

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

BURGAN BANK A.Ş.

**PUBLICLY ANNOUNCED UNCONSOLIDATED
FINANCIAL STATEMENTS AND RELATED
DISCLOSURES TOGETHER WITH LIMITED REVIEW
REPORT AS OF 30 JUNE 2022**

(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 Anonim Şirketi

Introduction

We have reviewed the accompanying unconsolidated statement of financial position of Burgan Bank A.Ş. (“the Bank”) as at 30 June 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 six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Bank management is responsible for the preparation and fair presentation of the accompanying interim financial information in accordance with “the Banking Regulation and Supervision Agency (“BRSA”) Accounting and Financial Reporting Regulations” including the regulation on “The Procedures and Principles Regarding Banks’ Accounting Practices and Maintaining Documents” published in the Official Gazette dated 1 November 2006 with No. 26333, and other regulations on accounting records of banks published by the Banking Regulation and Supervision Board and circulars and pronouncements published by the BRSA and Turkish Accounting Standard 34 “Interim Financial Reporting” principles for the matters not legislated by the aforementioned regulations. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Basis for Qualified Conclusion

The accompanying unconsolidated financial statements as at 30 June 2022 include a free provision amounting to TL 176,611 thousand, which had been recognized with the amount of TL 138,622 thousand as an expense in the prior period and TL 37,989 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 176,611 thousand and retained earnings would increase by TL 138,622 thousand as at 30 June 2022, and other operating income, profit before tax and net profit for the year would increase by TL 37,989 thousand for the period ended 30 June 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 accompanying unconsolidated interim financial information does not present fairly, in all material respects, the financial position of Burgan Bank A.Ş. as at 30 June 2022, and of the results of its operations and its cash flows for the six-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:

BRSA Accounting and Reporting Regulations explained in detail in Section 3 differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board with respect to the application of inflation accounting. Accordingly, the accompanying unconsolidated financial statements are not intended to present fairly the financial position, results of operations, changes in equity and cash flows of the Bank in accordance with IFRS.

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

Mehmet Erol
Partner

İstanbul, 10 August 2022

**THE UNCONSOLIDATED SIX-MONTH INTERIM FINANCIAL REPORT OF
BURGAN BANK A.Ş. AS OF 30 JUNE 2022**

Address of the Bank's Head Office : Maslak Mahallesi, Eski Büyükdere Caddesi No: 13
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The unconsolidated six 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 six 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.

10 August 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

Hasan KILIÇ
Head
of the Audit Committee

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

Moustapha CHAMI
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
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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 30 JUNE 2022

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

SECTION ONE

GENERAL INFORMATION ABOUT THE BANK

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

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

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

According to the Share Transfer Agreement signed between the SDIF and Tekfen Holding A.Ş. on 30 June 2001, 2,983,800,000 shares with a nominal value of Kr1 each and which amount to 99.46% of the capital of Bank Ekspres A.Ş. under the control of the SDIF in accordance with Banking Law were transferred to Tekfen Holding A.Ş.. Based on this agreement, the acquisition of Tekfen Yatırım ve Finansman Bankası A.Ş., where Tekfen Holding A.Ş. owns 57.69% of the Bank, by Bank Ekspres A.Ş. was permitted by the Banking Regulation and Supervision Agency’s (“BRSA”) decision numbered 489 dated 18 October 2001. The share transfers were realised on 26 October 2001 and the bank’s name was changed to Tekfenbank Anonim Şirketi (the “Bank”), which had two main shareholders: Tekfen Holding A.Ş. with 57.30% and TST International S.A. with 40.62%.

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

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

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

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

BURGAN BANK A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2022

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

GENERAL INFORMATION ABOUT THE BANK (Continued):

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

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

The Bank’s capital amounts to full TL 2,655,500,000.

In accordance with the Decision of the Board of Directors of the Bank dated 12 May 2022 and numbered 2022/19, the required permission was obtained from Banking Regulation and Supervision Agency regarding increasing the capital amounting to full TL 1,890,000,000 by full TL 765,500,000 to full TL 2,655,500,000, being within the limit of registered capital ceiling amounting to full TL 4,000,000,000, and it was notified that there is no objection for consummation of transactions regarding the capital increase. In this context, the capital amount provided by the shareholders were transferred to the paid-in capital account and the required procedures were initiated for the registry. It was registered and announced in the Turkish Trade Registry Gazette No. 10314, dated 22 June 2021.

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

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

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BURGAN BANK A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 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>
Chairman of the Board of Directors:	Emin Hakan Eminsoy	Chairman of Board of Directors	Undergraduate
Board of Directors Members: (*)	Abdelkarim A. S. Kabariti	Deputy Chairman	Undergraduate
	Mehmet Alev Göçmez	Member	Graduate
	Khaled F.A.O. Alzouman	Member	Undergraduate
	Hasan Kılıç	Member	Undergraduate
	Fadhil M. GH. A. Abdullah	Member	Undergraduate
	Mohammad M. A. H. S. Almael	Member	Graduate
	Moustapha Chami	Member	Graduate
	Ali Murat Dinç	Member and General Manager	Graduate
General Manager:	Ali Murat Dinç	Member and General Manager	Graduate
Deputy General Managers:	Suat Kerem Sözügüzel	Corporate & Commercial Banking	Graduate
	Zeynep Bozkurt	Chief Financial Officer	Graduate
Vice General Managers:	Esra Aydın	Operations & Management Services	Graduate
	Cihan Vural	Internal Systems	Undergraduate
	Rasim Levent Ergin	Human Resources	Graduate
	Suat Kerem Sözügüzel	Corporate & Commercial Banking	Graduate
	Banu Ertürk	Loans and Legal Follow-up	Undergraduate
	Darço Akkaranfil	Information Technologies	Graduate
	Zeynep Bozkurt	Chief Financial Officer	Graduate
	Ayşen Aslı Koçer	Savings Management	Undergraduate
	Yener Yazlalı	Loans	Graduate
	Halil Özcan	Digital Banking	Undergraduate
	Tuba Onay Ergelen	Risk Management	Undergraduate
	Erdal Arda Türerer	Treasury, Capital Markets and Financial Institutions	Graduate
Audit Committee: (**)	Hasan Kılıç	Committee President	Undergraduate
	Khaled F.A.O. Alzouman	Member	Undergraduate
	Moustapha Chami	Member	Graduate

(*) Moustapha Chami has started working as member of the Board of Directors on 15 June 2022.

(**) At the Board of Directors meeting dated 27 July 2022, Hasan Kılıç was elected as the Chairman of the Audit Committee and Moustapha Chami as a Member of the Audit Committee.

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 30 JUNE 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:

Name/Commercial Title	Share Amounts	Share Percentage	Paid-in Capital	Unpaid Portion
Burgan Bank K.P.S.C.	2,639,882	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 30 June 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 30 June 2022, the Bank has 937 (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
- 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 30 JUNE 2022 AND 31 DECEMBER 2021

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

I. BALANCE SHEET	Note (Section Five)	Reviewed 30/06/2022			Audited 31/12/2021		
		TL	FC	Total	TL	FC	Total
ASSETS							
I. FINANCIAL ASSETS (Net)		4,463,207	9,196,864	13,660,071	4,034,915	6,684,532	10,719,447
1.1 Cash and Cash Equivalents		1,989,932	7,853,765	9,843,697	682,102	6,263,183	6,945,285
1.1.1 Cash and Balances at Central Bank	I-a	828,939	6,899,559	7,728,498	451,718	5,940,133	6,391,851
1.1.2 Banks	I-c	487	954,206	954,693	230,440	323,050	553,490
1.1.3 Receivables from Money Markets		1,160,595	-	1,160,595	-	-	-
1.1.4 Expected Credit Losses (-)		89	-	89	56	-	56
1.2 Financial Assets at Fair Value Through Profit or Loss	I-b	82,170	6,683	88,853	16,128	118,796	134,924
1.2.1 Public Debt Securities		3,264	1,831	5,095	529	1,789	2,318
1.2.2 Subordinated Debt Instruments		-	-	-	-	-	-
1.2.3 Other Financial Assets		78,906	4,852	83,758	15,599	117,007	132,606
1.3 Financial Assets at Fair Value through Other Comprehensive Income	I-d	927,636	183,283	1,110,919	573,771	93,408	667,179
1.3.1 Public Debt Securities		919,962	183,283	1,103,245	566,097	93,408	659,505
1.3.2 Subordinated Debt Instruments		7,674	-	7,674	7,674	-	7,674
1.3.3 Other Financial Assets		-	-	-	-	-	-
1.4 Derivative Financial Assets	I-l	1,463,469	1,153,133	2,616,602	2,762,914	209,145	2,972,059
1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss		507,843	321,631	829,474	1,400,100	128,615	1,528,715
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income		955,626	831,502	1,787,128	1,362,814	80,530	1,443,344
II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)		16,663,123	14,964,625	31,627,748	11,540,159	13,391,732	24,931,891
2.1 Loans	I-e-f	16,708,572	14,457,061	31,165,633	12,331,744	13,656,299	25,988,043
2.2 Receivables from Leasing Transactions	I-k	-	-	-	-	-	-
2.3 Factoring Receivables	I-e-f	-	-	-	-	-	-
2.4 Other Financial Assets Measured at Amortized Cost	I-g	1,083,442	1,633,478	2,716,920	-	1,023,468	1,023,468
2.4.1 Government Debt Securities		1,083,442	1,633,478	2,716,920	-	1,023,468	1,023,468
2.4.2 Other Financial Assets		-	-	-	-	-	-
2.5 Expected Credit Losses (-)	I-e-f	1,128,891	1,125,914	2,254,805	791,585	1,288,035	2,079,620
III. NON-CURRENTS ASSETS OR DISPOSAL GROUPS HELD FOR SALE AND FROM DISCONTINUED OPERATIONS (Net)	I-o	1,033,684	-	1,033,684	1,039,002	-	1,039,002
3.1 Held for Sale		1,033,684	-	1,033,684	1,039,002	-	1,039,002
3.2 Held from Discontinued Operations		-	-	-	-	-	-
IV. PARTNERSHIP INVESTMENTS		902,418	-	902,418	669,736	-	669,736
4.1 Associates (Net)	I-h	-	-	-	-	-	-
4.1.1 Associates Accounted by Using Equity Method		-	-	-	-	-	-
4.1.2 Non-Consolidated Associates		-	-	-	-	-	-
4.2 Subsidiaries (Net)	I-i	902,418	-	902,418	669,736	-	669,736
4.2.1 Non-Consolidated Financial Subsidiaries		902,418	-	902,418	669,736	-	669,736
4.2.2 Non-Consolidated Non-Financial Subsidiaries		-	-	-	-	-	-
4.3 Jointly Controlled Partnerships (Joint Ventures) (Net)	I-j	-	-	-	-	-	-
4.3.1 Jointly Controlled Partnerships Accounted by Using Equity Method		-	-	-	-	-	-
4.3.2 Non-Consolidated Jointly Controlled Partnerships		-	-	-	-	-	-
V. TANGIBLE ASSETS (Net)		149,197	-	149,197	148,917	-	148,917
VI. INTANGIBLE ASSETS (Net)		45,883	-	45,883	51,007	-	51,007
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		45,883	-	45,883	51,007	-	51,007
VII. INVESTMENT PROPERTIES (Net)	I-m	-	-	-	-	-	-
VIII. CURRENT TAX ASSET		-	-	-	2,829	-	2,829
IX. DEFERRED TAX ASSET	I-n	2,636	-	2,636	24,389	-	24,389
X. OTHER ASSETS (Net)	I-p	471,230	4,472	475,702	423,468	3,954	427,422
TOTAL ASSETS		23,731,378	24,165,961	47,897,339	17,934,422	20,080,218	38,014,640

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 30 JUNE 2022 AND 31 DECEMBER 2021

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

I. BALANCE SHEET	Note (Section Five)	Reviewed 30/06/2022			Audited 31/12/2021		
		TL	FC	Total	TL	FC	Total
LIABILITIES							
I. DEPOSITS	II-a	13,188,152	17,932,336	31,120,488	6,293,972	18,340,691	24,634,663
II. LOANS RECEIVED	II-c	8,018	3,465,779	3,473,797	10,553	3,775,895	3,786,448
III. MONEY MARKET FUNDS		1,081,451	508,355	1,589,806	1,295	210,613	211,908
IV. MARKETABLE SECURITIES (Net)	II-d	-	-	-	-	-	-
4.1 Bills		-	-	-	-	-	-
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	-	-	-	-	-
V. FUNDS		-	-	-	-	-	-
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	II-b	-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	II-g	484,705	415,629	900,334	871,052	158,407	1,029,459
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		340,918	273,605	614,523	735,350	107,245	842,595
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		143,787	142,024	285,811	135,702	51,162	186,864
VIII. FACTORING PAYABLES		-	-	-	-	-	-
IX. LEASE PAYABLES (Net)	II-f	82,357	-	82,357	74,211	-	74,211
X. PROVISIONS	II-h	88,779	195,024	283,803	85,030	161,447	246,477
10.1 Provision for Restructuring		-	-	-	-	-	-
10.2 Reserves for Employee Benefits		71,353	-	71,353	69,674	-	69,674
10.3 Insurance Technical Reserves (Net)		-	-	-	-	-	-
10.4 Other Provisions		17,426	195,024	212,450	15,356	161,447	176,803
XI. CURRENT TAX LIABILITIES	II-i	248,140	-	248,140	49,701	-	49,701
XII. DEFERRED TAX LIABILITIES	II-i	-	-	-	-	-	-
XIII. LIABILITIES RELATED TO NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	II-j	-	-	-	-	-	-
13.1 Held for Sale		-	-	-	-	-	-
13.2 Related to Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBT	II-k	-	3,350,291	3,350,291	-	3,347,213	3,347,213
14.1 Loans		-	3,350,291	3,350,291	-	3,347,213	3,347,213
14.2 Other Debt Instruments		-	-	-	-	-	-
XV. OTHER LIABILITIES	II-e	583,927	1,993,208	2,577,135	493,305	1,666,846	2,160,151
XVI. SHAREHOLDERS' EQUITY	II-l	3,918,746	352,442	4,271,188	2,464,139	10,270	2,474,409
16.1 Paid-in Capital		2,655,500	-	2,655,500	1,890,000	-	1,890,000
16.2 Capital Reserves		(6,314)	-	(6,314)	(2,532)	-	(2,532)
16.2.1 Equity Share Premiums		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		(6,314)	-	(6,314)	(2,532)	-	(2,532)
16.3 Other Accumulated Comprehensive Income That Will not be Reclassified in Profit or Loss		23,783	-	23,783	24,222	-	24,222
16.4 Other Accumulated Comprehensive Income That Will be Reclassified in Profit or Loss		239,809	352,442	592,251	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		576,566	-	576,566	304,815	-	304,815
16.6.1 Prior Years' Profit or Losses		15,708	-	15,708	-	-	-
16.6.2 Current Period Net Profit or Loss		560,858	-	560,858	304,815	-	304,815
16.7 Minority Shares		-	-	-	-	-	-
TOTAL EQUITY AND LIABILITIES		19,684,275	28,213,064	47,897,339	10,343,258	27,671,382	38,014,640

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

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

BURGAN BANK A.Ş.
UNCONSOLIDATED OFF-BALANCE SHEET COMMITMENTS
FOR THE PERIODS ENDED 30 JUNE 2022 AND 31 DECEMBER 2021
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

