

# **BURGAN BANK A.Ş.**

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

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

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

**REPORT ON REVIEW OF CONSOLIDATED  
INTERIM FINANCIAL INFORMATION**

**To the General Assembly of Burgan Bank Anonim Şirketi**

*Introduction*

We have reviewed the accompanying consolidated statement of financial position of Burgan Bank A.Ş. (“the Bank”) and its consolidated subsidiaries (collectively referred to as “the Group”) at 30 September 2022 and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders’ equity, consolidated statement of cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Bank Management is responsible for the preparation and fair presentation of the accompanying consolidated interim financial information in accordance with “the Banking Regulation and Supervision Agency (“BRSA”) Accounting and Financial Reporting Regulations” including the regulation on “The Procedures and Principles Regarding Banks’ Accounting Practices and Maintaining Documents” published in the Official Gazette dated 1 November 2006 with No. 26333, and other regulations on accounting records of banks published by the Banking Regulation and Supervision Board and circulars and pronouncements published by the BRSA and Turkish Accounting Standard 34 “Interim Financial Reporting” principles for the matters not legislated by the aforementioned regulations. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

*Scope of Review*

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

### *Basis for Qualified Conclusion*

The accompanying consolidated financial statements as at 30 September 2022 include a free provision amounting to TL 251,854 thousand, which had been recognized with the amount of TL 138,622 thousand as an expense in the prior period and TL 113,232 thousand of which has been recognized as an expense in the consolidated financial statements in the current period, provided by the Bank management for the potential circumstances which may arise from any changes in the economy or market conditions. If the mentioned free provision were not provided, the other provisions would decrease by TL 251,854 thousand and retained earnings would increase by TL 138,622 thousand as at 30 September 2022, and other operating income, profit before tax and net profit for the year would increase by TL 113,232 thousand for the period ended 30 September 2022.

### *Qualified Conclusion*

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information does not present fairly, in all material respects, the financial position of Burgan Bank A.Ş. and its consolidated subsidiaries as at 30 September 2022, and of the results of their operations and their cash flows for the nine-month period then ended in accordance with the BRSA Accounting and Financial Reporting Regulations.

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

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

### *Additional paragraph for English translation:*

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

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

Mehmet Erol, SMMM  
Partner

İstanbul, 11 November 2022

**THE CONSOLIDATED NINE-MONTH INTERIM FINANCIAL REPORT OF  
BURGAN BANK A.Ş. AS OF 30 SEPTEMBER 2022**

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

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

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

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

The accompanying consolidated nine 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.

11 November 2022

Emin Hakan EMİNSOY  
Chairman of the Board of  
Directors

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

Zeynep BOZKURT  
Deputy General Manager,  
Chief Financial Officer

Bahadır AKSU  
Head of Accounting,  
Tax and Reporting Unit

Hasan KILIÇ  
Head of the  
Audit Committee

Khaled F.A.O. ALZOUAMAN  
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 CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2022**

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

**SECTION ONE**

**GENERAL INFORMATION ABOUT THE GROUP**

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

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

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

According to the Share Transfer Agreement signed between the SDIF and Tekfen Holding A.Ş. on 30 September 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. (“the Bank”), and has been registered to the Turkish Trade Registry as of 25 January 2013.

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

**BURGAN BANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2022**

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

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**GENERAL INFORMATION ABOUT THE GROUP (continued):**

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

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

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 2022.

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 MENA (Middle East and North Africa) region, is among the significant banking groups in the region. Besides Kuwait, Burgan Bank Group also operates as a main shareholder with its affiliate banks in Algeria (Gulf Bank Algeria), Iraq (Bank of Baghdad), and Tunisia (Tunis International Bank).

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

**BURGAN BANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2022**

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

**GENERAL INFORMATION ABOUT THE GROUP (continued):**

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

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

(\*) 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 CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2022**

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

**GENERAL INFORMATION ABOUT THE GROUP (continued):**

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

<b>Name/Commercial Title</b>	<b>Share Amounts</b>	<b>Share Percentage</b>	<b>Paid-in Capital</b>	<b>Unpaid Portion</b>
Burgan Bank K.P.S.C.	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 PARENT BANK'S SERVICE TYPE AND FIELD OF OPERATIONS:**

As of 30 September 2022, the Parent Bank, whose headquarter located in Istanbul, has 32 branches operating in Turkey (31 December 2021: 32). The Bank's core business activities include corporate and commercial banking, retail banking and banking services in treasury fields. As of 30 September 2022, the Group has 1,109 (31 December 2021: 1,042) employees.

**VI. INFORMATION ON APPLICATION DIFFERENCES BETWEEN CONSOLIDATION PRACTICES AS PER THE REGULATION ON PREPARATION OF CONSOLIDATED DINANCIAL STATEMENTS OF BANKS AND AS PER THE TURKISH ACCOUNTING STANDARDS, AND ENTITIES SUBJECT TO FULL OR PROPORTIONAL CONSOLIDATION OR DEDUCTED FROM EQUITY OR NOT SUBJECT TO ANY OF THESE THREE METHODS:**

None.

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

None.

## **SECTION TWO**

### **CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP**

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

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

**BURGAN BANK A.Ş**  
**CONSOLIDATED BALANCE SHEETS (STATEMENTS OF FINANCIAL POSITION)**  
**AS OF 30 SEPTEMBER 2022 AND 31 DECEMBER 2021**

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

I. BALANCE SHEET	Note (Section Five)	Reviewed 30/09/2022			Audited 31/12/2021		
		TL	FC	Total	TL	FC	Total
<b>ASSETS</b>							
<b>I. FINANCIAL ASSETS (Net)</b>		<b>5,701,179</b>	<b>11,784,709</b>	<b>17,485,888</b>	<b>3,983,893</b>	<b>6,679,992</b>	<b>10,663,885</b>
<b>1.1 Cash and Cash Equivalents</b>		<b>3,325,876</b>	<b>9,655,383</b>	<b>12,981,259</b>	<b>727,412</b>	<b>6,263,309</b>	<b>6,990,721</b>
1.1.1 Cash and Balances at Central Bank	I-a	1,081,631	7,125,365	8,206,996	451,718	5,940,133	6,391,851
1.1.2 Banks	I-c	214,892	2,530,018	2,744,910	233,250	323,176	556,426
1.1.3 Receivables from Money Markets		2,029,424	-	2,029,424	42,500	-	42,500
1.1.4 Expected Credit Losses (-)		71	-	71	56	-	56
<b>1.2 Financial Assets at Fair Value Through Profit or Loss</b>	<b>I-b</b>	<b>87,335</b>	<b>78,104</b>	<b>165,439</b>	<b>16,198</b>	<b>118,796</b>	<b>134,994</b>
1.2.1 Public Debt Securities		4,063	4,177	8,240	599	1,789	2,388
1.2.2 Equity Instruments		-	-	-	-	-	-
1.2.3 Other Financial Assets		83,272	73,927	157,199	15,599	117,007	132,606
<b>1.3 Financial Assets at Fair Value Through Other Comprehensive Income</b>	<b>I-d</b>	<b>1,124,642</b>	<b>216,073</b>	<b>1,340,715</b>	<b>573,771</b>	<b>110,379</b>	<b>684,150</b>
1.3.1 Public Debt Securities		1,116,968	193,564	1,310,532	566,097	93,408	659,505
1.3.2 Equity Instruments		7,674	22,509	30,183	7,674	16,971	24,645
1.3.3 Other Financial Assets		-	-	-	-	-	-
<b>1.4 Derivative Financial Assets</b>	<b>I-l</b>	<b>1,163,326</b>	<b>1,835,149</b>	<b>2,998,475</b>	<b>2,666,512</b>	<b>187,508</b>	<b>2,854,020</b>
1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss		221,440	129,562	351,002	1,097,495	62,808	1,160,303
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income		941,886	1,705,587	2,647,473	1,569,017	124,700	1,693,717
<b>II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)</b>		<b>20,483,133</b>	<b>18,277,345</b>	<b>38,760,478</b>	<b>12,574,054</b>	<b>16,219,020</b>	<b>28,793,074</b>
<b>2.1 Loans</b>	<b>I-e-f</b>	<b>18,622,551</b>	<b>14,694,947</b>	<b>33,317,498</b>	<b>12,442,675</b>	<b>13,656,299</b>	<b>26,098,974</b>
<b>2.2 Receivables from Leasing Transactions</b>	<b>I-k</b>	<b>1,520,791</b>	<b>3,091,333</b>	<b>4,612,124</b>	<b>1,100,363</b>	<b>2,965,523</b>	<b>4,065,886</b>
<b>2.3 Factoring Receivables</b>	<b>I-e-f</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2.4 Other Financial Assets Measured at Amortized Cost</b>	<b>I-g</b>	<b>1,694,480</b>	<b>1,557,807</b>	<b>3,252,287</b>	<b>-</b>	<b>1,023,468</b>	<b>1,023,468</b>
2.4.1 Public Debt Securities		1,694,480	1,557,807	3,252,287	-	1,023,468	1,023,468
2.4.2 Other Financial Assets		-	-	-	-	-	-
<b>2.5 Expected Credit Losses (-)</b>	<b>I-e-f</b>	<b>1,354,689</b>	<b>1,066,742</b>	<b>2,421,431</b>	<b>968,984</b>	<b>1,426,270</b>	<b>2,395,254</b>
<b>III. NON-CURRENTS ASSETS OR DISPOSAL GROUPS HELD FOR SALE AND FROM DISCONTINUED OPERATIONS (Net)</b>	<b>I-o</b>	<b>959,063</b>	<b>-</b>	<b>959,063</b>	<b>1,039,012</b>	<b>-</b>	<b>1,039,012</b>
3.1 Held for Sale		959,063	-	959,063	1,039,012	-	1,039,012
3.2 Held from Discontinued Operations		-	-	-	-	-	-
<b>IV. INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>4.1 Investments in Associates (Net)</b>	<b>I-h</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.1.1 Associates Accounted by Using Equity Method		-	-	-	-	-	-
4.1.2 Non-consolidated Associates		-	-	-	-	-	-
<b>4.2 Investments in Subsidiaries (Net)</b>	<b>I-i</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.2.1 Non-Consolidated Financial Subsidiaries		-	-	-	-	-	-
4.2.2 Non-Consolidated Non-Financial Subsidiaries		-	-	-	-	-	-
<b>4.3 Jointly Controlled Partnerships (Joint Ventures) (Net)</b>	<b>I-j</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.3.1 Jointly Controlled Partnerships Accounted by Using Equity Method		-	-	-	-	-	-
4.3.2 Non-Consolidated Jointly Controlled Partnerships		-	-	-	-	-	-
<b>V. TANGIBLE ASSETS (Net)</b>		<b>1,340,377</b>	<b>-</b>	<b>1,340,377</b>	<b>815,278</b>	<b>-</b>	<b>815,278</b>
<b>VI. INTANGIBLE ASSETS (Net)</b>		<b>58,276</b>	<b>-</b>	<b>58,276</b>	<b>53,411</b>	<b>-</b>	<b>53,411</b>
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		58,276	-	58,276	53,411	-	53,411
<b>VII. INVESTMENT PROPERTIES (Net)</b>	<b>I-m</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VIII. CURRENT TAX ASSETS</b>		<b>19,204</b>	<b>-</b>	<b>19,204</b>	<b>3,181</b>	<b>-</b>	<b>3,181</b>
<b>IX. DEFERRED TAX ASSETS</b>	<b>I-n</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,416</b>	<b>-</b>	<b>24,416</b>
<b>X. OTHER ASSETS (Net)</b>	<b>I-p</b>	<b>691,604</b>	<b>92,624</b>	<b>784,228</b>	<b>539,405</b>	<b>40,119</b>	<b>579,524</b>
<b>TOTAL ASSETS</b>		<b>29,252,836</b>	<b>30,154,678</b>	<b>59,407,514</b>	<b>19,032,650</b>	<b>22,939,131</b>	<b>41,971,781</b>

