			
Personnel Loans-FC			
Real Estate Loans			
Automotive Loans			
Consumer Loans			
Other			
Personnel Credit Cards-TL			
With Installments			
Without Installments			
Personnel Credit Cards-FC			
With Installments			
Without Installments			
Credit Deposit Account-TL (Real Person)	4,394		4,394
Credit Deposit Account-FC (Real Person)			
Total	65,349	231,745	297,094

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

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

e. Explanations on loans (Continued):

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

	Short-term	Medium and long-term	Total
Commercial Installments Loans-TL	170,084	1,021,223	1,191,307
Business Loans	-	-	-
Automotive Loans	-	238	238
Consumer Loans	170,084	1,020,985	1,191,069
Other	-	-	-
Commercial Installments Loans-FC Indexed	-	102,543	102,543
Real estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	102,543	102,543
Other	-	-	-
Commercial Installments Loans-FC	316,916	10,198,059	10,514,975
Real estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	316,916	10,198,059	10,514,975
Other	-	-	-
Corporate Credit Cards-TL	-	-	-
With installments	-	-	-
Without installments	-	-	-
Corporate Credit Cards-FC	-	-	-
With installments	-	-	-
Without installments	-	-	-
Credit Deposit Account-TL (Legal Person)	10,217	-	10,217
Credit Deposit Account-FC (Legal Person)	-	-	-
Total	497,217	11,321,825	11,819,042

5. Loans according to types of borrowers (*):

	31 March 2022	31 December 2021
Public	19,112	32,591
Private	31,125,804	27,555,756
Total	31,144,916	27,588,347

(*) “It includes “Receivables from Leasing Transactions”.

6. Distribution of domestic and foreign loans (*):

	31 March 2022	31 December 2021
Domestic Loans	31,139,969	27,512,957
Foreign Loans	4,947	75,390
Total	31,144,916	27,588,347

(*) “It includes “Receivables from Leasing Transactions”.

7. Loans given to associates and subsidiaries:

None (31 December 2021: None).

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

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

e. Explanations on Loans (Continued):

8. Specific provisions provided against loans (*):

	31 March 2022	31 December 2021
Loans with Limited Collectability	42,466	97,553
Loans with Doubtful Collectability	206,136	108,270
Uncollectible Loans	688,931	676,874
Total	937,533	882,697

(*) It includes “Specific Provisions for Receivables from Leasing Transactions”.

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

i. Information on non-performing loans and other receivables that are restructured or rescheduled by the Parent Bank:

	Group III	Group IV.	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible Loans
31 March 2022			
Gross Amounts Before The Provisions	-	-	-
Restructured Loans	389	2,595	225,960
31 December 2021			
Gross Amounts Before The Provisions	-	-	-
Restructured Loans	-	503	241,230

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
Prior Period End Balance	299,269	197,550	2,079,694
Additions (+)	105,356	100	22,675
Transfers from Other Categories of Non-performing Loans (+)	-	288,400	11,518
Transfers to Other Categories of Non-performing Loans (-)	288,400	11,518	-
Collections (-)	2,654	1,766	69,770
Write-offs (-)	-	-	-
Sold Portfolio (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Balance at the End of the Period	113,571	472,766	2,044,117
Specific Provision (-)	42,466	206,136	688,931
Net Balance on Balance Sheet	71,105	266,630	1,355,186

(*) It includes “Receivables from Leasing Transactions.

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

e. Explanations on Loans (Continued):

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

	Group III	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible Loans
31 March 2022			
Period-End Balance	94,532	280,406	1,456,088
Specific Provision (-)	35,827	97,630	461,479
Net Balance On Balance Sheet	58,705	182,776	994,609
31 December 2021			
Period-End Balance	277,506	2,997	1,468,057
Specific Provision (-)	95,886	1,650	475,276
Net Balance On Balance Sheet	181,620	1,347	992,781

(*) It includes “Receivables from Leasing Transactions.

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

	Group III	Group IV	Group V
	Loans with limited	Loans with doubtful	Uncollectible Loans
31 March 2022			
Current Period (Net)	71,105	266,630	1,355,186
Loans Given to Real Persons and Legal Persons (Gross)	10,793	186,778	1,695,869
Provision Amount (-)	5,991	108,505	647,591
Loans Given to Real Persons and Legal Persons (Net)	4,802	78,273	1,048,278
Banks (Gross)	-	-	-
Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	102,778	285,988	348,248
Provision Amount (-)	36,475	97,631	41,340
Other Loans (Net)	66,303	188,357	306,908
Prior Period (Net)	201,716	89,280	1,402,820
Loans Given to Real Persons and Legal Persons (Gross)	4,634	194,579	1,720,740
Provision Amount (-)	915	106,636	620,070
Loans Given to Real Persons and Legal Persons (Net)	3,719	87,943	1,100,670
Banks (Gross)	-	-	-
Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	294,635	2,971	358,954
Provision Amount (-)	96,638	1,634	56,804
Other Loans (Net)	197,997	1,337	302,150

(*) It includes the “Receivables from Leasing Transactions”.

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

e. Explanations on loans (Continued):

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

Uncollectible loans and other receivables are collected through the liquidation of collaterals by legal procedures.

11. Explanation 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 recovery 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.

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 2022, the Bank has no written-off liabilities (31 December 2021: 17,461).

