

# **BURGAN BANK A.Ş.**

**PUBLICLY ANNOUNCED  
UNCONSOLIDATED FINANCIAL  
STATEMENTS AND RELATED  
DISCLOSURES TOGETHER WITH  
LIMITED REVIEW REPORT  
AS OF 31 MARCH 2022**

**(CONVENIENCE TRANSLATION  
OF PUBLICLY ANNOUNCED  
UNCONSOLIDATED 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 UNCONSOLIDATED INTERIM FINANCIAL INFORMATION**

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

### *Introduction*

We have reviewed the accompanying unconsolidated statement of financial position of Burgan Bank A.Ş. ("the Bank") as at 31 March 2022, and the unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity and unconsolidated statement of cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Bank management is responsible for the preparation and fair presentation of the accompanying interim financial information in accordance with "the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Regulations" including the regulation on "The Procedures and Principles Regarding Banks' Accounting Practices and Maintaining Documents" published in the Official Gazette dated 1 November 2006 with No. 26333, and other regulations on accounting records of banks published by the Banking Regulation and Supervision Board and circulars and pronouncements published by the BRSA and Turkish Accounting Standard 34 "Interim Financial Reporting" principles for the matters not legislated by the aforementioned regulations. Our responsibility is to express a conclusion on this unconsolidated interim financial information based on our review.

### *Scope of Review*

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

### *Basis for Qualified Conclusion*

The accompanying unconsolidated 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 unconsolidated 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 unconsolidated interim financial information does not present fairly, in all material respects, the financial position of Burgan Bank A.Ş. 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 unconsolidated interim financial information provided in the Management's interim report included in section seven of the accompanying unconsolidated financial statements, is not presented fairly, in all material respects, and is not consistent with the reviewed unconsolidated interim financial statements and the explanatory notes.

## *Additional paragraph for English translation:*

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

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



Yaman Polat  
Partner

İstanbul, 13 May 2022

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

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

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

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

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  
Chief Financial Officer

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 Accounting, Tax, and Reporting Unit  
Telephone Number : 0 212 371 34 88  
Fax Number : 0 212 371 42 48

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

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2022**

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

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**SECTION ONE**

**GENERAL INFORMATION ABOUT THE BANK**

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

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

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

According to the Share Transfer Agreement signed between the SDIF and Tekfen Holding A.Ş. on 30 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 realized on 26 October 2001 and the bank’s name was changed to Tekfenbank Anonim Şirketi (the “Bank”), which had two main shareholders: Tekfen Holding A.Ş. with 57.30% and TST International S.A. with 40.62%.

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

Under the agreement regarding the sale of Eurobank Ergasias S.A.’s Turkey operations to Burgan Bank K.P.S.C. (formerly Burgan Bank S.A.K) , 70% of the bank shares belonging to Eurobank EFG Holding (Luxemburg) S.A. and 29.26% of the shares belonging to Tekfen Holding A.Ş. are bought by Burgan Bank K.P.S.C. (formerly Burgan Bank S.A.K.) in 7 December 2012 in accordance with the Banking Regulation and Supervision Agency’s authorization, and then 99.26% of the bank shares are turned over to Burgan Bank K.P.S.C (formerly Burgan Bank S.A.K.) in 21 December 2012.

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

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

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2022**

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

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

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

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

The 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 UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2022**

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

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

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

<u>Title</u>	<u>Name</u>	<u>Responsibility</u>	<u>Education</u>
<b>Chairman of the Board of Directors:</b>	Emin Hakan Eminsoy	Chairman of Board of Directors	Undergraduate
<b>Board of Directors Members: (*)</b>	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
<b>General Manager:</b>	Ali Murat Dinç	Member and General Manager	Graduate
<b>Deputy General Managers:</b>	Suat Kerem Sözügüzel	Corporate & Commercial Banking	Graduate
	Zeynep Bozkurt	Financial Affairs	Graduate
<b>Vice General Managers: (**)</b>	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
<b>Audit Committee:</b>	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 took office 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 UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2022**

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

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

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

<b>Name/Commercial Title</b>	<b>Share Amounts</b>	<b>Share Percentage</b>	<b>Paid-in Capital</b>	<b>Unpaid Portion</b>
Burgan Bank K.P.S.C.	1,878,884	99.41%	99.41%	-

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

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

As of 31 March 2022, the 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 2021, the Bank has 932 (31 December 2021: 928) employees.

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

None.

## **SECTION TWO**

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

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

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

**BURGAN BANK A.Ş.**

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

**AT 31 MARCH 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	TL	FC	Total
<b>ASSETS</b>							
<b>I. FINANCIAL ASSETS (Net)</b>		<b>3,403,048</b>	<b>8,447,876</b>	<b>11,850,924</b>	<b>4,034,915</b>	<b>6,684,532</b>	<b>10,719,447</b>
<b>1.1 Cash and Cash Equivalents</b>		<b>885,139</b>	<b>7,360,934</b>	<b>8,246,073</b>	<b>682,102</b>	<b>6,263,183</b>	<b>6,945,285</b>
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	352	640,168	640,520	230,440	323,050	553,490
1.1.3 Receivables from Money Markets		532,614	-	532,614	-	-	-
1.1.4 Expected Credit Losses (-)		63	-	63	56	-	56
<b>1.2 Financial Assets at Fair Value Through Profit or Loss</b>	<b>I-b</b>	<b>57,034</b>	<b>352,682</b>	<b>409,716</b>	<b>16,128</b>	<b>118,796</b>	<b>134,924</b>
1.2.1 Government Debt Securities		2,900	38,247	41,147	529	1,789	2,318
1.2.2 Equity Instruments		-	-	-	-	-	-
1.2.3 Other Financial Assets		54,134	314,435	368,569	15,599	117,007	132,606
<b>1.3 Financial Assets at Fair Value through Other Comprehensive Income</b>	<b>I-d</b>	<b>740,348</b>	<b>190,540</b>	<b>930,888</b>	<b>573,771</b>	<b>93,408</b>	<b>667,179</b>
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	-	7,674	7,674	-	7,674
1.3.3 Other Financial Assets		-	-	-	-	-	-
<b>1.4 Derivative Financial Assets</b>	<b>I-l</b>	<b>1,720,527</b>	<b>543,720</b>	<b>2,264,247</b>	<b>2,762,914</b>	<b>209,145</b>	<b>2,972,059</b>
1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss		501,137	197,239	698,376	1,400,100	128,615	1,528,715
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income		1,219,390	346,481	1,565,871	1,362,814	80,530	1,443,344
<b>II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)</b>		<b>14,673,891</b>	<b>14,162,439</b>	<b>28,836,330</b>	<b>11,540,159</b>	<b>13,391,732</b>	<b>24,931,891</b>
<b>2.1 Loans</b>	<b>I-e-f</b>	<b>15,495,210</b>	<b>14,016,253</b>	<b>29,511,463</b>	<b>12,331,744</b>	<b>13,656,299</b>	<b>25,988,043</b>
<b>2.2 Receivables from Leasing Transactions</b>	<b>I-k</b>	-	-	-	-	-	-
<b>2.3 Factoring Receivables</b>	<b>I-e-f</b>	-	-	-	-	-	-
<b>2.4 Other Financial Assets Measured at Amortized Cost</b>	<b>I-g</b>	-	<b>1,442,686</b>	<b>1,442,686</b>	-	<b>1,023,468</b>	<b>1,023,468</b>
2.4.1 Government Debt Securities		-	1,442,686	1,442,686	-	1,023,468	1,023,468
2.4.2 Other Financial Assets		-	-	-	-	-	-
<b>2.5 Expected Credit Losses (-)</b>	<b>I-e-f</b>	<b>821,319</b>	<b>1,296,500</b>	<b>2,117,819</b>	<b>791,585</b>	<b>1,288,035</b>	<b>2,079,620</b>
<b>III. NON-CURRENTS ASSETS HELD FOR SALE AND FROM DISCONTINUED OPERATIONS (Net)</b>	<b>I-o</b>	<b>1,024,667</b>	-	<b>1,024,667</b>	<b>1,039,002</b>	-	<b>1,039,002</b>
3.1 Held for Sale		1,024,667	-	1,024,667	1,039,002	-	1,039,002
3.2 Held from Discontinued Operations		-	-	-	-	-	-
<b>IV. INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES</b>		<b>752,672</b>	-	<b>752,672</b>	<b>669,736</b>	-	<b>669,736</b>
<b>4.1 Investments in Associates (Net)</b>	<b>I-h</b>	-	-	-	-	-	-
4.1.1 Associates Accounted by Using Equity Method		-	-	-	-	-	-
4.1.2 Non-Consolidated Associates		-	-	-	-	-	-
<b>4.2 Investments in Subsidiaries (Net)</b>	<b>I-i</b>	<b>752,672</b>	-	<b>752,672</b>	<b>669,736</b>	-	<b>669,736</b>
4.2.1 Non-Consolidated Financial Subsidiaries		752,672	-	752,672	669,736	-	669,736
4.2.2 Non-Consolidated Non-Financial Subsidiaries		-	-	-	-	-	-
<b>4.3 Jointly Controlled Partnerships (Joint Ventures) (Net)</b>	<b>I-j</b>	-	-	-	-	-	-
4.3.1 Jointly Controlled Partnership Accounted by Using Equity Method		-	-	-	-	-	-
4.3.2 Non-Consolidated Jointly Controlled Partnerships		-	-	-	-	-	-
<b>V. TANGIBLE ASSETS (Net)</b>		<b>149,515</b>	-	<b>149,515</b>	<b>148,917</b>	-	<b>148,917</b>
<b>VI. INTANGIBLE ASSETS (Net)</b>		<b>48,160</b>	-	<b>48,160</b>	<b>51,007</b>	-	<b>51,007</b>
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		48,160	-	48,160	51,007	-	51,007
<b>VII. INVESTMENT PROPERTIES (Net)</b>	<b>I-m</b>	-	-	-	-	-	-
<b>VIII. CURRENT TAX ASSET</b>		-	-	-	<b>2,829</b>	-	<b>2,829</b>
<b>IX. DEFERRED TAX ASSET</b>	<b>I-n</b>	-	-	-	<b>24,389</b>	-	<b>24,389</b>
<b>X. OTHER ASSETS (Net)</b>	<b>I-p</b>	<b>360,543</b>	<b>4,246</b>	<b>364,789</b>	<b>423,468</b>	<b>3,954</b>	<b>427,422</b>
<b>TOTAL ASSETS</b>		<b>20,412,496</b>	<b>22,614,561</b>	<b>43,027,057</b>	<b>17,934,422</b>	<b>20,080,218</b>	<b>38,014,640</b>

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

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

**BURGAN BANK A.Ş.**

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

**AT 31 MARCH 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	TL	FC	Total
<b>LIABILITIES</b>							
<b>I. DEPOSITS</b>	<b>II-a</b>	<b>8,998,900</b>	<b>20,245,424</b>	<b>29,244,324</b>	<b>6,293,972</b>	<b>18,340,691</b>	<b>24,634,663</b>
<b>II. LOANS RECEIVED</b>	<b>II-c</b>	<b>9,069</b>	<b>3,065,306</b>	<b>3,074,375</b>	<b>10,553</b>	<b>3,775,895</b>	<b>3,786,448</b>
<b>III. MONEY MARKET FUNDS</b>		<b>103,612</b>	<b>444,672</b>	<b>548,284</b>	<b>1,295</b>	<b>210,613</b>	<b>211,908</b>
<b>IV. MARKETABLE SECURITIES (Net)</b>	<b>II-d</b>	-	-	-	-	-	-
4.1 Bills		-	-	-	-	-	-
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	-	-	-	-	-
<b>V. FUNDS</b>		-	-	-	-	-	-
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
<b>VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>	<b>II-b</b>	-	-	-	-	-	-
<b>VII. DERIVATIVE FINANCIAL LIABILITIES</b>	<b>II-g</b>	<b>425,066</b>	<b>273,064</b>	<b>698,130</b>	<b>871,052</b>	<b>158,407</b>	<b>1,029,459</b>
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		312,089	190,325	502,414	735,350	107,245	842,595
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		112,977	82,739	195,716	135,702	51,162	186,864
<b>VIII. FACTORING PAYABLES</b>		-	-	-	-	-	-
<b>IX. LEASE PAYABLES (Net)</b>	<b>II-f</b>	<b>78,246</b>	-	<b>78,246</b>	<b>74,211</b>	-	<b>74,211</b>
<b>X. PROVISIONS</b>	<b>II-h</b>	<b>71,105</b>	<b>183,182</b>	<b>254,287</b>	<b>85,030</b>	<b>161,447</b>	<b>246,477</b>
10.1 Provision for Restructuring		-	-	-	-	-	-
10.2 Reserves for Employee Rights		54,758	-	54,758	69,674	-	69,674
10.3 Insurance Technical Reserves (Net)		-	-	-	-	-	-
10.4 Other Provisions		16,347	183,182	199,529	15,356	161,447	176,803
<b>XI. CURRENT TAX LIABILITIES</b>	<b>II-i</b>	<b>79,468</b>	-	<b>79,468</b>	<b>49,701</b>	-	<b>49,701</b>
<b>XII. DEFERRED TAX LIABILITIES</b>	<b>II-i</b>	<b>27,188</b>	-	<b>27,188</b>	-	-	-
<b>XIII. LIABILITIES RELATED TO NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)</b>	<b>II-j</b>	-	-	-	-	-	-
13.1 Held for Sale		-	-	-	-	-	-
13.2 Related to Discontinued Operations		-	-	-	-	-	-
<b>XIV. SUBORDINATED DEBT</b>	<b>II-k</b>	-	<b>3,676,072</b>	<b>3,676,072</b>	-	<b>3,347,213</b>	<b>3,347,213</b>
14.1 Loans		-	3,676,072	3,676,072	-	3,347,213	3,347,213
14.2 Other Debt Instruments		-	-	-	-	-	-
<b>XV. OTHER LIABILITIES</b>	<b>II-e</b>	<b>725,952</b>	<b>1,736,342</b>	<b>2,462,294</b>	<b>493,305</b>	<b>1,666,846</b>	<b>2,160,151</b>
<b>XVI. SHAREHOLDERS' EQUITY</b>	<b>II-l</b>	<b>2,700,673</b>	<b>183,716</b>	<b>2,884,389</b>	<b>2,464,139</b>	<b>10,270</b>	<b>2,474,409</b>
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		-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>		<b>13,219,279</b>	<b>29,807,778</b>	<b>43,027,057</b>	<b>10,343,258</b>	<b>27,671,382</b>	<b>38,014,640</b>