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

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

**BURGAN BANK A.Ş.**  
**CONSOLIDATED BALANCE SHEETS (STATEMENTS OF FINANCIAL POSITION)**  
**AS OF 30 SEPTEMBER 2022 AND 31 DECEMBER 2021**

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

I. BALANCE SHEET	Note (Section Five)	Reviewed 30/09/2022			Audited 31/12/2021		
		TL	FC	Total	TL	FC	Total
<b>LIABILITIES</b>							
<b>I. DEPOSITS</b>	<b>II-a</b>	<b>17,434,816</b>	<b>18,273,401</b>	<b>35,708,217</b>	<b>6,077,888</b>	<b>18,285,287</b>	<b>24,363,175</b>
<b>II. LOANS RECEIVED</b>	<b>II-c</b>	<b>388,984</b>	<b>7,371,588</b>	<b>7,760,572</b>	<b>182,243</b>	<b>8,087,012</b>	<b>8,269,255</b>
<b>III. MONEY MARKET FUNDS</b>		<b>1,288,979</b>	<b>271,754</b>	<b>1,560,733</b>	<b>62,155</b>	<b>210,613</b>	<b>272,768</b>
<b>IV. MARKETABLE SECURITIES (Net)</b>	<b>II-d</b>	<b>74,493</b>	-	<b>74,493</b>	-	-	-
4.1 Bills		74,493	-	74,493	-	-	-
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	-	-	-	-	-
<b>V. FUNDS</b>		-	-	-	-	-	-
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
<b>VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>	<b>II-b</b>	-	-	-	-	-	-
<b>VII. DERIVATIVE FINANCIAL LIABILITIES</b>	<b>II-g</b>	<b>444,002</b>	<b>105,952</b>	<b>549,954</b>	<b>516,741</b>	<b>71,046</b>	<b>587,787</b>
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		315,875	96,376	412,251	429,359	40,318	469,677
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		128,127	9,576	137,703	87,382	30,728	118,110
<b>VIII. FACTORING PAYABLES</b>		-	-	-	-	-	-
<b>IX. LEASE PAYABLES (Net)</b>	<b>II-f</b>	<b>82,556</b>	-	<b>82,556</b>	<b>76,060</b>	-	<b>76,060</b>
<b>X. PROVISIONS</b>	<b>II-h</b>	<b>132,272</b>	<b>268,699</b>	<b>400,971</b>	<b>93,583</b>	<b>161,447</b>	<b>255,030</b>
10.1 Provision for Restructuring		-	-	-	-	-	-
10.2 Reserves for Employee Benefits		113,182	-	113,182	77,483	-	77,483
10.3 Insurance Technical Reserves (Net)		-	-	-	-	-	-
10.4 Other Provisions		19,090	268,699	287,789	16,100	161,447	177,547
<b>XI. CURRENT TAX LIABILITIES</b>	<b>II-i</b>	<b>240,676</b>	-	<b>240,676</b>	<b>60,533</b>	-	<b>60,533</b>
<b>XII. DEFERRED TAX LIABILITIES</b>	<b>II-i</b>	<b>145,528</b>	-	<b>145,528</b>	<b>13,440</b>	-	<b>13,440</b>
<b>XIII. LIABILITIES RELATED TO NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)</b>	<b>II-j</b>	-	-	-	-	-	-
13.1 Held for Sale		-	-	-	-	-	-
13.2 Related to Discontinued Operations		-	-	-	-	-	-
<b>XIV. SUBORDINATED DEBT</b>	<b>II-k</b>	-	<b>3,729,079</b>	<b>3,729,079</b>	-	<b>3,347,213</b>	<b>3,347,213</b>
14.1 Loans		-	3,729,079	3,729,079	-	3,347,213	3,347,213
14.2 Other Debt Instruments		-	-	-	-	-	-
<b>XV. OTHER LIABILITIES</b>	<b>II-e</b>	<b>1,215,472</b>	<b>3,074,090</b>	<b>4,289,562</b>	<b>551,187</b>	<b>1,700,924</b>	<b>2,252,111</b>
<b>XVI. SHAREHOLDERS' EQUITY</b>	<b>II-l</b>	<b>4,292,662</b>	<b>572,511</b>	<b>4,865,173</b>	<b>2,464,139</b>	<b>10,270</b>	<b>2,474,409</b>
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 Profit		-	-	-	-	-	-
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		168,798	572,511	741,309	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		1,021,493	-	1,021,493	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		1,005,785	-	1,005,785	304,815	-	304,815
16.7 Minority Shares		-	-	-	-	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>25,740,440</b>	<b>33,667,074</b>	<b>59,407,514</b>	<b>10,097,969</b>	<b>31,873,812</b>	<b>41,971,781</b>