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

- f. Information on interest accruals, discounts and valuation differences calculated for non-performing loans by banks that allocate expected credit losses in accordance with TFRS 9 and their provisions:**

	Group III Loans with limited collectability	Group IV Loans with doubtful collectability	Group V Uncollectible Loans
Current Period (Net)	38	1,224	80,310
Interest Accruals and Discounts and Valuation Differences	84	1,315	145,708
Provision Amount (-)	46	91	65,398
Prior Period (Net)	1,155	158	87,613
Interest Accruals and Discounts and Valuation Differences	1,180	311	146,210
Provision Amount (-)	25	153	58,597

- g. Information on financial assets measured at amortized cost:**

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

	31 March 2022		31 December 2021	
	TL	FC	TL	FC
Bonds	-	-	-	-
Bonds and Similar Securities	-	587,569	-	273,313
Other	-	-	-	-
Total	-	587,569	-	273,313

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

	31 March 2022		31 December 2021	
	TL	FC	TL	FC
Bonds	-	-	-	-
Bonds and Similar Securities	-	543,204	-	750,155
Other	-	-	-	-
Total	-	543,204	-	750,155

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

	31 March 2022	31 December 2021
Government Bond	1,442,686	1,023,468
Treasury Bond	-	-
Other Public Debt Securities	-	-
Total	1,442,686	1,023,468

4. Information on financial assets measured at amortized cost:

	31 March 2022	31 December 2021
Debt Securities	1,442,686	1,023,468
Publicly-Traded	1,442,686	1,023,468
Not Publicly-Traded	-	-
Provision For Impairment (-)	-	-
Total	1,442,686	1,023,468

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I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED 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 2022	31 December 2021
Opening Balance	1,023,468	510,403
Foreign Exchange Differences In Monetary Assets	89,445	449,660
Purchases During The Year	329,773	228,699
Disposals Through Sales And Redemptions	-	165,294
Value Decrease Equivalent (-)	-	-
Period-End Balance	1,442,686	1,023,468

h. Information on associates (Net):

None. (31 December 2021: None).

i. Information on subsidiaries (Net):

1. Capital adequacy situation of major subsidiaries:

The Parent Bank does not need any capitals arising from subsidiaries who inserted consolidated capital adequacy standard ratio.

2. Information on unconsolidated subsidiaries:

None (31 December 2021: None).

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

None (31 December 2021: None).

4. 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	İstanbul/Turkey	99.99	0.01
2	Burgan Yatırım Menkul Değerler A.Ş	İstanbul/Turkey	100.00	-

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

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Fair value
1	5,531,917	573,724	777,226	146,926	-	41,509	8,788	-
2	269,095	179,032	5,287	8,083	2,944	1,737	5,131	-

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

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

6. Movements of consolidated subsidiaries:

	31 March 2022	31 December 2021
Value at the Beginning of the Period	669,736	548,560
Movements during the Period	82,936	121,176
Purchases	-	-
Bonus Shares Obtained	-	-
Dividends from Current Year Income	43,246	90,033
Sales	-	-
Revaluation Increase/Decrease (*)	39,690	31,143
Impairment Provision	-	-
Balance at the end of the Period	752,672	669,736
Capital Commitments	-	-
Share Percentage at the end of the Period (%)	99,99%	99,99%

(*) Includes the data before consolidation procedures.

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

Subsidiaries(*)	31 March 2022	31 December 2021
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	650,111	569,516
Finance Companies	-	-
Other Financial Subsidiaries	102,561	100,220
Total	752,672	669,736

(*) Includes the data before consolidation procedures.

8. Subsidiaries quoted on stock exchange:

None (31 December 2021: None).

j. Information on jointly controlled partnerships (joint ventures):

None (31 December 2021: None).

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

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

k. Information on lease receivables (net):

Presentation of investments on financial lease based on their remaining maturities:

	31 March 2022		31 December 2021	
	Gross	Net	Gross	Net
Less than 1 year	1,810,628	1,605,094	1,792,138	1,517,086
1-4 Years	1,664,951	1,330,267	1,803,093	1,461,408
More than 4 years	1,396,655	1,199,645	1,206,371	1,087,392
Total	4,872,234	4,135,006	4,801,602	4,065,886

l. Information on Derivative Financial Assets:

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

	31 March 2022		31 December 2021	
	TL	FC	TL	FC
Forward Transactions	17,642	22,916	4,974	443
Swap Transactions	457,801	62,542	1,083,428	44,953
Futures Transactions	982	-	1,060	-
Options	1,674	11,509	8,033	17,412
Other	-	-	-	-
Total	478,099	96,967	1,097,495	62,808

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

	31 March 2022		31 December 2021	
	TL	FC	TL	FC
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	1,218,350	429,515	1,569,017	124,700
Foreign Net Investment Hedge	-	-	-	-
Total	1,218,350	429,515	1,569,017	124,700

m. Information on investment property:

None (31 December 2021: None).

n. Information on deferred tax asset/liability

As of 31 March 2022, Bank has netted-off the calculated deferred tax assets of TL 442,052 (31 December 2021: TL 570,247) and deferred tax liabilities of TL 510,940 (31 December 2021: TL 559,271) in accordance with “TAS 12” and has recorded a net deferred tax assets of TL 27 (31 December 2021: TL 24,416 net deferred tax assets) and deferred tax liabilities of TL 68.915 (31 December 2021: 13,440) in the financial statements.

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

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

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

The Group has assets held for resale amounting to TL 1,024,667 (31 December 2021: TL 1,039,012) and has no discontinued operations.

	31 March 2022	31 December 2021
Prior Period		
Cost	1,039,357	614,352
Accumulated Depreciation (-)	345	364
Net Book Value	1,039,012	613,988
Current Period		
Net Book Value at Beginning of the Period	1,039,012	613,988
Additions	228,952	732,142
Disposals (-), net	243,297	307,118
Impairment (-)	-	-
Depreciation (-)	-	-
Cost at the end of the Period	1,024,990	1,039,357
Accumulated Depreciation at the end of the Period (-)	323	345
Closing Net Book Value	1,024,667	1,039,012

p. Information on other assets:

Other assets amount to TL 538,330 (31 December 2021: TL 579,524) and do not exceed 10% of the total assets excluding off-balance sheet commitments.