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



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

**BURGAN BANK A.Ş.**

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

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

III. STATEMENTS OF INCOME	Note (Section Five)	Reviewed 01/01/2022- 31/03/2022	Reviewed 01/01/2021- 31/03/2021
<b>INCOME AND EXPENSE ITEMS</b>			
<b>I. INTEREST INCOME</b>	<b>IV-a</b>	<b>1,039,752</b>	<b>495,496</b>
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		7,601	6,214
1.4 Interest Received from Money Market Transactions		27,897	8,970
1.5 Interest Received from Marketable Securities Portfolio		54,180	20,024
1.5.1 Financial Assets at Fair Value Through Profit or Loss		1,237	908
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		-	-
1.7 Other Interest Income	IV-k	166,301	72,156
<b>II. INTEREST EXPENSES (-)</b>	<b>IV-b</b>	<b>815,222</b>	<b>391,312</b>
2.1 Interest on Deposits		387,948	221,635
2.2 Interest on Funds Borrowed		52,189	40,412
2.3 Interest on Money Market Transactions		1,290	1,227
2.4 Interest on Securities Issued		-	-
2.5 Lease Interest Expenses		2,961	2,919
2.6 Other Interest Expenses	IV-k	370,834	125,119
<b>III. NET INTEREST INCOME/EXPENSE (I - II)</b>		<b>224,530</b>	<b>104,184</b>
<b>IV. NET FEES AND COMMISSIONS INCOME/EXPENSES</b>		<b>12,371</b>	<b>7,506</b>
4.1 Fees and Commissions Received		21,571	12,876
4.1.1 Non-Cash Loans		9,161	8,632
4.1.2 Other	IV-k	12,410	4,244
4.2 Fees and Commissions Paid (-)		9,200	5,370
4.2.1 Non-Cash Loans (-)		6	12
4.2.2 Other (-)	IV-k	9,194	5,358
<b>V. DIVIDEND INCOME</b>		<b>-</b>	<b>-</b>
<b>VI. TRADING PROFIT/LOSS (Net)</b>	<b>IV-c</b>	<b>63,095</b>	<b>57,934</b>
6.1 Profit/Losses from Capital Market Transactions		2,354	8,836
6.2 Profit/Losses from Derivative Financial Transactions		5,043	31,606
6.3 Foreign Exchange Profit/Losses		55,698	17,492
<b>VII. OTHER OPERATING INCOME</b>	<b>IV-d</b>	<b>27,068</b>	<b>28,419</b>
<b>VIII. GROSS PROFIT FROM OPERATING ACTIVITIES (III+IV+V+VI+VII)</b>		<b>327,064</b>	<b>198,043</b>
<b>IX. ALLOWANCES FOR EXPECTED CREDIT LOSSES (-)</b>	<b>IV-e</b>	<b>(64,775)</b>	<b>42,159</b>
<b>X. OTHER PROVISION EXPENSES (-)</b>	<b>IV-e</b>	<b>2,918</b>	<b>-</b>
<b>XI. PERSONNEL EXPENSES (-)</b>		<b>98,210</b>	<b>57,621</b>
<b>XII. OTHER OPERATING EXPENSES (-)</b>	<b>IV-f</b>	<b>87,166</b>	<b>52,017</b>
<b>XIII. NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)</b>		<b>203,545</b>	<b>46,246</b>
<b>XIV. SURPLUS WRITTEN AS GAIN AFTER MERGER</b>		<b>-</b>	<b>-</b>
<b>XV. PROFIT/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES</b>		<b>43,246</b>	<b>13,919</b>
<b>XVI. NET MONETARY POSITION GAIN/LOSS</b>		<b>-</b>	<b>-</b>
<b>PROFIT/LOSS BEFORE TAXES FROM CONTINUING OPERATIONS (XIII+...+XVI)</b>	<b>IV-g</b>	<b>246,791</b>	<b>60,165</b>
<b>XVII. PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)</b>	<b>IV-h</b>	<b>(43,469)</b>	<b>(9,632)</b>
18.1 Current Tax Provision		36,210	-
18.2 Expense Effect of Deferred Tax (+)		163,202	118,032
18.3 Income Effect of Deferred Tax (-)		155,943	108,400
<b>XIX. NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)</b>	<b>IV-i</b>	<b>203,322</b>	<b>50,533</b>
<b>XX. INCOME FROM DISCONTINUED OPERATIONS</b>		<b>-</b>	<b>-</b>
20.1 Income from Assets Held for Sale		-	-
20.2 Profit from Sale of Associates, Subsidiaries and Joint Ventures		-	-
20.3 Other Income from Discontinued Operations		-	-
<b>XXI. EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>		<b>-</b>	<b>-</b>
21.1 Expenses on Assets Held for Sale		-	-
21.2 Losses from Sale of Associates, Subsidiaries and Joint Ventures		-	-
21.3 Other Expenses from Discontinued Operations		-	-
<b>XXII. PROFIT/LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (±) (XX-XXI)</b>		<b>-</b>	<b>-</b>
<b>XXIII. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>		<b>-</b>	<b>-</b>
23.1 Current Tax Provision		-	-
23.2 Expense Effect of Deferred Tax (+)		-	-
23.3 Income Effect of Deferred Tax (-)		-	-
<b>XXIV. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)</b>		<b>-</b>	<b>-</b>
<b>XXV. NET PROFIT/LOSS (XIX+XXIV)</b>	<b>IV-j</b>	<b>203,322</b>	<b>50,533</b>
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 UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIODS ENDED AS AT 31 MARCH 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
<b>I. CURRENT PERIOD INCOME/LOSS</b>	<b>203,322</b>	<b>50,533</b>
<b>II. OTHER COMPREHENSIVE INCOME</b>	<b>190,950</b>	<b>87,316</b>
<b>2.1 Items not to be Reclassified to Profit or Loss</b>	<b>(439)</b>	<b>-</b>
2.1.1 Revaluation Differences of Tangible Assets	-	-
2.1.2 Revaluation Differences of Intangible Assets	-	-
2.1.3 Defined Benefit Plans Re-Measurement Gains / Loss	-	-
2.1.4 Other Comprehensive Income not to be Reclassified to Profit or Loss	-	-
2.1.5 Tax Relating to Components of Other Comprehensive Income not to be Reclassified to Profit or Loss	(439)	-
<b>2.2 Items to be Reclassified to Profit or Loss</b>	<b>191,389</b>	<b>87,316</b>
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/Losses Arising on Cash Flow Hedges	243,295	122,280
2.2.4 Gains/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)
<b>III. TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>394,272</b>	<b>137,849</b>

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

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

**BURGAN BANK A.Ş.**

**UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 31 MARCH 2022**

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

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

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

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



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

**BURGAN BANK A.Ş.**

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

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

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

1. Fixed assets revaluations increases / decreases,

2. Accumulated re-measurement gains / losses of defined benefits,

3. Other (the share of other comprehensive income of the investments accounted by the equity method that will not classified as profit / loss and the accumulated amount of other comprehensive income items that will not be reclassified as other profit / loss),

4. Foreign currency translation differences,

5. Accumulated revaluation and / or classification gains / losses on financial assets at fair value through other comprehensive income,

6. Other (Cash flow hedging gains / losses, share of other comprehensive income of equity method investees classified as profit / loss and accumulated other comprehensive income to be reclassified as other profit or loss).

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

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

**BURGAN BANK A.Ş.**  
**UNCONSOLIDATED STATEMENT OF CASH FLOWS**  
**AS OF 31 MARCH 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
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>		
<b>1.1 Operating Profit Before Changes in Operating Assets and Liabilities</b>	<b>553,077</b>	<b>(20,020)</b>
1.1.1 Interest Received	921,524	578,517
1.1.2 Interest Paid	(766,638)	(395,691)
1.1.3 Dividend Received	-	-
1.1.4 Fees and Commissions Received	5,956	2,462
1.1.5 Other Income	-	-
1.1.6 Collections from Previously Written-off Loans and Other Receivables	58,117	149,318
1.1.7 Payments to Personnel and Service Suppliers	(98,210)	(57,621)
1.1.8 Taxes Paid	(7,689)	(5,314)
1.1.9 Other	440,017	(291,691)
<b>1.2 Change in Assets and Liabilities Subject to Banking Activities</b>	<b>902,200</b>	<b>(313,697)</b>
1.2.1 Net (Increase) Decrease in Financial Assets at Fair Value Through Profit/Loss	(273,598)	(32,244)
1.2.2 Net (Increase) Decrease in Due from Banks	(62,705)	(700,215)
1.2.3 Net (Increase) Decrease in Loans	(3,381,649)	(51,419)
1.2.4 Net (Increase) Decrease in Other Assets	(358,288)	(97,360)
1.2.5 Net Increase (Decrease) in Bank Deposits	(140,516)	111,058
1.2.6 Net Increase (Decrease) in Other Deposits	4,750,483	1,128,830
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	(376,618)	(792,600)
1.2.9 Net Increase (Decrease) in Overdue Debts	-	-
1.2.10 Net Increase (Decrease) in Other Liabilities	800,577	105,473
<b>I. Net Cash Provided from Banking Activities</b>	<b>1,455,277</b>	<b>(333,717)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>II. Net Cash Flow Provided from Investing Activities</b>	<b>(278,337)</b>	<b>130,353</b>
2.1 Acquired Associates, Subsidiaries and Joint Ventures (Joint Partnerships)	-	-
2.2 Disposed Associates, Subsidiaries and Joint Ventures (Joint Partnerships)	-	-
2.3 Purchases of Property and Equipment	(2,877)	(2,204)
2.4 Disposals of Property and Equipment	296,135	55,362
2.5 Acquired Financial Assets at Fair Value Through Other Comprehensive Income	(555,739)	(18,369)
2.6 Disposed Financial Assets at Fair Value Through Other Comprehensive Income	313,917	130,308
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	-	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>III. Net Cash Provided from Financing Activities</b>	<b>-</b>	<b>355,000</b>
3.1 Cash Obtained from Funds Borrowed and Securities Issued	-	-
3.2 Cash Outflow from Funds Borrowed and Securities Issued	-	-
3.3 Issued Capital Instruments	-	355,000
3.4 Dividends Paid	-	-
3.5 Payments for Leases	-	-
3.6 Other	-	-
<b>IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>	<b>62,903</b>	<b>70,000</b>
<b>V. Net Increase/(Decrease) in Cash and Cash Equivalents (I+II+III+IV)</b>	<b>1,239,843</b>	<b>221,636</b>
<b>VI. Cash and Cash Equivalents at Beginning of the Period</b>	<b>3,093,705</b>	<b>1,876,967</b>
<b>VII. Cash and Cash Equivalents at End of the Period</b>	<b>4,333,548</b>	<b>2,098,603</b>

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

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

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2022**

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

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**SECTION THREE**

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

**I. BASIS OF PRESENTATION:**

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

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

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

In accordance with the decision numbered 11/367 and dated 17 March 2005 issued by CMB, for companies that operate in Turkey and prepare their financial statements applying Turkish Financial Reporting Standards, it is decided not to apply inflation accounting from 1 January 2005. Accordingly, as of 1 January 2005, No:29 “Financial reporting in Hyperinflationary Economies” (“TAS 29”) was not applied.

As per the announcement published 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 has been 74.41% according to the Consumer Price Index (“CPI”) rates, it has been stated that entities applying the Turkish Financial Reporting Standards (“TFRS”) are not required to make any restatements in their financial statements for 2022 within the scope of TAS 29 “Financial Reporting in High Inflation Economies”. In the accompanying financial statements, no inflation adjustment has been made in accordance with TAS 29.

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

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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 Bank made certain estimates in the calculation of expected credit losses, and explained these on disclosure VIII. "Explanations on Expected Credit Losses". In the coming periods, the Bank will update its relevant assumptions as necessary and revise the realizations of past estimates.

The tension between Russia and Ukraine since January 2022 turned into a crisis and a hot conflict. The Group 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 Bank'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 Bank's operations are closely monitored and taken into account with the best estimation approach in the preparation of the financial statements.

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

None.

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

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

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

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

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

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

The Bank has no joint ventures as of 31 March 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 Bank are currency and interest rate swaps, cross currency swaps, currency options and currency forwards.

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

Derivative instruments are measured at their fair values in the periods following their recording and are disclosed under assets or liabilities in the “Derivative Financial Assets at Fair Value Through Profit or Loss” section according to whether their fair value is positive or negative. Differences in the fair value of trading derivative instruments are reflected to the income statement. The fair values of the derivative financial instruments are calculated by using quoted market prices or by using discounted cash flow models.

As of 31 March 2022, the Bank applies cash flow hedge accounting through cross and interest currency swaps to protect against changes in interest rates of FC deposits which have average maturities of up to 3 months. The Bank implements effectiveness tests at the balance sheet dates for hedge accounting, the effective parts are accounted as defined in TFRS 9, on the financial statements under equity “Accumulated other comprehensive income or expense to be reclassified through profit or loss”, whereas the amount concerning ineffective parts is associated with the income statement.

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

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

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

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

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

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

**VII. EXPLANATIONS ON FINANCIAL ASSETS:**

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

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

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

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

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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 statement of profit or loss. Unrealized gains and losses, arising from the difference between the amortized cost and the fair value of financial assets at fair value through other comprehensive income are not reflected in the statement of profit or loss of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the “Accumulated other comprehensive income or expense to be reclassified through profit or loss” under shareholders’ equity. When the mentioned marketable securities are collected or sold, the accumulated losses through fair value are reflected on the statement of profit or loss.