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

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

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

II. OFF-BALANCE SHEET	Note (Section Five)	Reviewed 30/09/2022			Audited 31/12/2021		
		TL	FC	Total	TL	FC	Total
<b>A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)</b>		<b>27,491,986</b>	<b>72,551,739</b>	<b>100,043,725</b>	<b>13,597,786</b>	<b>53,743,963</b>	<b>67,341,749</b>
<b>I. GUARANTEES AND WARRANTIES</b>	<b>III-a-2-3</b>	<b>3,820,258</b>	<b>5,057,055</b>	<b>8,877,313</b>	<b>1,664,992</b>	<b>5,381,558</b>	<b>7,046,550</b>
1.1. Letters of Guarantee		3,241,458	1,728,567	4,970,025	1,592,992	1,495,196	3,088,188
1.1.1. Guarantees Subject to State Tender Law		10,600	781	11,381	13,542	562	14,104
1.1.2. Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3. Other Letters of Guarantee		3,230,858	1,727,786	4,958,644	1,579,450	1,494,634	3,074,084
1.2. Bank Loans		-	11,343	11,343	-	209,466	209,466
1.2.1. Import Letter of Acceptance		-	11,343	11,343	-	209,466	209,466
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letters of Credit		-	2,587,790	2,587,790	-	2,515,966	2,515,966
1.3.1. Documentary Letters of Credit		-	2,587,790	2,587,790	-	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		578,800	729,355	1,308,155	72,000	1,160,930	1,232,930
1.9. Other Collaterals		-	-	-	-	-	-
<b>II. COMMITMENTS</b>	<b>III-a-1</b>	<b>1,269,323</b>	<b>6,158,508</b>	<b>7,427,831</b>	<b>1,243,073</b>	<b>1,127,229</b>	<b>2,370,302</b>
2.1. Irrevocable Commitments		1,269,323	6,158,508	7,427,831	1,243,073	1,127,229	2,370,302
2.1.1. Asset Purchase and Sales Commitments		871,899	5,614,323	6,486,222	785,280	1,127,229	1,912,509
2.1.2. Deposit Purchase and Sales Commitments		-	544,185	544,185	-	-	-
2.1.3. Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4. Commitments for Loan Limits		213,941	-	213,941	295,348	-	295,348
2.1.5. Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6. Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7. Commitments for Cheques		100,731	-	100,731	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		82,752	-	82,752	80,701	-	80,701
2.2. Revocable Commitments		-	-	-	-	-	-
2.2.1. Revocable Commitments for Loan Limits		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>		<b>22,402,405</b>	<b>61,336,176</b>	<b>83,738,581</b>	<b>10,689,721</b>	<b>47,235,176</b>	<b>57,924,897</b>
3.1. Hedging Derivative Financial Instruments		3,207,042	25,155,849	28,362,891	2,088,375	15,177,059	17,265,434
3.1.1. Transactions for Fair Value Hedge		-	-	-	-	-	-
3.1.2. Transactions for Cash Flow Hedge		3,207,042	25,155,849	28,362,891	2,088,375	15,177,059	17,265,434
3.1.3. Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2. Trading Derivative Financial Instruments		19,195,363	36,180,327	55,375,690	8,601,346	32,058,117	40,659,463
3.2.1. Forward Foreign Currency Buy/Sell Transactions		601,166	926,304	1,527,470	48,381	448,470	496,851
3.2.1.1. Forward Foreign Currency Transactions-Buy		596,613	165,958	762,571	43,169	201,015	244,184
3.2.1.2. Forward Foreign Currency Transactions-Sell		4,553	760,346	764,899	5,212	247,455	252,667
3.2.2. Swap Transactions Related to Foreign Currency and Interest Rates		9,267,356	24,091,634	33,358,990	7,754,676	28,879,115	36,633,791
3.2.2.1. Foreign Currency Swap-Buy		1,950,468	12,509,811	14,460,279	543,994	14,059,378	14,603,372
3.2.2.2. Foreign Currency Swap-Sell		6,816,888	7,749,553	14,566,441	7,000,682	7,033,817	14,034,499
3.2.2.3. Interest Rate Swap-Buy		250,000	1,916,135	2,166,135	100,000	3,892,960	3,997,960
3.2.2.4. Interest Rate Swap-Sell		250,000	1,916,135	2,166,135	100,000	3,892,960	3,997,960
3.2.3. Foreign Currency, Interest rate and Securities Options		8,139,650	10,042,007	18,181,657	648,267	2,602,574	3,250,841
3.2.3.1. Foreign Currency Options-Buy		7,144,837	2,015,975	9,160,812	545,677	960,786	1,506,463
3.2.3.2. Foreign Currency Options-Sell		994,813	8,026,032	9,020,845	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		1,187,191	1,120,382	2,307,573	150,022	127,958	277,980
3.2.4.1. Foreign Currency Futures-Buy		971,745	203,706	1,175,451	111,427	39,987	151,414
3.2.4.2. Foreign Currency Futures-Sell		215,446	916,676	1,132,122	38,595	87,971	126,566
3.2.5. Interest Rate Futures		-	-	-	-	-	-
3.2.5.1. Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2. Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6. Other		-	-	-	-	-	-
<b>B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>		<b>167,171,186</b>	<b>425,229,626</b>	<b>592,400,812</b>	<b>114,324,622</b>	<b>250,367,076</b>	<b>364,691,698</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>7,557,203</b>	<b>6,479,272</b>	<b>14,036,475</b>	<b>4,160,091</b>	<b>4,302,006</b>	<b>8,462,097</b>
4.1. Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2. Investment Securities Held in Custody		4,420,626	6,076,849	10,497,475	1,948,822	2,878,374	4,827,196
4.3. Cheques Received for Collection		2,483,015	100,323	2,583,338	1,937,439	253,096	2,190,535
4.4. Commercial Notes Received for Collection		15,080	15,831	30,911	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		638,482	286,269	924,751	253,376	1,156,829	1,410,205
4.8. Custodians		-	-	-	-	-	-
<b>V. PLEDGES RECEIVED</b>		<b>159,393,807</b>	<b>418,748,857</b>	<b>578,142,664</b>	<b>109,944,355</b>	<b>246,065,070</b>	<b>356,009,425</b>
5.1. Marketable Securities		786,676	786,676	786,676	171,003	171,003	171,003
5.2. Guarantee Notes		24,435,018	49,561,410	73,996,428	22,484,916	39,594,685	62,079,601
5.3. Commodity		4,504,289	6,339,168	10,843,457	3,718,689	4,914,930	8,633,619
5.4. Warranty		-	-	-	-	-	-
5.5. Immovable		116,550,156	213,479,076	330,029,232	73,481,708	87,762,595	161,244,303
5.6. Other Pledged Items		13,117,668	149,369,203	162,486,871	10,088,039	113,792,860	123,880,899
5.7. Pledged Items-Depository		-	-	-	-	-	-
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>220,176</b>	<b>1,497</b>	<b>221,673</b>	<b>220,176</b>	<b>-</b>	<b>220,176</b>
<b>TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)</b>		<b>194,663,172</b>	<b>497,781,365</b>	<b>692,444,537</b>	<b>127,922,408</b>	<b>304,111,039</b>	<b>432,033,447</b>

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

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

**BURGAN BANK A.Ş.**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIODS ENDED  
30 SEPTEMBER 2022 AND 30 SEPTEMBER 2021**