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

II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES

a. Information on deposits:

1. Information on maturity structure of deposits:

i. 31 March 2022:

	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	163,869	-	1,700,731	1,692,883	1,236,038	155,698	402,879	-	5,352,098
Foreign Currency Deposits	2,017,402	-	2,774,400	14,061,080	437,573	72,065	55,236	-	19,417,756
Residents in Turkey	1,860,341	-	2,753,205	13,972,795	434,441	56,350	47,949	-	19,125,081
Residents Abroad	157,061	-	21,195	88,285	3,132	15,715	7,287	-	292,675
Public Sector Deposits	248,928	-	-	-	-	-	-	-	248,928
Commercial Deposits	842,934	-	193,878	568,620	88,561	1,588,563	35,962	-	3,318,518
Other Institutions Deposits	1,997	-	3,700	10,058	71	3,883	2,260	-	21,969
Precious Metal Deposits	141,577	-	-	-	-	-	-	-	141,577
Bank Deposits	56,347	-	301,010	-	-	-	-	-	357,357
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	36,812	-	301,010	-	-	-	-	-	337,822
Foreign Banks	19,535	-	-	-	-	-	-	-	19,535
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	3,473,054	-	4,973,719	16,332,641	1,762,243	1,820,209	496,337	-	28,858,203

ii. 31 December 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	102,395	-	1,197,441	2,107,701	261,003	158,750	495,280	-	4,322,570
Foreign Currency Deposits	2,367,562	-	2,654,597	12,154,085	405,256	54,718	59,910	-	17,696,128
Residents in Turkey	2,314,406	-	2,646,367	12,060,532	400,864	39,560	46,320	-	17,508,049
Residents Abroad	53,156	-	8,230	93,553	4,392	15,158	13,590	-	188,079
Public Sector Deposits	188,844	-	-	-	-	-	-	-	188,844
Commercial Deposits	815,663	-	254,569	325,818	28,926	89,712	22,582	-	1,537,270
Other Institutions Deposits	2,168	-	2,070	4,453	14	3,941	2,165	-	14,811
Precious Metal Deposits	105,679	-	-	-	-	-	-	-	105,679
Bank Deposits	23,981	-	459,851	14,041	-	-	-	-	497,873
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	691	-	459,851	14,041	-	-	-	-	474,583
Foreign Banks	23,290	-	-	-	-	-	-	-	23,290
Participation Banks	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	3,606,292	-	4,568,528	14,606,098	695,199	307,121	579,937	-	24,363,175

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II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED 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 2022	31 December 2021	31 March 2022	31 December 2021
Saving Deposits				
Saving Deposits	2,091,258	1,399,356	3,260,840	2,923,214
Foreign Currency Savings Deposit	1,175,954	942,872	10,804,463	9,375,416
Other Deposits in the Form of Savings Deposits	55,461	41,870	86,116	63,809
Foreign Branches' Deposits Under Foreign Authorities' Insurance	-	-	-	-
Off-shore Banking Regions' Deposits Under Foreign Authorities' Insurance	-	-	-	-
Total	3,322,673	2,384,098	14,151,419	12,362,439

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

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

	31 March 2022	31 December 2021
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	14,630	10,771
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	-	-
Total	14,630	10,771

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

None (31 December 2021: None).

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

II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (Continued):

c. Information on borrowings

1. Information on banks and other financial institutions:

	31 March 2022		31 December 2021	
	TL	FC	TL	FC
The CBRT Borrowings	-	-	-	-
From Domestic Banks and Institutions	363,372	104,497	182,243	144,463
From Foreign Banks, Institutions and Funds	-	7,365,593	-	7,942,549
Total	363,372	7,470,090	182,243	8,087,012

2. Information on maturity structure of borrowings:

	31 March 2022		31 December 2021	
	TL	FC	TL	FC
Short-term	76,788	599,768	26,935	700,782
Medium and Long-term	286,584	6,870,322	155,308	7,386,230
Total	363,372	7,470,090	182,243	8,087,012

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

The Group's main funding sources are deposits and borrowings. As of 31 March 2022, deposits and borrowings from Group's risk group comprise 0.4% (31 December 2021: 0.5%) of total deposits. Besides this, borrowings from Group's risk group comprise 69.3% (31 December 2020: 53.4%) of subordinated and other borrowings.

d. Information on marketable securities issued:

None (31 December 2021: None).

e. Information on other liabilities:

Other foreign liabilities amounting to TL 2,587,786 (31 December 2021: TL 2,252,111) do not exceed 10% of the total balance sheet excluding off-balance sheet commitments.

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II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (Continued):

f. Information on liabilities from lease transactions:

	31 March 2022		31 December 2021	
	Gross	Net	Gross	Net
Less than 1 year	3,338	2,212	1,627	1,381
Between 1-4 years	66,104	55,695	67,451	55,427
More than 4 years	32,334	22,081	27,610	19,252
Total	101,776	79,988	96,688	76,060

g. Information on derivative financial liabilities:

1. Information on Derivative Financial Liabilities at Fair Value Through Profit/Loss:

Trading Derivative Financial Liabilities	31 March 2022		31 December 2021	
	TL	FC	TL	FC
Forward Transactions	23,708	25,530	10,211	2,618
Swap Transactions	220,706	58,316	415,683	32,921
Futures Transactions	152	-	3,465	-
Options	-	10,881	-	4,779
Other	-	-	-	-
Total	244,566	94,727	429,359	40,318

2. Information on Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income:

	31 March 2022		31 December 2021	
	TL	FC	TL	FC
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	49,147	15,896	87,382	30,728
Foreign Net Investment Hedge	-	-	-	-
Total	49,147	15,896	87,382	30,728

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

II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (Continued):

h. Information on provisions:

1. Information on reserve for employment termination benefits:

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

The payment amount that is one month's salary for each working year is restricted to TL 10,848.59 since 1 January 2022. Employment termination benefits are not funded, as there is no funding requirement legally.