Securities representing a share in the capital, 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. Securities representing a share in the capital 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 Bank’s loans are recorded under the “Measured at Amortized Cost” account.

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

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

The Bank allocates an expected loss provision for its financial assets measured at amortized cost and 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 balance sheet date.
- **Lifetime PD:** The probability of default occurring over the remaining life of the loan.

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

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

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

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

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

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

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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 on the basis of the financial asset’s lifetime expected credit losses. The provision which will be allocated for the loan is calculated by considering the maturity and cash flow of the loan for three macroeconomic scenarios as stated above. For this purpose, the probability of default and the loss given default amounts are estimated not only for 12 months but also for the whole life of the loan and the loan provision is determined by using the present value set calculated over the cash flow.

**Stage 3:**

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

The Bank carries out its determination regarding the significant increase in credit risk by taking into consideration of the following 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 bank 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 Bank has a legally enforceable right to offset the recognized amounts and there is an intention to collect/pay related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

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

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

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

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

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

The Bank has no discontinued operations.

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

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

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

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

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

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

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

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

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

**XIV. EXPLANATIONS ON LEASING TRANSACTIONS:**

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

Leased assets are included in the property, plant and equipment and depreciation is charged on a straight-line basis over the useful life of the asset. If there is any diminution in value of the leased asset, a "Provision for value decrease" is recognized. Liabilities arising from the leasing transactions are included in "Financial Lease Payables" on the balance sheet. Interest and foreign exchange expenses regarding lease transactions are charged to the income statement. The Group carries out financial leasing operations as a "Lessor" via Burgan Finansal Kiralama A.Ş. which is its subsidiary and included to consolidation.

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

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

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

**IFRS 16 "Leases" Standard**

**Bank – lessee:**

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

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

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

**Right-of-use asset:**

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

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

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

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

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

**Lease liability:**

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

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

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

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

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

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

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

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

Provisions are recognized when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The provision for contingent liabilities arising from past events should be 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 Bank, it is considered that a “Contingent” liability exists and it is disclosed in the related notes to the financial statements.

**XVI. EXPLANATIONS ON CONTINGENT ASSETS:**

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not 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.

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

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

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

According to the TAS 19 that is revised by Public Oversight Accounting and Auditing Standards Authority with the Communiqué published in Official Gazette on 12 March 2013 numbered 28585, in the calculation of the employment termination benefit liabilities of the Bank, the recognition option of the actuarial gains and losses derived from the changes in actuarial assumptions or the differences between actuarial assumptions and realizations in the statement of profit or loss has been eliminated which is effective for annual periods beginning on or after 1 January 2013. The earlier application of the revision is permitted in the section of the transition and effective date of the standard and therefore the Bank has recognized 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.



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

**XVIII. EXPLANATIONS ON TAXATION:**

**a. Current Tax:**

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

In accordance with the Temporary Article 10 and Article 32 paragraph 1 added to the Corporate Tax Law at 5 December 2017, the Corporate Tax rate which was 20% applied as 22% for corporate earnings for the taxation periods of 2018, 2019 and 2020. 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, 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; the corporate tax rate for banks, companies within the scope of the “Financial Leasing, Factoring, Financing and Savings Financing Companies Law” No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies 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.

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

75% portion of the capital gains derived from the sale of equity investments and immovable properties before 5 December 2017, 50% portion of the capital gains derived from the sale of equity investments and immovable properties after 5 December 2017 are tax exempt if such gains are added to paid-in capital or held in a special account under shareholder’s equity for 5 years. Under the Turkish Corporate Tax Law, losses can be carried forward to offset against future taxable income for up to five years. Losses cannot be carried back to offset profits from prior periods.

According to the Tax Procedure Law No. 7352 and the Law on the Amendment of the Corporate Tax Law published in the Official Gazette dated 29 January 2022 and numbered 31734, the application of inflation adjustment in the TPL financial statements was postponed to 31 December 2023.

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

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

**b. Deferred Tax:**

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

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

Due to the fact that the change in the corporate tax rate that entered into force 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).

**XIX. EXPLANATIONS ON BORROWINGS:**

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

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

The Bank 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 Bank.

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

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

**XXI. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES:**

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

**XXII. EXPLANATIONS ON GOVERNMENT GRANTS:**

Pursuant to Law No. 5746 on Supporting Research and Development Activities, there is no incentive received from TÜBİTAK until the balance sheet date (31 December 2021: TL 6,500).

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

**XXIII. EXPLANATIONS ON PROFIT RESERVES AND PROFIT DISTRIBUTION:**

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

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

**XXIV. EARNINGS PER SHARE:**

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

	<b>31 March 2022</b>	<b>31 March 2021</b>
Net Income/(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
<b>Earnings/(Losses) Per Ordinary Shares (Disclosed as 1,000 nominal in full TL)</b>	<b>1.076</b>	<b>0.328</b>

Based on the Principal Agreement, the Bank has 1,000,000 founder's shares. According to the Principal Agreement, after allocating 5% to legal reserves and distributing 5% of the paid in capital, 10% of distributable amount is distributed to the owners of the founder's shares.

In Turkey, companies can increase their share capital by making a pro-rata distribution of “Bonus shares” to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of “Bonus shares” issued without a corresponding change in resources by giving them a retroactive effect for the year in which they were issued and for each earlier period. In case bonus shares are distributed after the balance sheet date but before the preparation of the financial statements, earnings per share is calculated considering the new number of shares.

**XXV. EXPLANATIONS ON RELATED PARTIES:**

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

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

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

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

**XXVII. EXPLANATIONS ON SEGMENT REPORTING:**

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

**XXVIII. RECLASSIFICATIONS:**

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 BANK**

**I. EXPLANATIONS ON EQUITY ITEMS:**

Total capital and Capital adequacy ratio have been calculated in accordance with the “Regulation on Equity of Banks” and “Regulation on Measurement and Assessment of Capital Adequacy of Banks”. As of 31 March 2022 Bank’s total capital has been calculated as TL 6,477,999 (31 December 2021: TL 5,940,563) and the Capital adequacy ratio is 22.66% (31 December 2021: 23.16%).

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 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 before the calculation date was 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 FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK (Continued):**

**I. EXPLANATIONS ON 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 (*)
<b>COMMON EQUITY TIER 1 CAPITAL</b>				
Paid-in capital following all debts in terms of claim in liquidation of the Bank	1,890,000		1,890,000	
Share issue premiums	-		-	
Legal reserves	426,870		122,055	
Gains recognized in equity as per TAS	401,116		252,753	
Profit	219,030		304,815	
Net Profit for the period	203,322		304,815	
Prior Years' Profit	15,708		-	
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	-		-	
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>2,937,016</b>		<b>2,569,623</b>	
<b>Deductions from Common Equity Tier 1 Capital</b>				
Common Equity as per the (i) 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	11,313		12,059	
Goodwill (net of related tax liability)	-		-	
Other intangibles other than mortgage-servicing rights (net of related tax liability)	48,503	48,503	51,382	51,382
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-		-	
Differences that are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	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 due to changes in own credit risk on fair valued liabilities	-		-	
Defined-benefit pension fund net assets	-		-	
Direct and indirect investments of the Bank in its own Common Equity	-		-	
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-		-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-		-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-		-	
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-		-	
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-		-	
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-		-	
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-		-	
Excess amount arising from mortgage servicing rights	-		-	
Excess amount arising from deferred tax assets based on temporary differences	-		-	
Other items to be defined by the BRSA	-		-	
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-		-	
<b>Total Deductions From Common Equity Tier 1 Capital</b>	<b>438,848</b>		<b>258,918</b>	
<b>Total Common Equity Tier 1 Capital</b>	<b>2,498,168</b>		<b>2,310,705</b>	

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

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

**I. EXPLANATIONS ON 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 (* )
<b>ADDITIONAL TIER I CAPITAL</b>				
Preferred Stock not Included in Common Equity and the Related Share Premiums	-			
Debt instruments and premiums approved by BRSA (*)	731,855		666,450	
Debt instruments and premiums approved by BRSA(Temporary Article 4)	-			
<b>Additional Tier I Capital before Deductions</b>	<b>731,855</b>		<b>666,450</b>	
<b>Deductions from Additional Tier I Capital</b>				
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-			
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7	-			
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-			
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-			
Other items to be defined by the BRSA	-			
<b>Transition from the Core Capital to Continue to deduce Components</b>				
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-			
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-			
Deductions to be made from common equity in the case that adequate Additional Tier 1 Capital or Tier II Capital is not available (-)	-			
<b>Total Deductions From Additional Tier I Capital</b>	<b>-</b>			
<b>Total Additional Tier I Capital</b>	<b>731,855</b>		<b>666,450</b>	
<b>Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)</b>	<b>3,230,023</b>		<b>2,977,155</b>	
<b>TIER II CAPITAL</b>				
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)	326,002		299,234	
<b>Tier II Capital Before Deductions</b>	<b>3,253,422</b>		<b>2,965,034</b>	
<b>Deductions From Tier II Capital</b>				
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-			
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	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 (-)	-			
<b>Total Deductions from Tier II Capital</b>	<b>5,446</b>		<b>1,626</b>	
<b>Total Tier II Capital</b>	<b>3,247,976</b>		<b>2,963,408</b>	
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>6,477,999</b>		<b>5,940,563</b>	
<b>Deductions from Total Capital</b>				
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	-			
<b>In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Deduct Components</b>				
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-			
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-			
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first and second sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-			

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

**I. EXPLANATIONS ON 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 (*)
<b>EQUITY</b>				
<b>Total EQUITY (Sum of Tier I and Tier II capital)</b>	<b>6,477,999</b>		<b>5,940,563</b>	
Total Risk Weighted Amounts	28,586,031		25,655,272	
<b>CAPITAL ADEQUACY RATIOS</b>				
Core Capital Adequacy Ratio (%)	8.74		9.01	
Tier I Capital Adequacy Ratio (%)	11.30		11.60	
Capital Adequacy Ratio (%)	22.66		23.16	
<b>BUFFERS</b>				
Total additional core capital requirement ratio (a+b+c)	2,517		2,513	
a. Capital conservation buffer requirement (%)	2,500		2,500	
b. Bank specific counter-cyclical capital buffer ratio (%)	0,017		0,013	
c. Systematic significant bank buffer ratio (%)	-		-	
The ratio of the Additional Common Equity Tier 1 to be calculated in accordance with the first paragraph of Article 4 of the Regulation on Capital Conservation and Countercyclical Capital Buffers to the amount of risk-weighted assets	4.24		4.51	
<b>Amounts below the Excess Limits as per the Deduction Principles</b>				
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-		-	
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-		-	
Amount arising from the rights to provide mortgage services	-		-	
Amount arising from deferred tax assets based on temporary differences	360,637		460,783	
<b>Limits Related to Provisions Considered in Tier II Calculation</b>				
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	1,368,709		1,364,423	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	326,002		299,234	
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-		-	
Excess amount of total provision amount to %0.6 of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-		-	
<b>Debt instruments subjected to Article 4 (to be implemented between 1 January 2018 and 1 January 2022)</b>				
Upper limit for additional Tier I Capital subjected to temporary Article 4	-		-	
Amounts excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-		-	
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-		-	
Amounts excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-		-	

(\*) In this column, the amounts to be taken into account at the end of the transition period are shown for the items that are subject to the transitional provisions within the scope of the Transitional Articles of the "Regulation on the Equity of Banks".



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

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

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

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
Debt 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	Perpetual
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
Coupon/dividend payments	3 Months	-
Fixed or floating interest/dividend 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, fully or partially	-	Depreciation can be partially or completely 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 FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK (Continued):**

**II. EXPLANATIONS ON RISK MANAGEMENT :**

**Overview of Risk Weighted Amounts**

Notes and explanations in this section have been prepared in accordance with the Communiqué on Disclosures about Risk Management to Be Announced to Public by Banks that have been published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016. According to Communiqué have to be presented on a quarterly basis. Due to usage of standard approach for the calculation of capital adequacy by the Bank, the following tables have not been presented as of the date 31 March 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
		Current Period	Prior Period	Capital Liability
		31 March 2022	31 December 2021	Current Period
1	Credit risk (excluding counterparty credit risk) (CCR)	25,246,341	23,171,611	2,019,707
2	Standardized approach (SA)	25,246,341	23,171,611	2,019,707
3	Internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	833,784	767,094	66,703
5	Standardized approach for counterparty credit risk (SACCR)	833,784	767,094	66,703
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	967,473	281,826	77,398
17	Standardized approach (SA)	967,473	281,826	77,398
18	Internal model approaches (IMM)	-	-	-
19	Operational risk	1,538,433	1,434,741	123,075
20	Basic indicator approach	1,538,433	1,434,741	123,075
21	Standard approach	-	-	-
22	Advanced measurement approach	-	-	-
23	The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
24	Floor adjustments	-	-	-
25	<b>Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>28,586,031</b>	<b>25,655,272</b>	<b>2,286,883</b>

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

**III. EXPLANATIONS ON CURRENCY RISK:**

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

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

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

	EURO		USD	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
<b>Bid Rate</b>				
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 Bank’s foreign exchange bid rates for the last thirty days preceding the balance sheet date for major foreign currencies are shown below:

	EURO		USD	
	31 March 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 FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK (Continued):**