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

III.	STATEMENT OF PROFIT OR LOSS		Reviewed	Reviewed	Reviewed	Reviewed
	INCOME AND EXPENSE ITEMS	Note (Section Five)	01/01/2022-30/09/2022	01/01/2021-30/09/2021	01/07/2022-30/09/2022	01/07/2021-30/09/2021
<b>I.</b>	<b>INTEREST INCOME</b>	<b>IV-a</b>	<b>4,531,490</b>	<b>1,894,487</b>	<b>1,974,817</b>	<b>678,106</b>
1.1	Interest Received from Loans		2,974,713	1,259,257	1,274,085	443,841
1.2	Interest Received from Reserve Deposits		11,002	27,250	51	10,905
1.3	Interest Received from Banks		40,472	46,830	19,606	21,310
1.4	Interest Received from Money Market Transactions		77,817	17,958	34,699	1,188
1.5	Interest Received from Marketable Securities Portfolio		417,776	63,166	201,117	23,042
1.5.1	Financial Assets at Fair Value Through Profit or Loss		3,040	1,573	802	236
1.5.2	Financial Assets at Fair Value Through Other Comprehensive Income		184,240	34,142	64,980	12,823
1.5.3	Financial Assets Measured at Amortized Cost		230,496	27,451	135,335	9,983
1.6	Finance Lease Interest Income		275,148	175,914	98,399	54,314
1.7	Other Interest Income	IV-k	734,562	304,112	346,860	123,506
<b>II.</b>	<b>INTEREST EXPENSES (-)</b>	<b>IV-b</b>	<b>3,260,956</b>	<b>1,426,245</b>	<b>1,378,834</b>	<b>515,066</b>
2.1	Interest on Deposits		1,708,922	771,326	808,951	281,000
2.2	Interest on Funds Borrowed		386,416	221,961	159,345	70,016
2.3	Interest on Money Market Transactions		73,827	2,331	41,907	555
2.4	Interest on Securities Issued		4,424	-	4,424	-
2.5	Finance Lease Interest Expenses		9,712	8,809	3,528	2,837
2.6	Other Interest Expenses	IV-k	1,077,655	421,818	360,679	160,658
<b>III.</b>	<b>NET INTEREST INCOME/EXPENSE (I - II)</b>		<b>1,270,534</b>	<b>468,242</b>	<b>595,983</b>	<b>163,040</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME/EXPENSES</b>		<b>106,775</b>	<b>31,750</b>	<b>69,749</b>	<b>13,451</b>
4.1	Fees and Commissions Received		148,285	48,186	86,995	17,058
4.1.1	Non-Cash Loans		32,531	27,528	12,387	9,531
4.1.2	Other	IV-k	115,754	20,658	74,608	7,527
4.2	Fees and Commissions Paid (-)		41,510	16,436	17,246	3,607
4.2.1	Non-Cash Loans (-)		1,170	473	647	420
4.2.2	Other (-)	IV-k	40,340	15,963	16,599	3,187
<b>V.</b>	<b>DIVIDEND INCOME</b>		<b>24</b>	<b>46</b>	<b>-</b>	<b>-</b>
<b>VI.</b>	<b>TRADING PROFIT/LOSS (Net)</b>	<b>IV-c</b>	<b>199,983</b>	<b>85,005</b>	<b>44,535</b>	<b>14,012</b>
6.1	Profit/Losses from Capital Market Transactions		99,965	25,230	64,551	8,272
6.2	Profit/Losses from Derivative Financial Transactions		(81,475)	183,405	(78,530)	59,212
6.3	Foreign Exchange Profit/Losses		181,493	(123,630)	58,514	(53,472)
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	<b>IV-d</b>	<b>377,096</b>	<b>195,511</b>	<b>134,536</b>	<b>55,792</b>
<b>VIII.</b>	<b>GROSS PROFIT FROM OPERATING ACTIVITIES (III+IV+V+VI+VII)</b>		<b>1,954,412</b>	<b>780,554</b>	<b>844,803</b>	<b>246,295</b>
<b>IX.</b>	<b>ALLOWANCES FOR EXPECTED CREDIT LOSSES (-)</b>	<b>IV-e</b>	<b>(225,514)</b>	<b>208,586</b>	<b>(140,472)</b>	<b>33,105</b>
<b>X.</b>	<b>OTHER PROVISION EXPENSES (-)</b>	<b>IV-e</b>	<b>58,697</b>	<b>-</b>	<b>55,744</b>	<b>-</b>
<b>XI.</b>	<b>PERSONNEL EXPENSES (-)</b>		<b>401,012</b>	<b>210,446</b>	<b>172,620</b>	<b>75,003</b>
<b>XII.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	<b>IV-f</b>	<b>360,261</b>	<b>210,039</b>	<b>141,656</b>	<b>73,157</b>
<b>XIII.</b>	<b>NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)</b>		<b>1,359,956</b>	<b>151,483</b>	<b>615,255</b>	<b>65,030</b>
<b>XIV.</b>	<b>SURPLUS WRITTEN AS GAIN AFTER MERGER</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XV.</b>	<b>PROFIT/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XVI.</b>	<b>NET MONETARY POSITION GAIN/LOSS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XVII.</b>	<b>PROFIT/LOSS BEFORE TAXES FROM CONTINUING OPERATIONS (XIII+...+XVI)</b>	<b>IV-g</b>	<b>1,359,956</b>	<b>151,483</b>	<b>615,255</b>	<b>65,030</b>
<b>XVIII.</b>	<b>PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)</b>	<b>IV-h</b>	<b>(354,171)</b>	<b>(29,831)</b>	<b>(170,328)</b>	<b>(19,277)</b>
18.1	Current Tax Provision		395,197	3,765	161,764	1,420
18.2	Expense Effect of Deferred Tax (+)		239,566	122,387	17,425	8,400
18.3	Income Effect of deferred tax (-)		280,592	96,321	8,861	(9,457)
<b>XIX.</b>	<b>NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)</b>	<b>IV-i</b>	<b>1,005,785</b>	<b>121,652</b>	<b>444,927</b>	<b>45,753</b>
<b>XX.</b>	<b>INCOME FROM DISCONTINUED OPERATIONS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
20.1	Income from Assets Held For Sale		-	-	-	-
20.2	Profit from Sale of Associates, Subsidiaries and Joint Ventures		-	-	-	-
20.3	Other Income from Discontinued Operations		-	-	-	-
<b>XXI.</b>	<b>EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
21.1	Expenses on Assets Held For Sale		-	-	-	-
21.2	Losses from Sale of Associates, Subsidiaries and Joint Ventures		-	-	-	-
21.3	Other Expenses from Discontinued Operations		-	-	-	-
<b>XXII.</b>	<b>PROFIT/LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (XX-XXI)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XXIII.</b>	<b>TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
23.1	Current Tax Provision		-	-	-	-
23.2	Expense Effect of Deferred Tax (+)		-	-	-	-
23.3	Income Effect of Deferred Tax (-)		-	-	-	-
<b>XXIV.</b>	<b>NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XXV.</b>	<b>NET PROFIT/LOSS (XIX+XXIV)</b>	<b>IV-j</b>	<b>1,005,785</b>	<b>121,652</b>	<b>444,927</b>	<b>45,753</b>
25.1	Group's Profit / Loss		1,005,785	121,652	444,927	45,753
25.2	Minority Shares' Profit / Loss (-)		-	-	-	-
	Profit / Loss per Share (1.000 nominal in TL full)		4,501	0,686	1,991	0,258

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

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

**BURGAN BANK A.Ş.  
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE  
INCOME FOR THE PERIODS ENDED 30 SEPTEMBER 2022 AND 30 SEPTEMBER 2021**

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

<b>IV. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>	<b>Reviewed 01/01/2022- 30/09/2022</b>	<b>Reviewed 01/01/2021- 30/09/2021</b>
<b>I. CURRENT PERIOD PROFIT/LOSS</b>	<b>1,005,785</b>	<b>121,652</b>
<b>II. OTHER COMPREHENSIVE INCOME</b>	<b>607,553</b>	<b>46,638</b>
<b>2.1 Items that Will not be Reclassified to Profit or Loss</b>	<b>(439)</b>	<b>-</b>
2.1.1 Increases/Decreases in Revaluation of Tangible Assets	-	-
2.1.2 Increases/Decreases in Revaluation Differences of Intangible Assets	-	-
2.1.3 Defined Benefit Plans Re-Measurement Gains/Loss	-	-
2.1.4 Other Comprehensive Income not to be Reclassified as Other Profit or Loss	-	-
2.1.5 Other Comprehensive Income not to be Reclassified to Profit or Loss	(439)	-
<b>2.2 Items that will be Reclassified to Profit or Loss</b>	<b>607,992</b>	<b>46,638</b>
2.2.1 Foreign Currency Translation Differences	-	-
2.2.2 Income/Expenses on Valuation and/or Reclassification Arising from Financial Assets at Fair Value Through Other Comprehensive Income	89,939	(9,733)
2.2.3 Income/Expenses Arising on Cash Flow Hedges	730,852	68,413
2.2.4 Income/Expenses Arising on Net Investment Hedges	-	-
2.2.5 Other Comprehensive Income to be Reclassified as Other Profit or Loss	-	-
2.2.6 Taxes Related to Other Comprehensive Income that will be Reclassified to Profit or Loss	(212,799)	(12,042)
<b>III. TOTAL COMPREHENSIVE INCOME (I+II)</b>	<b>1,613,338</b>	<b>168,290</b>

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

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

**BURGAN BANK A.Ş.**

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY						Other Comprehensive Income or Expenses not to be Reclassified to Profit or Loss			Other Comprehensive Income or Expenses to be Reclassified to Profit or Loss								
						1	2	3	4	5	6	Profit Reserves	Prior Period Profit / (Loss)	Current Period Net Income or Loss	Total Shareholders' Equity Except from Minority Interest	Minority Interest	Total Shareholders' Equity
Reviewed CURRENT PERIOD 30.09.2022	Note (Section Five)	Paid-in Capital	Share Premium	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	-	2,474,409
II. Corrections according to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Corrections of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Amendments in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New Balance (I+II)		1,890,000	-	-	(2,532)	34,176	(9,954)	-	-	(52,206)	185,523	124,587	304,815	-	2,474,409	-	2,474,409
IV. Total Comprehensive Income		-	-	-	-	(948)	509	-	-	70,717	537,275	-	-	1,005,785	1,613,338	-	1,613,338
V. Capital Increase in Cash		765,500	-	-	-	-	-	-	-	-	-	-	-	-	765,500	-	765,500
VI. Capital Increase in Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Paid-in Capital Inflation Adjustment Difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt Instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase/Decrease Due to Other Changes		-	-	-	(3,782)	-	-	-	-	-	-	-	15,708	-	11,926	-	11,926
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	304,815	(304,815)	-	-	-	-
11.1 Dividend Distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	304,815	(304,815)	-	-	-	-
11.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Period End Balance (III+IV+.....+X+XI)</b>		<b>2,655,500</b>	<b>-</b>	<b>-</b>	<b>(6,314)</b>	<b>33,228</b>	<b>(9,445)</b>	<b>-</b>	<b>-</b>	<b>18,511</b>	<b>722,798</b>	<b>429,402</b>	<b>15,708</b>	<b>1,005,785</b>	<b>4,865,173</b>	<b>-</b>	<b>4,865,173</b>

1. Tangible assets revaluations increases/decreases,
2. Accumulated re-measurement gains/losses of defined benefit plans,
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 CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2021**