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

	31 March 2022	31 December 2021
Discount Rate (%)	3.33	3.33
Salary Increase Rate (%)	17.20	17.20
Average Remaining Work Period (Year)	11.60	11.60

Movement of reserve for employment termination benefits during the period:

	31 March 2022	31 December 2021
Prior Period End Balance	30,425	23,621
Current service cost	3,972	3,409
Interest cost	-	2,607
Reductions and payments	-	(2,396)
Actuarial loss/gain	-	5,571
Benefits paid (-)	1,156	2,387
Balance at the End of Period	33,241	30,425

In addition, as of 31 March 2022, the Group has accounted for vacation rights provision and personnel bonus provision amounting to TL 27,357 (31 December 2021: TL 47,058).

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

II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (Continued):

h. Information on provisions:

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 2021: None).

ii. Information on other provisions:

The Bank set aside general reserves under other provisions amounting to TL 155,153 (31 December 2021: TL 138,622), TL 37,107 (31 December 2021: TL 30,902) for provisions for non-cash loans and commitments that are not converted to cash and not indemnified, TL 8,013 for the provision for other (31 December 2021: TL 8,023).

i. Information on taxes payables:

1. Information on tax provision:

As of 31 March 2022, corporate tax provision is TL 33,079 (31 December 2021: TL 1,515).

2. Information on taxes payable:

	31 March 2022	31 December 2021
Corporate Tax Payable	33,079	1,515
Taxation of Marketable Securities	12,473	10,011
Property Tax	543	87
Banking Insurance Transaction Tax	16,876	24,698
Foreign Exchange Transaction Tax	1,179	3,110
Value Added Tax Payable	1,056	9,985
Other	7,369	5,599
Total	72,575	55,005

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

II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (Continued):

i. Information on taxes payables:

3. Information on premium payables:

	31 March 2022	31 December 2021
Social Security Premiums-Employee	3,090	2,062
Social Security Premiums-Employer	3,771	2,472
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	212	141
Unemployment Insurance-Employer	423	283
Other	526	570
Total	8,022	5,528

4. Explanations on deferred tax asset/liability:

As of 31 March 2022, the Group has netted-off the calculated deferred tax assets of TL 442,052 (31 December 2021: TL 570,247) and tax liabilities of TL 510,940 (31 December 2020: TL 559,271) on a company basis in accordance with “TAS 12” and has recorded a net deferred tax assets of TL 27 (31 December 2021: 24,416 net deferred tax assets) and a net deferred tax liabilities of TL 68,915 (31 December 2021: 13,440) in the financial statements.

As of 31 March 2022 and 31 December 2021, the details of accumulated temporary differences and deferred tax assets and liabilities are presented below:

	Accumulated Temporary Differences		Deferred Tax Assets/Liabilities	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
Carried Financial Loss	144,332	994,250	36,083	222,001
Legal Cases and Other Provisions	8,013	8,023	2,003	1,605
Provisions for Expected Loss	1,523,997	1,561,919	380,999	327,738
Reserve for Employee Rights	44,975	41,145	11,244	8,504
Unearned Income	11,811	17,598	2,953	3,498
Other	35,081	33,808	8,770	6,901
Deferred Tax Assets	1,768,209	2,656,743	442,052	570,247
Difference Between Book Value and Tax Base of Tangible and Intangible Assets	253,349	269,828	58,598	50,468
Valuation Differences of Derivative Instruments	1,781,112	2,287,329	445,277	505,992
Other	28,265	13,751	7,065	2,811
Deferred Tax Liabilities	2,062,726	2,570,908	510,940	559,271
Deferred Tax Assets/(Liabilities) (Net)			(68,888)	10,976

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II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (Continued):

i. Information on taxes payables:

Movement of deferred tax asset/liabilities is presented below:

	31 March 2021	31 December 2020
Balance as of 1 January	10,976	118,760
Current year deferred tax income/(expense), net	(20,653)	(72,289)
Deferred tax charged to equity, net	(59,211)	(35,495)
Balance at the End of the Period	(68,888)	10,976

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

None (31 December 2021: None).

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

II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (Continued):

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 200.000.000	16 August 2021	18 August 2031	LIBOR+4,25
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 2022		31 December 2021	
	TL	FC	TL	FC
Domestic Banks	-	-	-	-
Other Domestic Institutions	-	-	-	-
Foreign Banks	-	3,676,072	-	3,347,213
Other Foreign Institutions	-	-	-	-
Total	-	3,676,072	-	3,347,213

	31 March 2022		31 December 2021	
	TL	FC	TL	FC
Debt Instruments Subject to Common Equity	-	731,855	-	666,450
Subordinated Loans	-	731,855	-	666,450
Subordinated Debt Instruments	-	-	-	-
Debt Instruments Subject to Tier 2 Equity	-	2,944,217	-	2,680,763
Subordinated Loans	-	2,944,217	-	2,680,763
Subordinated Debt Instruments	-	-	-	-
Total	-	3,676,072	-	3,347,213

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

II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (Continued):

I. Information on shareholders' equity:

1. Presentation of paid-in capital:

	31 March 2022	31 December 2021
Common Stock	1,890,000	1,890,000
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:

None.

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

None.

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

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II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (Continued):

I. Information on shareholders' equity (Continued):

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

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

8. Information on marketable securities valuation reserve:

	31 March 2022		31 December 2021	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures (Business Partnerships)	-	-	-	-
Valuation Difference	(34,185)	(8,997)	(45,308)	(6,898)
Foreign Currency Translation Difference	-	-	-	-
Total	(34,185)	(8,997)	(45,308)	(6,898)

9. Information on tangible assets revaluation reserve:

	31 March 2022		31 December 2021	
	TL	FC	TL	FC
Movables	-	-	-	-
Immovables	33,228	-	34,176	-
Real Estate Sales Earnings with Subsidiary and Affiliate Shares to be Added to the Capital	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 25 March 2022; TL 304,815 including the effects of TAS 27 Standard, which is the loss of 2021, was transferred to reserve funds.