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

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

	<b>Euro</b>	<b>US Dollar</b>	<b>Other FC</b>	<b>Total</b>
<b>31 March 2022</b>				
<b>Assets</b>				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	2,473,929	4,071,767	175,070	6,720,766
Banks	63,054	557,608	19,506	640,168
Financial Assets at Fair Value Through Profit or Loss	11,501	429,517	16	441,034
Interbank Money Market Placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	134,315	56,225	-	190,540
Loans (*)	10,709,634	3,464,434	-	14,174,068
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Financial Assets Measured at Amortized Cost	341,551	1,101,135	-	1,442,686
Hedging Derivative Financial Assets	28,727	171,195	-	199,922
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	1,864	181	-	2,045
<b>Total Assets (*)</b>	<b>13,764,575</b>	<b>9,852,062</b>	<b>194,592</b>	<b>23,811,229</b>
<b>Liabilities</b>				
Bank Deposits	87,405	269,343	-	356,748
Foreign Currency Deposits	6,742,729	12,277,678	868,269	19,888,676
Payables to Interbank Money Market	-	444,672	-	444,672
Funds Borrowed From Other Financial Institutions	4,893	6,736,485	-	6,741,378
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	1,015,064	674,441	1,046	1,690,551
Hedging Derivative Financial Liabilities	11,904	55,073	-	66,977
Other Liabilities	20,739	98,757	17,667	137,163
<b>Total Liabilities (*)</b>	<b>7,882,734</b>	<b>20,556,449</b>	<b>886,982</b>	<b>29,326,165</b>
<b>Net On-balance Sheet Position</b>	<b>5,881,841</b>	<b>(10,704,387)</b>	<b>(692,390)</b>	<b>(5,514,936)</b>
<b>Net Off-balance Sheet Position</b>	<b>(4,783,251)</b>	<b>10,476,951</b>	<b>703,607</b>	<b>6,397,307</b>
Financial Derivative Assets	6,910,931	21,097,175	1,299,696	29,307,802
Financial Derivative Liabilities	11,694,182	10,620,224	596,089	22,910,495
<b>Non-Cash Loans (**)</b>	<b>2,007,584</b>	<b>3,858,110</b>	<b>70,096</b>	<b>5,935,790</b>
<b>31 December 2021</b>				
Total Assets (*)	13,095,507	8,207,181	152,986	21,455,674
Total Liabilities (*)	8,008,692	18,717,819	732,104	27,458,615
<b>Net On-balance Sheet Position</b>	<b>5,086,815</b>	<b>(10,510,638)</b>	<b>(579,118)</b>	<b>(6,002,941)</b>
<b>Net Off-balance Sheet Position</b>	<b>(4,134,999)</b>	<b>10,342,405</b>	<b>581,154</b>	<b>6,788,560</b>
Receivables from Financial Derivative Assets	3,530,525	17,260,642	837,068	21,628,235
Payables to Financial Derivative Liabilities	7,665,524	6,918,237	255,914	14,839,675
<b>Non-Cash Loans (**)</b>	<b>1,801,707</b>	<b>3,515,723</b>	<b>64,128</b>	<b>5,381,558</b>

(\*) The above table shows the Bank’s foreign currency net position based on main currencies. Foreign currency indexed assets are classified as Turkish Lira assets in the financial statements according to the Uniform Chart of Accounts. Due to this, foreign currency indexed loans amounting to TL 157,815 (31 December 2021: TL 153,438) classified as Turkish Lira assets in the 31 March 2022 financial statements are added to the table above. Furthermore, in foreign currency assets “Prepaid Expenses” amounting to TL 2,201 (31 December 2021: TL 2,150) and “Income Accruals of Derivative Financial Instruments” amounting to TL 255,446 (31 December 2021: TL 63,867) and “Stages 1&2 Allowances for Expected Credit Losses” amounting to TL 1,296,500 (31 December 2021: TL 1,288,035), in foreign currency liabilities “Expense Accruals of Derivative Financial Instruments” amounting to TL 136,298 (31 December 2021: TL 56,474) and “Non-cash Loans Stages 1&2 Allowances for Expected Credit Losses” amounting to TL 6,446 (31 December 2021: TL 7,401) and “Free Provisions” amounting to amounting to TL 155,153 (31 December 2021: TL 138,622) and “Marketable Securities Valuation Reserve” with “ Hedging Derivative Financials” amounting to TL 183,716 (31 December 2021: TL 10,270) are not included in the table above.

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

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

**IV. EXPLANATIONS ON INTEREST RATE RISK:**

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

The Bank closely monitors the maturity gap between liabilities and assets that may arise in the balance sheet to manage the interest rate risk better. Additionally, interest rate swaps and cross currency swaps that are followed under banking accounts and aim to hedge risks are conducted by the Treasury, Capital Markets and Financial Institutions Group. Liquidity management is critical in the combination of investments, securities which fair value difference reflected in other comprehensive income and the trading portfolio. Through using these precautions, the possible loss effects on the shareholders’ equity due to both credit risk and interest risk during the volatile periods of the market are minimized.

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

31 March 2022	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
<b>Assets (***)</b>							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	271,296	-	-	-	-	6,801,706	7,073,002
Banks	365,871	-	-	-	-	274,586	640,457
Financial Assets at Fair Value Through Profit/Loss (*)	604,451	936,003	681,491	262,908	134,976	54,134	2,673,963
Interbank Money Market Placements	532,614	-	-	-	-	-	532,614
Financial Assets at Fair Value Through Other Comprehensive Income	-	101,406	135,017	555,317	131,474	7,674	930,888
Loans Given	15,658,225	2,136,363	4,680,215	2,041,320	1,746,189	1,131,353	27,393,665
Financial Assets Measured at Amortized Cost	-	-	331,344	699,149	412,172	-	1,442,665
Other Assets	-	-	-	-	-	2,339,803	2,339,803
<b>Total Assets</b>	<b>17,432,457</b>	<b>3,173,772</b>	<b>5,828,067</b>	<b>3,558,694</b>	<b>2,424,811</b>	<b>10,609,256</b>	<b>43,027,057</b>
<b>Liabilities</b>							
Bank Deposits	301,010	-	-	-	-	56,347	357,357
Other Deposits	18,105,137	5,190,569	2,119,128	16,504	-	3,455,629	28,886,967
Payables to Interbank Money Market	103,686	-	230,470	214,128	-	-	548,284
Miscellaneous Payables	-	-	-	-	-	2,181,755	2,181,755
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	465,966	3,217,847	2,334,245	534	-	731,855	6,750,447
Other Liabilities (*) (**)	290,951	183,409	95,390	206,156	470	3,525,871	4,302,247
<b>Total Liabilities</b>	<b>19,266,750</b>	<b>8,591,825</b>	<b>4,779,233</b>	<b>437,322</b>	<b>470</b>	<b>9,951,457</b>	<b>43,027,057</b>
<b>Balance Sheet Long Position</b>	-	-	<b>1,048,834</b>	<b>3,121,372</b>	<b>2,424,341</b>	<b>657,799</b>	<b>7,252,346</b>
<b>Balance Sheet Short Position</b>	<b>(1,834,293)</b>	<b>(5,418,053)</b>	-	-	-	-	<b>(7,252,346)</b>
Off-balance Sheet Long Position	-	-	73,646	2,755,721	33,976	-	2,863,343
Off-balance Sheet Short Position	(1,104,854)	(691,452)	-	-	-	-	(1,796,306)
<b>Total Position</b>	<b>(2,939,147)</b>	<b>(6,109,505)</b>	<b>1,122,480</b>	<b>5,877,093</b>	<b>2,458,317</b>	<b>657,799</b>	<b>1,067,037</b>

(\*) Financial Assets at Fair Value Through Profit/Loss includes derivative financial assets amounting to TL 2,264,247 and Other Liabilities includes derivative financial liabilities amounting to TL 698,130 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 FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK (Continued):**

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

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

<b>31 December 2021</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 Years and Over</b>	<b>Non-Interest Bearing</b>	<b>Total</b>
<b>Assets (***)</b>							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	350,642	-	-	-	-	6,041,209	6,391,851
Banks	236,692	-	-	-	-	316,742	553,434
Financial Assets at Fair Value Through Profit/Loss (*)	996,222	1,279,815	654,396	112,320	48,631	15,599	3,106,983
Interbank Money Market Placements	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	20,521	-	-	510,352	128,632	7,674	667,179
Loans Given	14,698,826	938,338	3,291,647	2,151,066	1,636,227	1,192,332	23,908,436
Financial Assets Measured at Amortized Cost	-	-	307,573	582,010	133,872	-	1,023,455
Other Assets	-	-	-	-	-	2,363,302	2,363,302
<b>Total Assets</b>	<b>16,302,903</b>	<b>2,218,153</b>	<b>4,253,616</b>	<b>3,355,748</b>	<b>1,947,362</b>	<b>9,936,858</b>	<b>38,014,640</b>
<b>Liabilities</b>							
Bank Deposits	468,243	5,649	-	-	-	23,981	497,873
Other Deposits	15,054,641	4,703,545	730,629	32,781	-	3,615,194	24,136,790
Payables to Interbank Money Market	2,035	-	209,873	-	-	-	211,908
Miscellaneous Payables	-	-	-	-	-	1,964,454	1,964,454
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	724,445	3,971,933	1,770,319	514	-	666,450	7,133,661
Other Liabilities (*) (**)	540,341	280,286	100,879	181,805	358	2,966,285	4,069,954
<b>Total Liabilities</b>	<b>16,789,705</b>	<b>8,961,413</b>	<b>2,811,700</b>	<b>215,100</b>	<b>358</b>	<b>9,236,364</b>	<b>38,014,640</b>
<b>Balance Sheet Long Position</b>	-	-	<b>1,441,916</b>	<b>3,140,648</b>	<b>1,947,004</b>	<b>700,494</b>	<b>7,230,062</b>
<b>Balance Sheet Short Position</b>	<b>(486,802)</b>	<b>(6,743,260)</b>	-	-	-	-	<b>(7,230,062)</b>
Off-balance Sheet Long Position	2,866,145	2,970,070	1,424,438	-	-	-	7,260,653
Off-balance Sheet Short Position	-	-	-	(5,454,272)	(93,303)	-	(5,547,575)
<b>Total Position</b>	<b>2,379,343</b>	<b>(3,773,190)</b>	<b>2,866,354</b>	<b>(2,313,624)</b>	<b>1,853,701</b>	<b>700,494</b>	<b>1,713,078</b>

(\*) Financial Assets at Fair Value Through Profit/Loss includes derivative financial assets amounting to TL 2,972,059 and Other Liabilities includes derivative financial liabilities amounting to TL 1,029,459 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 FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK (Continued):**

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

**b. Average interest rates for monetary financial instruments:**

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

<b>31 March 2022</b>	<b>EUR</b>	<b>USD</b>	<b>Yen</b>	<b>TL</b>
<b>Assets</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	-	-	-	8.50
Banks	-	0.16	-	-
Financial Assets at Fair Value Through Profit/Loss	3.63	2.69	-	8.61
Interbank Money Market Placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	4.76	6.69	-	15.62
Loans Given	4.94	5.54	-	21.00
Financial Assets Measured at Amortized Cost	3.89	7.07	-	-
<b>Liabilities</b>				
Bank Deposits	0.93	0.33	-	0.18
Other Deposits (*)	1.18	2.10	-	15.44
Payables to Interbank Money Market	-	1.39	-	11.74
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	2.60	2.95	-	16.17

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

<b>31 December 2021</b>	<b>EUR</b>	<b>USD</b>	<b>Yen</b>	<b>TL</b>
<b>Assets</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	-	-	-	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	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	4.13	6.02	-	17.02
Loans Given	5.00	4.91	-	23.69
Financial Assets Measured at Amortized Cost	3.43	6.71	-	-
<b>Liabilities</b>				
Bank Deposits	-	0.10	-	15.79
Other Deposits (*)	0.60	1.12	-	15.49
Payables to Interbank Money Market	-	1.13	-	11.48
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	1.00	2.50	-	16.10

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

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

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

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

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

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

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

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

	<b>Applied Shock (+/- x basis point)</b>	<b>Earnings/Losses</b>	<b>Earnings/ Equities-Losses/ Equities</b>
1. TL	+500 bp	9,169	%0.1
2. TL	-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
<b>Total (For Negative Shocks)</b>		<b>37,001</b>	<b>%0.6</b>
<b>Total (For Positive Shocks)</b>		<b>(27,643)</b>	<b>%(0.4)</b>

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

None.



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Liquidity Coverage Ratio:**

31 March 2022	Unweighted Amounts (*)		Weighted Amounts (*)	
	TL+FC	FC	TL+FC	FC
<b>HIGH QUALITY LIQUID ASSETS</b>				
<b>1</b>	<b>High quality liquid assets</b>		<b>8,937,538</b>	<b>7,746,088</b>
<b>CASH OUTFLOWS</b>				
<b>2</b>	<b>Real person deposits and retail deposits</b>	<b>16,780,990</b>	<b>11,406,280</b>	<b>1,605,221</b>
3	Stable deposits	1,457,560	-	72,878
4	Less stable deposits	15,323,430	11,406,280	1,532,343
<b>5</b>	<b>Unsecured debts excluding real person deposits and retail deposits</b>	<b>8,481,340</b>	<b>7,314,880</b>	<b>3,965,021</b>
6	Operational deposits	3,340,864	3,065,300	835,216
7	Non-operational deposits	4,200,920	3,597,161	2,190,249
8	Other unsecured funding	939,556	652,419	939,556
9	<b>Secured funding</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>10</b>	<b>Other cash outflows</b>	<b>1,483,016</b>	<b>1,483,016</b>	<b>1,483,016</b>
11	Derivative and collateral liabilities	1,483,016	1,483,016	1,483,016
12	Debts related to the structured financial products	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-
<b>14</b>	<b>Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>15</b>	<b>Other irrevocable or conditionally revocable commitments</b>	<b>7,405,385</b>	<b>5,399,435</b>	<b>1,152,277</b>
<b>16</b>	<b>TOTAL CASH OUTFLOWS</b>			<b>8,205,535</b>
<b>CASH INFLOWS</b>				
17	Secured receivables	-	-	-
18	Unsecured receivables	4,098,609	1,128,102	2,863,093
19	Other cash inflows	332,285	1,947,929	332,285
<b>20</b>	<b>TOTAL CASH INFLOWS</b>	<b>4,430,894</b>	<b>3,076,031</b>	<b>3,195,378</b>
				<b>Upper Limit Applied Values</b>
<b>21</b>	<b>TOTAL HIGH QUALITY LIQUID ASSETS INVENTORY</b>			<b>8,937,538</b>
<b>22</b>	<b>TOTAL NET CASH OUTFLOWS</b>			<b>5,010,157</b>
<b>23</b>	<b>LIQUIDITY COVERAGE RATIO (%)</b>			<b>178,38</b>

(\*) The simple arithmetic average calculated for the last three months of the values calculated by taking the weekly simple arithmetic average was taken.