II. OFF-BALANCE SHEET	Note (Section Five)	Reviewed 30/06/2022			Audited 31/12/2021		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)		18,463,777	64,094,436	82,558,213	14,777,568	60,414,608	75,192,176
I. GUARANTEES AND WARRANTIES	III-a-2-3	3,023,265	4,951,704	7,974,969	1,664,992	5,381,558	7,046,550
1.1. Letters of Guarantee		2,428,715	1,542,338	3,971,053	1,592,992	1,495,196	3,088,188
1.1.1. Guarantees Subject to State Tender Law		9,542	703	10,245	13,542	562	14,104
1.1.2. Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3. Other Letters of Guarantee		2,419,173	1,541,635	3,960,808	1,579,450	1,494,634	3,074,084
1.2. Bank Loans		-	58,515	58,515	-	209,466	209,466
1.2.1. Import Letter of Acceptance		-	58,515	58,515	-	209,466	209,466
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letters of Credit		-	2,741,687	2,741,687	-	2,515,966	2,515,966
1.3.1. Documentary Letters of Credit		-	2,741,687	2,741,687	-	2,515,966	2,515,966
1.3.2. Other Letters of Credit		-	-	-	-	-	-
1.4. Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of the Republic of Turkey		-	-	-	-	-	-
1.5.2. Other Endorsements		-	-	-	-	-	-
1.6. Securities Issue Purchase Guarantees		-	-	-	-	-	-
1.7. Factoring Guarantees		-	-	-	-	-	-
1.8. Other Guarantees		594,550	609,164	1,203,714	72,000	1,160,930	1,232,930
1.9. Other Collaterals		-	-	-	-	-	-
II. COMMITMENTS	III-a-1	748,108	605,967	1,354,075	1,323,073	1,127,229	2,450,302
2.1. Irrevocable Commitments		748,108	605,967	1,354,075	1,323,073	1,127,229	2,450,302
2.1.1. Asset Purchase Commitments		200,421	605,967	806,388	785,280	1,127,229	1,912,509
2.1.2. Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3. Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4. Commitments for Loan Limits		311,426	-	311,426	375,348	-	375,348
2.1.5. Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6. Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7. Commitments for Cheques		102,057	-	102,057	81,744	-	81,744
2.1.8. Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9. Commitments for Credit Card Limits		-	-	-	-	-	-
2.1.10. Promotion Commitments for Credit Cards and Banking Services		-	-	-	-	-	-
2.1.11. Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12. Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13. Other Irrevocable Commitments		134,204	-	134,204	80,701	-	80,701
2.2. Revocable Commitments		-	-	-	-	-	-
2.2.1. Revocable Commitments for Loan Limits		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		14,692,404	58,536,765	73,229,169	11,789,503	53,905,821	65,695,324
3.1. Hedging Derivative Financial Instruments		2,507,042	19,233,772	21,740,814	1,941,698	10,269,552	12,211,250
3.1.1. Transactions for Fair Value Hedge		-	-	-	-	-	-
3.1.2. Transactions for Cash Flow Hedge		2,507,042	19,233,772	21,740,814	1,941,698	10,269,552	12,211,250
3.1.3. Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2. Trading Derivative Financial Instruments		12,185,362	39,302,993	51,488,355	9,847,805	43,636,269	53,484,074
3.2.1. Forward Foreign Currency Buy/Sell Transactions		612,567	860,104	1,472,671	63,147	461,798	524,945
3.2.1.1. Forward Foreign Currency Transactions-Buy		599,506	134,112	733,618	57,935	201,015	258,950
3.2.1.2. Forward Foreign Currency Transactions-Sell		13,061	725,992	739,053	5,212	260,783	265,995
3.2.2. Swap Transactions Related to Foreign Currency and Interest Rates		8,376,810	32,820,391	41,197,201	9,001,635	40,457,268	49,458,903
3.2.2.1. Foreign Currency Swap-Buy		1,655,372	14,977,209	16,632,581	1,644,276	16,735,347	18,379,623
3.2.2.2. Foreign Currency Swap-Sell		6,001,438	10,498,938	16,500,376	7,147,359	10,645,405	17,792,764
3.2.2.3. Interest Rate Swap-Buy		360,000	3,672,122	4,032,122	105,000	6,538,258	6,643,258
3.2.2.4. Interest Rate Swap-Sell		360,000	3,672,122	4,032,122	105,000	6,538,258	6,643,258
3.2.3. Foreign Currency, Interest rate and Securities Options		2,720,233	5,145,499	7,865,732	648,267	2,602,574	3,250,841
3.2.3.1. Foreign Currency Options-Buy		1,521,171	2,274,454	3,795,625	545,677	960,786	1,506,463
3.2.3.2. Foreign Currency Options-Sell		1,199,062	2,871,045	4,070,107	102,590	1,641,788	1,744,378
3.2.3.3. Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4. Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5. Securities Options-Buy		-	-	-	-	-	-
3.2.3.6. Securities Options-Sell		-	-	-	-	-	-
3.2.4. Foreign Currency Futures		475,752	476,999	952,751	134,756	114,629	249,385
3.2.4.1. Foreign Currency Futures-Buy		475,752	-	475,752	111,427	26,658	138,085
3.2.4.2. Foreign Currency Futures-Sell		-	476,999	476,999	23,329	87,971	111,300
3.2.5. Interest Rate Futures		-	-	-	-	-	-
3.2.5.1. Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2. Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6. Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		118,565,973	204,405,570	322,971,543	103,605,866	146,594,016	250,199,882
IV. ITEMS HELD IN CUSTODY		3,713,532	5,346,709	9,060,241	2,863,349	4,298,762	7,162,111
4.1. Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2. Investment Securities Held in Custody		831,445	4,536,865	5,368,310	763,980	2,878,374	3,642,354
4.3. Cheques Received for Collection		2,268,087	212,360	2,480,447	1,932,915	249,852	2,182,767
4.4. Commercial Notes Received for Collection		19,450	14,978	34,428	20,454	13,707	34,161
4.5. Other Assets Received for Collection		-	-	-	-	-	-
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items Under Custody		594,550	582,506	1,177,056	146,000	1,156,829	1,302,829
4.8. Custodians		-	-	-	-	-	-
V. PLEDGES RECEIVED		114,632,265	199,058,861	313,691,126	100,522,341	142,295,254	242,817,595
5.1. Marketable Securities		563,462	-	563,462	171,003	-	171,003
5.2. Guarantee Notes		23,492,900	46,402,450	69,895,350	22,484,916	39,594,685	62,079,601
5.3. Commodity		3,959,543	5,857,344	9,816,887	3,718,689	4,914,930	8,633,619
5.4. Warranty		-	-	-	-	-	-
5.5. Immovable		83,172,959	134,703,280	217,876,239	71,551,856	87,374,886	158,926,742
5.6. Other Pledged Items		3,443,401	12,095,787	15,539,188	2,595,877	10,410,753	13,006,630
5.7. Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		220,176	-	220,176	220,176	-	220,176
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		137,029,750	268,500,006	405,529,756	118,383,434	207,008,624	325,392,058

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 30 JUNE 2022 AND 30 JUNE 2021

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

III.	STATEMENT OF PROFIT OR LOSS	Note	Reviewed	Reviewed	Reviewed	Reviewed
	INCOME AND EXPENSE ITEMS	(Section Five)	01/01/2022-30/06/2022	01/01/2021-30/06/2021	01/04/2022-30/06/2022	01/04/2021-30/06/2021
I.	INTEREST INCOME	IV-a	2,375,904	1,077,046	1,336,152	581,550
1.1	Interest on Loans		1,700,717	815,416	926,220	433,639
1.2	Interest Received from Reserve Deposits		10,951	16,345	1,675	9,990
1.3	Interest Received from Banks		11,216	21,110	3,615	14,896
1.4	Interest Received from Money Market Transactions		43,118	16,770	15,221	7,800
1.5	Interest Received from Marketable Securities Portfolio		216,654	40,119	162,474	20,095
1.5.1	Financial Assets at Fair Value Through Profit or Loss		2,233	1,332	996	424
1.5.2	Financial Assets at Fair Value Through Other Comprehensive Income		119,260	21,319	85,465	10,939
1.5.3	Financial Assets Measured at Amortized Cost		95,161	17,468	76,013	8,732
1.6	Finance Lease Interest Income		-	-	-	-
1.7	Other Interest Income	IV-k	393,248	167,286	226,947	95,130
II.	INTEREST EXPENSES (-)	IV-b	1,810,994	851,066	995,772	459,754
2.1	Interest on Deposits		905,506	490,547	517,558	268,912
2.2	Interest on Funds Borrowed		113,470	73,691	61,281	33,279
2.3	Interest on Money Market Transactions		27,921	1,776	26,631	549
2.4	Interest on Securities Issued		-	-	-	-
2.5	Finance Lease Interest Expenses		6,184	5,972	3,223	3,053
2.6	Other Interest Expenses	IV-k	757,913	279,080	387,079	153,961
III.	NET INTEREST INCOME/EXPENSE (I - II)		564,910	225,980	340,380	121,796
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSES		31,912	16,589	19,541	9,083
4.1	Fees and Commissions Received		53,960	28,107	32,389	15,231
4.1.1	Non-Cash Loans		20,337	18,219	11,176	9,587
4.1.2	Other	IV-k	33,623	9,888	21,213	5,644
4.2	Fees and Commissions Paid (-)		22,048	11,518	12,848	6,148
4.2.1	Non-Cash Loans (-)		23	27	17	15
4.2.2	Other (-)	IV-k	22,025	11,491	12,831	6,133
V.	DIVIDEND INCOME		24	19	24	19
VI.	TRADING PROFIT/LOSS (Net)	IV-c	178,099	67,660	115,004	9,726
6.1	Profit/Losses from Capital Market Transactions		32,475	16,392	30,121	7,556
6.2	Profit/Losses from Derivative Financial Transactions		(6,622)	25,306	(11,665)	(6,300)
6.3	Foreign Exchange Profit/Losses		152,246	25,962	96,548	8,470
VII.	OTHER OPERATING INCOME	IV-d	104,062	112,448	76,994	84,029
VIII.	GROSS PROFIT FROM OPERATING ACTIVITIES (III+IV+V+VI+VII)		879,007	422,696	551,943	224,653
IX.	ALLOWANCES FOR EXPECTED CREDIT LOSSES (-)	IV-e	(44,097)	148,998	20,678	106,839
X.	OTHER PROVISION EXPENSES (-)	IV-e	2,953	-	35	-
XI.	PERSONNEL EXPENSES (-)		202,623	120,047	104,413	62,426
XII.	OTHER OPERATING EXPENSES (-)	IV-f	176,715	103,326	89,549	51,309
XIII.	NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		540,813	50,325	337,268	4,079
XIV.	SURPLUS WRITTEN AS GAIN AFTER MERGER		-	-	-	-
XV.	PROFIT/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES		154,547	28,160	111,301	14,241
XVI.	NET MONETARY POSITION GAIN/LOSS		-	-	-	-
XVII.	PROFIT/LOSS BEFORE TAXES FROM CONTINUING OPERATIONS (XIII+...+XVI)	IV-g	695,360	78,485	448,569	18,320
XVIII.	PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	IV-h	(134,502)	(2,586)	(91,033)	7,046
18.1	Current Tax Provision		233,433	-	197,223	-
18.2	Expense Effect of Deferred Tax (+)		170,132	89,959	6,930	(28,073)
18.3	Income Effect of Deferred Tax (-)		269,063	87,373	113,120	(21,027)
XIX.	NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	IV-i	560,858	75,899	357,536	25,366
XX.	INCOME FROM DISCONTINUED OPERATIONS		-	-	-	-
20.1	Income from Assets Held for Sale		-	-	-	-
20.2	Profit from Sale of Associates, Subsidiaries and Joint Ventures		-	-	-	-
20.3	Other Income from Discontinued Operations		-	-	-	-
XXI.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
21.1	Expenses on Assets Held for Sale		-	-	-	-
21.2	Losses from Sale of Associates, Subsidiaries and Joint Ventures		-	-	-	-
21.3	Other Expenses from Discontinued Operations		-	-	-	-
XXII.	PROFIT/LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (±) (XX-XXI)		-	-	-	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-	-	-
23.1	Current Tax Provision		-	-	-	-
23.2	Expense Effect of Deferred Tax (+)		-	-	-	-
23.3	Income Effect of Deferred Tax (-)		-	-	-	-
XXIV.	NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)		-	-	-	-
XXV.	NET PROFIT/LOSS FOR THE PERIOD (XIX+XXIV)	IV-j	560,858	75,899	357,536	25,366
	Profit / Loss per Share (1.000 nominal in TL full)		2.776	0.442	1.769	0.148

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 30 JUNE 2022 AND 30 JUNE 2021

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

IV. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	Reviewed 01/01/2022-30/06/2022	Reviewed 01/01/2021-30/06/2021
I. PROFIT/LOSS FOR THE PERIOD	560,858	75,899
II. OTHER COMPREHENSIVE INCOME	458,495	46,741
2.1 Items not to be Reclassified to Profit or Loss	(439)	-
2.1.1 Revaluation Increase/Decrease of Tangible Assets	-	-
2.1.2 Revaluation Increase/Decrease of Intangible Assets	-	-
2.1.3 Defined Benefit Plans Remeasurement Gains/Loss	-	-
2.1.4 Other Comprehensive Income not to be Reclassified to Profit or Loss	-	-
2.1.5 Tax Related to Other Comprehensive Income not to be Reclassified to Profit or Loss	(439)	-
2.2 Items to be Reclassified to Profit or Loss	458,934	46,741
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	4,854	(8,851)
2.2.3 Gains/Losses Arising on Cash Flow Hedges	601,378	67,278
2.2.4 Gains or Losses Arising on Net Investment Hedges	-	-
2.2.5 Other Comprehensive Income to be Reclassified to Profit or Loss	-	-
2.2.6 Tax Related to Other Comprehensive Income to be Reclassified to Profit or Loss	(147,298)	(11,686)
III. TOTAL COMPREHENSIVE INCOME (I+II)	1,019,353	122,640

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 30 JUNE 2022

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY						Other Comprehensive Income and Expenses not to be Reclassified to Profit or Loss			Other Comprehensive Income and Expenses to be Reclassified to Profit or Loss						
						1	2	3	4	5	6	Profit Reserves	Prior Period Profit / (Loss)	Net Profit or Loss for the Period	Total Shareholders' Equity
Reviewed CURRENT PERIOD 30.06.2022	Note (Section Five)	Paid-in Capital	Share Issued Premiums	Share Cancellation Profit	Other Capital Reserves										
I. Prior Period End Balance	II-1	1,890,000	-	-	(2,532)	34,176	(9,954)	-	-	(52,206)	185,523	124,587	304,815	-	2,474,409
II. Corrections according to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Corrections of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Amendments in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New Balance (I+II)		1,890,000	-	-	(2,532)	34,176	(9,954)	-	-	(52,206)	185,523	124,587	304,815	-	2,474,409
IV. Total Comprehensive Income		-	-	-	-	(948)	509	-	-	6,904	452,030	-	-	560,858	1,019,353
V. Capital Increase in Cash		765,500	-	-	-	-	-	-	-	-	-	-	-	-	765,500
VI. Capital Increase in Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Adjustment to Share Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt Instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Gain or Loss related to Other Changes		-	-	-	(3,782)	-	-	-	-	-	-	-	15,708	-	11,926
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	304,815	(304,815)	-	-
11.1 Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	304,815	(304,815)	-	-
11.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (III+IV+.....+X+XI)		2,655,500	-	-	(6,314)	33,228	(9,445)	-	-	(45,302)	637,553	429,402	15,708	560,858	4,271,188

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

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

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

BURGAN BANK A.Ş.

UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 30 JUNE 2021

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY						Other Comprehensive Income and Expenses not to be Reclassified to Profit or Loss			Other Comprehensive Income and Expenses to be Reclassified to Profit or Loss						
						1	2	3	4	5	6	Profit Reserves	Prior Period Profit / (Loss)	Net Profit or Loss for the Period	Total Shareholders' Equity
Reviewed PRIOR PERIOD 30.06.2021	Note (Section Five)	Paid-in Capital	Share Issued Premiums	Share Cancellation Profit	Other Capital Rsvres										
I. Prior Period End Balance	II-1	1,535,000	-	-	(736)	23,452	(5,496)	-	-	3,592	(10,237)	398,179	(273,697)	-	1,670,057
II. Corrections according to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Corrections of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Amendments in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New Balance (I+II)		1,535,000	-	-	(736)	23,452	(5,496)	-	-	3,592	(10,237)	398,179	(273,697)	-	1,670,057
IV. Total Comprehensive Income		-	-	-	-	-	-	-	-	(7,081)	53,822	-	-	75,899	122,640
V. Capital Increase in Cash		355,000	-	-	-	-	-	-	-	-	-	-	-	-	355,000
VI. Capital Increase in Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Adjustment to Share Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt Instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Gain or Loss related to Other Changes		-	-	-	(1,796)	-	-	-	-	-	-	-	-	-	(1,796)
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	(273,697)	273,697	-	-
11.1 Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	(273,697)	273,697	-	-
11.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (III+IV+.....+X+XI)		1,890,000	-	-	(2,532)	23,452	(5,496)	-	-	(3,489)	43,585	124,482	-	75,899	2,145,901

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

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

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

BURGAN BANK A.Ş.