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY						Other Comprehensive Income or Expenses not to be Reclassified to Profit or Loss			Other Comprehensive Income or Expenses to be Reclassified to Profit or Loss								
						1	2	3	4	5	6	Profit Reserves	Prior Period Profit / (Loss)	Current Period Net Income or Loss	Total Shareholders' Equity Except from Minority Interest	Minority Interest	Total Shareholders' Equity
Reviewed PRIOR PERIOD 30.09.2021	Note (Section Five)	Paid-in Capital	Share Premium	Share Cancellation Profit	Other Capital Reserves												
I. Prior Period End Balance	II-1	1,535,000	-	-	(736)	23,452	(5,496)	-	-	3,592	(10,237)	398,179	(273,697)	-	1,670,057	-	1,670,057
II. Corrections according to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Corrections of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Amendments in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New Balance (I+II)		1,535,000	-	-	(736)	23,452	(5,496)	-	-	3,592	(10,237)	398,179	(273,697)	-	1,670,057	-	1,670,057
IV. Total Comprehensive Income		-	-	-	-	-	-	-	-	(7,786)	54,424	-	-	121,652	168,290	-	168,290
V. Capital Increase in Cash		355,000	-	-	-	-	-	-	-	-	-	-	-	-	355,000	-	355,000
VI. Capital Increase in Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Paid-in Capital Inflation Adjustment Difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt Instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase/Decrease Due to Other Changes		-	-	-	(1,796)	-	-	-	-	-	-	-	-	-	(1,796)	-	(1,796)
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	(273,697)	273,697	-	-	-	-
11.1 Dividend Distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	(273,697)	273,697	-	-	-	-
11.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Period End Balance (III+IV+.....+X+XI)</b>		<b>1,890,000</b>	<b>-</b>	<b>-</b>	<b>(2,532)</b>	<b>23,452</b>	<b>(5,496)</b>	<b>-</b>	<b>-</b>	<b>(4,194)</b>	<b>44,187</b>	<b>124,482</b>	<b>-</b>	<b>121,652</b>	<b>2,191,551</b>	<b>-</b>	<b>2,191,551</b>

1. Tangible assets revaluations increases/decreases,
2. Accumulated re-measurement gains/losses of defined benefit plans,
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 CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH)**

**BURGAN BANK A.Ş.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**AS OF 30 SEPTEMBER 2022 AND 30 SEPTEMBER 2021**

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

VI. STATEMENT OF CASH FLOWS	Reviewed 30/09/2022	Reviewed 30/09/2021
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>		
<b>1.1 Operating Profit Before Changes in Operating Assets and Liabilities</b>	<b>1,220,073</b>	<b>631,022</b>
1.1.1 Interest Received	4,037,560	1,873,131
1.1.2 Interest Paid	(3,011,379)	(1,456,531)
1.1.3 Dividend Received	24	46
1.1.4 Fees and Commissions Received	119,364	37,479
1.1.5 Other Income	-	-
1.1.6 Collections from Previously Written-off Loans and Other Receivables	370,393	309,077
1.1.7 Payments to Personnel and Service Suppliers	(401,012)	(210,446)
1.1.8 Taxes Paid	(27,218)	(16,958)
1.1.9 Other	132,341	95,224
<b>1.2 Changes in Operating Assets and Liabilities</b>	<b>4,549,892</b>	<b>(822,621)</b>
1.2.1 Net (Increase) Decrease in Financial Assets at Fair Value Through Profit or Loss	(29,370)	46,226
1.2.2 Net (Increase) Decrease in Due from Banks and Other Financial Institutions	(1,071,163)	(1,790,944)
1.2.3 Net (Increase) Decrease in Loans	(6,939,095)	(1,568,529)
1.2.4 Net (Increase) Decrease in Other Assets	(2,188,718)	(795,306)
1.2.5 Net Increase (Decrease) in Bank Deposits	(158,355)	(39,875)
1.2.6 Net Increase (Decrease) in Other Deposits	11,502,274	4,618,844
1.2.7 Net Increase (Decrease) in Financial Liabilities at Fair Value Through Profit or Loss	(206,835)	40,757
1.2.8 Net Increase (Decrease) in Funds Borrowed	(168,436)	(1,261,348)
1.2.9 Net Increase (Decrease) in Overdue Payables	-	-
1.2.10 Net Increase (Decrease) in Other Liabilities	3,809,590	(72,446)
<b>I. Net Cash Flow Provided from Banking Operations</b>	<b>5,769,965</b>	<b>(191,599)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>II. Net Cash Provided from Investing Activities</b>	<b>(1,878,849)</b>	<b>68,013</b>
2.1 Cash Paid for Acquisition of Investments, Associates and Subsidiaries	-	-
2.2 Cash Obtained from Disposal of Investments, Associates and Subsidiaries	-	-
2.3 Purchases of Property and Equipment	-	(8,229)
2.4 Disposals of Property and Equipment	442,399	265,619
2.5 Cash Paid for Purchase of Financial Assets at Fair Value Through Other Comprehensive Income	(1,427,939)	(440,311)
2.6 Cash Obtained from Sale of Financial Assets at Fair Value Through Other Comprehensive Income	875,472	314,339
2.7 Cash Paid for Purchase of Financial Assets at Amortised Cost	(2,072,663)	(228,699)
2.8 Cash Obtained from Sale of Financial Assets at Amortised Cost	303,882	165,294
2.9 Other	-	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>III. Net Cash Provided from Financing Activities</b>	<b>811,030</b>	<b>332,902</b>
3.1 Cash Obtained from Funds Borrowed and Securities Issued	74,493	-
3.2 Cash Outflow from Repayment of Funds Borrowed and Securities Issued	-	-
3.3 Issued Capital Instruments	765,500	355,000
3.4 Dividends Paid	-	-
3.5 Payments for Finance Leases	(28,963)	(22,098)
3.6 Other	-	-
<b>IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>	<b>227,027</b>	<b>116,082</b>
<b>V. Net Increase / (Decrease) in Cash and Cash Equivalents (I+II+III+IV)</b>	<b>4,929,173</b>	<b>325,398</b>
<b>VI. Cash and Cash Equivalents at the Beginning of the Period</b>	<b>3,410,629</b>	<b>2,157,969</b>
<b>VII. Cash and Cash Equivalents at the End of the Period</b>	<b>8,339,802</b>	<b>2,483,367</b>

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

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

**BURGAN BANK A.Ş.**

**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 SEPTEMBER 2022**

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

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**SECTION THREE**

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

**I. BASIS OF PRESENTATION:**

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

The consolidated financial statements are prepared within the scope of the “Regulation on Accounting Applications for Banks and Safeguarding of Documents” related with Banking Act numbered 5411 published in the Official Gazette no.26333 dated 1 November 2006 and in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency (“BRSA”), and in case where a specific regulation is not made by BRSA, “Turkish Accounting Standards” (“TAS”) and “Turkish Financial Reporting Standards” (“TFRS”) and related appendices and interpretations (all “Turkish Accounting Standards” or “TMS”) 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 consolidated financial statements expressed in TL, were prepared with the cost-based method and were subject to inflation adjustments until 31 December 2004, except for financial assets, liabilities and buildings which were carried at fair value. The amounts in the consolidated financial statements and notes related to these financial statements have been expressed in thousands of Turkish Lira, unless otherwise stated. The preparation of consolidated financial statements in conformity with TAS requires the use of certain critical accounting estimates by the Parent Bank management to exercise its judgment on the assets and liabilities of the balance sheet and contingent issues as of the balance sheet date. These estimates, which include the fair value calculations of financial instruments and impairments of financial assets are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement. Assumptions and estimates that are used in the preparation of the accompanying financial statements are explained in the following related disclosures.

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 consolidated financial statements in accordance with TAS 29.

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

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

Coronavirus epidemic, 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.

In the consolidated financial statements prepared as of 30 September 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 cannot be reasonably estimated.

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

None.

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

None.

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

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

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

As of 30 September 2022, foreign currency denominated balances are translated into TL using the exchange rates of TL 18.5187 and TL 18.1395 for USD and EURO, respectively.

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

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

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

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

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

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

The carrying amount of the Group’s investment in each subsidiary and the Group’s portion of the cost value of the capital of each subsidiary are eliminated. Intergroup balances and intergroup transactions and resulting unrealized profit and losses are eliminated. Minority interests are presented in the consolidated balance sheet, under shareholder’s equity. Minority interests are presented separately in the Group’s income.

The Group has no joint ventures as of 30 September 2022 and 31 December 2021.

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

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

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

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

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

As of 30 September 2022, The Group applies cash flow hedge accounting through cross and interest currency swaps to protect against changes in interest rates of FC deposits which have average maturities of up to 3 months. The Group implements effectiveness tests at the balance sheet dates for hedge accounting, the effective parts are accounted as defined in TAS 39, on the financial statements under equity “Accumulated other comprehensive income or expense to be reclassified through profit or loss”, whereas the amount concerning ineffective parts is associated with the income statement.

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

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

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

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

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

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

**VII. EXPLANATIONS ON FINANCIAL ASSETS:**

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

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

**a. Financial assets at fair value through profit/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/loss are initially recognized at fair value and remeasured at their fair value after recognition. The gains and losses arising from the conducted valuations are included in profit/loss accounts.

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

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

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

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

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

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



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

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

**d. Loans:**

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

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

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

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

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

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

While preparing its financial statements as of 30 September 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 Group generates ratings for the corporate and commercial customers via internal rating system and the 12-month or lifetime probability of defaults are estimated based on these ratings. Macroeconomic expectations are taken into account when carrying out these expectations and the weighted average of the probabilities of default calculated from three different scenarios are considered as the final probability of default.