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

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

a. Information on off-balance sheet commitments:

1. The amount and type of irrevocable commitments:

	31 March 2022	31 December 2021
Foreign currency buy/sell commitments	3,992,909	1,912,509
Guaranteed loan allocation commitment	316,711	295,348
Blocked checks issued to customers	115,438	80,701
Commitment to pay for check leaves	102,754	81,744
Forward deposit buy/sell commitments	57,016	-
Total	4,584,828	2,370,302

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 liabilities”.

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

	31 March 2022	31 December 2021
Letter of guarantees	3,446,709	3,088,188
Letter of credits	3,424,175	2,515,966
Bank acceptance loans	189,257	209,466
Other guarantees	1,160,606	1,232,930
Total	8,220,747	7,046,550

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

	31 March 2022		31 December 2021	
	TL	FC	TL	FC
Irrevocable Letters Of Guarantee	1,360,470	813,531	1,224,502	835,017
Revocable Letters Of Guarantee	61,467	9,259	88,702	12,375
Letters Of Guarantee Given In Advance	38,934	259,355	23,881	255,103
Guarantees Given To Customs	14,086	168,799	14,101	156,374
Other Letters Of Guarantee	452,450	268,358	241,806	236,327
Total	1,927,407	1,519,302	1,592,992	1,495,196

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

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

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

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

	31 March 2022	31 December 2021
Non-Cash Loans Given Against Cash Loans	1,494,781	1,612,262
With Original Maturity Of 1 Year Or Less Than 1 Year	-	-
With Original Maturity Of More Than 1 Year	1,494,781	1,612,262
Other Non-Cash Loans	6,725,966	5,434,288
Total	8,220,747	7,046,550

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

Current Period (*)	1st Group		2nd Group	
	TL	FC	TL	FC
Letters of Guarantee	1,909,585	1,428,823	10,221	59,334
Bill of Exchange and Acceptances	-	189,257	-	-
Letters of Credit	-	3,421,679	-	-
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	357,550	803,056	-	-
Total	2,267,135	5,842,815	10,221	59,334

(*) In addition to the non-cash loans stated in the table above, the Bank has a non-cash loan amounting to TL 41,242, which is classified as total non-performing loans. As of 31 March 2022, the Bank has recorded a TL 24,704 provision regarding these loans.

b. Information on contingent assets and contingent liabilities:

As of 31 March 2022, the total amount of legal cases against the Group is TL 26,566 (31 March 2021: TL 40,697) and the Group sets aside a provision of TL 7,569 (31 March 2021: TL 22,211) regarding these risks.

c. Brief information on the Banks’ rating given by International Rating Institutions:

FITCH (25 February 2022)

Outlook	Negative
Long Term FC	B
Short Term FC	B
Long Term TL	B+
Short Term TL	B
Support Rating	b
National Rating	AA(tur)
Viability Note	b-(negative)

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

IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED INCOME STATEMENT:

a. Information on interest income:

1. Information on interest income on loans :

Interest Income on Loans (*)	31 March 2022		31 March 2021	
	TL	FC	TL	FC
Short-term Loans	476,239	22,486	158,543	6,250
Medium and Long-term Loans	84,486	151,450	97,126	116,467
Interest on Loans Under Follow-up	39,836	-	3,391	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	600,561	173,936	259,060	122,717

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

2. Information on interest income on banks:

	31 March 2022		31 March 2021	
	TL	FC	TL	FC
From the CBRT	215	-	-	-
From Domestic Banks	12,680	379	8,791	266
From Foreign Banks	-	100	-	89
Headquarters and Branches Abroad	-	-	-	-
Total	12,895	479	8,791	355

3. Information on interest income marketable securities:

	31 March 2022		31 March 2021	
	TL	FC	TL	FC
Financial Assets Measured at Fair Value Through Profit or Loss	179	1,063	380	533
Financial Assets Measured at Fair Value Through Other Comprehensive Income	31,443	2,352	9,765	615
Financial Assets Measured at Amortized Cost	-	19,148	-	8,736
Total	31,622	22,563	10,145	9,884

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

None (31 March 2021: None).

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

IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT

b. Information on interest expenses:

1. Information on interest expense on loans:

	31 March 2022		31 March 2021	
	TL	FC	TL	FC
Banks	7,575	91,273	14,444	61,251
The CBRT	-	-	-	-
Domestic Banks	7,575	7	14,444	222
Foreign Banks	-	91,266	-	61,029
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	852	-	1,316
Total (*)	7,575	92,125	14,444	62,567

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

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

None (31 March 2021: None).

3. Information on interest expense on issued securities:

None (31 March 2021: None).