UNCONSOLIDATED STATEMENT OF CASH FLOWS AS OF 30 JUNE 2022 AND 30 JUNE 2021

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

VI. STATEMENT OF CASH FLOWS	Reviewed 30/06/2022	Reviewed 30/06/2021
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1 Operating Profit Before Changes in Assets and Liabilities in the Field of Activity of Banking	922,810	334,974
1.1.1 Interest Received	2,095,319	1,120,075
1.1.2 Interest Paid	(1,602,663)	(877,699)
1.1.3 Dividend Received	24	19
1.1.4 Fees and Commissions Received	34,073	19,833
1.1.5 Other Income	-	-
1.1.6 Collections from Previously Written-off Loans and Other Receivables	220,943	200,365
1.1.7 Payments to Personnel and Service Suppliers	(202,623)	(120,047)
1.1.8 Taxes Paid	(18,500)	(10,108)
1.1.9 Other	396,237	(2,536)
1.2 Changes in Operating Assets and Liabilities in Banking Activities	2,277,270	(672,461)
1.2.1 Net (Increase) Decrease in Financial Assets at Fair Value Through Profit or Loss	45,920	63,141
1.2.2 Net (Increase) Decrease in Banks	(164,587)	(189,947)
1.2.3 Net (Increase) Decrease in Loans	(4,908,016)	(1,033,461)
1.2.4 Net (Increase) Decrease in Other Assets	(952,982)	(597,208)
1.2.5 Net Increase (Decrease) in Bank Deposits	(191,275)	74,774
1.2.6 Net Increase (Decrease) in Other Deposits	6,677,297	2,485,932
1.2.7 Net Increase (Decrease) in Financial Liabilities at Fair Value Through Profit or Loss	(200,552)	37,683
1.2.8 Net Increase (Decrease) in Funds Borrowed	(317,549)	(1,476,362)
1.2.9 Net Increase (Decrease) in Overdue Payables	-	-
1.2.10 Net Increase (Decrease) in Other Liabilities	2,289,014	(37,013)
I. Net Cash Flow Provided from Banking Operations	3,200,080	(337,487)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II. Net Cash Flow Provided from Investing Activities	(1,358,311)	222,312
2.1 Cash Paid for Acquisition of Investments, Associates and Subsidiaries (Joint Partnerships)	-	-
2.2 Cash Obtained from Disposal of Investments, Associates and Subsidiaries (Joint Partnerships)	-	-
2.3 Purchases of Property and Equipment	-	(6,444)
2.4 Disposals of Property and Equipment	432,441	186,988
2.5 Financial Assets at Fair Value Through Other Comprehensive Income	(424,758)	(19,466)
2.6 Financial Assets at Fair Value Through Other Comprehensive Income	-	124,639
2.7 Purchased Financial Assets at Amortised Cost	(1,365,994)	(228,699)
2.8 Sold Financial Assets at Amortised Cost	-	165,294
2.9 Other	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net Cash Provided from Financing Activities	748,658	340,457
3.1 Cash Obtained from Funds Borrowed and Securities Issued	-	-
3.2 Cash Outflow for Repayment of Funds Borrowed and Securities Issued	-	-
3.3 Issued Capital Instruments	765,500	355,000
3.4 Dividends Payments	-	-
3.5 Payments for Leases	(16,842)	(14,543)
3.6 Other	-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	152,846	99,474
V. Net Increase / (Decrease) in Cash and Cash Equivalents (I+II+III+IV)	2,743,273	324,756
VI. Cash and Cash Equivalents at the Beginning of the Period	3,093,705	1,876,967
VII. Cash and Cash Equivalents at the End of the Period	5,836,978	2,201,723

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

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2022

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

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD

I. BASIS OF PRESENTATION:

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

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

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

In accordance with the CMB’s decision dated 17 March 2005 and numbered 11/367, for companies operating in Turkey and preparing financial statements in accordance with Turkish Accounting Standards, the application of inflation accounting has been terminated as of 1 January 2005. Accordingly, as of 1 January 2005, the standard No. 29 “Financial Reporting in Hyperinflationary Economies” (“TAS 29”) has not been applied.

POA made an announcement on 20 January 2022 regarding the application of TAS 29, “Financial Reporting in Hyperinflationary Economies” (IAS 29 Financial Reporting in Hyperinflationary Economies) for entities adopting Turkish Financial Reporting Standards (“TFRS”) for the year ended 31 December 2021. The announcement stated that, entities that apply TFRS should not adjust their financial statements in accordance with TAS 29 - Financial Reporting in Hyperinflationary Economies for the year ended 31 December 2021. As of the date of this report, POA has not made any further announcements regarding the scope and application of TAS 29. As a result, no inflation adjustment was made to the accompanying unconsolidated financial statements in accordance with TAS 29.

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

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

I. BASIS OF PRESENTATION (Continued):

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 30 June 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 Parent Bank does not carry out any activity in the two subject countries. Considering the geographies in which the Bank operates, the crisis is not expected to have a direct impact on the 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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(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

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

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

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

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

As of 30 June 2022, foreign currency denominated balances are translated into TL using the exchange rates of TL 16.6614 and TL 17.3701 for USD and EURO, respectively.

III. INFORMATION ON CONSOLIDATED PARTNERSHIPS:

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 30 June 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 30 June 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 39, on the financial statements under equity “Accumulated Other Comprehensive Income or Expense to Be Reclassified Through Profit Or Loss”, whereas the amount concerning ineffective parts is associated with the income statement.

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

V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE:

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

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

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

VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSE:

Fees and commission income/expenses are primarily recognized on an accrual basis or “Effective interest (internal efficiency rate) 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 or Loss”, transaction costs are added to fair value or deducted from fair value.

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

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

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

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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.

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

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

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

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

VII. EXPLANATIONS ON FINANCIAL ASSETS (Continued):

d. Loans:

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

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

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

VIII. EXPLANATIONS ON EXPECTED CREDIT LOSSES:

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

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

While preparing its financial statements dated 30 June 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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EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD (Continued):

VIII. EXPLANATIONS ON EXPECTED CREDIT LOSSES (Continued):

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

Stage 1:

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

Stage 2:

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

Stage 3:

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

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

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

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

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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 30 June 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 historical costs after the deduction of accumulated amortization and the provision for value decreases, if any.

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

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT:

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

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

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

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

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

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

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

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

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

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

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

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

IFRS 16 "Leases" Standard

The 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 obligation:

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

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

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

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

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

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

XVI. EXPLANATIONS ON CONTINGENT ASSETS:

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

XVII. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS:

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

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

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

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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% for 2021. 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 and as per the temporary Article 13 of the Law No. 5520 on the “Corporate Tax Law” published in the Official Gazette dated 22 April 2021, the corporate tax rate of 20% will be applied as 25% for corporate income for the 2021 taxation period, and 23% for corporate income for the 2022 taxation period.

However, with Article 25 of Law No. 7394; 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, 25% was used as the tax rate in Corporate Tax calculations in the financial statements dated 30 June 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 by the 14th and paid by the 17th day of the second month following each calendar quarter end. Advance tax paid by corporations which is for the current period is credited against the annual corporation tax calculated on their annual corporate income in the following year. Despite the offset, if there is temporary prepaid tax remaining, this balance can be refunded or used to offset any other financial liabilities to the government.

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

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 (Continued):

b. Deferred Tax:

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

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

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. ADDITIONAL 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.

	30 June 2022	30 June 2021
Net Income/(Loss) to be Appropriated to Ordinary Shareholders	560,858	75,899
Weighted Average Number of Issued Ordinary Shares (Thousand)	202,071,253	171,544,199
Earnings/(Losses) Per Ordinary Shares (Disclosed as 1,000 nominal in full TL)	2.776	0.442

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:

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 30 June 2022, the Bank’s total capital has been calculated as TL 7,342,421 (31 December 2021: TL 5,940,563) and the Capital adequacy ratio is 21.20% (31 December 2021: 23.16%).

As of 30 June 2022, within the scope of BRSA's instructions dated 21 December 2021 and 28 April 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 as of 31 December 2021 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:

a. Information about equity items:

	Current Period 30 June 2022	Amounts Related to Treatment Before 1/1/2014 (*)	Prior Period 31 December 2021	Amounts Related to Treatment Before 1/1/2014 (*)
COMMON EQUITY TIER 1 CAPITAL				
Paid-in capital following all debts in terms of claim in liquidation of the Bank	2,655,500		1,890,000	
Share issue premiums	-		-	
Legal reserves	423,088		122,055	
Gains recognized in equity as per TAS	670,781		252,753	
Profit	576,566		304,815	
Net Profit for the period	560,858		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	-		-	
Common Equity Tier 1 Capital Before Deductions	4,325,935		2,569,623	
Deductions from Common Equity Tier 1 Capital	-		-	
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	26,095		9,954	
Improvement costs for operating leasing	10,623		12,059	
Goodwill net of related tax liability	-		-	
Other intangibles other than mortgage-servicing rights net of related tax liability	46,188	46,188	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	637,553		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	-		-	
Total Deductions From Common Equity Tier 1 Capital	720,459		258,918	
Total Common Equity Tier 1 Capital	3,605,476		2,310,705	

(*) 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 (Continued):

a. Information about equity items (Continued):

	Current Period 30 June 2022	Amounts Related to Treatment Before 1/1/2014 (* (*)	Prior Period 31 December 2021	Amounts Related to Treatment Before 1/1/2014 (* (*)
ADDITIONAL TIER I CAPITAL				
Preferred Stock not Included in Common Equity and the Related Share Premiums	-		-	
Debt instruments and premiums approved by BRSA	833,070		666,450	
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-		-	
Additional Tier I Capital before Deductions	833,070		666,450	
Deductions from Additional Tier I Capital				
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-		-	
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7	-		-	
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-		-	
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-		-	
Other items to be defined by the BRSA	-		-	
Transition from the Core Capital to Continue to deduce Components				
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 (-)	-		-	
Total deductions From Additional Tier I Capital	-		-	
Total Additional Tier I Capital	833,070		666,450	
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	4,438,546		2,977,155	
TIER II CAPITAL				
Debt instruments and share issue premiums deemed suitable by the BRSA	2,499,210		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)	405,800		299,234	
Tier II Capital Before Deductions	2,905,010		2,965,034	
Deductions From Tier II Capital				
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-		-	
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	1,135		1,626	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-		-	
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-		-	
Other items to be defined by the BRSA (-)	-		-	
Total Deductions from Tier II Capital	1,135		1,626	
Total Tier II Capital	2,903,875		2,963,408	
Total Capital (The sum of Tier I Capital and Tier II Capital)	7,342,421		5,940,563	
Deductions from Total Capital				
Deductions from Capital Loans granted contrary to the 50th and 51st Article of the Law	-		-	
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-		-	
Other items to be defined by the BRSA	-		-	
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components				
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-		-	
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-		-	
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first and second sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-		-	

(* 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 (Continued):

a. Information about equity items (Continued):

	Current Period 30 June 2022	Amounts Related to Treatment Before 1/1/2014 (*)	Prior Period 31 December 2021	Amounts Related to Treatment Before 1/1/2014 (*)
EQUITY				
Total EQUITY (Sum of Tier I and Tier II capital)	7,342,421		5,940,563	
Total Risk Weighted Amounts	34,641,557		25,655,272	
CAPITAL ADEQUACY RATIOS				
Core Capital Adequacy Ratio (%)	10.41		9.01	
Tier I Capital Adequacy Ratio (%)	12.81		11.60	
Capital Adequacy Ratio (%)	21.20		23.16	
BUFFERS				
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	5.91		4.51	
Amounts below the Excess Limits as per the Deduction Principles				
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-		-	
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-		-	
Amount arising from the rights to provide mortgage services	-		-	
Amount arising from deferred tax assets based on temporary differences	411,882		460,783	
Limits Related to Provisions Considered in Tier II Calculation				
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	1,558,914		1,364,423	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	405,800		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	-		-	
Debt instruments subjected to Article 4 (to be implemented between 1 January 2018 and 1 January 2022)				
Upper limit for additional Tier I Capital subjected to temporary Article 4	-		-	
Amounts excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-		-	
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-		-	
Amounts excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-		-	

(*) In this column, the 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 (Continued):

b. Information on instruments related to equity calculation:

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)	2,499,210	833,070
Nominal value of debt instrument (Thousands USD)	150,000	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	16.05.2022	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 30 June 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

In accordance with the Board Decision dated 28 April 2022 and numbered 10188, a two hundred percent risk weight has been applied to commercial TL cash loans to be extended as of 1 May 2022 (excluding loans exempted as per the decision).

With the Board Decision of 23 June 2022 and numbered 10248, a five hundred percent risk weight has been applied to commercial cash loans in TL and FC that will be extended to non-residents, excluding banks and financial institutions, after the date of the said Decision.

		Risk Weighted Amounts		Minimum Capital Liability
		Current Period	Prior Period	Current Period
		30 June 2022	31 December 2021	30 June 2022
1	Credit risk (excluding counterparty credit risk) (CCR)	30,838,863	23,171,611	2,467,109
2	Standardized approach (SA)	30,838,863	23,171,611	2,467,109
3	Internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	1,625,104	767,094	130,008
5	Standardized approach for counterparty credit risk (SACCR)	1,625,104	767,094	130,008
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	639,157	281,826	51,133
17	Standardized approach (SA)	639,157	281,826	51,133
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	Total (1+4+7+8+9+10+11+12+16+19+23+24)	34,641,557	25,655,272	2,771,325

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

II. EXPLANATIONS ON RISK MANAGEMENT (Continued):

1. Credit Quality of Assets:

	Current Period	Gross carrying value in unconsolidated financial statements prepared as per TAS		Allowances/ depreciation and impairments	Net value
		Defaulted exposures	Non-defaulted exposures		
1	Loans	1,754,656	29,410,977	2,254,779	28,910,854
2	Debt securities	-	3,909,018	26	3,908,992
3	Off-balance sheet exposures	36,794	8,485,862	28,534	8,494,122
4	Total	1,791,450	41,805,857	2,283,339	41,313,968

	Current Period	Gross carrying value in unconsolidated financial statements prepared as per TAS		Allowances/ depreciation and impairments	Net value
		Defaulted exposures	Non-defaulted exposures		
1	Loans	1,919,953	24,068,090	2,079,607	23,908,436
2	Debt securities	-	1,817,897	13	1,817,884
3	Off-balance sheet exposures	44,716	7,584,343	30,902	7,598,157
4	Total	1,964,669	33,470,330	2,110,522	33,324,477

2. Changes in Stock of Defaulted Loans and Debt Securities:

Current Period		
1	Defaulted loans and debt securities at the end of the previous reporting period	1,964,669
2	Loans and debt securities that have defaulted since the last reporting period	58,028
3	Returned to non-defaulted status	-
4	Amounts written off (-)	-
5	Other changes	(231,247)
6	Defaulted loans and debt securities at the end of the reporting period (1+2-3-4±5)	1,791,450

Prior Period		
1	Defaulted loans and debt securities at the end of the previous reporting period	1,900,535
2	Loans and debt securities that have defaulted since the last reporting period	449,492
3	Returned to non-defaulted status	-
4	Amounts written off (-)	32,892
5	Other changes	(352,466)
6	Defaulted loans and debt securities at the end of the reporting period (1+2-3-4±5)	1,964,669