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

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

**Liquidity Coverage Ratio (Continued):**

31 December 2021		Unweighted Amounts (*)		Weighted Amounts (*)	
		TL+FC	FC	TL+FC	FC
<b>HIGH QUALITY LIQUID ASSETS</b>					
<b>1</b>	High quality liquid assets			<b>6,942,065</b>	<b>5,961,887</b>
<b>CASH OUTFLOWS</b>					
<b>2</b>	Real person deposits and retail deposits	<b>14,166,110</b>	<b>9,188,210</b>	<b>1,354,580</b>	<b>918,821</b>
3	Stable deposits	1,240,620	-	62,031	-
4	Less stable deposits	12,925,490	9,188,210	1,292,549	918,821
<b>5</b>	Unsecured debts excluding real person deposits and retail deposits	<b>5,749,751</b>	<b>4,815,581</b>	<b>2,439,312</b>	<b>1,915,431</b>
6	Operational deposits	2,421,644	2,238,400	605,411	559,600
7	Non-operational deposits	2,932,755	2,429,779	1,438,549	1,208,429
8	Other unsecured funding	395,352	147,402	395,352	147,402
<b>9</b>	Secured funding	-	-	-	-
<b>10</b>	Other cash outflows	<b>825,801</b>	<b>800,828</b>	<b>825,801</b>	<b>800,828</b>
11	Derivative and collateral liabilities	825,801	800,828	825,801	800,828
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
<b>14</b>	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
<b>15</b>	Other irrevocable or conditionally revocable commitments	<b>6,111,430</b>	<b>4,683,503</b>	<b>927,723</b>	<b>713,525</b>
<b>16</b>	<b>TOTAL CASH OUTFLOWS</b>			<b>5,547,416</b>	<b>4,348,605</b>
<b>CASH INFLOWS</b>					
17	Secured receivables	-	-	-	-
18	Unsecured receivables	4,032,228	1,607,661	2,741,397	1,100,184
19	Other cash inflows	45,581	786,199	45,581	786,199
<b>20</b>	<b>TOTAL CASH INFLOWS</b>	<b>4,077,809</b>	<b>2,393,860</b>	<b>2,786,978</b>	<b>1,886,383</b>
				<b>Upper Limit Applied Values</b>	
<b>21</b>	<b>TOTAL HIGH QUALITY LIQUID ASSETS INVENTORY</b>			<b>6,942,065</b>	<b>5,961,887</b>
<b>22</b>	<b>TOTAL NET CASH OUTFLOWS</b>			<b>2,760,438</b>	<b>2,462,222</b>
<b>23</b>	<b>LIQUIDITY COVERAGE RATIO (%)</b>			<b>251.48</b>	<b>242.13</b>

(\*) The simple arithmetic average calculated for the last three months of the values calculated by taking the weekly simple arithmetic average was taken.

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

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

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

High quality liquid assets of the Bank consist of accounts in Central Bank of the Republic of Turkey, at a ratio of 73% and securities issued by Undersecretariat of Treasury at a ratio of 19%. The fund resources are distributed among deposits of individuals and retail, corporate deposits and due to banks at ratios of 18%, 48% and 9% respectively.

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

Absolute value of net warrant flows realized as of 30 days periods for each transaction and liability are calculated provided that changes in fair values of derivative transactions and other liabilities can form a margin liability in accordance with “Regulation on Calculation of Liquidity Coverage Ratio of Banks” entered into force through publishing in Official Gazette dated 21 March 2014 and numbered 28948. The biggest absolute value, which is calculated in the last 24 months, is taken into consideration as cash outflow. Calculations for derivative transactions and other liabilities, having a flow history shorter than 24 months, are performed from the date in which the transaction is triggered. Information related to the aforementioned cash outflow occurred on 31 March 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. Liquidity coverage rates must be at least 80% for foreign currency assets and liabilities and at least 100% in total assets and liabilities for the period 31 March 2022. Dates and values of lowest and highest foreign currency and total unconsolidated liquidity coverage rates calculated weekly related to the last quarter and average rates are explained in the table below:

Current Period	Maximum (%)		Minimum (%)	
	FC	FC+TL	FC	FC + TL
Weekly Arithmetic Average (%)	240.29%	202.60%	149.27%	160.00%
Week	14.01.2022	18.03.2022	18.02.2022	18.02.2022

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

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

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

<b>31 March 2022</b>	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 years</b>	<b>5 Years and Over</b>	<b>Unclassified (***)</b>	<b>Total</b>
<b>Assets (****)</b>								
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	2.889.928	4.183.074	-	-	-	-	-	7.073.002
Banks	186.291	365.871	-	-	-	-	88.295	640.457
Financial Assets at Fair Value Through Profit or Loss (*)	-	295.265	750.687	11.337	1.282.576	279.964	54.134	2.673.963
Interbank Money Market Placements	-	532.614	-	-	-	-	-	532.614
Financial Assets at Fair Value Through Other Comprehensive Income	-	-	-	92.789	544.050	286.375	7.674	930.888
Loans Given	-	5.969.742	5.533.406	5.366.136	5.466.904	3.926.124	1.131.353	27.393.665
Financial Assets Measured at Amortized Cost	-	-	-	331.344	699.149	412.172	-	1.442.665
Other Assets (**)	-	127.886	-	46.458	-	-	2.165.459	2.339.803
<b>Total Assets</b>	<b>3.076.219</b>	<b>11.474.452</b>	<b>6.284.093</b>	<b>5.848.064</b>	<b>7.992.679</b>	<b>4.904.635</b>	<b>3.446.915</b>	<b>43.027.057</b>
<b>Liabilities</b>								
Bank Deposits	56.347	301.010	-	-	-	-	-	357.357
Other Deposits	3.455.629	18.105.137	5.190.569	2.119.128	16.504	-	-	28.886.967
Funds Borrowed From Other Financial Institutions	-	101.705	273.629	2.698.506	534	3.676.073	-	6.750.447
Payables to Interbank Money Market	-	103.612	-	230.507	214.165	-	-	548.284
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	-	54.097	-	-	-	-	2.127.658	2.181.755
Other Liabilities (*) (***)	-	479.214	133.768	78.924	438.600	470	3.171.271	4.302.247
<b>Total Liabilities</b>	<b>3.511.976</b>	<b>19.144.775</b>	<b>5.597.966</b>	<b>5.127.065</b>	<b>669.803</b>	<b>3.676.543</b>	<b>5.298.929</b>	<b>43.027.057</b>
<b>Liquidity Gap</b>	<b>(435.757)</b>	<b>(7.670.323)</b>	<b>686.127</b>	<b>720.999</b>	<b>7.322.876</b>	<b>1.228.092</b>	<b>(1.852.014)</b>	<b>-</b>
<b>Net Off-balance sheet Position</b>	<b>-</b>	<b>(176.765)</b>	<b>(83.880)</b>	<b>42.697</b>	<b>1.248.345</b>	<b>244.097</b>	<b>-</b>	<b>1.274.494</b>
Receivables from Financial Derivative Assets	-	12.572.719	8.473.558	1.568.200	8.726.103	2.572.888	-	33.913.468
Payables to Financial Derivative Liabilities	-	(12.749.484)	(8.557.438)	(1.525.503)	(7.477.758)	(2.328.791)	-	(32.638.974)
<b>Non-cash Loans</b>	<b>-</b>	<b>3.983.519</b>	<b>2.046.078</b>	<b>1.746.453</b>	<b>439.952</b>	<b>4.745</b>	<b>-</b>	<b>8.220.747</b>
<b>31 December 2021</b>								
<b>Total Assets</b>	<b>2,662,412</b>	<b>10,405,294</b>	<b>5,595,591</b>	<b>4,473,083</b>	<b>7,385,652</b>	<b>3,991,816</b>	<b>3,500,792</b>	<b>38,014,640</b>
<b>Total Liabilities</b>	<b>3,639,175</b>	<b>16,599,880</b>	<b>6,256,399</b>	<b>3,125,477</b>	<b>346,416</b>	<b>3,347,572</b>	<b>4,699,721</b>	<b>38,014,640</b>
<b>Liquidity Gap</b>	<b>(976,763)</b>	<b>(6,194,586)</b>	<b>(660,808)</b>	<b>1,347,606</b>	<b>7,039,236</b>	<b>644,244</b>	<b>(1,198,929)</b>	<b>-</b>
<b>Net Off-balance sheet Position</b>	<b>-</b>	<b>(229,828)</b>	<b>(248,225)</b>	<b>411,462</b>	<b>468,152</b>	<b>2,456</b>	<b>-</b>	<b>404,017</b>
Financial Derivative Assets	-	12.443.622	4.811.423	1.506.966	5.007.882	6.919	-	23.776.812
Financial Derivative Liabilities	-	(12.673.450)	(5.059.648)	(1.095.504)	(4.539.730)	(4.463)	-	(23.372.795)
<b>Non-cash Loans</b>	<b>-</b>	<b>4,143,098</b>	<b>1,199,728</b>	<b>1,215,942</b>	<b>478,284</b>	<b>9,498</b>	<b>-</b>	<b>7,046,550</b>

(\*) Financial Assets at Fair Value Through Profit or Loss includes derivative financial assets amounting to TL 2,264,247 and Other Liabilities includes derivative financial liabilities amounting to TL 698,130 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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**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK (Continued):**

**VII. EXPLANATIONS ON LEVERAGE RATIO:**

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

As of 31 March 2022, leverage ratio of the Bank calculated from the arithmetic average of the three months is 5.80% (31 December 2021: 6.55%). This ratio is above the minimum required. The most important reason for the difference in leverage ratio between current and prior period is the increase in balance sheet and off-balance sheet assets.

**Disclosure of leverage ratio template:**

	<b>31 March 2022 (*)</b>	<b>31 December 2021 (*)</b>
<b>Balance sheet assets</b>		
Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	40,305,216	33,899,205
(Assets deducted from Core capital)	61,014	55,102
Total risk amount of balance sheet assets	40,244,202	33,844,103
<b>Derivative financial assets and credit derivatives</b>		
Cost of replenishment for derivative financial assets and credit derivatives	1,223,648	1,465,072
Potential credit risk amount of derivative financial assets and credit derivatives	281,599	209,183
Total risk amount of derivative financial assets and credit derivatives	1,505,247	1,674,255
<b>Financing transactions secured by marketable security or commodity</b>		
Risk amount of financing transactions secured by marketable security or commodity (excluding Balance sheet)	-	-
Risk amount arising from intermediary transactions	-	-
Total risk amount of financing transactions secured by marketable security or commodity	-	-
<b>Off-balance sheet transactions</b>		
Gross nominal amount of off-balance sheet transactions	11,651,105	8,027,351
(Correction amount due to multiplication with credit conversion rates)	-	-
Total risk of off-balance sheet transactions	11,651,105	8,027,351
<b>Capital and total risk</b>		
Core capital	3,089,665	2,803,965
Total risk amount	53,400,554	43,545,709
<b>Leverage ratio</b>		
Leverage ratio	5.80%	6.55%

(\*) Average amounts for three months.

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

**VIII. EXPLANATIONS ON HEDGE TRANSACTIONS:**

As of 31 March 2022, The Bank applies cash flow hedge accounting using interest swaps to hedge its FC deposits with an average maturity up to 3 months against interest rate fluctuations. The Bank implements effectiveness tests at the balance sheet dates for hedge accounting; the effective parts are accounted as defined in TFRS 9, in financial statements under equity “Hedging Funds”, whereas the amount concerning ineffective parts is associated with the statement of profit or loss.

As of the balance sheet date derivative financial assets of which carrying amount is TL 1,565,871 (31 December 2021: TL 1,443,344) and derivative financial payables of which carrying amount is TL 195,716 (31 December 2021: TL 186,864), are subject to hedge accounting as hedging instruments. As a result of the mentioned hedge accounting, fair value income amounting to 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 the Statement of Profit or Loss(Net)
			Assets	Payables		
Cross Currency Swap	Floating rate up to 3 month maturity FC deposits	Cash flow risk of changes in market interest rates	1,366,642	151,198	235,960	-
Interest Rate Swap	Floating rate up to 3 month maturity FC deposits	Cash flow risk of changes in market interest rates	199,229	44,518	131,928	-

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

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

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

Bank carries out marketable security trading and custody services on behalf of customers and on their account. The details of items held in custody is given in Off-Balance Sheet Commitments.