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

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

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

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

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

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

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

*Stage 1:*

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

*Stage 2:*

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

*Stage 3:*

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

The Group carries out its determination regarding the significant increase in credit risk by taking into consideration of the following 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 Group also provides additional provisions through individual assessment.

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

**IX. EXPLANATIONS ON OFFSETTING FINANCIAL ASSETS:**

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

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

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

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

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

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

The Group has no discontinued operations.

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

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

**a. Goodwill:**

As of 30 September 2022, the Group has no goodwill (31 December 2021: None).

**b. Other intangible assets:**

Intangible assets are measured at cost on initial recognition and any directly attributable costs of setting the asset to work for its intended use are included in the initial measurement. Subsequently, intangible assets are carried at 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 amortization method. The useful life of the asset is determined by assessing the expected useful life of the asset, technical, technological and other kinds of obsolescence and all required maintenance expenses necessary to utilize the economic benefit of the asset and differs from 3 years to 15 years.

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

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

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

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

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

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

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

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

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

**XIV. EXPLANATIONS ON LEASING TRANSACTIONS:**

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

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

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

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

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

**IFRS 16 “Leases” Standard**

**The Group – lessee:**

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

**Right-of-use asset:**

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

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

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

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

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

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

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

**Lease obligation:**

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

The lease payments included in the measurement of the lease liability 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 Group measures the leasing liability as follows:

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

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

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

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

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

**XVI. EXPLANATIONS ON CONTINGENT ASSETS:**

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

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#### EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD (continued):

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

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

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

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

#### XVIII. EXPLANATIONS ON TAXATION:

##### a. Current Tax:

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

In accordance with the Temporary Article 10 and Article 32 paragraph 1 added to the Corporate Tax Law at 5 December 2017, the Corporate Tax rate which was 20% applied as 22% for corporate earnings for the taxation periods of 2018, 2019 and 2020. In addition, as per the Article 11 of the Law No. 7316 on the Certain Amendments on the Law on the Collection of the Public Receivables and Certain Laws and as per the temporary Article 13 of the "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 September 2022.



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

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

**a. Current Tax (continued):**

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

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

75% portion of the capital gains derived from the sale of equity investments and immovable properties before 5 December 2017, the 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 5 years. Losses cannot be carried back to offset profit from previous periods.

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

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

**b. Deferred Tax:**

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

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

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).

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

**XIX. EXPLANATIONS ON BORROWINGS:**

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

Financial liabilities and derivative transactions are valued with their fair values and other financial liabilities are carried at “amortized cost” using the effective interest method in the following periods.

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

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

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

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

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

**XXII. EXPLANATIONS ON GOVERNMENT GRANTS:**

As of 30 September 2022, the Group does not have any government incentives or grants (31 December 2021: Pursuant to Law No. 5746 on Supporting Research and Development Activities, there is an incentive of TL 6,500 received from TÜBİTAK until the balance sheet date).

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

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

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

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

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

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

	<b>30 September 2022</b>	<b>30 September 2021</b>
Net Profit/(Loss) to be Appropriated to Ordinary Shareholders	1.005.785	121.652
Weighted Average Number of Issued Ordinary Shares (Thousand)	223.446.508	177.426.740
<b>Earnings Per Ordinary Shares (Disclosed as 1,000 nominal in full TL)</b>	<b>4,501</b>	<b>0,686</b>

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

In Turkey, companies can increase their share capital by making a pro-rata distribution of "Bonus shares" to existing shareholders from retained earnings. 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, Group's senior management, and Board Members are deemed as related parties. Transactions regarding related parties are presented in Note V. of Section Five.

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

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

**XXVII. EXPLANATIONS ON SEGMENT REPORTING:**

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

**XXVIII. 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 GROUP ON A CONSOLIDATED BASIS**

**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 September 2022, Bank’s total capital has been calculated as TL 8,282,724 (31 December 2021: TL 5,974,815), consolidated standard capital adequacy ratio is 19.66% (31 December 2021: 20.88%).

As of 30 September 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 THE FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE GROUP ON A CONSOLIDATED BASIS (continued):**

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

**a. Information about total capital:**

	Current Period 30 September 2022	Amounts related to treatment before 1/1/2014 (*)	Prior Period 31 December 2021	Amounts related to treatment before 1/1/2014 (*)
<b>COMMON EQUITY TIER 1 CAPITAL</b>				
Paid-in capital following all debts in terms of claim in liquidation of the Bank	2,655,500		1,890,000	
Share issue premiums	-		-	
Legal reserves	423,088		122,055	
Gains recognized in equity as per TAS	804,442		258,775	
Profit	1,021,493		304,815	
Current Period Profit	1,005,785		304,815	
Prior Period Profit	15,708		-	
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	-		-	
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>4,904,523</b>		<b>2,575,645</b>	
<b>Deductions from Common Equity Tier 1 Capital</b>				
Common Equity as per the 1st clause of Provisional Article 9 of the Regulation on the Equity of Banks	-		-	
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	21,827		9,954	
Improvement costs for operating leasing	11,295		13,082	
Goodwill (net of related tax liability)	-		-	
Other intangibles other than mortgage-servicing rights (net of related tax liability)	58,220	58,220	53,782	53,782
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-		-	
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	722,798		185,523	
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-		-	
Gains arising from securitization transactions	-		-	
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-		-	
Defined-benefit pension fund net assets	-		-	
Direct and indirect investments of the Bank in its own Common Equity	-		-	
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-		-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-		-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-		-	
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-		-	
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-		-	
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-		-	
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-		-	
Excess amount arising from mortgage servicing rights	-		-	
Excess amount arising from deferred tax assets based on temporary differences	-		-	
Other items to be defined by the BRSA	-		-	
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-		-	
<b>Total Deductions from Common Equity Tier 1 Capital</b>	<b>814,140</b>		<b>262,341</b>	
<b>Total Common Equity Tier 1 Capital</b>	<b>4,090,383</b>		<b>2,313,304</b>	

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

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

	Current Period 30 September 2022	Amounts related to treatment before 1/1/2014 (*)	Prior Period 31 December 2021	Amounts related to treatment before 1/1/2014 (*)
<b>ADDITIONAL TIER I CAPITAL</b>				
Preferred Stock not Included in Common Equity and the Related Share Premiums				
Debt instruments and premiums approved by BRSA (*)	925,935		666,450	
Debt instruments and premiums approved by BRSA (Temporary Article 4)				
<b>Additional Tier I Capital before Deductions</b>	<b>925,935</b>		<b>666,450</b>	
<b>Deductions from Additional Tier I Capital</b>				
Direct and indirect investments of the Bank in its own Additional Tier I Capital				
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.				
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital				
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital				
Other items to be defined by the BRSA				
<b>Transition from the Core Capital to Continue to deduce Components</b>				
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)				
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)				
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)				
<b>Total Deductions from Additional Tier I Capital</b>				
<b>Total Additional Tier I Capital</b>	<b>925,935</b>		<b>666,450</b>	
<b>Total Tier I Capital (Tier I Capital=Common Equity + Additional Tier I Capital)</b>	<b>5,016,318</b>		<b>2,979,754</b>	
<b>TIER II CAPITAL</b>				
Debt instruments and share issue premiums deemed suitable by the BRSA	2,777,805		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)	489,888		330,887	
<b>Tier II Capital Before Deductions</b>	<b>3,267,693</b>		<b>2,996,687</b>	
<b>Deductions from Tier II Capital</b>				
Direct and indirect investments of the Bank on its own Tier II Capital (-)				
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	1,287		1,626	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)				
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank				
Other items to be defined by the BRSA (-)				
<b>Total Deductions from Tier II Capital</b>	<b>1,287</b>		<b>1,626</b>	
<b>Total Tier II Capital</b>	<b>3,266,406</b>		<b>2,995,061</b>	
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>8,282,724</b>		<b>5,974,815</b>	
<b>Deductions from Total Capital</b>				
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law				
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years				
Other items to be defined by the BRSA				
<b>In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components</b>				
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds				
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds				
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds				

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

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

	Current Period 30 September 2022	Amounts related to treatment before 1/1/2014 (*)	Prior Period 31 December 2021	Amounts related to treatment before 1/1/2014 (*)
<b>TOTAL EQUITY</b>				
Total Capital (Tier I and Tier II Capital)	8,282,724		5,974,815	
Total risk weighted amounts	42,125,174		28,616,684	
<b>CAPITAL ADEQUACY RATIOS</b>				
Core Capital Adequacy Ratio (%)	9,71		8,08	
Tier I Capital Adequacy Ratio (%)	11,91		10,41	
Capital Adequacy Ratio (%)	19,66		20,88	
<b>BUFFERS</b>				
Total additional Tier I Capital requirement (a + b + c)	2,509		2,512	
Capital conservation buffer requirement (%)	2,500		2,500	
b. Bank specific counter-cyclical buffer requirement (%)	0,009		0,012	
c. Systematically important bank buffer ratio (%)	-		-	
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets	5,21		3,58	
<b>Amounts below the Excess Limits as per the Deduction Principles</b>				
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-		-	
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-		-	
Amount arising from rights to provide mortgage service	-		-	
Amount arising from deferred tax assets based on temporary differences	491,822		634,681	
<b>Limits Related to Provisions Considered in Tier II Calculation</b>				
General provisions for standard based receivables (before ten thousand twenty-five limitation)	1,535,821		1,524,981	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	489,888		330,887	
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-		-	
Excess amount of total provision amount to 0,6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-		-	
<b>Debt instruments subjected to Article 4 (to be implemented between 1 January 2018 and 1 January 2022)</b>				
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-		-	
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-		-	
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-		-	
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-		-	