3. Credit Risk Mitigation Techniques:

	Current Period	Exposures unsecured: amount valued in accordance with TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
		1	Loans	22,050,746	6,860,108	4,321,627	-	-
2	Debt securities	3,908,992	-	-	-	-	-	-
3	Total	25,959,738	6,860,108	4,321,627	-	-	-	-
4	Of which defaulted	981,026	82,894	82,893	-	-	-	-

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

II. EXPLANATIONS ON RISK MANAGEMENT (Continued):

3. Credit Risk Mitigation Techniques (Continued):

		Exposures unsecured: amount valued in accordance with TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
	Prior Period							
1	Loans	24,978,201	5,311,358	3,552,117	-	-	-	-
2	Debt securities	1,817,884	-	-	-	-	-	-
3	Total	26,796,085	5,311,358	3,552,117	-	-	-	-
4	Of which defaulted	1,122,924	94,110	92,220	-	-	-	-

4. Standardised Approach – Credit Risk Exposure and Credit Risk Mitigation Effects:

	Current Period	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
	Risk categories						
1	Receivables from central governments or central banks	9,679,760	16,963	10,126,398	16,963	-	-
2	Receivables from regional governments or local authorities	210,883	-	113,779	-	56,889	50.0%
3	Receivables from administrative units and non-commercial enterprises	-	-	-	-	-	-
4	Receivables from multilateral development banks	-	93,777	-	93,777	-	-
5	Receivables from international organizations	-	-	-	-	-	-
6	Receivables from institutions	2,601,099	949,796	2,698,203	921,584	1,109,552	30.7%
7	Receivables from corporates	20,297,906	6,430,024	19,952,516	3,780,404	21,659,680	91.3%
8	Retail exposures	439,672	115,599	439,085	36,079	606,067	127.5%
9	Receivables secured by residential property	243,335	14,980	243,342	6,376	87,675	35.1%
10	Receivables secured by commercial real estate	5,724,339	35,079	5,701,771	19,021	3,961,763	69.3%
11	Past-due loans	1,045,704	-	986,185	-	980,416	99.4%
12	Higher-risk categories by the Agency Board	-	-	-	-	-	-
13	Mortgage-backed securities	-	-	-	-	-	-
14	Short-term receivables from banks and intermediary institutions and short-term corporate receivables	-	-	-	-	-	-
15	Investments in the nature of collective investment enterprise	-	-	-	-	-	-
16	Other Receivables	2,912,648	-	2,912,648	-	2,376,821	81.6%
17	Equity investment	-	-	-	-	-	-
18	Total	43,155,346	7,656,218	43,173,927	4,874,204	30,838,863	64.2%

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

II. EXPLANATIONS ON RISK MANAGEMENT (Continued):

4. Standardised Approach – Credit Risk Exposure and Credit Risk Mitigation Effects (Continued):

	Prior Period	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Receivables from central governments or central banks	5,835,860	-	6,245,542	-	-	-
2	Receivables from regional governments or local authorities	77,816	-	77,813	-	38,907	50.0%
3	Receivables from administrative units and non-commercial enterprises	-	-	-	-	-	-
4	Receivables from multilateral development banks	-	31,428	-	31,428	-	-
5	Receivables from international organizations	-	-	-	-	-	-
6	Receivables from institutions	840,289	511,283	840,289	451,857	516,736	40.0%
7	Receivables from corporates	15,250,356	5,175,818	14,984,651	2,961,833	16,519,821	92.1%
8	Retail exposures	195,686	59,361	195,646	14,416	231,522	110.2%
9	Receivables secured by residential property	440,506	15,605	438,293	6,766	155,869	35.0%
10	Receivables secured by commercial real estate	3,683,565	28,245	3,638,747	16,131	2,538,783	69.5%
11	Past-due loans	1,192,329	-	1,115,440	-	1,119,386	100.4%
12	Higher-risk categories by the Agency Board	-	-	-	-	-	-
13	Mortgage-backed securities	-	-	-	-	-	-
14	Short-term receivables from banks and intermediary institutions and short-term corporate receivables	-	-	-	-	-	-
15	Investments in the nature of collective investment enterprise	-	-	-	-	-	-
16	Other Receivables	2,344,579	-	2,344,579	-	2,050,587	87.5%
17	Equity investment	-	-	-	-	-	-
18	Total	29,860,986	5,821,740	29,881,000	3,482,431	23,171,611	69.5%

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

II. EXPLANATIONS ON RISK MANAGEMENT (Continued):

5. Receivables According to Risk Classes and Risk Weights:

Current Period											Total credit risk exposure amount (after CCF and CRM)
Risk Classes/ Risk Weight	0%	10%	20%	Guaranteed by 35% Real Estate Fund	50%	75%	100%	150%	200%		
1 Receivables from central governments or central banks	10,143,361	-	-	-	-	-	-	-	-	-	10,143,361
2 Receivables from regional governments or local authorities	-	-	-	-	113,779	-	-	-	-	-	113,779
3 Receivables from public sector entities	-	-	-	-	-	-	-	-	-	-	-
4 Receivables from multilateral development banks	93,777	-	-	-	-	-	-	-	-	-	93,777
5 Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-
6 Receivables from banks and institutions	-	-	2,425,177	-	1,142,595	-	49,607	2,408	-	-	3,619,787
7 Corporates receivables	281,820	-	2,102,339	-	1,647,395	-	18,987,155	126	714,085	-	23,732,920
8 Retail receivables	3,726	-	5,048	-	-	94,878	46,738	324,774	-	-	475,164
9 Receivables secured by residential property	274	-	40	249,069	-	-	21	314	-	-	249,718
10 Receivables secured by commercial real estate	29,673	-	7,149	-	3,447,273	-	2,236,697	-	-	-	5,720,792
11 Past-due loans	-	-	-	-	42,825	-	912,073	31,287	-	-	986,185
12 Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	-	-	-	-
13 Mortgage-backed securities	-	-	-	-	-	-	-	-	-	-	-
14 Short-term receivables from banks and intermediary institutions and short-term corporate receivables	-	-	-	-	-	-	-	-	-	-	-
15 Investments in the nature of collective investment enterprise	-	-	-	-	-	-	-	-	-	-	-
16 Investments in equities	-	-	-	-	-	-	-	-	-	-	-
17 Other Receivables	535,827	-	-	-	-	-	2,376,821	-	-	-	2,912,648
18 Total	11,088,458	-	4,539,753	249,069	6,393,867	94,878	24,609,112	358,909	714,085	-	48,048,131

Prior Period											Total credit risk exposure amount (after CCF and CRM)
Risk Classes/ Risk Weight	0%	10%	20%	Guaranteed by 35% Real Estate Fund	50%	75%	100%	150%	200%		
1 Receivables from central governments or central banks	6,245,542	-	-	-	-	-	-	-	-	-	6,245,542
2 Receivables from regional governments or local authorities	-	-	-	-	77,813	-	-	-	-	-	77,813
3 Receivables from public sector entities	-	-	-	-	-	-	-	-	-	-	-
4 Receivables from multilateral development banks	31,428	-	-	-	-	-	-	-	-	-	31,428
5 Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-
6 Receivables from banks and institutions	-	-	455,749	-	821,621	-	14,776	-	-	-	1,292,146
7 Corporates receivables	320,176	-	1,117,364	-	425,815	-	16,082,500	629	-	-	17,946,484
8 Retail receivables	2,249	-	3,717	-	-	96,826	5,491	101,779	-	-	210,062
9 Receivables secured by residential property	925	-	-	443,767	-	-	-	367	-	-	445,059
10 Receivables secured by commercial real estate	18,434	-	159	-	2,195,068	-	1,441,217	-	-	-	3,654,878
11 Past-due loans	84	-	-	-	32,729	-	1,041,837	40,790	-	-	1,115,440
12 Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	-	-	-	-
13 Mortgage-backed securities	-	-	-	-	-	-	-	-	-	-	-
14 Short-term receivables from banks and intermediary institutions and short-term corporate receivables	-	-	-	-	-	-	-	-	-	-	-
15 Investments in the nature of collective investment enterprise	-	-	-	-	-	-	-	-	-	-	-
16 Investments in equities	-	-	-	-	-	-	-	-	-	-	-
17 Other Receivables	293,992	-	-	-	-	-	2,050,587	-	-	-	2,344,579
18 Total	6,912,830	-	1,576,989	443,767	3,553,046	96,826	20,636,408	143,565	-	-	33,363,431

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

II. EXPLANATIONS ON RISK MANAGEMENT (Continued):

6. Assessment of Counterparty Credit Risk According to the Methods of Measurement:

		Revaluation cost	Potential credit risk exposure	EEPE	Alpha used for computing regulatory EAD	Exposure after credit risk mitigation	Risk weighted amounts
	Current Period						
1	Standart Approach-CCR (for derivatives)	-	-	-	-	-	-
2	Internal Model Approach - (for derivative financial instruments, repo transactions, marketable securities or commodity lending or borrowing transactions, transactions with long swap periods and overdraft securities transactions)	-	-	-	-	-	-
3	Simplified Standardised Approach for Credit Risk Mitigation - (for repo transactions, marketable securities or commodity lending or borrowing transactions, transactions with long swap periods and overdraft securities transactions)	-	-	-	-	3,881,631	1,086,793
4	Comprehensive Method for Credit Risk Mitigation - (for repo transactions, marketable securities or commodity lending or borrowing transactions, transactions with long swap periods and overdraft securities transactions)	-	-	-	-	-	-
5	Value at risk for repo transactions, marketable securities or commodity lending or borrowing transactions, transactions with long swap periods and overdraft securities transactions	-	-	-	-	-	-
6	Total	-	-	-	-	3,881,631	1,086,793

		Revaluation cost	Potential credit risk exposure	EEPE	Alpha used for computing regulatory EAD	Exposure after credit risk mitigation	Risk weighted amounts
	Prior Period						
1	Standart Approach-CCR (for derivatives)	-	-	-	-	-	-
2	Internal Model Approach - (for derivative financial instruments, repo transactions, marketable securities or commodity lending or borrowing transactions, transactions with long swap periods and overdraft securities transactions)	-	-	-	-	-	-
3	Simplified Standardised Approach for Credit Risk Mitigation - (for repo transactions, marketable securities or commodity lending or borrowing transactions, transactions with long swap periods and overdraft securities transactions)	-	-	-	-	2,321,161	608,821
4	Comprehensive Method for Credit Risk Mitigation - (for repo transactions, marketable securities or commodity lending or borrowing transactions, transactions with long swap periods and overdraft securities transactions)	-	-	-	-	-	-
5	Value at risk for repo transactions, marketable securities or commodity lending or borrowing transactions, transactions with long swap periods and overdraft securities transactions	-	-	-	-	-	-
6	Total	-	-	-	-	2,321,161	608,821

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

II. EXPLANATIONS ON RISK MANAGEMENT (Continued):

7. Capital Requirement for Credit Valuation Adjustments:

	Current Period	Risk amount (After credit risk mitigation techniques)	Risk weighted amounts
	Total portfolio value with comprehensive approach CVA capital adequacy		
1	(i) Value at risk component (including 3*multiplier)	-	-
2	(ii) Stressed Value at Risk (including 3*multiplier)	-	-
3	All portfolios subject to Standardised CVA capital obligation	3,881,631	794,860
4	Total amount of CVA capital adequacy	3,881,631	794,860

	Prior Period	Risk amount (After credit risk mitigation techniques)	Risk weighted amounts
	Total portfolio value with comprehensive approach CVA capital adequacy		
1	(i) Value at risk component (including 3*multiplier)	-	-
2	(ii) Stressed Value at Risk (including 3*multiplier)	-	-
3	All portfolios subject to Standardised CVA capital obligation	2,321,161	250,534
4	Total amount of CVA capital adequacy	2,321,161	250,534

8. Standard Approach - Counterparty Credit Risk by Risk Classes and Risk Weights:

Current Period	0%	10%	20%	50%	75%	100%	150%	Other	Total credit risk
Risk weights									
Risk classes									
Central governments and central banks receivables	1,435,131	-	-	-	-	-	-	-	1,435,131
Local governments and municipalities receivables	-	-	-	-	-	-	-	-	-
Administrative and non commercial receivables	-	-	-	-	-	-	-	-	-
Multilateral Development Bank receivables	-	-	-	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-	-	-	-
Banks and Intermediary Institutions receivables	508,356	-	604,128	1,192,997	-	-	-	-	2,305,481
Corporate receivables	3,423	-	16,466	24,881	-	95,791	-	-	140,561
Retail receivables	-	-	-	-	458	-	-	-	458
Mortgage receivables	-	-	-	-	-	-	-	-	-
Past-due loans	-	-	-	-	-	-	-	-	-
Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	-	-
Mortgage- backed securities	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Receivables from banks and intermediary institutions with short-term credit ratings and corporate receivables	-	-	-	-	-	-	-	-	-
Investments in nature of collective investment enterprise	-	-	-	-	-	-	-	-	-
Investments in equities	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total	1,946,910	-	620,594	1,217,878	458	95,791	-	-	3,881,631

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

II. EXPLANATIONS ON RISK MANAGEMENT (Continued):

8. Standard Approach - Counterparty Credit Risk by Risk Classes and Risk Weights (Continued):

Prior Period										Total credit risk
Risk weights	0%	10%	20%	50%	75%	100%	150%	Other		
Risk Classes										
Central governments and central banks receivables	707,671	-	-	-	-	-	-	-	-	707,671
Local governments and municipalities receivables	-	-	-	-	-	-	-	-	-	-
Administrative and non commercial receivables	-	-	-	-	-	-	-	-	-	-
Multilateral Development Bank receivables	-	-	-	-	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-	-	-	-	-
Banks and Intermediary Institutions receivables	182,875	-	839,127	385,044	-	-	-	-	-	1,407,046
Corporate receivables	1,293	-	8,761	84,748	-	111,539	-	-	-	206,341
Retail receivables	-	-	-	-	103	-	-	-	-	103
Mortgage receivables	-	-	-	-	-	-	-	-	-	-
Past-due loans	-	-	-	-	-	-	-	-	-	-
Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	-	-	-
Mortgage- backed securities	-	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-	-
Receivables from banks and intermediary institutions with short-term credit ratings and corporate receivables	-	-	-	-	-	-	-	-	-	-
Investments in nature of collective investment enterprise	-	-	-	-	-	-	-	-	-	-
Investments in equities	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
Total	891,839	-	847,888	469,792	103	111,539	-	-	-	2,321,161

9. Collaterals Used for Counterparty Credit Risk:

Current Period	Collaterals for Derivative Financial Instruments				Collaterals for Other Transactions	
	Collaterals Taken		Collaterals Given		Collaterals Taken	Collaterals Given
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash - local currency	-	-	-	-	1,079,834	-
Cash - foreign currency	-	-	-	-	508,356	-
Government bonds - domestic	-	-	-	-	-	-
Government bonds - other	-	-	-	-	-	-
Public institution bonds	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Share certificate	-	-	-	-	-	-
Other guarantee	-	-	-	-	-	-
Total	-	-	-	-	1,588,190	-

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

II. EXPLANATIONS ON RISK MANAGEMENT (Continued):

9. Collaterals Used for Counterparty Credit Risk (Continued):

Prior Period	Collaterals for Derivative Financial Instruments				Collaterals for Other Transactions	
	Collaterals Taken		Collaterals Given		Collaterals Taken	Collaterals Given
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash - local currency	-	-	-	-	1,295	-
Cash - foreign currency	-	-	-	-	182,873	-
Government bonds - domestic	-	-	-	-	-	-
Government bonds - other	-	-	-	-	-	-
Public institution bonds	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Share certificate	-	-	-	-	-	-
Other guarantee	-	-	-	-	-	-
Total	-	-	-	-	184,168	-

10. Credit Derivatives:

None.

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

II. EXPLANATIONS ON RISK MANAGEMENT (Continued):

11. Risks to Central Counterparty:

The Bank is exposed to a minimal Central Counterparty risk due to its futures transactions in the Takasbank market.