**X. EXPLANATIONS ON OPERATING SEGMENTS:**

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

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

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

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

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

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

	<b>Retail Bank</b>	<b>Corporate and Commercial Banking</b>	<b>Treasury</b>	<b>Other and Unclassified</b>	<b>Total Operations of the Bank</b>
<b>31 March 2022</b>					
Net Interest Income	53,285	201,350	(30,105)	-	224,530
Net Fees and Commissions	153	12,218	-	-	12,371
Trading Profit/Loss	11,155	3,398	48,542	-	63,095
Other Operating Income	587	26,481	-	-	27,068
<b>Operating Income</b>	<b>65,180</b>	<b>243,447</b>	<b>18,437</b>	<b>-</b>	<b>327,064</b>
<b>Operating and Provision Expenses (-)</b>	<b>44,678</b>	<b>(13,307)</b>	<b>17,678</b>	<b>74,470</b>	<b>123,519</b>
<b>Net Operating Income</b>	<b>20,502</b>	<b>256,754</b>	<b>759</b>	<b>(74,470)</b>	<b>203,545</b>
Dividend Income	-	-	-	-	-
Profit/Loss from Subsidiaries Based on Equity Method	-	-	-	43,246	43,246
<b>Profit/Loss Before Tax</b>	<b>20,502</b>	<b>256,754</b>	<b>759</b>	<b>(31,224)</b>	<b>246,791</b>
Tax Provisions (-)	5,125	64,188	190	(26,034)	43,469
<b>Net Profit/Loss</b>	<b>15,377</b>	<b>192,566</b>	<b>569</b>	<b>(5,190)</b>	<b>203,322</b>
Segment Assets	3,493,052	28,941,362	8,252,840	-	40,687,254
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	752,672	752,672
Unallocated Assets	-	-	-	1,587,131	1,587,131
<b>Total Assets</b>	<b>3,493,052</b>	<b>28,941,362</b>	<b>8,252,840</b>	<b>2,339,803</b>	<b>43,027,057</b>
Segments Liabilities	18,513,776	10,759,347	8,354,223	2,515,322	40,142,668
Unclassified Liabilities	-	-	-	2,884,389	2,884,389
<b>Total Liabilities</b>	<b>18,513,776</b>	<b>10,759,347</b>	<b>8,354,223</b>	<b>5,399,711</b>	<b>43,027,057</b>

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

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

	<b>Retail Bank</b>	<b>Corporate and Commercial Banking</b>	<b>Treasury</b>	<b>Other and Unclassified</b>	<b>Total Operations of the Bank</b>
<b>31 March 2021</b>					
Net Interest Income	30,606	87,401	(13,823)	-	104,184
Net Fees and Commissions	-	7,506	-	-	7,506
Trading Profit/Loss	8,247	1,472	48,215	-	57,934
Other Operating Income	-	28,419	-	-	28,419
<b>Operating Income</b>	<b>38,853</b>	<b>124,798</b>	<b>34,392</b>	<b>-</b>	<b>198,043</b>
<b>Operating and Provision Expenses (-)</b>	<b>24,099</b>	<b>89,899</b>	<b>11,317</b>	<b>26,482</b>	<b>151,797</b>
<b>Net Operating Income</b>	<b>14,754</b>	<b>34,899</b>	<b>23,075</b>	<b>(26,482)</b>	<b>46,246</b>
Dividend Income	-	-	-	-	-
Profit/Loss from Subsidiaries Based on Equity Method	-	-	-	13,919	13,919
<b>Profit/Loss Before Tax</b>	<b>14,754</b>	<b>34,899</b>	<b>23,075</b>	<b>(12,563)</b>	<b>60,165</b>
Tax Provisions (-)	2,950	6,980	4,615	(4,913)	9,632
<b>Net Profit/Loss</b>	<b>11,804</b>	<b>27,919</b>	<b>18,460</b>	<b>(7,650)</b>	<b>50,533</b>
Segment Assets	2,937,212	25,231,179	7,482,947	-	35,651,338
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	669,736	669,736
Unallocated Assets	-	-	-	1,693,566	1,693,566
<b>Total Assets</b>	<b>2,937,212</b>	<b>25,231,179</b>	<b>7,482,947</b>	<b>2,363,302</b>	<b>38,014,640</b>
Segments Liabilities	15,374,769	8,985,783	8,873,548	2,306,131	35,540,231
Unclassified Liabilities	-	-	-	2,474,409	2,474,409
<b>Total Liabilities</b>	<b>15,374,769</b>	<b>8,985,783</b>	<b>8,873,548</b>	<b>4,780,540</b>	<b>38,014,640</b>

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**SECTION FIVE**

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

**I. EXPLANATIONS AND NOTES RELATED TO ASSETS**

**a. Information related to cash and the account of Central Bank of the Republic of Turkey:**

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
<b>Total</b>	<b>352,236</b>	<b>6,720,766</b>	<b>451,718</b>	<b>5,940,133</b>

2. Information on the account of the CBRT:

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

3. Information on Reserve Requirements:

In accordance with the "Communiqué Regarding Reserve Requirements" No. 2013/15, the Bank is required to maintain reserves in CBRT for TL and foreign currency liabilities. According to the "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 UNCONSOLIDATED FINANCIAL STATEMENTS (Continued):**

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

**b. Information on Financial Assets at Fair Value Through Profit/Loss:**

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

As of 31 March 2022, there are no assets given as collateral/blocked to financial assets at fair value through profit or loss (31 December 2021: None).

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

As of 31 March 2022, there is no amount subject to repo transactions from financial assets at fair value through profit or loss (31 December 2021: None).

**c. Information on banks:**

1. Information on banks:

	31 March 2022		31 December 2021	
	TL	FC	TL	FC
<b>Banks</b>				
Domestic	352	7	230,440	6,671
Foreign	-	640,161	-	316,379
Headquarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>352</b>	<b>640,168</b>	<b>230,440</b>	<b>323,050</b>

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

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

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. Characteristics and book value of financial assets at fair value through other comprehensive income subject to repurchase agreements:

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: 1.295 TL).

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

	31 March 2022	31 December 2021
Debt Securities	992,754	712,965
Quoted on Stock Exchange	992,754	712,965
Not Quoted	-	-
Share Certificates	7,674	7,674
Quoted on Stock Exchange	-	-
Not Quoted	7,674	7,674
Impairment Provision (-)	69,540	53,460
<b>Total</b>	<b>930,888</b>	<b>667,179</b>

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

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

**e. Explanations on loans:**

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

	31 March 2022		31 December 2021	
	Cash	Non-cash	Cash	Non-cash
Direct Loans Granted to Shareholders	-	89,324	-	24,860
Loans Given to Legal Entity Shareholders	-	89,324	-	24,860
Loans Given to Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees	4,180	-	4,361	-
<b>Total</b>	<b>4,180</b>	<b>89,324</b>	<b>4,361</b>	<b>24,860</b>

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

i.

Cash Loans	Standard Loans	Loans Under Close Monitoring		
		Loans Not Subject to Restructuring	Restructured	
			Change in Contract Conditions	Re-finance
Non-Specialized Loans	21,836,626	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	17,088,551	1,128,451	4,641,789	-
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Total</b>	<b>21,836,626</b>	<b>1,134,714</b>	<b>4,646,683</b>	<b>-</b>

ii.

	Standard Loans	Loans Under Close Monitoring
<b>General provisions</b>	56,902	1,298,807
12 Month Expected Credit Losses	56,902	-
Significant Increase in Credit Risk	-	1,298,807

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

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

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

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

	Short-term	Medium and Long-term	Total
<b>Consumer Loans-TL</b>	<b>60,536</b>	<b>224,029</b>	<b>284,565</b>
Real Estate Loans		37,233	37,233
Automotive Loans	703	34,095	34,798
Consumer Loans	59,833	152,701	212,534
Other			
<b>Consumer Loans-FC Indexed</b>			
Real Estate Loans			
Automotive Loans			
Consumer Loans			
Other			
<b>Consumer Loans-FC</b>		<b>3,955</b>	<b>3,955</b>
Real Estate Loans		3,955	3,955
Automotive Loans			
Consumer Loans			
Other			
<b>Individual Credit Cards-TL</b>			
With Installments			
Without Installments			
<b>Individual Credit Cards-FC</b>			
With Installments			
Without Installments			
<b>Personnel Loans-TL</b>	<b>419</b>	<b>3,761</b>	<b>4,180</b>
Real Estate Loans			
Automotive Loans			
Consumer Loans	419	3,761	4,180
Other			
<b>Personnel Loans-FC Indexed</b>			
Real Estate Loans			
Automotive Loans			
Consumer Loans			
Other			
<b>Personnel Loans-FC</b>			
Real Estate Loans			
Automotive Loans			
Consumer Loans			
Other			
<b>Personnel Credit Cards-TL</b>			
With Installments			
Without Installments			
<b>Personnel Credit Cards-FC</b>			
With Installments			
Without Installments			
<b>Credit Deposit Account-TL (Real Person)</b>	<b>4,394</b>		<b>4,394</b>
<b>Credit Deposit Account-FC (Real Person)</b>			
<b>Total</b>	<b>65,349</b>	<b>231,745</b>	<b>297,094</b>

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**BURGAN BANK A.Ş.**

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

(Continued):

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

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

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

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

5. Loans according to types of borrowers:

	31 March 2022	31 December 2021
Public	19,112	32,591
Private	27,598,911	24,035,499
<b>Total</b>	<b>27,618,023</b>	<b>24,068,090</b>

6. Distribution of domestic and foreign loans:

	31 March 2022	31 December 2021
Domestic Loans	27,613,076	23,992,700
Foreign Loans	4,947	75,390
<b>Total</b>	<b>27,618,023</b>	<b>24,068,090</b>

7. Loans given to associates and subsidiaries:

None (31 December 2021: None).

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

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

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

8. Specific provisions provided against loans:

	31 March 2022	31 December 2021
Allocated for Limited Collection Loans	5,991	915
Allocated for Doubtful Loans	108,505	106,636
Allocated for Loss Loans	647,591	620,070
<b>Total</b>	<b>762,087</b>	<b>727,621</b>

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

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

	Group III Loans with Limited Collectability	Group IV Loans with Doubtful Collectability	Group V Uncollectible Loans
<b>31 March 2022</b>			
Gross Amounts Before the Provisions	-	-	-
Restructured Loans	389	2,595	225,960
<b>31 December 2021</b>			
Gross Amounts Before the Provisions	-	-	-
Restructured Loans	-	503	241,230

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

	Group III Loans with Limited Collectability	Group IV Loans with Doubtful Collectability	Group V Uncollectible Loans
<b>Prior Period End Balance</b>	<b>4,634</b>	<b>194,579</b>	<b>1,720,740</b>
Additions (+)	10,793	93	20,718
Transfers from Other Categories of Non-performing Loans (+)	-	4,290	11,518
Transfers to Other Categories of Non-performing Loans (-)	4,290	11,518	-
Collections (-)	344	666	57,107
Write-Offs (-)	-	-	-
Sold (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
<b>Balance at the End of the Period</b>	<b>10,793</b>	<b>186,778</b>	<b>1,695,869</b>
<b>Specific Provision (-)</b>	<b>5,991</b>	<b>108,505</b>	<b>647,591</b>
<b>Net Balance on Balance Sheet</b>	<b>4,802</b>	<b>78,273</b>	<b>1,048,278</b>



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

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

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

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

	<b>Group III Loans with Limited Collectability</b>	<b>Group IV Loans with Doubtful Collectability</b>	<b>Group V Uncollectible Loans</b>
<b>31 March 2022</b>			
Period-End Balance	-	1,667	1,152,238
Provision Amount (-)	-	-	438,739
<b>Net Balance on Balance Sheet</b>	<b>-</b>	<b>1,667</b>	<b>713,499</b>
<b>31 December 2021</b>			
Period-End Balance	1,667	26	1,159,770
Provision Amount (-)	-	16	438,185
<b>Net Balance on Balance Sheet</b>	<b>1,667</b>	<b>10</b>	<b>721,585</b>

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

	<b>Group III Loans with Limited Collectability</b>	<b>Group IV Loans with Doubtful Collectability</b>	<b>Group V Uncollectible Loans</b>
<b>31 March 2022</b>			
<b>Current Period (Net)</b>	<b>4,802</b>	<b>78,273</b>	<b>1,048,278</b>
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)	-	-	-
Provision Amount (-)	-	-	-
Other Loans (Net)	-	-	-
<b>Prior Period (Net)</b>	<b>3,719</b>	<b>87,943</b>	<b>1,100,670</b>
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)	-	-	-
Provision Amount (-)	-	-	-
Other Loans (Net)	-	-	-

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

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

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

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

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

11. Explanations of the write-off policy:

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

- Classified under Fifth Group-Uncollectible Loans,
- Part of the borrower's default for the lifetime expected credit losses or if there are no reasonable expectations for the 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: TL 17,461)

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

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

**f. Information on interest accruals, rediscounts 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
<b>Current Period (Net)</b>	<b>38</b>	<b>1,224</b>	<b>80,310</b>
Interest Accruals, Rediscounts and Valuation Differences	84	1,315	145,708
Provision Amount (-)	46	91	65,398
<b>Prior Period (Net)</b>	<b>1,155</b>	<b>158</b>	<b>87,613</b>
Interest Accruals, Rediscounts 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	-	-	-	-
<b>Total</b>	<b>-</b>	<b>587,569</b>	<b>-</b>	<b>273,313</b>

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	-	-	-	-
<b>Total</b>	<b>-</b>	<b>543,204</b>	<b>-</b>	<b>750,155</b>

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

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

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 (-)	-	-
<b>Total</b>	<b>1,442,686</b>	<b>1,023,468</b>

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

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

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

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

	31 March 2022	31 December 2021
Balance at the Beginning of the Period	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 (-)	-	-
<b>Period End Total</b>	<b>1,442,686</b>	<b>1,023,468</b>

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

None (31 December 2021: None).

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

1. Information on unconsolidated subsidiaries:

None (31 December 2021: None).

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

None (31 December 2021: None).

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

	Title	Address (City/ Country)	Bank’s Share Percentage If Different Voting Percentage (%)	Other Shareholders’ Share Percentage (%)
1	Burgan Finansal Kiralama A.Ş.	Istanbul/Turkey	99.99	0.01
2	Burgan Yatırım Menkul Değerler A.Ş.	Istanbul/Turkey	100.00	-

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

	Total Assets	Shareholde rs’ 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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**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS  
(Continued):**

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

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

5. Movement table of consolidated subsidiaries:

	31 March 2022	31 December 2021
<b>Balance at the Beginning of the Period</b>	<b>669,736</b>	<b>548,560</b>
<b>Movements During the Period</b>	<b>82,936</b>	<b>121,176</b>
Purchases	-	-
Bonus Shares Obtained	-	-
Profit from Current Year Share (*)	43,246	90,033
Sales	-	-
Revaluation Increase/Decrease (*)	39,690	31,143
Impairment Provision	-	-
<b>Balance at the End of the Period</b>	<b>752,672</b>	<b>669,736</b>
<b>Capital Commitments</b>	<b>-</b>	<b>-</b>
<b>Share Percentage at the End of the Period (%)</b>	<b>99.99</b>	<b>99.99</b>

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

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

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

4. Subsidiaries quoted on stock exchange:

None (31 December 2021: None).

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

None (31 December 2021: None).

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

None (31 December 2021: None).