4. Maturity structure of the interest expense on deposits:

Current Period	Demand Deposit	Time Deposit						Total Up to 1 Month	Prior Period Total Up to 3 Months
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Month	Up to 3 Months	Up to 6 Months		
TL									
Bank Deposits	-	258	-	-	-	-	-	258	136
Savings Deposits	-	76,761	111,076	25,699	8,805	22,153	-	244,494	148,736
Public Deposits	-	-	-	-	-	-	-	-	-
Commercial Deposits	-	12,351	15,821	402	35,517	1,529	-	65,620	26,661
Other Deposits	-	128	15,405	2	156	95	-	15,786	4,298
7 Day Notice Deposits	-	-	-	-	-	-	-	-	-
Total	-	89,498	142,302	26,103	44,478	23,777	-	326,158	179,831
FC									
Foreign Currency Account	-	5,746	52,177	1,319	164	202	-	59,608	41,389
Bank Deposits	-	343	-	-	-	-	-	343	315
7 Day Notice Deposits	-	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Total	-	6,089	52,177	1,319	164	202	-	59,951	41,704
Grand Total	-	95,587	194,479	27,422	44,642	23,979	-	386,109	221,535

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EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS

(Continued):

IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT (Continued):

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

	31 March 2022	31 March 2021
Income	15,638,092	11,400,536
Capital Market Transactions	12,071	16,203
Derivative Financial Transactions	277,793	230,362
Foreign Exchange Gains	15,348,228	11,153,971
Loss (-)	15,584,145	11,336,343
Capital Market Transactions	6,778	7,439
Derivative Financial Transactions	276,234	109,363
Foreign Exchange Losses	15,301,133	11,219,541
Net Income/Loss	53,947	64,193

d. Information on other operating income:

For the period ended 31 March 2022, the Group's other operating income includes the adjustment account for previous years' expenses and other operating income.

e. Expected loss provisions and other provision expenses:

	31 March 2022	31 March 2021
Expected Credit Loss	(74,204)	61,490
12 Month Expected Credit Loss (Stage 1)	1,688	116
Significant Increase in Credit Risk (Stage 2)	(135,302)	33,116
Non-performing Loans (Stage 3)	59,410	28,258
Marketable Securities Impairment Expense	-	-
Financial Assets at Fair Value through Profit or Loss	-	-
Financial Assets at Fair Value through Other Comprehensive Income	-	-
Investments in Associates, Subsidiaries and Joint Ventures Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other	2,918	900
Total	(71,286)	62,390

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

IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED INCOME STATEMENT (Continued):

f. Information related to other operating expenses:

	31 March 2022	31 March 2021
Provision for Employee Termination Benefits (*)	8,332	4,681
Provision for Bank Social Aid Pension Fund Deficit	-	-
Impairment Expenses of Tangible Assets	-	-
Amortization Expenses of Tangible Assets	12,394	11,105
Impairment Expenses of Intangible Assets	-	40
Goodwill Impairment Expense	-	-
Amortization Expenses of Intangible Assets	3,258	3,353
Impairment Expenses of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held For Resale	-	-
Amortization Expenses of Assets Held for Resale	-	-
Impairment Expenses of Non-current Assets Related to Discontinued Activities Held for Sale	-	-
Other Operating Expenses	74,734	45,913
Leasing expenses related to TFRS 16 exceptions	993	514
Maintenance and Repair Expenses	701	346
Advertising Expenses	2,880	962
Other Expense	70,160	44,091
Loss on Sales of Assets	-	12
Other	8,838	3,114
Total	107,556	68,218

(*) As of 31 March 2022, “Employee Vacation Fee Provision Expense” amounts to TL 4,626 (31 December 2021: TL 1,320).

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

The Group has no discontinued operations. The Group’s profit before tax from continuing operations is TL 260,185 (31 March 2021: TL 63,118 profit before tax).

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

**IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED INCOME STATEMENT
(Continued):**

h. Explanations on provision for taxes from discontinued and continuing operations:

The Group has no discontinued operations, 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 2022, the Group has a current tax expense of TL 36,210 and a deferred tax expense of TL 20,653.

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

The Group has TL 124,768 deferred tax income from temporary differences, TL 36,083 deferred tax income from carried financial loss. The deferred tax expense due to the closing of temporary differences amounts to TL 181,504, netting off to TL 20,653 deferred tax income.

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

As of 31 March 2022, the Group has deferred tax expense amounting to TL 56,736 (31 March 2021: 96,375 deferred tax income) arising from temporary differences, however, the Group has TL 36,083 deferred tax income as a result of carried financial loss (31 March 2021: TL 83,790 deferred tax income).

i. Information on current period net profit/loss from discontinued and continuing operations:

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

j. Information on current period net profit and loss:

1. If the disclosure of usual banking transactions, income and expenditure items' composition is necessary to understand the annual performance of the Group, 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 following periods, the effect including these periods:

None.

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

IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED INCOME STATEMENT (Continued):

k. Explanations on other items on the income statement:

1. In the current period, the Group’s interest income amounts to TL 1,123,202 (31 March 2021: TL 564,853) and TL 157,555 (31 March 2021: TL 76,867) of the related amount is classified as “Other Interest Income” in the income statement.

	31 March 2022	31 March 2021
Other Interest Income		
Interest Income Related To Derivative Transactions	95,334	32,186
Other	62,221	44,681
Total	157,555	76,867

2. In the current period, the Group’s interest expense amounts to TL 846,123 (31 March 2021 TL 419,498) and TL 354,696 (31 March 2021: TL 116,806) of the related amount is classified as “Other Interest Expense” in the income statement.

	31 March 2022	31 March 2021
Other Interest Income		
Interest Income Related To Derivative Transactions	281,334	87,165
Other	73,362	29,641
Total	354,696	116,806

3. In the current period, the Group’s fee and commissions received amounts to TL 24,483 (31 March 2021: TL 14,891) and TL 15,341 (31 March 2021: TL 6,366) of the related amount is classified under “Other” in the income statement.

	31 March 2022	31 March 2021
Other Fee and Commissions Received		
Commissions on Investment Fund Services	4,181	261
Commissions from Stock Brokerage Activity	3,098	1,354
Insurance Commissions	2,076	643
Commissions from Correspondent Banks	925	675
Transfer Commissions	549	267
Credit Card and POS Transaction Commission	114	75
Common Point Commissions	100	31
Other	38	23
Total	4,260	3,037
Other Fee and Commissions Received	15,341	6,366

4. In the current period, Group’s fees and commissions expense amounts to TL 10,023 (31 March 2021: TL 6,144) and TL 9,799 (31 March 2021: TL 6,118) of the related amount is classified under “Other” account in the income statement.