Current Period		Risk Amount After CRA	RAT
1	Total risks arising from transactions to qualified CCP	-	1,052
2	Regarding risks arising from transactions in CCP (excluding initial margin and guarantee fund amount)	-	-
3	(i) OTC derivative financial instruments	-	-
4	(ii) Other derivative financial instruments	-	-
5	(iii) Repo-reverse repo transactions, overdraft transactions, and lending or borrowing securities or commodities	-	-
6	(iv) Netting groups to which cross product netting is applied	-	-
7	Reserved initial margin	-	-
8	Unreserved initial margin	-	-
9	Paid guarantee fund amount	-	-
10	Unpaid guarantee fund commitment	-	-
11	Total risks arising from transactions to non-qualified CCPs	-	-
12	Regarding risks arising from transactions in CCP (excluding initial margin and guarantee fund amount)	-	-
13	(i) OTC derivative financial instruments	-	-
14	(ii) Other derivative financial instruments	-	-
15	(iii) Repo-reverse repo transactions, overdraft transactions, and lending or borrowing securities or commodities	-	-
16	(iv) Netting groups to which cross product netting is applied	-	-
17	Reserved initial margin	-	-
18	Unreserved initial margin	-	-
19	Paid guarantee fund amount	-	-
20	Unpaid guarantee fund commitment	-	-

Prior Period		Risk Amount After CRA	RAT
1	Total risks arising from transactions to qualified CCP	-	470
2	Regarding risks arising from transactions in CCP (excluding initial margin and guarantee fund amount)	-	-
3	(i) OTC derivative financial instruments	-	-
4	(ii) Other derivative financial instruments	-	-
5	(iii) Repo-reverse repo transactions, overdraft transactions, and lending or borrowing securities or commodities	-	-
6	(iv) Netting groups to which cross product netting is applied	-	-
7	Reserved initial margin	-	-
8	Unreserved initial margin	-	-
9	Paid guarantee fund amount	-	-
10	Unpaid guarantee fund commitment	-	-
11	Total risks arising from transactions to non-qualified CCPs	-	-
12	Regarding risks arising from transactions in CCP (excluding initial margin and guarantee fund amount)	-	-
13	(i) OTC derivative financial instruments	-	-
14	(ii) Other derivative financial instruments	-	-
15	(iii) Repo-reverse repo transactions, overdraft transactions, and lending or borrowing securities or commodities	-	-
16	(iv) Netting groups to which cross product netting is applied	-	-
17	Reserved initial margin	-	-
18	Unreserved initial margin	-	-
19	Paid guarantee fund amount	-	-
20	Unpaid guarantee fund commitment	-	-

12. Securitization Disclosures:

None.

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(Continued):**

II. EXPLANATIONS ON RISK MANAGEMENT (Continued):

13. Market risk under Standardised Approach:

Current Period		RAT
Outright (cash) products		
1	Interest rate risk (general and specific)	103,500
2	Equity risk (general and specific)	1,577
3	Foreign exchange risk	531,651
4	Commodity risk	-
Options		
5	Simplified approach	-
6	Delta-plus method	2,429
7	Scenario approach	-
8	Securitisation	-
9	Total	639,157

Prior Period		RAT
Outright (cash) products		
1	Interest rate risk (general and specific)	202,686
2	Equity risk (general and specific)	306
3	Foreign exchange risk	78,051
4	Commodity risk	-
Options		
5	Simplified approach	-
6	Delta-plus method	783
7	Scenario approach	-
8	Securitisation	-
9	Total	281,826

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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:

	EUR		USD	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Currency Buying Rate	TL 17,3701	TL 15,0867	TL 16,6614	TL 13,3290
1st Day’s Currency Buying Rate	TL 17,3701	TL 15,0867	TL 16,6614	TL 13,3290
2nd Day’s Currency Buying Rate	TL 17,5221	TL 14,6823	TL 16,6690	TL 12,9775
3rd Day’s Currency Buying Rate	TL 17,5858	TL 13,8011	TL 16,6189	TL 12,2219
4th Day’s Currency Buying Rate	TL 17,6057	TL 13,4000	TL 16,6460	TL 11,8302
5th Day’s Currency Buying Rate	TL 18,2753	TL 12,8903	TL 17,3478	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:

	EUR		USD	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Arithmetic average - 30 days	TL 17,9799	TL 15,4228	TL 16,9948	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:

	EUR	USD	Other FC	Total
30 June 2022				
Assets				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	2,456,380	4,228,524	214,655	6,899,559
Banks	190,270	744,718	19,218	954,206
Financial Assets at Fair Value Through Profit or Loss	19,896	122,266	106	142,268
Interbank Money Market Placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	122,017	61,266	-	183,283
Loans (*)	11,407,842	3,215,338	-	14,623,180
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Financial Assets Measured at Amortized Cost	367,778	1,265,700	-	1,633,478
Hedging Derivative Financial Assets	46,263	473,312	-	519,575
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	1,942	209	-	2,151
Total Assets (*)	14,612,388	10,111,333	233,979	24,957,700
Liabilities				
Bank Deposits	134,527	171,783	-	306,310
Foreign Currency Deposits	5,797,790	10,587,368	1,240,868	17,626,026
Funds From Interbank Money Market	-	508,355	-	508,355
Funds Borrowed From Other Financial Institutions	5,253	6,810,817	-	6,816,070
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	641,300	1,310,086	27	1,951,413
Hedging Derivative Financial Liabilities	16,473	100,506	-	116,979
Other Liabilities	22,306	138,474	9,525	170,305
Total Liabilities (*)	6,617,649	19,627,389	1,250,420	27,495,458
Net On-balance Sheet Position	7,994,739	(9,516,056)	(1,016,441)	(2,537,758)
Net Off-balance Sheet Position	(7,045,465)	9,474,155	1,011,854	3,440,544
Financial Derivative Assets	3,861,903	17,724,951	1,429,157	23,016,011
Financial Derivative Liabilities	10,907,368	8,250,796	417,303	19,575,467
Non-Cash Loans (**)	1,822,165	3,065,333	64,206	4,951,704
31 December 2021				
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
Net On-balance Sheet Position	5,086,815	(10,510,638)	(579,118)	(6,002,941)
Net Off-balance Sheet Position	(4,134,999)	10,342,405	581,154	6,788,560
Financial Derivative Assets	3,530,525	17,260,642	837,068	21,628,235
Financial Derivative Liabilities	7,665,524	6,918,237	255,914	14,839,675
Non-Cash Loans (**)	1,801,707	3,515,723	64,128	5,381,558

(*) The above table shows the Bank's foreign currency net position based on main currencies. Foreign currency indexed assets are classified as Turkish Lira assets in the financial statements according to the Uniform Chart of Accounts. Therefore, as of 30 June 2022, foreign currency indexed loans of TL 166.119 (31 December 2021: TL 153.438) in the Turkish Lira column of the balance sheet are included in the table above. In addition, in foreign currency assets; 2,321 TL (31 December 2021: 2,150 TL), 497,973 TL with "Prepaid Expenses" (31 December 2021: 63.867 TL), 1,125,914 TL with "Derivative Financial Instruments Income Rediscunts" (31 December 2021: 1,288,035 TL,) "First and Second Stage Expected Loss Provisions" and foreign currency liabilities; TL 184,053 (December 31, 2021: TL 56,474) with "Derivative Financial Instruments Expense Rediscunts and TL 4,500 (December 31, 2021: TL 7,401) with "Provision for First and Second Stage Expected Losses on Non-Cash Loans", TL 176.611 (December 31, 2021: TL 138,622) "Free Reserves", "Securities Valuation Differences" and "Hedging Funds" of 352,442 TL (31 December 2021: 10,270 TL) are not included in the table.

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

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INFORMATION RELATED TO 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):

30 June 2022	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets (***)							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	639,680	-	-	-	-	7,088,818	7,728,498
Banks	589,453	-	-	-	-	365,151	954,604
Financial Assets at Fair Value Through Profit or Loss (*)	1,049,029	756,805	750,678	58,995	11,042	78,906	2,705,455
Interbank Money Market Placements	1,160,595	-	-	-	-	-	1,160,595
Financial Assets at Fair Value Through Other Comprehensive Income	-	240,803	280,575	390,882	190,985	7,674	1,110,919
Loans Given	14,613,865	5,502,228	4,677,484	1,749,555	1,322,017	1,045,705	28,910,854
Financial Assets Measured at Amortized Cost	48,380	968,953	428,919	782,736	487,906	-	2,716,894
Other Assets	-	-	-	-	-	2,609,520	2,609,520
Total Assets	18,101,002	7,468,789	6,137,656	2,982,168	2,011,950	11,195,774	47,897,339
Liabilities							
Bank Deposits	121,625	-	83,410	-	-	101,563	306,598
Other Deposits	18,307,070	8,389,083	457,699	21,567	-	3,638,471	30,813,890
Payables to Interbank Money Market	1,081,451	262,344	-	246,011	-	-	1,589,806
Miscellaneous Payables	-	-	-	-	-	2,217,436	2,217,436
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	465,670	3,798,068	1,727,280	-	-	833,070	6,824,088
Other Liabilities (*) (**)	295,680	207,547	90,236	388,909	315	5,162,834	6,145,521
Total Liabilities	20,271,496	12,657,042	2,358,625	656,487	315	11,953,374	47,897,339
Balance Sheet Long Position	-	-	3,779,031	2,325,681	2,011,635	-	8,116,347
Balance Sheet Short Position	(2,170,494)	(5,188,253)	-	-	-	(757,600)	(8,116,347)
Off-balance Sheet Long Position	-	-	847,760	1,729,931	161,281	-	2,738,972
Off-balance Sheet Short Position	(835,543)	(921,706)	-	-	-	-	(1,757,249)
Total Position	(3,006,037)	(6,109,959)	4,626,791	4,055,612	2,172,916	(757,600)	981,723

(*) Financial Assets at Fair Value Through Profit or Loss includes derivative financial assets and Other Liabilities amounting to TL 2,616,602 and other liabilities includes derivative financial liabilities amounting to TL 900,334 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):

31 December 2021	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets (***)							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	350,642	-	-	-	-	6,041,209	6,391,851
Banks	236,692	-	-	-	-	316,742	553,434
Financial Assets at Fair Value Through Profit or 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
Total Assets	16,302,903	2,218,153	4,253,616	3,355,748	1,947,362	9,936,858	38,014,640
Liabilities							
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
Total Liabilities	16,789,705	8,961,413	2,811,700	215,100	358	9,236,364	38,014,640
Balance Sheet Long Position	-	-	1,441,916	3,140,648	1,947,004	700,494	7,230,062
Balance Sheet Short Position	(486,802)	(6,743,260)	-	-	-	-	(7,230,062)
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)
Total Position	2,379,343	(3,773,190)	2,866,354	(2,313,624)	1,853,701	700,494	1,713,078

(*) Financial Assets at Fair Value Through Profit/Loss includes hedging derivative financial assets amounting to TL 2,972,059 and other liabilities includes hedging 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.

30 June 2022	EUR	USD	Yen	TL
Assets	%	%	%	%
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	-	-	-	9.03
Banks	0.02	0.73	-	-
Financial Assets at Fair Value Through Profit/Loss	3.63	8.35	-	8.08
Interbank Money Market Placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	4.76	6.68	-	13.39
Loans Given	5.11	6.22	-	24.81
Financial Assets Measured at Amortized Cost	3.89	7.07	-	-
Liabilities				
Bank Deposits	1.36	2.70	-	-
Other Deposits (*)	2.08	3.75	-	17.21
Payables to Interbank Money Market	-	1.90	-	11.90
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	2.60	3.20	-	16.68

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

31 December 2021	EUR	USD	Yen	TL
Assets	%	%	%	%
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	-	-	-	8.50
Banks	-	0.05	-	13.24
Financial Assets at Fair Value Through Profit/Loss	3.63	1.47	-	11.67
Interbank Money Market Placements	-	-	-	-
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	-	-
Liabilities				
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 weighted average interest rate calculation.

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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.

	Applied Shock (+/- x basis point)	Earnings/ Losses	Earnings/ Equities-Losses/ Equities
1. TL	+500 bp	22,834	0.3%
2. TL	-400 bp	(19,700)	(0.3) %
3. EURO	+200 bp	12,329	0.2%
4. EURO	-200 bp	(14,152)	(0.2) %
5. USD	+200 bp	(2,406)	-
6. USD	-200 bp	2,956	-
Total (For Negative Shocks)		(30,896)	(0.4) %
Total (For Positive Shocks)		32,757	0.5%

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:

30 June 2022	Unweighted Amounts (*)		Weighted Amounts (*)	
	TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS				
1	High quality liquid assets		9,301,249	7,898,251
CASH OUTFLOWS				
2	Real person deposits and retail deposits	22,826,850	16,165,850	2,198,388
3	Stable deposits	1,685,940	15,960	84,297
4	Less stable deposits	21,140,910	16,149,890	2,114,091
5	Unsecured debts excluding real person deposits and retail deposits	8,283,434	6,477,404	4,045,199
6	Operational deposits	2,876,968	2,452,000	719,242
7	Non-operational deposits	4,742,528	3,821,389	2,662,019
8	Other unsecured funding	663,938	204,015	663,938
9	Secured funding	-	-	-
10	Other cash outflows	1,716,055	1,716,055	1,716,055
11	Derivative and collateral liabilities	1,716,055	1,716,055	1,716,055
12	Debts related to the structured financial products	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-
15	Other irrevocable or conditionally revocable commitments	9,341,950	6,436,098	1,521,242
16	TOTAL CASH OUTFLOWS			9,480,884
CASH INFLOWS				
17	Secured receivables	-	-	-
18	Unsecured receivables	3,871,223	1,395,556	2,961,092
19	Other cash inflows	323,684	2,815,340	323,684
20	TOTAL CASH INFLOWS	4,194,907	4,210,896	3,284,776
				Upper Limit Applied Values
21	TOTAL HIGH QUALITY LIQUID ASSETS INVENTORY			9,301,249
22	TOTAL NET CASH OUTFLOWS			6,196,108
23	LIQUIDITY COVERAGE RATIO (%)			150.11
				238.55

(*) 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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(Continued):**

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

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

(*) 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 72% and securities issued by Undersecretariat of Treasury at a ratio of 21%. The fund resources are distributed among deposits of individuals and retail, corporate deposits and due to banks at ratios of 26%, 39% and 8% 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 30 June 2022 is given below:

Date	FC	FC+TL
30 June 2022	1,819,628	1,819,628

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 30 June 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 (%)	428.70	207.24	187.43	115.92
Week	15.04.2022	15.04.2022	27.05.2022	27.05.2022

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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:

30 June 2022	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 years	5 Years and Over	Undistributable (***)	Total
Assets (****)								
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	3,238,952	4,489,546	-	-	-	-	-	7,728,498
Banks	112,194	589,453	-	-	-	-	252,957	954,604
Financial Assets at Fair Value Through Profit or Loss (*)	-	333,392	228,039	63,177	1,593,674	408,265	78,908	2,705,455
Interbank Money Market Placements	-	1,160,595	-	-	-	-	-	1,160,595
Financial Assets at Fair Value Through Other Comprehensive Income	-	14	80,978	186,235	453,033	382,985	7,674	1,110,919
Loans Given	-	4,443,402	9,194,953	4,740,638	6,087,941	3,398,215	1,045,705	28,910,854
Financial Assets Measured at Amortized Cost	-	3,835	424,281	8,116	1,242,991	1,037,671	-	2,716,894
Other Assets (**)	-	183,341	-	38,016	-	-	2,388,163	2,609,520
Total Assets	3,351,146	11,203,578	9,928,251	5,036,182	9,377,639	5,227,136	3,773,407	47,897,339
Liabilities								
Bank Deposits	101,563	121,625	-	83,410	-	-	-	306,598
Other Deposits	3,638,471	18,307,070	8,389,083	457,699	21,567	-	-	30,813,890
Funds Borrowed From Other Financial Institutions	-	96,122	1,488,912	1,888,762	833,070	2,517,222	-	6,824,088
Payables to Interbank Money Market	-	1,081,451	262,344	-	246,011	-	-	1,589,806
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	-	55,300	-	-	-	-	2,162,136	2,217,436
Other Liabilities (*) (***)	-	523,688	131,964	82,081	797,552	315	4,609,921	6,145,521
Total Liabilities	3,740,034	20,185,256	10,272,303	2,511,952	1,898,200	2,517,537	6,772,057	47,897,339
Liquidity Gap	(388,888)	(8,981,678)	(344,052)	2,524,230	7,479,439	2,709,599	(2,998,650)	-
Net Off-balance sheet Position	-	(230,078)	(73,665)	172,395	1,592,233	356,852	-	1,817,737
Receivables from Financial Derivative Assets	-	10,783,389	5,682,353	1,407,665	7,148,312	2,219,171	-	27,240,890
Payables to Financial Derivative Liabilities	-	(11,013,467)	(5,756,018)	(1,235,270)	(5,556,079)	(1,862,319)	-	(25,423,153)
Non-cash Loans	-	4,291,820	981,544	2,379,980	316,868	4,757	-	7,974,969
31 December 2021								
Total Assets	2,662,412	10,405,294	5,595,591	4,473,083	7,385,652	3,991,816	3,500,792	38,014,640
Total Liabilities	3,639,175	16,599,880	6,256,399	3,125,477	346,416	3,347,572	4,699,721	38,014,640
Liquidity Gap	(976,763)	(6,194,586)	(660,808)	1,347,606	7,039,236	644,244	(1,198,929)	-
Net Off-balance sheet Position	-	(229,828)	(248,225)	411,462	468,152	2,456	-	404,017
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)
Non-cash Loans	-	4,143,098	1,199,728	1,215,942	478,284	9,498	-	7,046,550

(*) Financial Assets at Fair Value Through Profit or Loss includes derivative financial assets amounting to TL 2,616,602 and Other Liabilities includes derivative financial liabilities amounting to TL 900,334 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 "Undistributable" 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 30 June 2022, leverage ratio of the Bank calculated from the arithmetic average of the three months is 6.89% (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:

	30 June 2022 (*)	31 December 2021 (*)
Balance sheet assets		
Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	45,427,508	33,899,205
(Assets deducted from Core capital)	57,962	55,102
Total risk amount of balance sheet assets	45,369,546	33,844,103
Derivative financial assets and credit derivatives		
Cost of replenishment for derivative financial assets and credit derivatives	1,684,095	1,465,072
Potential credit risk amount of derivative financial assets and credit derivatives	279,676	209,183
Total risk amount of derivative financial assets and credit derivatives	1,963,771	1,674,255
Financing transactions secured by marketable security or commodity		
Risk amount of financing transactions secured by marketable security or commodity (excluding Balance sheet)	-	-
Risk amount arising from intermediary transactions	-	-
Total risk amount of financing transactions secured by marketable security or commodity	-	-
Off-balance sheet transactions		
Gross nominal amount of off-balance sheet transactions	11,002,964	8,027,351
(Correction amount due to multiplication with credit conversion rates)	-	-
Total risk of off-balance sheet transactions	11,002,964	8,027,351
Capital and total risk		
Core capital	4,023,752	2,803,965
Total risk amount	58,336,281	43,545,709
Leverage ratio		
Leverage ratio	6.89%	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 30 June 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 1,787,128 (31 December 2021: TL 1,443,344) and derivative financial payables of which carrying amount is TL 285,811 (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 452,030 (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	1,405,882	210,032	372,458	-
Interest Rate Swap	Floating rate up to 3 month maturity FC deposits	Cash flow risk of changes in market interest rates	381,246	75,779	265,095	-

(*) 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 30 June 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:

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

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 30 June 2022 for income statement items.

	Retail Bank	Corporate and Commercial Banking	Treasury	Other and Undistributed	Total Operations of the Bank
30 June 2022					
Net Interest Income	124,855	462,011	(21,956)	-	564,910
Net Fees and Commissions	642	31,270	-	-	31,912
Trading Profit/Loss	26,626	8,387	143,086	-	178,099
Other Operating Income	2,093	101,969	-	-	104,062
Operating Income	154,216	603,637	121,130	-	878,983
Operating and Provision Expenses (-)	94,074	76,210	37,830	130,080	338,194
Net Operating Income	60,142	527,427	83,300	(130,080)	540,789
Dividend Income	-	-	-	24	24
Profit/Loss from Subsidiaries Based on Equity Method	-	-	-	154,547	154,547
Profit/Loss Before Tax	60,142	527,427	83,300	24,491	695,360
Tax Provisions (-)	15,036	131,857	20,825	(33,216)	134,502
Net Profit/Loss	45,106	395,570	62,475	57,707	560,858
Segment Assets	4,084,962	29,524,988	11,677,869	-	45,287,819
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	902,418	902,418
Unallocated Assets	-	-	-	1,707,102	1,707,102
Total Assets	4,084,962	29,524,988	11,677,869	2,609,520	47,897,339
Segments Liabilities	21,464,888	9,505,420	9,620,826	3,035,017	43,626,151
Unclassified Liabilities	-	-	-	4,271,188	4,271,188
Total Liabilities	21,464,888	9,505,420	9,620,826	7,306,205	47,897,339

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

X. EXPLANATIONS ON OPERATING SEGMENTS (Continued):

	Retail Bank	Corporate and Commercial Banking	Treasury	Other and Undistributed	Total Operations of the Bank
30 June 2021					
Net Interest Income	69,691	186,218	(29,929)	-	225,980
Net Fees and Commissions	(5)	16,594	-	-	16,589
Trading Profit/Loss	14,568	2,264	50,828	-	67,660
Other Operating Income	(44)	112,492	-	-	112,448
Operating Income	84,210	317,568	20,899	-	422,677
Operating and Provision Expenses (-)	52,557	232,077	23,158	64,579	372,371
Net Operating Income	31,653	85,491	(2,259)	(64,579)	50,306
Dividend Income	-	-	-	19	19
Profit/Loss from Subsidiaries Based on Equity Method	-	-	-	28,160	28,160
Profit/Loss Before Tax	31,653	85,491	(2,259)	(36,400)	78,485
Tax Provisions (-)	6,331	17,098	(452)	(20,391)	2,586
Net Profit/Loss	25,322	68,393	(1,807)	(16,009)	75,899
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
Total Assets	2,937,212	25,231,179	7,482,947	2,363,302	38,014,640
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
Total Liabilities	15,374,769	8,985,783	8,873,548	4,780,540	38,014,640

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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:

	30 June 2022		31 December 2021	
	TL	FC	TL	FC
Cash/Foreign currency	21,883	624,474	24,317	397,942
CBRT	807,056	6,116,882	427,401	5,450,020
Other	-	158,203	-	92,171
Total	828,939	6,899,559	451,718	5,940,133

2. Information on the account of the CBRT:

	30 June 2022		31 December 2021	
	TL	FC	TL	FC
Demand Unrestricted Account	807,056	2,406,513	427,401	1,846,171
Time Unrestricted Account	-	-	-	-
Time Restricted Account	-	3,710,369	-	3,603,849
Total	807,056	6,116,882	427,401	5,450,020

3. Information on Reserve Requirements:

In accordance with the “Communiqué Regarding Reserve Requirements” No. 2013/15, the Bank is required to maintain reserves in CBRT for TL and foreign currency liabilities. According to the “Communiqué Regarding Reserve Requirements”, reserve requirements in CBRT can be maintained as TL, USD, EUR and standard gold. As of 19 September 2019, interest on foreign currency reserve deposits is not paid. Effective from the establishment date of 15 April 2022, the 8.5% interest rate for required reserves in TL was terminated.

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, to 10% for real person and 20% for legal entities as of the obligation date of 8 July 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 5% over the amount up to the amount to be kept for its liabilities.

With the press release of the CBRT dated 23 April 2022, commercial cash loans of banks and financing companies in Turkish lira are subject to required reserves starting from the establishment date of 10 June 2022.

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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 or loss:

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

As of 30 June 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 30 June 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:

	30 June 2022		31 December 2021	
	TL	FC	TL	FC
Banks				
Domestic	487	156,339	230,440	6,671
Foreign	-	797,867	-	316,379
Headquarters and Branches Abroad	-	-	-	-
Total	487	954,206	230,440	323,050

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

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

As of 30 June 2022, there are TL 727,691 financial assets at fair value through other comprehensive income given as collateral/blocked (31 December 2021: TL 388,086).

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

As of 30 June 2022, there are TL 84,539 financial assets at fair value through other comprehensive income subject to repurchase agreements (31 December 2021: TL 1,295).

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

	30 June 2022	31 December 2021
Debt Securities	1,149,428	712,965
Quoted on Stock Exchange	1,149,428	712,965
Not Quoted	-	-
Share Certificates	7,674	7,674
Quoted on Stock Exchange	-	-
Not Quoted	7,674	7,674
Impairment Provision (-)	46,183	53,460
Total	1,110,919	667,179

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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:

	30 June 2022		31 December 2021	
	Cash	Non-cash	Cash	Non-cash
Direct Loans Granted to Shareholders	-	113,507	-	24,860
Corporate Shareholders	-	113,507	-	24,860
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees	4,047	-	4,361	-
Total	4,047	113,507	4,361	24,860

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 Loans	
			Loans with Revised Contract Terms	Re-finance
Non-Specialized Loans	23.237.208	528.386	5.645.383	-
Loans given to enterprises	-	-	-	-
Export Loans	5.067.333	-	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	3.097.080	-	-	-
Consumer Loans	455.275	4.972	3.497	-
Credit Cards	-	-	-	-
Other	14.617.520	523.414	5.641.886	-
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	23.237.208	528.386	5.645.383	-

ii.

	Standard Loans	Loans Under Close Monitoring
General provisions	53,046	1,492,783
12 Month Expected Credit Losses	53,046	-
Significant Increase in Credit Risk	-	1,492,783

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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
Consumer Loans-TL	106,433	344,157	450,590
Real estate loans	-	34,098	34,098
Automotive loans	1,310	102,227	103,537
Consumer loans	105,123	207,832	312,955
Other	-	-	-
Consumer Loans-FC Indexed	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	4,246	4,246
Real estate loans	-	4,246	4,246
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Individual Credit Cards-TL	-	-	-
With installments	-	-	-
Without installments	-	-	-
Individual Credit Cards-FC	-	-	-
With installments	-	-	-
Without installments	-	-	-
Personnel Loans-TL	354	3,693	4,047
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	354	3,693	4,047
Other	-	-	-
Personnel Loans-FC Indexed	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	-	-	-
With installments	-	-	-
Without installments	-	-	-
Personnel Credit Cards-FC	-	-	-
With installments	-	-	-
Without installments	-	-	-
Credit Deposit Account-TL (Real Person)	4,861	-	4,861
Credit Deposit Account-FC (Real Person)	-	-	-
Total	111,648	352,096	463,744

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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
Commercial Installments Loans-TL	67,916	882,307	950,223
Real estate Loans	-	-	-
Automotive Loans	-	177	177
Consumer Loans	67,916	882,130	950,046
Other	-	-	-
Commercial Installments Loans-FC Indexed	-	106,062	106,062
Real estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	106,062	106,062
Other	-	-	-
Commercial Installments Loans-FC	342,323	9,824,228	10,166,551
Real estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	342,323	9,824,228	10,166,551
Other	-	-	-
Corporate Credit Cards-TL	-	-	-
With installments	-	-	-
Without installments	-	-	-
Corporate Credit Cards-FC	-	-	-
With installments	-	-	-
Without installments	-	-	-
Credit Deposit Account-TL (Legal Person)	3,115	-	3,115
Credit Deposit Account-FC (Legal Person)	-	-	-
Total	413,354	10,812,597	11,225,951

5. Loans according to types of borrowers:

	30 June 2022	31 December 2021
Public	353,230	32,591
Private	29,057,747	24,035,499
Total	29,410,977	24,068,090

6. Distribution of domestic and foreign loans:

	30 June 2022	31 December 2021
Domestic Loans	29,361,296	23,992,700
Foreign Loans	49,681	75,390
Total	29,410,977	24,068,090

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:

	30 June 2022	31 December 2021
Allocated for Limited Collection Loans	626	915
Allocated for Doubtful Loans	6,590	106,636
Allocated for Loss Loans	701,735	620,070
Total	708,951	727,621

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

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

	Group III	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
30 June 2022			
Gross amounts before the Provisions	-	-	-
Restructured Loans	90	873	206,315
31 December 2021			
Gross amounts before the Provisions	-	-	-
Restructured Loans	-	503	241,230

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

	Group III	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Prior Period End Balance	4,634	194,579	1,720,740
Additions (+)	12,185	183	43,278
Transfers from Other Categories of Non-performing Loans (+)	-	14,894	193,476
Transfers to Other Categories of Non-performing Loans (-)	14,894	193,476	-
Collections (-)	741	4,431	215,771
Write-offs (-)	-	-	-
Sold Portfolio (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Balance at the End of the Period	1,184	11,749	1,741,723
Specific Provision (-)	626	6,590	701,735
Net Balance on Balance Sheet	558	5,159	1,039,988

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

e. Explanations on loans (Continued):

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

	Group III Loans with limited collectability	Group IV Loans with doubtful collectability	Group V Uncollectible loans
30 June 2022			
Period-End Balance	-	-	1,114,582
Specific Provision (-)	-	-	407,798
Net Balance on balance sheet	-	-	706,784
31 December 2021			
Period-End Balance	1,667	26	1,159,770
Specific Provision (-)	-	16	438,185
Net Balance on balance sheet	1,667	10	721,585

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

	Group III Loans with limited collectability	Group IV Loans with doubtful collectability	Group V Uncollectible loans
30 June 2022			
Current Period (Net)	558	5,159	1,039,988
Loans Given to Real Persons and Legal Persons (Gross)	1,184	11,749	1,741,723
Provision Amount (-)	626	6,590	701,735
Loans Given to Real Persons and Legal Persons (Net)	558	5,159	1,039,988
Banks (Gross)	-	-	-
Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	-
Provision Amount (-)	-	-	-
Other Loans (Net)	-	-	-
Prior Period (Net)	3,719	87,943	1,100,670
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 recover of loans allocated in specific provision,
- From the first reporting period (interim or year-end reporting period) following their classification in the group,

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

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

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

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

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

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

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

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

	Group III	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Current Period (Net)	13	57	71,442
Interest Accruals and Discounts and Valuation Differences	27	125	137,967
Provision Amount (-)	14	68	66,525
Prior Period (Net)	1,155	158	87,613
Interest Accruals and Discounts and Valuation Differences	1,180	311	146,210
Provision Amount (-)	25	153	58,597

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

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

	30 June 2022		31 December 2021	
	TL	FC	TL	FC
Bonds	-	-	-	-
Bonds and Similar Securities	1,045,071	675,684	-	273,313
Other	-	-	-	-
Total	1,045,071	675,684	-	273,313

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

	30 June 2022		31 December 2021	
	TL	FC	TL	FC
Bonds	-	-	-	-
Bonds and Similar Securities	-	601,967	-	750,155
Other	-	-	-	-
Total	-	601,967	-	750,155

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

	30 June 2022	31 December 2021
Government Bond	2,716,920	1,023,468
Treasury Bond	-	-
Other Public Debt Securities	-	-
Total	2,716,920	1,023,468

4. Information on financial assets measured at amortized cost:

	30 June 2022	31 December 2021
Debt Securities	2,716,920	1,023,468
Publicly-traded	2,716,920	1,023,468
Not Publicly-traded	-	-
Provision for Impairment (-)	-	-
Total	2,716,920	1,023,468

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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:

	30 June 2022	31 December 2021
Opening balance	1,023,468	510,403
Foreign exchange differences in monetary assets	327,458	449,660
Purchases during the year	1,365,994	228,699
Disposals through Sales and Redemptions	-	165,294
Value decrease equivalent (-)	-	-
Period end balance	2,716,920	1,023,468

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

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

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/ Loss	Fair value
1	6,134,440	713,841	973,912	313,414	-	143,181	18,020	-
2	369,467	188,661	5,111	18,732	2,944	11,366	10,140	-

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

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

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

5. Movement schedules of consolidated subsidiaries:

	30 June 2022	31 December 2021
Balance at the beginning of the Period	669,736	548,560
Movements during the Period	232,682	121,176
Purchases	-	-
Bonus Shares Obtained	-	-
Dividends from Current Year Income (*)	154,547	90,033
Sales	-	-
Revaluation Increase / Decrease (*)	78,135	31,143
Impairment Provision	-	-
Balance at the end of the Period	902,418	669,736
Capital Commitments	-	-
Share Percentage at the end of the Period (%)	99.99%	99.99%

(*) 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	30 June 2022	31 December 2021
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	790,832	569,516
Finance Companies	-	-
Other Financial Subsidiaries	111,586	100,220
Total	902,418	669,736

7. 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:

	30 June 2022		31 December 2021	
	TL	FC	TL	FC
Forward Transactions	24,475	1,527	4,974	443
Swap Transactions	478,570	276,735	1,386,033	110,760
Futures Transactions	578	-	1,060	-
Options	4,090	43,369	8,033	17,412
Other	130	-	-	-
Total	507,843	321,631	1,400,100	128,615

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

	30 June 2022		31 December 2021	
	TL	FC	TL	FC
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	955,626	831,502	1,362,814	80,530
Foreign Net Investment Hedge	-	-	-	-
Total	955,626	831,502	1,362,814	80,530

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:

As of 30 June 2022, Bank has netted-off the calculated deferred tax asset of TL 431,475 (31 December 2021: TL 460,784) and deferred tax liability of TL 428,839 (31 December 2021: TL 436,395) in accordance with TAS 12 and has recorded a net deferred tax asset of TL 2,636 (31 December 2021: TL 24,389 net deferred tax assets) in the financial statements.