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

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

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

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

<b>Details on debt instruments that will be included in equity calculation:</b>		
Issuer – Loan grantor	Burgan Bank K.P.S.C.	Burgan Bank K.P.S.C.
Unique Identifier of the Debt Instrument	-	-
Governing Legislation of the Debt Instrument	BRSA	BRSA
Regulatory Treatment in Equity Calculation	Tier II Capital	Tier I Capital
Assessment whether it is subject to being taken into consideration as 10% decreased as of 1/1/2015	No	No
Validity status in a consolidated or unconsolidated basis or in a consolidated and unconsolidated basis	Unconsolidated - Consolidated	Unconsolidated - Consolidated
Instrument type	Subordinated Loan	Subordinated Loan
Amount recognized in equity calculation (As of most recent reporting date – Thousands TL)	2,777,805	925,935
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	Undated
Original maturity date of the debt instrument	10 Years	-
Whether the issuer has a right to call subject to BRSA approval	Yes	Yes
Optional call date, contingent call options and redemption amount	After 5th year	After 5th year
Subsequent call dates of call options	After 5th year	After 5th year
Coupon/dividend payments	3 Months	-
Fixed or floating dividend/coupon payments	Floating dividend	-
Coupon rate and any related index value	LIBOR+4.25	-
Existence of a restriction which can stop dividend payments	-	-
Being fully discretionary, partially discretionary or mandatory	-	-
Existence of an interest rate increase or other incentive to call	-	-
Being noncumulative or cumulative	Noncumulative	Noncumulative
Being convertible or non-convertible to stock	None	None
If convertible to a stock, conversion trigger(s)	-	-
If convertible to a stock, fully or partially	-	-
If convertible to a stock, conversion rate	-	-
If convertible to a stock, mandatory or optional conversion	-	-
If convertible to a stock, specify instrument type convertible into	-	-
If convertible to a stock, issuer of debt instrument it converts into	-	-
Value reduction feature	None	-
If it has a value reduction feature, write-down trigger(s)	-	If unsustainability occurs, a decrease in value can be realized.
If it has a value reduction feature, full or partial	-	Partially or completely depreciation can be realized.
If it has a value reduction feature, permanent or temporary	-	Constant
If temporary value reduction exists, description of value increase mechanism	-	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to this instrument)	Before debt instruments to be included in Additional Tier I capital calculation but after the deposit holders and all other creditors of the Debtor.	Before debt instruments to be included in Additional Tier I capital calculation but after the deposit holders and all other creditors 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 with in articles 7 and 8 of the Communiqué on Bank’s Equities	None.	None.



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

**II. EXPLANATIONS ON RISK MANAGEMENT :**

**a. Overview of Risk Weighted Amounts**

Notes and explanations in this section have been prepared in accordance with the Communiqué on Disclosures about Risk Management to Be Announced to Public by Banks that have been published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016. According to Communiqué have to be presented on a quarterly basis. Due to usage of standard approach for the calculation of capital adequacy by the Bank, the following tables have not been presented as of the date 30 September 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, it has been decided to apply a five hundred percent risk weight 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. In addition, some regulations have been introduced regarding the utilization of loan by companies subject to independent audit. In this context, if companies fail to notify the bank of their documents in accordance with the Board's decision or give information contrary to the statement, new cash commercial loans in TL should not be extended to the relevant companies and a 500% risk weight should be applied to all cash commercial loans within the scope of the aforementioned 30 June 2022 and beyond.

Within the framework of the “Regulation Amending the Regulation on the Measurement and Evaluation of Capital Adequacy of Banks” (“Regulation”) published in the Official Gazette dated 4 February 2022 and numbered 31740, the counterparty credit risk of derivative transactions followed in banking accounts and purchasing accounts and not executed with a central counterparty is calculated with the Standard Approach method as of 1 July 2022, as explained in Appendix 2 of the Regulation. In the calculations, collaterals and special netting agreements are taken into account to the extent permitted by the method explained in Additional-2. Similarly, the credit valuation adjustment for derivative transactions, margined securities, repo and reverse repo transactions that are not made with a central counterparty is calculated on the basis of the updated Regulation Appendix 2 rule set. When calculating the central counterparty capital requirement for derivative products made with a central counterparty, the updated Regulation Appendix 4 rule set is taken as basis.

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

**III. EXPLANATIONS ON RISK MANAGEMENT (continued):**

**a. Overview of Risk Weighted Amounts (continued):**

	Risk Weighted Amounts		Minimum Capital Liability
	Current Period	Prior Period	Current Period
	30 September 2022	31 December 2021	30 September 2022
1 Credit risk (excluding counterparty credit risk) (CCR)	38,244,273	25,739,586	3,059,542
2 Standardised approach (SA)	38,244,273	25,739,586	3,059,542
3 Internal rating-based (IRB) approach	-	-	-
4 Counterparty credit risk	946,787	731,365	75,743
5 Standardised approach for counterparty credit risk (SACCR)	946,787	731,365	75,743
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	1,119,545	464,105	89,564
17 Standardised approach (SA)	1,119,545	464,105	89,564
18 Internal model approaches (IMM)	-	-	-
19 Operational risk	1,814,569	1,681,628	145,166
20 Basic indicator approach	1,814,569	1,681,628	145,166
21 Standard approach	-	-	-
22 Advanced measurement approach	-	-	-
23 The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
24 Floor Adjustments	-	-	-
25 Total (1+4+7+8+9+10+11+12+16+19+23+24)	42,125,174	28,616,684	3,370,015

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

**III. EXPLANATIONS ON CONSOLIDATED CURRENCY RISK:**

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

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

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

	EURO		USD	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021

Bid Rate	TL 18,1395	TL 15,0867	TL 18,5187	TL 13,3290
1. Day Bid Rate	TL 18,1395	TL 15,0867	TL 18,5187	TL 13,3290
2. Day Bid Rate	TL 17,9232	TL 14,6823	TL 18,5038	TL 12,9775
3. Day Bid Rate	TL 17,6711	TL 13,8011	TL 18,4862	TL 12,2219
4. Day Bid Rate	TL 17,7719	TL 13,4000	TL 18,4509	TL 11,8302
5. Day Bid Rate	TL 17,7909	TL 12,8903	TL 18,4266	TL 11,3900

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

	EURO		USD	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
Arithmetic average - 30 days	TL 18,1391	TL 15,4228	TL 18,2872	TL 13,6455

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

**III. EXPLANATIONS ON CONSOLIDATED CURRENCY RISK (continued):**

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

	Euro	USD	Other FC	Total
<b>30 September 2022</b>				
<b>Assets</b>				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	2,509,479	4,396,019	219,867	7,125,365
Banks	572,400	1,888,750	68,868	2,530,018
Financial Assets at Fair Value Through Profit or Loss <sup>(1)</sup>	37,795	82,846	19,430	140,071
Interbank Money Market Placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	124,369	91,704	-	216,073
Loans <sup>(2)</sup>	13,489,841	4,459,728	-	17,949,569
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Financial Assets Measured at Amortized Cost	383,762	1,174,045	-	1,557,807
Hedging Derivative Financial Assets <sup>(1)</sup>	65,436	787,060	-	852,496
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets <sup>(3)</sup>	66,941	22,358	-	89,299
<b>Total Assets</b>	<b>17,250,023</b>	<b>12,902,510</b>	<b>308,165</b>	<b>30,460,698</b>
<b>Liabilities</b>				
Bank Deposits	150,494	188,710	-	339,204
Foreign Currency Deposits	5,623,478	11,448,104	862,615	17,934,197
Funds from Interbank Money Market	-	271,754	-	271,754
Funds Borrowed from Other Financial Institutions	1,434,667	9,666,000	-	11,100,667
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	697,554	2,338,326	737	3,036,617
Hedging Derivative Financial Liabilities <sup>(4)</sup>	22,820	70,533	-	93,353
Other Liabilities <sup>(4)(5)</sup>	31,343	-	10,549	41,892
<b>Total Liabilities</b>	<b>7,960,356</b>	<b>23,983,427</b>	<b>873,901</b>	<b>32,817,684</b>
<b>Net On-balance Sheet Position</b>	<b>9,289,667</b>	<b>(11,080,917)</b>	<b>(565,736)</b>	<b>(2,356,986)</b>
<b>Net Off-balance Sheet Position</b>	<b>(8,355,403)</b>	<b>11,388,171</b>	<b>432,830</b>	<b>3,465,598</b>
Financial Derivative Assets	3,205,725	21,569,440	2,050,524	26,825,689
Financial Derivative Liabilities	11,561,128	10,181,269	1,617,694	23,360,091
<b>Non-Cash Loans <sup>(6)</sup></b>	<b>1,386,143</b>	<b>3,600,235</b>	<b>70,677</b>	<b>5,057,055</b>
<b>31 December 2021</b>				
Total Assets	15,379,392	8,914,424	153,957	24,447,773
Total Liabilities	9,491,863	21,454,450	732,105	31,678,418
<b>Net On-balance Sheet Position</b>	<b>5,887,529</b>	<b>(12,540,026)</b>	<b>(578,148)</b>	<b>(7,230,645)</b>
<b>Net Off-balance Sheet Position</b>	<b>(4,815,773)</b>	<b>12,471,150</b>	<b>581,154</b>	<b>8,236,531</b>
Financial Derivative Assets	2,193,480	16,846,883	837,068	19,877,431
Financial Derivative Liabilities	7,009,253	4,375,733	255,914	11,640,900
<b>Non-Cash Loans <sup>(6)</sup></b>	<b>1,801,707</b>	<b>3,515,723</b>	<b>64,128</b>	<b>5,381,558</b>