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

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

**1. Information on Derivative Financial assets**

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

	31 March 2022		31 December 2021	
	TL	FC	TL	FC
Forward Transactions	17,642	22,916	4,974	443
Swap Transactions	480,839	162,814	1,386,033	110,760
Futures Transactions	982	-	1,060	-
Options	1,674	11,509	8,033	17,412
Other	-	-	-	-
<b>Total</b>	<b>501,137</b>	<b>197,239</b>	<b>1,400,100</b>	<b>128,615</b>

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	1,219,390	346,481	1,362,814	80,530
Foreign Net Investment Hedge	-	-	-	-
<b>Total</b>	<b>1,219,390</b>	<b>346,481</b>	<b>1,362,814</b>	<b>80,530</b>

**m. Information on investment property:**

None (31 December 2021: None).

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

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

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

As of 31 March 2022, Bank has netted-off the calculated deferred tax asset of TL 360,637 (31 December 2021: TL 460,784) and deferred tax liabilities of TL 387,825 (31 December 2021: TL 436,395) in accordance with TAS 12 and has recorded a net tax liabilities of TL 27,188 (31 December 2021: TL 24,389 net deferred tax assets) in the financial statements.

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

The Bank has assets held for resale amounting to TL 1,024,667 (31 December 2021: TL 1,039,002) and has no discontinued operations.

<b>Prior Period</b>	<b>31 March 2022</b>	<b>31 December 2021</b>
Cost	1,039,347	496,182
Accumulated Depreciation (-)	345	364
<b>Net Book Value</b>	<b>1,039,002</b>	<b>495,818</b>
<b>Current Period</b>		
Net Book Value at Beginning of the Period	1,039,002	495,818
Additions	228,952	732,142
Disposals (-), net	243,287	188,958
Impairment (-)	-	-
Depreciation Amount (-)	-	-
Cost at the End of the Period	1,024,990	1,039,347
Accumulated Depreciation at the End of the Period (-)	323	345
<b>Closing Net Book Value</b>	<b>1,024,667</b>	<b>1,039,002</b>

**p. Information on other assets:**

Other assets amount to TL 364,789 (31 December 2021: TL 427,422) 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 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	2,048,657	-	2,800,343	14,333,225	437,573	72,065	55,236	-	19,747,099
Residents in Turkey	1,891,596	-	2,779,148	14,244,940	434,441	56,350	47,949	-	19,454,424
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	850,601	-	242,989	568,620	88,561	1,588,563	35,962	-	3,375,296
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	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3,511,976</b>	<b>-</b>	<b>5,048,773</b>	<b>16,604,786</b>	<b>1,762,243</b>	<b>1,820,209</b>	<b>496,337</b>	<b>-</b>	<b>29,244,324</b>

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	2,394,299	-	2,683,264	12,154,085	405,256	54,718	59,910	-	17,751,532
Residents in Turkey	2,341,143	-	2,675,034	12,060,532	400,864	39,560	46,320	-	17,563,453
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	821,809	-	464,507	325,818	28,926	89,712	22,582	-	1,753,354
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	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3,639,175</b>	<b>-</b>	<b>4,807,133</b>	<b>14,606,098</b>	<b>695,199</b>	<b>307,121</b>	<b>579,937</b>	<b>-</b>	<b>24,634,663</b>



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

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

**a. Information on deposits (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
<b>Saving Deposits</b>				
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	-	-	-	-
<b>Total</b>	<b>3,322,673</b>	<b>2,384,098</b>	<b>14,151,419</b>	<b>12,362,439</b>

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

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

	31 March 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	-	-
<b>Total</b>	<b>14,630</b>	<b>10,771</b>

**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 UNCONSOLIDATED FINANCIAL STATEMENTS (Continued):**

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

**c. Information on borrowings:**

1. Information on banks and other financial institutions:

	31 March 2022		31 December 2021	
	TL	FC	TL	FC
CBRT Borrowings	-	-	-	-
From Domestic Banks and Institutions	9,069	4,892	10,553	-
From Foreign Banks, Institutions and Funds	-	3,060,414	-	3,775,895
<b>Total</b>	<b>9,069</b>	<b>3,065,306</b>	<b>10,553</b>	<b>3,775,895</b>

2. Information on maturity structure of borrowings:

	31 March 2022		31 December 2021	
	TL	FC	TL	FC
Short-Term	9,069	173,875	10,553	615,287
Medium and Long-Term	-	2,891,431	-	3,160,608
<b>Total</b>	<b>9,069</b>	<b>3,065,306</b>	<b>10,553</b>	<b>3,775,895</b>

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

The Bank's main funding sources are deposits and borrowings. As of 31 March 2022, deposits and borrowings from Bank's risk group comprise 1.76% (31 December 2021: 1.63%) of total deposits. Besides this, Borrowings from Bank's risk group comprise 54.46% (31 December 2021: 47.98%) 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 2,462,294 (31 December 2021: TL 2,160,151) do not exceed 10% of the total of the balance sheet excluding off-balance sheet commitments.

**f. Information on lease payables:**

	31 March 2022		31 December 2021	
	Gross	Net	Gross	Net
Less Than 1 Year	2,792	1,838	1,091	1,030
Between 1-4 Years	64,914	54,682	66,114	54,305
More Than 4 Years	32,305	21,726	27,610	18,876
<b>Total</b>	<b>100,011</b>	<b>78,246</b>	<b>94,815</b>	<b>74,211</b>

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

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

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

1. Derivative Financial Liabilities at Fair Value Through Profit or 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	288,229	153,914	721,674	99,848
Futures Transactions	152	-	3,465	-
Options	-	10,881	-	4,779
Other	-	-	-	-
<b>Total</b>	<b>312,089</b>	<b>190,325</b>	<b>735,350</b>	<b>107,245</b>

2. 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	112,977	82,739	135,702	51,162
Foreign Net Investment Hedge	-	-	-	-
<b>Total</b>	<b>112,977</b>	<b>82,739</b>	<b>135,702</b>	<b>51,162</b>

**h. Information on provisions:**

1. Liabilities related to provisions for employee benefits:

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

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

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

	31 March 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

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(Continued):**

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

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

Movement of reserve for employment termination benefits during the period:

	31 March 2022	31 December 2021
Prior period end balance	28,777	22,186
Current service cost	3,335	3,032
Interest cost	-	2,607
Reductions and payments	-	(2,396)
Actuarial loss/gain	-	5,571
Benefits paid (-)	920	2,223
<b>Period End Balance</b>	<b>31,192</b>	<b>28,777</b>

In addition, as of 31 March 2022 the Bank has accounted for vacation rights provision and personnel bonus provision amounting to TL 23,566 (31 December 2021: TL 40,897).

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 Group set aside reserves under other provisions amounting to TL 155,153 (31 December 2021: 138,622) for lawsuits, 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 and other provisions amounting to TL 7,269 (31 December 2021: TL 7,279).

**i. Information on taxes payable:**

1. Information on tax provision:

As of 31 March 2022, there is corporate tax provision amounting to TL 33,079 (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):**

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

2. Information on taxes payable:

	<b>31 March 2022</b>	<b>31 December 2021</b>
Corporate Tax Payable	33,079	-
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	985	1,617
Other	7,324	5,554
<b>Total</b>	<b>72,459</b>	<b>45,077</b>

3. Information on premium payables:

	<b>31 March 2022</b>	<b>31 December 2021</b>
Social Security Premiums-Employee	2,883	1,916
Social Security Premiums-Employer	3,447	2,249
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	198	131
Unemployment Insurance-Employer	395	263
Other	86	65
<b>Total</b>	<b>7,009</b>	<b>4,624</b>

4. Explanations on deferred tax asset/liability:

As of 31 March 2022, the Bank has netted-off the calculated deferred tax assets of TL 360,637 (31 December 2021: TL 460,784) and deferred tax liabilities of TL 387,825 (31 December 2021: TL 436,395) in accordance with TAS 12 and has recorded a net deferred tax assets of TL 27,188 (31 December 2021: TL 24,389 net deferred tax assets) in the financial statements.

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**(Continued):**

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

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

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

	Accumulated Temporary Differences		Deferred tax assets/liabilities	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
Carried Financial Loss	-	671,353	-	154,412
Provisions for Legal Cases and Other	7,269	7,279	1,817	1,456
Provisions for Expected Loss	1,383,563	1,400,761	345,891	294,751
Provisions for Employee Benefits	39,905	33,336	9,976	6,667
Unearned Income	11,811	17,598	2,953	3,498
Difference Between Carrying Value of Fixed Assets and Tax Base	-	-	-	-
<b>Deferred Tax Assets</b>	<b>1,442,548</b>	<b>2,130,327</b>	<b>360,637</b>	<b>460,784</b>
Difference Between Carrying Value of Fixed Assets and Tax Base	33,054	34,522	3,517	3,107
Derivative Financial Instruments Valuation Difference	1,537,236	1,955,726	384,308	433,288
Other	-	-	-	-
<b>Deferred Tax Liabilities</b>	<b>1,570,290</b>	<b>1,990,248</b>	<b>387,825</b>	<b>436,395</b>
<b>Deferred Tax Assets/(Liabilities) (Net)</b>			<b>(27,188)</b>	<b>24,389</b>

The deferred tax asset/liability movement is as follows:

	31 March 2022	31 December 2021
<b>Balance as of 1 January</b>	<b>24,389</b>	<b>91,757</b>
Current year deferred tax income/(expense), net	(7,259)	(39,627)
Deferred tax accounted under equity, net (*)	(44,318)	(27,741)
<b>Period end balance</b>	<b>(27,188)</b>	<b>24,389</b>

(\*) The effect of Deferred Tax Accounted under Equity arising from the effect of TAS27 is TL (19,760).

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

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

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

None (31 December 2021: None).

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

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

Issuing Institution	Amount	Opening Date	Maturity Date	Interest Rate (%)
Burgan Bank K.P.S.C. (Main Shareholder)	USD 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	-	-	-	-
<b>Total</b>	-	<b>3,676,072</b>	-	<b>3,347,213</b>

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

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

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

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

1. Presentation of paid-in capital:

	31 March 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 Bank and the uncertainties on these indicators:

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

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

Based on the Principal Agreement, the Bank has 1,000,000 founder's shares. According to the Principal Agreement, after allocating 5% to legal reserves and distributing 5% of the paid in capital, 10% of distributable amount is distributed to the owners of the founder's shares.



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

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

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

8. Information on marketable securities valuation differences:

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

9. Information on revaluation increase fund:

	31 March 2022		31 December 2021	
	TL	FC	TL	FC
Movables	-	-	-	-
Immovables	33,228	-	34,176	-
Common Stocks of Investments in Associates, Subsidiaries that will be added to the Capital and Sales Income from Immovables (*)	1,413	-	1,413	-

(\*) Classified under other capital reserves.

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

In accordance with the decision of the Bank's Ordinary General Assembly Meeting held on 25 March 2022; TL 304,815 including the effects of TAS 27 Standard, which is the profit of 2021, was transferred to reserve funds.

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

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

**a. Information on off-balance sheet liabilities:**

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	396,711	375,348
Blocked checks issued to customers	115,438	80,701
Commitments for cheques	102,754	81,744
Forward securities buy-sale commitments	57,016	-
<b>Total</b>	<b>4,664,828</b>	<b>2,450,302</b>

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

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

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

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

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
<b>Total</b>	<b>1,927,407</b>	<b>1,519,302</b>	<b>1,592,992</b>	<b>1,495,196</b>

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**(Continued):**

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

**a. Information on off-balance sheet liabilities (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
<b>Total</b>	<b>8,220,747</b>	<b>7,046,550</b>

ii. Information on non-cash loans classified in groups I and II:

Current Period (*)	Group I		Group II	
	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	-	-
<b>Total</b>	<b>2,267,135</b>	<b>5,842,815</b>	<b>10,221</b>	<b>59,334</b>

(\*) 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 Bank is TL 25,822 (31 December 2021: TL 25,843) and the Bank sets aside a provision of TL 6,825 (31 December 2021: TL 6,835) regarding these risks.

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

**FITCH (25 February 2022)**

<b>Outlook</b>	Negative
<b>Long-Term FC</b>	B
<b>Short-Term FC</b>	B
<b>Long-Term TL</b>	B+
<b>Short-Term TL</b>	B
<b>Support Rating</b>	b
<b>National</b>	AA(tour)
<b>Financial Capacity Rating</b>	b-(negative)

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

**IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT**

**a. Information on interest income:**

1. Information on interest income on loans:

	31 March 2022		31 March 2021	
	TL	FC	TL	FC
<b>Interest Income on Loans (*)</b>				
Short-Term Loans	476,239	22,486	158,543	6,250
Medium/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	-	-	-	-
<b>Total</b>	<b>600,561</b>	<b>173,936</b>	<b>259,060</b>	<b>122,717</b>

(\*) 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	7,222	64	5,961	164
From Foreign Banks	-	100	-	89
Headquarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>7,437</b>	<b>164</b>	<b>5,961</b>	<b>253</b>

3. Information on interest income on marketable securities:

	31 March 2022		31 March 2021	
	TL	FC	TL	FC
Financial Assets Measured at Fair Value through Profit or Loss	174	1,063	375	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
<b>Total</b>	<b>31,617</b>	<b>22,563</b>	<b>10,140</b>	<b>9,884</b>

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

**BURGAN BANK A.Ş.**

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

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

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

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

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

	31 March 2022	31 March 2021
Interest Received From Investments in Associates and Subsidiaries	-	-

**b. Information on interest expense:**

1. Information on interest expense on borrowings:

	31 March 2022		31 March 2021	
	TL	FC	TL	FC
<b>Banks</b>	<b>367</b>	<b>50,970</b>	<b>1,000</b>	<b>38,096</b>
The CBRT	-	-	-	-
Domestic Banks	367	7	1,000	222
Foreign Banks	-	50,963	-	37,874
Headquarters and Branches Abroad	-	-	-	-
<b>Other Institutions</b>	<b>-</b>	<b>852</b>	<b>-</b>	<b>1,316</b>
<b>Total (*)</b>	<b>367</b>	<b>51,822</b>	<b>1,000</b>	<b>39,412</b>

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

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

	31 March 2022	31 March 2021
Interest Paid to Investment in Associates and Subsidiaries	1,839	100

3. Interest expense on issued marketable securities:

None (31 March 2021: None).