As of 30 June 2022 and 31 December 2021, the details of accumulated temporary differences and deferred tax assets and liabilities are presented below:

	Accumulated Temporary Differences		Deferred Tax Assets/Liabilities	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Carried Financial Loss	-	671,353	-	154,412
Provision for Legal Cases	7,305	7,279	1,826	1,456
General Provisions and Other Provisions	1,588,043	1,400,761	397,011	294,751
Reserve for Employee Rights	42,225	33,336	10,557	6,667
Unearned Revenue	9,952	17,598	2,488	3,498
Other	78,370	-	19,593	-
Deferred Tax Assets	1,725,895	2,130,327	431,475	460,784
Carrying Value of Fixed Assets and Tax Difference Between Base	31,938	34,522	3,238	3,107
Valuation Differences of Derivative Instruments	1,702,403	1,955,726	425,601	433,288
Other	-	-	-	-
Deferred Tax Liabilities	1,734,341	1,990,248	428,839	436,395
Deferred Tax Assets/(Liabilities) (Net)			2,636	24,389

Movement of deferred tax asset/liabilities is presented below:

	30 June 2022	31 December 2021
Balance as of 1 January	24,389	91,757
Current year deferred tax income/(expense), net	98,931	(39,627)
Deferred tax charged to equity, net (*)	(120,684)	(27,741)
Balance at the End of the Period	2,636	24,389

(*) Deferred tax accounted in equity due to the effects of TAS 27 amounts to TL (27,053).

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

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

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

The Bank has assets held for resale amounting to TL 1,033,684 (31 December 2021: TL 1,039,002) and has no discontinued operations.

Prior Period	30 June 2022	31 December 2021
Cost	1,039,347	496,182
Accumulated Depreciation (-)	345	364
Net Book Value	1,039,002	495,818
Current Period		
Net book value at beginning of the period	1,039,002	495,818
Additions	370,971	732,142
Disposals (-), net	376,289	188,958
Impairment (-)	-	-
Depreciation (-)	-	-
Cost at the End of the Period	1,033,971	1,039,347
Accumulated Depreciation at the End of the Period (-)	287	345
Closing Net Book Value	1,033,684	1,039,002

p. Information on other assets:

Other assets amount to TL 475,702 (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. 30 June 2022:

	Demand	With 7 days notifications	Up to 1 month	1-3 months	3-6 months	6 months -1 year	1 year and over	Accum. Deposit	Total
Saving Deposits	192,955	-	1,946,349	1,207,136	3,519,912	161,396	219,318	-	7,247,066
Foreign Currency Deposits	2,021,595	-	2,050,239	12,471,481	744,034	96,039	83,107	-	17,466,495
Residents in Turkey	1,938,853	-	2,041,191	12,355,156	736,760	94,816	58,602	-	17,225,378
Residents Abroad	82,742	-	9,048	116,325	7,274	1,223	24,505	-	241,117
Public Sector Deposits	361,628	-	-	-	-	-	-	-	361,628
Commercial Deposits	845,587	-	588,209	1,974,270	240,667	1,673,020	94,276	-	5,416,029
Other Institutions Deposits	57,175	-	5,492	97,295	15	2,200	964	-	163,141
Precious Metal Deposits	159,531	-	-	-	-	-	-	-	159,531
Bank Deposits	101,563	-	34,747	86,880	-	83,408	-	-	306,598
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	63,546	-	-	-	-	-	-	-	63,546
Foreign Banks	38,017	-	34,747	86,880	-	83,408	-	-	243,052
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	3,740,034	-	4,625,036	15,837,062	4,504,628	2,016,063	397,665	-	31,120,488

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	Accum. 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
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	3,639,175	-	4,807,133	14,606,098	695,199	307,121	579,937	-	24,634,663

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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	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Saving Deposits				
Saving Deposits	2,322,569	1,399,356	4,924,497	2,923,214
Foreign Currency Savings Deposit	1,229,068	942,872	11,042,233	9,375,416
Other Deposits in the Form of Savings Deposits	56,691	41,870	102,840	63,809
Foreign Branches’ Deposits Under Foreign Authorities’ Insurance	-	-	-	-
Off-shore Banking Regions’ Deposits Under Foreign Authorities’ Insurance	-	-	-	-
Total	3,608,328	2,384,098	16,069,570	12,362,439

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

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

	30 June 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	22,616	10,771
Deposits and Other Accounts of Property Assets Value due to Crime which is in the Scope of Article 282 of Numbered 5237 “TCK” Dated 26 September 2004	-	-
Deposits in Banks Incorporated in Turkey Exclusively for Off-shore Banking Operations	-	-
Total	22,616	10,771

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

None (31 December 2021: None).

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

c. Information on borrowings:

1. Information on banks and other financial institutions:

	30 June 2022		31 December 2021	
	TL	FC	TL	FC
CBRT Borrowings	-	-	-	-
From Domestic Banks and Institutions	8,018	5,252	10,553	-
From Foreign Banks, Institutions and Funds	-	3,460,527	-	3,775,895
Total	8,018	3,465,779	10,553	3,775,895

2. Information on maturity structure of borrowings:

	30 June 2022		31 December 2021	
	TL	FC	TL	FC
Short-term	8,018	131,943	10,553	615,287
Medium and Long-term	-	3,333,836	-	3,160,608
Total	8,018	3,465,779	10,553	3,775,895

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

The Bank’s main funding sources are deposits and borrowings. As of 30 June 2022, deposits and borrowings from Bank’s risk group comprise 0.39% (31 December 2021: 1.63%) of total deposits. Besides this, Borrowings from Bank’s risk group comprise 49.10% (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 2,577,135 (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:

	30 June 2022		31 December 2021	
	Gross	Net	Gross	Net
Less Than 1 Year	3,314	2,168	1,091	1,030
Between 1-4 Years	68,231	57,727	66,114	54,305
More Than 4 Years	33,414	22,462	27,610	18,876
Total	104,959	82,357	94,815	74,211

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

Trading Derivative Financial Liabilities	30 June 2022		31 December 2021	
	TL	FC	TL	FC
Forward Transactions	37,576	5,074	10,211	2,618
Swap Transactions	303,161	238,577	721,674	99,848
Futures Transactions	156	-	3,465	-
Options	-	29,954	-	4,779
Other	25	-	-	-
Total	340,918	273,605	735,350	107,245

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

	30 June 2022		31 December 2021	
	TL	FC	TL	FC
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	143,787	142,024	135,702	51,162
Foreign Net Investment Hedge	-	-	-	-
Total	143,787	142,024	135,702	51,162

h. Information on provisions:

1. Information on reserve for employment termination benefits:

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

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

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

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

h. Information on provisions (Continued):

Movement of reserve for employment termination benefits during the period:

	30 June 2022	31 December 2021
Prior period balance	28,777	22,186
Service cost	6,593	3,032
Interest cost	-	2,607
Settlement cost	-	(2,396)
Actuarial loss/gain	-	5,571
Benefits paid (-)	1,763	2,223
Total	33,607	28,777

In addition, as of 30 June 2022 the Bank has accounted for vacation rights provision and personnel bonus provision amounting to TL 37,746 (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 Bank set aside reserves under other provisions amounting to TL 176,611 (31 December 2021: 138,622) for lawsuits, TL 28,534 (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 7,305 (31 December 2021: TL 7,279).

i. Information on taxes payable:

1. Information on tax provision:

As of 30 June 2022, there is a corporate tax provision of TL 197,662 (31 December 2021: None.).

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

i. Information on taxes payable (Continued):

2. Information on taxes payable:

	30 June 2022	31 December 2021
Corporate Tax Payable	197,662	-
Taxation of Marketable Securities	16,165	10,011
Property Tax	168	87
Banking Insurance Transaction Tax	18,692	24,698
Foreign Exchange Transaction Tax	1,305	3,110
Value Added Tax Payable	814	1,617
Other	6,761	5,554
Total	241,567	45,077

3. Information on premium payables:

	30 June 2022	31 December 2021
Social Security Premiums-Employee	2,696	1,916
Social Security Premiums-Employer	3,228	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	185	131
Unemployment Insurance-Employer	369	263
Other	95	65
Total	6,573	4,624

4. Explanations on deferred tax asset/liability:

As of 30 June 2021, the Bank has netted-off the calculated deferred tax asset of TL 431,475 (31 December 2021: TL 460,784) and deferred tax liability of TL 428,839 (31 December 2021: TL 436,395) in accordance with TAS 12 and has recorded a net deferred tax asset of TL 2,636 (31 December 2021: TL 24,389 net deferred tax asset) in the financial statements.

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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 150,000,000	16 May 2022	16 May 2032	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.

	30 June 2022		31 December 2021	
	TL	FC	TL	FC
Domestic Banks	-	-	-	-
Other Domestic Institutions	-	-	-	-
Foreign Banks	-	3,350,291	-	3,347,213
Other Foreign Institutions	-	-	-	-
Total	-	3,350,291	-	3,347,213

	30 June 2022		31 December 2021	
	TL	FC	TL	FC
Debt Instruments Subject to Common Equity	-	833,070	-	666,450
Subordinated Loans	-	833,070	-	666,450
Subordinated Debt Instruments	-	-	-	-
Debt Instruments Subject to Tier 2 Equity	-	2,517,221	-	2,680,763
Subordinated Loans	-	2,517,221	-	2,680,763
Subordinated Debt Instruments	-	-	-	-
Total	-	3,350,291	-	3,347,213

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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:

	30 June 2022	31 December 2021
Common Stock	2,655,500	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	2,655,500	4,000,000

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

Increase Date	Increase Amount	Cash	Profit Reserves Subject to Increase	Capital Reserves Subject to Increase
22.06.2022	765,500	765,500	-	-

(*) In accordance with the Decision of the Board of Directors of the Bank dated 12 May 2021 and numbered 2022/19, the required permission was obtained from Banking Regulation and Supervision Agency 1, it has been stated that there is no objection to the completion of the capital increase transactions regarding the increase of the Bank's capital from TL 1,890,000,000 to TL 2,655,500,000 by an increase of TL 765,500,000, within the registered capital ceiling of TL 4,000,000,000. In this context, the amount of capital sent by the shareholders was transferred to the paid-in capital account, registered and announced in the Turkish Trade Registry Gazette dated 22 June 2022 and numbered 10604.

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

None.

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

None.

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

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

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

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

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

I. Information on shareholders' equity (Continued):

8. Information on marketable securities valuation reserve:

	30 June 2022		31 December 2021	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	(15.865)	(29.437)	(45.308)	(6.898)
Foreign Currency Translation Difference	-	-	-	-
Total	(15.865)	(29.437)	(45.308)	(6.898)

9. Information on tangible assets revaluation reserve:

	30 June 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 legal and extraordinary reserves.

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

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

a. Information on off balance sheet commitments:

1. The amount and type of irrevocable commitments:

	30 June 2022	31 December 2021
Foreign currency buy/sell commitments	535,820	1,912,509
Loan limit commitments	311,426	375,348
Deposits buy/sell commitments	270,568	-
Commitments for cheques	134,204	80,701
Securities buy/sell commitments	102,057	81,744
Total	1,354,075	2,450,302

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

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

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

	30 June 2022	31 December 2021
Letters of guarantee	3,971,053	3,088,188
Other guarantees	2,741,687	2,515,966
Letters of credit	58,515	209,466
Bank acceptance loans	1,203,714	1,232,930
Total	7,974,969	7,046,550

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

	30 June 2022		31 December 2021	
	TL	FC	TL	FC
Irrevocable letters of guarantee	1,654,623	909,834	1,224,502	835,017
Revocable letters of guarantee	53,981	13,144	88,702	12,375
Letters of guarantee given in advance	39,730	215,889	23,881	255,103
Guarantees given to customs	14,033	41,080	14,101	156,374
Other letters of guarantee	666,348	362,391	241,806	236,327
Total	2,428,715	1,542,338	1,592,992	1,495,196

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

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

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

	30 June 2022	31 December 2021
Non-cash loans given against cash loans	1,600,031	1,612,262
With original maturity of 1 year or less than 1 year	-	-
With original maturity of more than 1 year	1,600,031	1,612,262
Other non-cash loans	6,374,938	5,434,288
Total	7,974,969	7,046,550

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	2,406,814	1,465,435	14,339	56,810
Bill of Exchange and Acceptances	-	58,515	-	-
Letters of Credit	-	2,722,559	-	16,287
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	594,550	609,164	-	-
Total	3,001,364	4,855,673	14,339	73,097

(*) In addition to the non-cash loans stated in the table above, the Bank has non-cash loans amounting to TL 30,496, which is classified as total non-performing loans. As of 30 June 2022, the Bank has made a provision of TL 17,081 for these loans.

b. Information on contingent assets and contingent liabilities:

As of 30 June 2022, the total amount of the lawsuits brought against the Bank is TL 25,870 (31 December 2021: TL 25,843), and a provision of TL 6,861 (31 December 2021: TL 6,835) has been made in the financial statements of 30 June 2022 regarding the contingent matters.

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

FITCH (26 July 2022)

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

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

IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT:

a. Information on interest income:

1. Information on interest income on loans:

	30 June 2022		30 June 2021	
	TL	FC	TL	FC
Interest Income on Loans (*)				
Short-term Loans	1,101,610	50,775	359,345	11,499
Medium/Long-term Loans	183,879	297,599	193,760	237,207
Interest on Loans Under Follow-up	66,854	-	13,605	-
Premiums Received from Resource Utilisation Support Fund	-	-	-	-
Total	1,352,343	348,374	566,710	248,706

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

2. Information on interest income on banks:

	30 June 2022		30 June 2021	
	TL	FC	TL	FC
From the CBRT	215	10	860	-
From Domestic Banks	9,523	286	19,834	223
From Foreign Banks	-	1,182	-	193
Headquarters and Branches Abroad	-	-	-	-
Total	9,738	1,478	20,694	416

3. Information on interest income on marketable securities:

	30 June 2022		30 June 2021	
	TL	FC	TL	FC
Financial Assets Measured at Fair Value through Profit/Loss	468	1,765	399	933
Financial Assets Measured at Fair Value through Other Comprehensive Income	113,610	5,650	20,348	971
Financial Assets Measured at Amortized Cost	49,435	45,726	-	17,468
Total	163,513	53,141	20,747	19,372

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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:

	30 June 2022	30 June 2021
Interest Received From Investments in Associates and Subsidiaries	89	-

b. Information on interest expense:

1. Information on interest expense on borrowings:

	30 June 2022		30 June 2021	
	TL	FC	TL	FC
Banks	666	111,422	2,103	69,188
The CBRT	-	-	-	-
Domestic Banks	666	40	2,103	458
Foreign Banks	-	111,382	-	68,730
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	1,382	-	2,400
Total (*)	666	112,804	2,103	71,588

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

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

	30 June 2022	30 June 2021
Interest Paid to Investment in Associates and Subsidiaries	5,535	221

3. Interest expense on issued marketable securities:

Nonte (30 June 2021: None).