	31 March 2022	31 March 2021
Other Fee and Commissions Given		
Card Transaction Commission	1,583	890
Commissions Granted to Correspondent	756	171
EFT Fees and Commissions	334	159
Banks Common Point Commissions	242	398
Transfer Commissions	29	25
Other	6,855	4,475
Total	9,799	6,118

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

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

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

1. The information related to the prior period is presented as of 31 December 2021 for balance sheet items, and as of 31 March 2022 for income/expense items.

31 March 2022	Associates, Subsidiaries and Joint Ventures		Direct And Indirect Shareholders Of The Group		Other Real and Legal Persons That Have Been Included in the Risk Group	
					Cash	Non-Cash
Groups’ Risk Group						
Loans and Other Receivables	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Balance at the Beginning of the Period	-	24,341	-	24,860	677	-
Balance at the End of the Period	-	19,823	-	89,324	715	87
Interest and Commission Income Received	-	-	-	2	33	-

31 December 2021	Associates, Subsidiaries and Joint Ventures		Direct And Indirect Shareholders Of The Group		Other Real and Legal Persons That Have Been Included in the Risk Group	
					Cash	Non-Cash
Groups’ Risk Group						
Loans and Other Receivables	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Balance at the Beginning of the Period	-	62,497	-	12,944	790	-
Balance at the End of the Period	-	24,341	-	24,860	677	-
Interest and Commission Income Received	-	-	-	1	40	1

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

Groups’ Risk Group	Associates, Subsidiaries and Joint Ventures		Direct And Indirect Shareholders Of The Group		Other Real and Legal Persons That Have Been Included in the Risk Group	
					Current Period	Prior Period
Deposit						
Beginning of the Period	-	-	106,907	171,520	23,864	24,112
End of the Period	-	-	112,367	106,907	16,882	23,864
Interest Expense on Deposits	-	-	838	921	464	523

Groups’ Risk Group	Associates, Subsidiaries and Joint Ventures		Direct And Indirect Shareholders Of The Group		Other Real and Legal Persons That Have Been Included in the Risk Group	
					Current Period	Prior Period
Repurchase Transactions						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Interest Expense on Repurchase Transactions	-	-	-	-	-	-

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

V. EXPLANATIONS AND NOTES RELATED TO GROUP’S RISK GROUP (Continued):

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

Groups’ Risk Group	Investments in Associates, Subsidiaries And Joint Ventures		Direct And Indirect Shareholders Of The Group		Other Real and Legal Persons That Have Been Included in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Fair Value Through Profit or Loss Transactions						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Profit/Loss	-	-	-	-	-	-
Transactions for hedging purposes						
Beginning of the Period	-	-	-	-	-	-
End of the period	-	-	-	-	-	-
Total Profit/Loss	-	-	-	-	-	-

(*) The figures in the table above show the sum of the “purchase” amounts of the transactions in question.

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

1. The relations with entities that are included in the Group’s risk group and controlled by the Group regardless of whether there is a transaction between parties:

The Group performs various transactions with related parties during its banking activities. These are commercial transactions realized 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	7,980,902	69.34
Deposits	129,249	0.45
Non-cash Loans	109,234	1.33
Banks and Other Financial Institutions	1,998	0.25
Loans	715	-

As of 31 March 2022, the Group has no interest income from deposits given to banks included in the risk group (31 March 2021: TL 12). The Group has realized interest expense amounting to TL 72,240 (31 March 2021: TL 43,243) on loans borrowed from the banks included in the risk group.

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

V. EXPLANATIONS AND NOTES RELATED TO GROUP’S RISK GROUP (Continued):

b. With respect to the Group’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:

In accordance with the limits in Banking Law, cash and non-cash loans are allocated to the Parent Bank’s risk group and the amount composes 0.29% (31 December 2021: 0.15%) of the Group’s total cash and non-cash loans.

As of 31 March 2022 there are no purchase-sales transactions on any assets except real estate with the risk group consisting the Parent Bank

As of 31 March 2022 there are no agreements related to transfer and management of the information gathered from the research and development with the risk group that the Parent Bank is included.

c. Information on benefits provided to top management:

Top management of the Group is composed of the Board of Directors, General Manager and Vice General Managers. The sum of benefits paid to top management, amounts to TL 22,349 (31 March 2021: TL 13,754) 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 Decision of the Bank's Board of Directors dated 12 May 2022 and numbered 2022/19, to remain within the registered capital ceiling of TL 4,000,000 of the Bank's capital of TL 1,890,000, it has been decided to increase it by TL 765,500 to TL 2,655,500, to obtain the necessary permissions from the Banking Regulation and Supervision Agency regarding the capital increase, to publish the announcements regarding the use of the priority right, and to authorize the General Directorate for the registration and announcement of the capital increase.

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SECTION SIX

EXPLANATIONS ON LIMITED REVIEW REPORT

I. EXPLANATIONS ON LIMITED REVIEW REPORT:

The consolidated financial statements as of 31 March 2022 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 13 May 2022 has been presented prior to the consolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITOR:

None.

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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:

The world economy, which has been struggling with the COVID-19 epidemic for the last two years, has faced a major political crisis as of the first quarter of 2022. The important global economic consequences of the Russia-Ukraine war that started in February and the large-scale economic sanctions that followed are being watched. While commodity prices rising due to supply constraints and increased demand during the pandemic process have reached their highest levels in many years due to war and sanctions, global inflation is increasing rapidly. It is observed that the central banks of developed and developing countries, especially the Fed, have changed their views towards inflation drastically and have begun to tighten their policy stances. It is estimated that high inflation rates will be the most important agenda item all over the world throughout this year, and global economic growth will slow down due to the hot conflict environment, economic sanctions and tightening financial conditions.