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

Current Period	Demand Deposit	Time Deposit						Total	Prior Period Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year	Accum. Deposit		
<b>Turkish Currency</b>									
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	-	13,834	15,821	402	35,517	1,529	-	67,103	26,760
Other Deposits	-	128	15,405	2	156	95	-	15,786	4,298
7 Day Notice Deposits	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>90,981</b>	<b>142,302</b>	<b>26,103</b>	<b>44,478</b>	<b>23,777</b>	<b>-</b>	<b>327,641</b>	<b>179,930</b>
<b>Foreign Currency</b>									
Foreign Currency Account	-	6,102	52,177	1,319	164	202	-	59,964	41,390
Bank Deposits	-	343	-	-	-	-	-	343	315
7 Day Notice Deposits	-	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>6,445</b>	<b>52,177</b>	<b>1,319</b>	<b>164</b>	<b>202</b>	<b>-</b>	<b>60,307</b>	<b>41,705</b>
<b>General Total</b>	<b>-</b>	<b>97,426</b>	<b>194,479</b>	<b>27,422</b>	<b>44,642</b>	<b>23,979</b>	<b>-</b>	<b>387,948</b>	<b>221,635</b>

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**BURGAN BANK A.Ş.**

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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 loss/income (Net):**

	31 March 2022	31 March 2021
<b>Profit</b>	<b>15,640,691</b>	<b>11,294,487</b>
Capital Market Transactions Profit	12,071	16,203
Derivative Financial Transactions Profit	281,277	124,381
Foreign Exchange Profit	15,347,343	11,153,903
<b>Loss (-)</b>	<b>15,577,596</b>	<b>11,236,553</b>
Capital Market Transactions Loss	9,717	7,367
Derivative Financial Transactions Loss	276,234	92,775
Foreign Exchange Losses	15,291,645	11,136,411
<b>Net Profit/Loss</b>	<b>63,095</b>	<b>57,934</b>

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

For the period ended 31 March 2022, other operating income includes adjustments to previous years' expenses and other operating income.

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

	31 March 2022	31 March 2021
<b>Expected Credit Loss</b>	<b>(64,775)</b>	<b>42,159</b>
12 Month Expected Credit Loss (Stage 1)	(144)	116
Significant Increase in Credit Risk (Stage 2)	(103,671)	16,443
Non-performing Loans (Stage 3)	39,040	25,600
<b>Marketable Securities Impairment Provision</b>	-	-
Financial Assets at Fair Value through Profit or Loss	-	-
Financial Assets at Fair Value through Other Comprehensive Income	-	-
<b>Investments in Associates, Subsidiaries and Joint Ventures Value Decrease Provisions</b>	-	-
Associates	-	-
Subsidiaries	-	-
Joint Ventures under Common Control	-	-
<b>Other</b>	<b>2,918</b>	-
<b>Total</b>	<b>(61,857)</b>	<b>42,159</b>

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**BURGAN BANK A.Ş.**

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

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

**(Continued):**

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

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

	31 March 2022	31 March 2021
Provision for Employment Termination Benefits (*)	7,490	4,287
Bank Social Aid Pension Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Amortization Expenses of Fixed Assets	9,769	8,395
Impairment Expenses of Intangible Assets	-	-
Amortization Expenses of Intangible Assets	2,925	2,968
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 Fixed Assets Held for Sale	-	-
Other Operating Expenses	59,293	34,187
Leasing expenses related to TFRS 16 exceptions	652	391
Maintenance Expenses	439	327
Advertising Expenses	2,880	960
Other Expense	55,322	32,509
Loss on Sales of Assets	-	12
Other	7,689	2,168
<b>Total</b>	<b>87,166</b>	<b>52,017</b>

(\*) As of 31 March 2022, there is “Employee Vacation Fee Provision Expense” amounting to TL 4,155 (31 March 2021: TL 2,224).

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

The Bank has no discontinued operations. The Bank’s net in profit before taxes from continuing operations is TL 246,791 (31 March 2021: TL 60,165).

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

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

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

As of 31 March 2022, the Bank has deferred tax amounting to TL (7,259) and current tax expense amounting to TL (36,210).

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

The Bank has TL 155,943 deferred tax income from temporary differences and no deferred tax income from financial loss carried forward. The bank also has deferred tax expense from closed temporary differences amounting to TL (163,202), deferred tax expense and income net-off to TL (7,259) deferred tax expense.

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**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2022**

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

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

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

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

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

As of 31 March 2022, the Bank has TL (7,259) (31 March 2021: TL 93,422 deferred tax expense) deferred tax expense arising from temporary differences and no deferred tax income from financial loss carried forward (31 March 2021: TL 83,790 deferred tax income).

**i. Information on net profit/loss from continued and discontinued operations:**

The Bank has no discontinued operations, explanations on net profit/loss from continued operations are presented in paragraph (k) below.

**i. Information on net profit/loss for the period:**

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

None.

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

None.



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**BURGAN BANK A.Ş.**

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

**(Continued):**

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

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

1. In the current period, the Bank's interest income amounts to TL 1,039,752 (31 March 2021: TL 495,496) and TL 166,301 (31 March 2021: TL 72,156) of this amount is classified as "Other Interest Income" in the income statement.

	31 March 2022	31 March 2021
<b>Other Interest Income</b>		
Interest Income Related to Derivative Transactions	165,054	69,518
Other	1,247	2,638
<b>Total</b>	<b>166,301</b>	<b>72,156</b>

2. In the current period, the Bank's interest expense amounts to TL 815,222 (31 March 2021: TL 391,312), TL 370,834 (31 March 2021: TL 125,119) of this amount is classified as "Other Interest Expense" in the income statement.

	31 March 2022	31 March 2021
<b>Other Interest Expense</b>		
Interest Expense Related to Derivative Transactions	351,054	124,497
Other	19,780	622
<b>Total</b>	<b>370,834</b>	<b>125,119</b>

3. The amount of fees and commissions received in the income statement of the Bank in the current period is TL 21,571 (31 March 2021: TL 12,876), of which 12,410 TL (31 March 2021: TL 4,244) is classified as "Other".

	31 March 2022	31 March 2021
<b>Other Fee and Commissions Received</b>		
Early Closing Commissions	4,181	261
Commissions on Investment Fund Services	3,098	1,354
Insurance Commissions	2,076	643
Commissions from Correspondent Banks	549	267
Transfer Commissions	114	75
Credit Card and POS Transaction Commission	100	31
Common Point Commissions	38	23
Other	2,254	1,590
<b>Total</b>	<b>12,410</b>	<b>4,244</b>

4. In the current period, Bank's fee and commission expense amounts to TL 9,200 (31 March 2021: TL 5,370) and TL 9,194 (31 March 2021: TL 5,358) of the related amount is classified under "Other" account.

	31 March 2022	31 March 2021
<b>Other Fee and Commissions Given</b>		
Card Transaction Expenses	1,583	890
Commissions Granted to Correspondent Banks	756	398
EFT Fees and Commissions	337	163
Common Point Commissions	242	171
Transfer Commissions	29	25
Other	6,247	3711
<b>Total</b>	<b>9,194</b>	<b>5,358</b>

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

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

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

1. Prior period financial information is presented as at 31 December 2021 for balance sheet and 31 March 2022 income statement items.

31 March 2022	Investments in Associates, Subsidiaries and Joint Ventures		Direct and Indirect Shareholders of The Bank		Other Real and Legal Persons that Have Been Included in the Risk Group	
Banks’ Risk Group	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
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	-	19	-	2	33	-

31 December 2021	Investments in Associates, Subsidiaries and Joint Ventures		Direct and Indirect Shareholders of The Bank		Other Real and Legal Persons that Have Been Included in the Risk Group	
Banks’ Risk Group	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
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	-	107	-	1	40	1

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

Banks’ Risk Group	Investments in Associates, Subsidiaries and Joint Ventures		Direct and Indirect Shareholders of The Bank		Other Real and Legal Persons that Have Been Included in the Risk Group	
Deposit	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Beginning of the Period	271,488	94,838	106,907	171,520	23,864	24,112
End of the Period	386,121	271,488	112,367	106,907	16,882	23,864
Interest Expense on Deposits	1,839	100	838	921	464	523

Banks’ Risk Group	Investments in Associates, Subsidiaries and Joint Ventures		Direct and Indirect Shareholders of The Bank		Other Real and Legal Persons that Have Been Included in the Risk Group	
Deposit	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Interest Expense on Deposits	-	-	-	-	-	-

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**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2022**

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

**V. EXPLANATIONS AND NOTES RELATED TO BANK'S RISK GROUP (Continued):**

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

Banks' Risk Group	Investments in Associates, Subsidiaries and Joint Ventures		Direct and Indirect Shareholders of The Bank		Other Real and Legal Persons that Have Been Included in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Transactions at Fair Value Through Profit or Loss</b>						
Beginning of the Period (*)	3,790,764	2,508,920	-	-	-	-
End of the Period (*)	4,856,984	3,790,764	-	-	-	-
<b>Total Profit/Loss</b>	<b>289,066</b>	<b>(73,871)</b>	-	-	-	-
<b>Transactions for Hedging Purposes</b>						
Beginning of the Period	1,014,049	-	-	-	-	-
End of the Period	1,095,792	1,014,049	-	-	-	-
<b>Total Profit/Loss</b>	<b>(136,114)</b>	-	-	-	-	-

(\*) The information in the table above shows the total amount of "buy".

**b. With respect to the Bank's risk group:**

1. The relations with entities that are included in the Bank's risk group and controlled by the Bank regardless of the presence of a transaction between parties:

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

	<b>Total Risk Group</b>	<b>Share in financial statements (%)</b>
Borrowings and Subordinated Debt Instruments	3,676,073	54.46
Deposit	515,370	1.76
Non-Cash Loans	109,234	1.33
Banks and Other Institutions	1,998	0.31
Loans	715	-

As of 31 March 2022, the Bank has realized no interest income from deposits given to banks included in the risk group (31 March 2021: TL 12), the Bank has realized interest expense amounting to TL 34,140 (31 March 2021: TL 25,133) on loans borrowed from the banks in the Bank's risk group.

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

**V. EXPLANATIONS AND NOTES RELATED TO BANK'S RISK GROUP (Continued):**

3. Information on transactions such as purchase-sale of immovable and other assets, purchase-sale of service, agent agreements, financial lease agreements, transfer of the information gained as a result of research and development, license agreements, financing (including loans and cash or in kind capital), guarantees, collaterals and management contracts:

According to the Joint Expense Sharing Agreement with the Bank and its subsidiaries; the Bank has received TL 261 (31 March 2021: TL 94) from Burgan Finansal Kiralama A.Ş., TL 143 (31 March 2021: TL 95) other operation income from Burgan Yatırım Menkul Değerler A.Ş.

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

As of 31 March 2022 there are no purchase-sales transactions on any assets including real estate with the risk group consisting the 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 Bank is included.

**c. Information on benefits provided to top management:**

Top management of the Bank is composed of the Board of Directors, General Manager and Vice General Managers. The sum of benefits paid to top management in the current period, totals TL 18,782 (31 March 2021: TL 12,074) 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 THE LIMITED REVIEW REPORT**

**I. EXPLANATIONS ON THE LIMITED REVIEW REPORT**

The unconsolidated 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 unconsolidated 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 for 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 maintain their importance in terms of 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 balance sheet size of our bank dated 31 March 2022 is TL 43,027,057, while total deposits are TL 29,244,324. In the current period Burgan Bank has maintained its support to its customers uninterruptedly and net cash loans has been realized as TL 27,393,665, The net profit of our bank in the first quarter of 2022 is TL 203,322, and our equity has been realized as TL 2,884,389. Our capital adequacy ratio is 22.66%. In addition to deepening our existing customers in 14 provinces in which we operate, we will continue to serve with new customer acquisitions, keeping customer satisfaction in the foreground.

We believe that our Bank will reach its future targets easily with the support and guidance of our shareholders and board of directors. We would like to take this opportunity to thank our customers, employees and investors for their valuable contributions, trusts to Burgan brand and their loyalty.

Ali Murat DİNÇ  
Member of Board of Directors and General Manager

Emin Hakan EMİNSOY  
Chairman of Board of Directors

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**BURGAN BANK A.Ş.**

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(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>
<b>Chairman and Members of Board of Directors:</b>				
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
<b>General Manager:</b>				
Ali Murat Dinç	Member and General Manager	03.02.2014	Graduate	21
<b>Deputy General Managers:</b>				
Suat Kerem Sözügüzel	Corporate & Commercial Banking	01.04.2014	Graduate	17
Zeynep Bozkurt	Financial Affairs	15.01.2021	Graduate	13
<b>Vice General Managers:</b>				
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

**Assignments:**

Halil Özcan took office 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.

**Resignations:**

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

The persons mentioned above do not have any shares in the Bank.

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

**BURGAN BANK A.Ş.**

**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 MARCH 2022**

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

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**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 is the Chairman, Fadhil Abdullah M. GH. A. and Ali Murat Dinç are members of the Board of Directors Credit Committee, and Khaled F. A. O. Alzouman and Mohammad M. A. H. S. Almael are alternate members.

Mehmet Alev Göçmez is the Chairman, and 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 UNCONSOLIDATED 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:**

	<b>31.03.2022</b>	<b>31.12.2021</b>	<b>Change (%)</b>
Total Assets	43,027,057	38,014,640	13.2
Loans (Net)	27,393,665	23,908,436	14.6
Securities (Net)	2,775,595	1,817,884	52.7
Deposits	29,244,324	24,634,663	18.7
Debts Having Loan Characteristics	7,298,731	7,345,569	(0.6)
Shareholder’s Equity	2,884,389	2,474,409	16.6
Guarantee and Suretyship	8,220,747	7,046,550	16.7
Capital Adequacy Ratio	%22.66	%23.16	%(0.5)

	<b>(01/01/2022 - 31/03/2022)</b>	<b>(01/01/2021 - 31/03/2021)</b>
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 employees.

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

<b>Million TL</b>	<b>Burgan Bank</b>	<b>Sector (*)</b>	<b>Share of our Bank (%)</b>
Cash Loans	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 the BRSA data dated 31 March 2022, and the rediscount and accrual amounts are not included in the balance sheet items.