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

Current Period	Demand Deposit	Time Deposit					Accum. Deposit	Total	Prior Period Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year			
Turkish Currency									
Bank Deposits	-	601	-	-	-	-	-	601	273
Savings Deposits	-	171,696	161,809	129,931	15,664	33,572	-	512,672	344,382
Public Deposits	-	14	-	-	-	-	-	14	-
Commercial Deposits	-	31,490	38,664	10,285	101,893	5,322	-	187,654	54,885
Other Deposits	-	313	42,609	4	277	185	-	43,388	11,590
7 Day Notice Deposits	-	-	-	-	-	-	-	-	-
Total	-	204,114	243,082	140,220	117,834	39,079	-	744,329	411,130
Foreign Currency									
Foreign Currency Account	-	16,051	138,202	5,159	543	444	-	160,399	78,587
Bank Deposits	-	778	-	-	-	-	-	778	830
7 Day Notice Deposits	-	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Total	-	16,829	138,202	5,159	543	444	-	161,177	79,417
Grand Total	-	220,943	381,284	145,379	118,377	39,523	-	905,506	490,547

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

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

	30 June 2022	30 June 2021
Income	34,056,084	20,673,241
Capital Market Transactions	50,022	23,513
Derivative Financial Transactions	574,170	188,698
Foreign Exchange Gains	33,431,892	20,461,030
Loss (-)	33,877,985	20,605,581
Capital Market Transactions	17,547	7,121
Derivative Financial Transactions	580,792	163,392
Foreign Exchange Losses	33,279,646	20,435,068
Net Income/Loss	178,099	67,660

d. Information on other operating income:

For the period ended 30 June 2022, other operating income includes adjustments to previous years' expenses and other operating income.

e. Expected loss provisions and other provision expenses:

	30 June 2022	30 June 2021
Expected Credit Loss	(44,097)	148,998
12 Month Expected Credit Loss (Stage 1)	(6,745)	3,981
Significant Increase in Credit Risk (Stage 2)	(13,410)	85,895
Non-performing Loans (Stage 3)	(23,942)	59,122
Marketable Securities Impairment Expense	-	-
Financial Assets at Fair Value through Profit or Loss	-	-
Financial Assets at Fair Value through Other Comprehensive Income	-	-
Investments in Associates, Subsidiaries and Joint Ventures Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other	2,953	-
Total	(41,144)	148,998

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

f. Information related to other operating expenses:

	30 June 2022	30 June 2021
Reserve For Employment Termination Benefits (*)	10,652	7,017
Bank Social Aid Pension Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Amortization Expenses of Fixed Assets	19,841	16,904
Impairment Expenses of Intangible Assets	-	-
Amortization Expenses of Intangible Assets	5,874	5,981
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	121,848	67,627
Leasing expenses related to TFRS 16 exceptions	1,448	703
Maintenance Expenses	808	692
Advertising Expenses	6,439	2,266
Other Expense	113,153	63,966
Loss on Sales of Assets	-	12
Other	18,500	5,785
Total	176,715	103,326

(*) As of 30 June 2022, there is “Employee Vacation Fee Provision Expense” amounting to TL 4,059 (30 June 2021: TL 3,066).

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

The Bank has no discontinued operations. The Bank’s net in profit before taxes from continuing operations is TL 695,360 (30 June 2021: TL 78,485).

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

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

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

As of 30 June 2022, the Bank has TL 233,433 current tax expense and TL 98,931 deferred tax income.

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

The Bank has TL 269,083 deferred tax income from temporary differences. There is no deferred tax income arising from financial loss carried from previous periods. The Bank also has deferred tax expense from closed temporary differences amounting to TL 170,152, deferred tax expense and income net-off to TL 98,931 deferred tax expense.

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

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

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

As of 30 June 2022, the Bank has TL 98,931 (30 June 2021: TL 46,984 deferred tax income) deferred tax expense arising from temporary differences and there is no deferred tax income arising from financial losses carried from previous periods (30 June 2021: TL 44,398 deferred tax income).

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

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

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

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

None.

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

None.

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

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

k. Information on other income and expenses:

1. In the current period, the Bank's interest income amounts to TL 2,375,904 (30 June 2021: TL 1,077,046) and TL 393,248 (30 June 2021: TL 167,286) of this amount is classified as "Other Interest Income" in the income statement.

	30 June 2022	30 June 2021
Other Interest Income		
Interest Income Related to Derivative Transactions	391,018	161,410
Other	2,230	5,876
Total	393,248	167,286

2. In the current period, the Bank's interest expense amounts to TL 1,810,994 (30 June 2021: TL 851,066), TL 757,913 (30 June 2021: TL 279,080) of this amount is classified as "Other Interest Expense" in the income statement.

	30 June 2022	30 June 2021
Other Interest Expense		
Interest Expense Related to Derivative Transactions	726,117	277,297
Other	31,796	1,783
Total	757,913	279,080

3. In the current period, the Bank's fee and commission income amounts to TL 53,960 (30 June 2021: TL 28,107) and TL 33,623 (30 June 2021: TL 9,888) the related amount is classified under "Other" account in the income statement.

	30 June 2022	30 June 2021
Other Fee and Commissions Received		
Early Closing Commissions	4,181	1,645
Commissions on Investment Fund Services	3,098	1,354
Insurance Commissions	3,961	2,033
Commissions from Correspondent Banks	1,147	540
Transfer Commissions	239	156
Credit Card and POS Transaction Commission	254	59
Common Point Commissions	38	23
Other	20,705	4,078
Total	33,623	9,888

4. In the current period, Bank's fee and commission expense amounts to TL 22,048 (30 June 2021: TL 11,518) and TL 22,025 (30 June 2021: TL 11,491) of the related amount is classified under "Other" account.

	30 June 2022	30 June 2021
Other Fee and Commissions Given		
Card Transaction Commission	1,816	1,179
Commissions Granted to Correspondent Banks	1,644	870
Common Point Commissions	713	364
EFT Commissions	242	171
Transfer Commissions	67	45
Other	17,543	8,862
Total	22,025	11,491

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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 30 June 2022 income statement items.

30 June 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	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Banks’ Risk Group						
Loans and Other Receivables						
Balance at the Beginning of the Period	-	24,341	-	24,860	677	-
Balance at the End of the Period	-	18,442	-	113,507	687	87
Interest and Commission Income Received	89	193	-	10	62	1

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	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Banks’ Risk Group						
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	-	222	-	2	69	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	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposit						
Beginning of the Period	271,488	94,838	106,907	171,520	23,864	24,112
End of the Period	91,756	271,488	159,639	106,907	29,371	23,864
Interest Expense on Deposits	5,535	221	1,489	1,751	957	1,042

Banks’ Risk Group	Investments in Associates, Subsidiaries and Joint Ventures		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons that have been Included in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Repurchase Transactions						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Interest Expense on Repurchase Transactions	-	-	-	-	1	-

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

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

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

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

Banks’ Risk Group	Investments in Associates, Subsidiaries and Joint Ventures		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons that have been Included in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Fair Value Through Profit or Loss Transactions						
Beginning of the Period (*)	2,613,623	2,508,920	-	-	-	-
End of the Period (*)	1,828,743	2,613,623	-	-	-	-
Total Profit/Loss	308,062	(62,828)	-	-	-	-
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	-	-	-
End of the Period	3,136,542	-	-	-	-	-
Total Profit/Loss	(392,221)	-	-	-	-	-

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

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

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

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

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

	Total Risk Group	Share in Financial Statements (%)
Borrowings and Subordinated Debt Instruments	3,350,291	49.10
Deposit	280,766	0.90
Non-cash loans	132,036	1.66
Banks and Other Institutions	6,126	0.64
Loans	687	-

As of 30 June 2022, the Bank has realized interest income from deposits given to banks included in the risk group amounting to TL 22 (30 June 2021: TL 36), the Bank has realized interest expense amounting to TL 70,454 (30 June 2021: TL 44,242) 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):

b. With respect to the Bank's risk group (Continued):

1. 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 523 (30 June 2021: TL 195) from Burgan Finansal Kiralama A.Ş., TL 285 (30 June 2021: TL 189) 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 0.34% (31 December 2021: 0.15%) of the Bank's total cash and non-cash loans.

As of 30 June 2022, there are no purchase-sales transactions on any assets including real estate with the risk group consisting the Bank.

As of 30 June 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 in.

c. Information on benefits provided to top management:

The definition of key management of the Bank includes Members of the Board of Directors, General Manager and Assistant General Managers. The total of benefits provided to senior executives in the current period is TL 28,948 (30 June 2021: TL 17,285) and consists of annual gross wages and other payments and other benefits including road, meal allowances, health and life insurance and car expenses.

VI. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS:

None.

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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 30 June 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 10 August 2022 has been presented prior to the unconsolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITOR

None.

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2022

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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

Central banks of developed and developing countries, especially the USA and the European Central Bank, tighten their policy stances against inflation rates that have reached the highest level of recent years all over the world. Despite the recent easing in commodity prices due to global recession concerns, the Russia-Ukraine war and supply constraints continue to have an impact on prices. While global growth slows down due to tightening monetary policy, high inflation and high commodity prices, the risk of creating a long-term recession from these effects is closely monitored.

Central banks of developed and developing countries, especially the USA and the European Central Bank, tighten their policy stances against inflation rates that have reached the highest level of recent years all over the world. While the tourism sector continues to recover, tourism revenues are observed to exceed pre-epidemic levels. Inflation rates, which reach high levels with both supply and demand side effects, are important in shaping economic policies in the upcoming period.

The balance sheet size of our bank as of 30 June 2022 is TL 47,897,339, and the total deposit is TL 31,120,488. In the current period Burgan Bank has maintained its support to its customers uninterruptedly and net cash loans has been realized as TL 28,910,854. The net profit of our bank in the first half of 2022 is TL 560,858 and our equity has reached TL 4,271,188. Our capital adequacy ratio is 21.20%. 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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EXPLANATIONS ON INTERIM ACTIVITY REPORT (Continued):

II. NAMES AND SURNAMES, DUTY TERMS, FIELDS OF RESPONSIBILITIES, EDUCATIONAL BACKGROUNDS, PROFESSIONAL EXPERIENCES OF MEMBERS AND CHAIRMAN OF BOARD OF DIRECTORS, MEMBERS OF THE AUDIT COMMITTEE, GENERAL MANAGER AND DEPUTY GENERAL MANAGERS AND MANAGERS OF DEPARTMENTS WITHIN THE SCOPE OF INTERNAL SYSTEMS:

<u>Name</u>	<u>Duty</u>	<u>Date of Assignment</u>	<u>Educational Background</u>	<u>Banking and Managership Experience (Year)</u>
Chairman and Members of Board of Directors:				
Emin Hakan Eminsoy	Chairman	07.08.2019	Undergraduate	34
Abdelkarim A. S. Kabariti	Deputy Chairman	04.11.2021	Undergraduate	32
Mehmet Alev Göçmez	Member	23.01.2013	Graduate	33
Khaled F.A.O. Alzouman	Member	13.06.2019	Undergraduate	31
Hasan Kılıç	Member	10.06.2021	Undergraduate	32
Fadhil M. GH. A. Abdullah	Member	3.12.2021	Undergraduate	32
Mohammad M. A. H. S. Almael	Member	3.12.2021	Graduate	22
Moustapha Chami	Member	15.06.2022	Graduate	19
Ali Murat Dinç	Member and General Manager	03.02.2014	Graduate	21
General Manager:				
Ali Murat Dinç	Member and General Manager	03.02.2014	Graduate	21
Deputy General Manager:				
Suat Kerem Sözügüzel	Corporate & Commercial Banking	01.04.2014	Graduate	17
Zeynep Bozkurt	Chief Financial Officer	15.01.2021	Graduate	13
Vice General Manager:				
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	Chief Financial Officer	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	01.03.2022	Undergraduate	23
Erdal Arda Türerer	Treasury, Capital Markets and Financial Institutions	01.03.2022	Graduate	25

Assignments:

Moustapha Chami was appointed as a Member of the Board of Directors on 15 June 2022.

Resignations:

None.

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

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

Hasan Kılıç has been elected as the Chairman of the Audit Committee while F. A. O. Alzouman and Moustapha Chami have been elected as members of the Audit Committee.

Moustapha Chami has been elected as the Chairman of the Risk Committee while Hasan Kılıç and Mehmet Alev Göçmez have been elected as members of the Risk Committee.

Abdelkarim A. S. Kabariti has been elected as the Chairman of the Corporate Executive Committee while Emin Hakan Eminsoy and Ali Murat Dinç have been elected as members of the Corporate Executive Committee.

Abdelkarim A. S. Kabariti has been elected as the Chairman of the Appointment and Pricing Committee while Khaled F.A.O Alzouman and Moustapha Chami have been elected as members of the Appointment and Pricing Committee.

IV. EVALUATIONS OF THE AUDIT COMMITTEE REGARDING INTERNAL CONTROL, INTERNAL AUDIT AND OPERATION OF RISK MANAGEMENT SYSTEMS AND INFORMATION ON THEIR ACTIVITIES WITHIN THE ACCOUNTING PERIOD:

The principal duty of Burgan Bank A.Ş. Audit Committee is to provide assistance to the Board of Directors of the Bank in order to fulfil its supervision responsibility related to the Bank and its consolidated affiliates through examining financial information which shall be presented to shareholders, ensuring the effectiveness, adequateness and efficiency of internal systems established by the management and Board of Directors and monitoring audit process. There is no change in the period related to activities of the Audit Committee.

V. SIGNIFICANT EVENTS AND TRANSACTIONS WITHIN THE PERIOD:

There is no significant change related to information except the explanations including numeric disclosures in financial statements included in the annual activity report prepared in accordance with the Regulation on Procedures and Principals related to Preparation and Publication of Activity Report.

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EXPLANATIONS ON INTERIM ACTIVITY REPORT (Continued):

VI. SUMMARY FINANCIAL INFORMATION RELATED TO ACTIVITY RESULTS OF ACCOUNTING PERIOD:

	30.06.2022	31.12.2021	Change (%)
Total Assets	47,897,339	38,014,640	26.0
Loans (Net)	28,910,854	23,908,436	20.9
Securities (Net)	3,908,992	1,817,884	115.0
Deposits	31,120,488	24,634,663	26.3
Debts Having Loan Characteristics	8,413,894	7,345,569	14.5
Shareholder’s Equity	4,271,188	2,474,409	72.6
Guarantee and Suretyship	7,974,969	7,046,550	13.2
Capital Adequacy Ratio	21.20%	23.16%	(2.0)

	(01/01/2022 - 30/06/2022)	(01/01/2021 - 30/06/2021)	(01/04/2022 - 30/06/2022)	(01/04/2021 - 30/06/2021)
Current Period Net Profit/(Loss)	560,858	75,899	357,536	25,366

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 937 employees.

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

Million TL	Burgan Bank	Sector (*)	Share of our Bank (%)
Cash Loans	27,767	6,079,442	0.46
Customer Deposits	28,689	6,580,985	0.44
Branch Number	32	11,024	0.29
Personnel Number	941	201,513	0.47

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