Turkey closely follows these developments due to its close economic and political ties with both countries and the effects of the war on the regional economy and commodity prices. The active and balanced foreign policy approach followed in this process alleviates the risks Turkey faces. On the other hand, the upward trend in energy imports and accelerating inflationary pressures remain important for financial stability. In this context, the currency-protected deposit instrument, which was included in the system as of the end of last year, performs a critical function. On the other hand, monetary policy maintains its stance supporting economic activity, investments, export and other foreign exchange income sectors.

The consolidated balance sheet size of our bank dated 31 March 2022 is TL 47,354,077, while consolidated deposits total amounts to TL 28,858,203. In this period Burgan Bank has maintained its support to its customers uninterruptedly, consolidated net cash loans and financial lease receivables have been realized as TL 31,341,692. Our bank's net profit in the first quarter of 2022 is TL 203,322, and our equity has reached TL 2,884,389. Our capital adequacy ratio is 20.81%. In addition to deepening our existing customers relations in 14 provinces in which we operate, we will continue to serve to new customers, keeping customer satisfaction in the foreground.

We believe that our Bank will reach its future objectives 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, trust and loyalty to Burgan brand.

Ali Murat DİNÇ
Member of Board of Directors and General Manager

Emin Hakan EMİNSOY
Chairman of Board of Director

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

BURGAN BANK A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2022

(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>
Chairman and Members of Board of Directors:				
Emin Hakan Eminsoy	Chairman	07.08.2019	Undergraduate	34
Abdelkarim A. S. Kabariti	Deputy Chairman	04.11.2021	Undergraduate	32
Mehmet Alev Göçmez	Member	23.01.2013	Graduate	33
Khaled F.A.O. Alzouman	Member	13.06.2019	Undergraduate	31
Hasan Kılıç	Member	10.06.2021	Undergraduate	32
Fadhil M. GH. A. Abdullah	Member	3.12.2021	Undergraduate	32
Mohammad M. A. H. S. Almael	Member	3.12.2021	Graduate	22
Ali Murat Dinç	Member and General Manager	03.02.2014	Graduate	21
General Manager::				
Ali Murat Dinç	Member and General Manager	03.02.2014	Graduate	21
Deputy General Managers:				
Suat Kerem Sözügüzel	Corporate & Trade Banking	01.04.2014	Graduate	17
Zeynep Bozkurt	Financial Affairs	15.01.2021	Graduate	13
Vice General Managers::				
Esra Aydın	Operation & Management Services	01.08.2007	Graduate	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	Graduate	17
Banu Ertürk	Loan Follow-up and Legal Procedures	01.08.2020	Undergraduate	22
Darço Akkaranfil	Information Technologies	14.09.2020	Graduate	15
Zeynep Bozkurt	Financial Affairs	15.01.2021	Graduate	13
Ayşen Aslı Koçer	Savings Management	01.07.2021	Undergraduate	24
Yener Yazlalı	Loans	02.08.2021	Graduate	18
Halil Özcan	Digital Banking	21.02.2022	Undergraduate	14
Tuba Onay Ergelen	Risk Management	1.03.2022	Undergraduate	23
Erdal Arda Türerer	Treasury, Capital Markets and Financial Institutions	1.03.2022	Graduate	25

Appointments:

Halil Özcan took office as Assistant General Manager of Digital Banking on 21 February 2022.

Tuba Onay Ergelen was promoted to the Assistant General Manager of Risk Management on 1 March 2022.

Erdal Arda Türerer was promoted to Deputy General Manager of Treasury, Capital Markets and Financial Institutions on 1 March 2022.

Resignations:

Board Member Osama T. Al Ghousein resigned on 31 March 2022.

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

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BURGAN BANK A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2022

(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, Fadhil M. GH. A. Abdullah and Ali Murat Dinç perform their duties as noble members. Khaled F. A. O. Alzouman and Mohammad M. A. H. S. Almael perform their duties as members.

Mehmet Alev Göçmez is the Chairman, Khaled F. A. O. Alzouman and Fadhil M. GH. A. Abdullah are members of the Board of Directors Audit Committee.

Hasan Kılıç is the Chairman and Mehmet Alev Göçmez is a member of the Risk Committee of the Board of Directors.

Abdelkarim A. S. Kabariti is the Chairman, Emin Hakan Eminsoy and Ali Murat Dinç are members of the Corporate Governance Committee of the Board of Directors.

Abdelkarim A. S. Kabariti is the Chairman and Khaled F. A. O. Alzouman is a member of the Board of Directors Nomination and Remuneration 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.

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BURGAN BANK A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2022

(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:

	31.03.2022	31.12.2021	Change (%)
Total Assets	47,354,077	41,971,781	12.8
Loans (Net)	31,341,692	27,769,619	12.9
Securities (Net)	2,407,094	1,685,348	42.8
Deposits	28,858,203	24,363,175	18.5
Debts Having Loan Characteristics	12,128,992	11,889,236	2.0
Equity	2,884,389	2,474,409	16.6
Guarantee and Suretyship	8,220,747	7,046,550	16.7
Capital Adequacy Ratio	20.81%	20.88%	(0.1)%

	(01/01/2022 - 31/03/2022)	(01/01/2021 - 31/03/2021)
Net Profit/(Loss) for the Period	203,322	50,533

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 932 bank’s employees.

Indicators related to shares of the Partner Bank in the sector with respect to base quantities are as follows:

Million TL	Burgan Bank	Sector (*)	Share of our Bank (%)
Cash Loans	26,917	5,502,916	0.49
Customer Deposits	28,763	5,972,340	0.48
Branch Number	32	11,029	0.29
Personnel Number	932	200,810	0.46

(*) The source is BRSA data dated 31 March 2022, and rediscount and accrual amounts are not included in the balance sheet items.