<sup>(1)</sup> TL 920,686 (31 December 2021: TL 63,737) income accruals of derivative financial instruments are not included.

<sup>(2)</sup> Foreign currency indexed loans amounting to TL 164,535 (31 December 2021: TL 153,438) are included in the table above. TL 1,065,496 (31 December 2021: TL 1,421,091) "First and Second Stage Expected Loss Provisions" are not included in the table.

<sup>(3)</sup> TL 3,325 (31 December 2021: TL 2,150) "Prepaid Expenses" are not included in the table.

<sup>(4)</sup> TL 21,192 (31 December 2021: TL 39,101) derivative financial instruments expense accruals are not included in the table above.

<sup>(5)</sup> Other liabilities include TL 572,511 (31 December 2021: TL 10,270) "Securities Valuation Differences" and "Hedging Funds", TL 251,854 (31 December 2021: TL 138,622) "Free Reserves" and TL 3,833 (31 December 2021: TL 7,401) "Provisions for Non-cash Loans First and Second Stage Expected Losses" are not included in the table.

<sup>(6)</sup> Non-cash loans are not included in the total of "Net Off-Balance Sheet Position".

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

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

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

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

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

<b>30 September 2022</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 Years and Over</b>	<b>Non-Interest Bearing</b>	<b>Total</b>
<b>Assets <sup>(1)</sup></b>							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	1,568,654	-	-	-	-	6,638,342	8,206,996
Banks	2,447,569	-	-	-	-	297,270	2,744,839
Financial Assets at Fair Value Through Profit/Loss	1,150,110	983,330	762,732	97,738	86,433	83,571	3,163,914
Interbank Money Market Placements	2,029,424	-	-	-	-	-	2,029,424
Financial Assets at Fair Value Through Other Comprehensive Income <sup>(2)</sup>	-	164,173	440,681	636,474	69,204	30,183	1,340,715
Loans Given	13,865,328	8,844,391	5,979,436	3,569,461	1,496,106	1,753,500	35,508,222
Financial Assets Measured at Amortized Cost	-	457,095	743,555	1,397,227	654,379	-	3,252,256
Other Assets	28,203	-	-	-	-	3,132,945	3,161,148
<b>Total Assets</b>	<b>21,089,288</b>	<b>10,448,989</b>	<b>7,926,404</b>	<b>5,700,900</b>	<b>2,306,122</b>	<b>11,935,811</b>	<b>59,407,514</b>
<b>Liabilities</b>							
Bank Deposits	127,013	94,013	-	-	-	118,492	339,518
Other Deposits	20,425,282	9,772,533	1,297,329	4,222	-	3,869,333	35,368,699
Funds from Interbank Money Market	1,289,820	-	-	270,913	-	-	1,560,733
Miscellaneous Payables	-	-	-	-	-	3,559,653	3,559,653
Marketable Securities Issued	74,493	-	-	-	-	-	74,493
Funds Borrowed from Other Financial Institutions	1,895,422	6,879,108	1,735,056	54,130	-	925,935	11,489,651
Other Liabilities <sup>(3)(4)</sup>	218,384	139,503	119,003	152,639	551	6,384,687	7,014,767
<b>Total Liabilities</b>	<b>24,030,414</b>	<b>16,885,157</b>	<b>3,151,388</b>	<b>481,904</b>	<b>551</b>	<b>14,858,100</b>	<b>59,407,514</b>
<b>Balance Sheet Long Position</b>	-	-	<b>4,775,016</b>	<b>5,218,996</b>	<b>2,305,571</b>	-	<b>12,299,583</b>
<b>Balance Sheet Short Position</b>	<b>(2,941,126)</b>	<b>(6,436,168)</b>	-	-	-	<b>(2,922,289)</b>	<b>(12,299,583)</b>
Off-balance Sheet Long Position	-	-	606,453	1,343,510	301,783	-	2,251,746
Off-balance Sheet Short Position	(476,360)	(509,498)	-	-	-	-	(985,858)
<b>Total Position</b>	<b>(3,417,486)</b>	<b>(6,945,666)</b>	<b>5,381,469</b>	<b>6,562,506</b>	<b>2,607,354</b>	<b>(2,922,289)</b>	<b>1,265,888</b>

<sup>(1)</sup> Assets are shown with their net values in their related period by deducting allowances for expected credit losses.

<sup>(2)</sup> Financial Assets at Fair Value Through Profit/Loss includes derivative financial assets amounting to TL 2,998,475 classified to a related re-pricing periods.

<sup>(3)</sup> Other liabilities includes derivative financial liabilities amounting to TL 549,954 classified to a related re-pricing periods.

<sup>(4)</sup> Shareholders' Equity is presented in the Non-Interest Bearing column.

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**IV. EXPLANATIONS ON CONSOLIDATED INTEREST RATE RISK (continued):**

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

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

<sup>(1)</sup> Assets are shown with their net values in their related period by deducting allowances for expected credit losses.

<sup>(2)</sup> Financial Assets at Fair Value Through Profit/Loss includes derivative financial assets amounting to TL 2,854,020 classified to a related re-pricing periods.

<sup>(3)</sup> Other liabilities includes derivative financial liabilities amounting to TL 587,787 classified to a related re-pricing periods.

<sup>(4)</sup> Shareholders' Equity is presented in the Non-Interest Bearing column.

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

**IV. EXPLANATIONS ON CONSOLIDATED INTEREST RATE RISK (continued):**

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

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

<b>30 September 2022</b>	<b>EUR</b>	<b>USD</b>	<b>Yen</b>	<b>TL</b>
<b>Assets</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	-	-	-	-
Banks	0.80	2.37	-	21.58
Financial Assets at Fair Value Through Profit/Loss	3.63	4.25	-	11.90
Interbank Money Market Placements	-	-	-	15.90
Financial Assets at Fair Value Through Other Comprehensive Income	4.76	6.68	-	25.39
Loans Given	5.52	6.85	-	25.29
Financial Assets Measured at Amortized Cost	3.88	8.48	-	40.54
<b>Liabilities</b>				
Bank Deposits	2.11	2.75	-	-
Other Deposits (*)	1.98	3.17	-	17.25
Funds from Interbank Money Market	-	2.83	-	10.59
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed from Other Financial Institutions	-	4.36	-	14.25

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

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

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

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**IV. EXPLANATIONS ON CONSOLIDATED INTEREST RATE RISK (continued):**

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

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

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

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

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

Currency	Applied Shock (+/- x basis point)	Earnings/(Losses)	Earnings Equities-Losses/Equities
1. TL	+500 bp	20,371	0.3%
2. TL	-400 bp	(8,779)	(0.1) %
3. EURO	+200 bp	11,124	0.1%
4. EURO	-200 bp	(15,951)	(0.2) %
5. USD	+200 bp	(13,373)	(0.2) %
6. USD	-200 bp	14,356	0.2%
<b>Total (For Negative Shocks)</b>		<b>(10,374)</b>	<b>(0.1) %</b>
<b>Total (For Positive Shocks)</b>		<b>18,122</b>	<b>0.2%</b>

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

None.



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

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

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

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

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

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

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

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

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

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

Although, the Parent Bank and its subsidiaries subject to consolidation are responsible to comply with liquidity limitations which are determined in Liquidity Risk Policy, they are 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 tests is to inform related committees and Board of Directors regarding liquidity outflows and derogation which can occur in the liquidity ratios of the Parent Bank. Required actions are taken by ALCO if there are similar situations mentioned in stress scenarios. The Market Risk Unit conducts stress tests more frequently during periods of high volatility and shares the results with the relevant managements.

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

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

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

**Consolidated Liquidity Coverage Ratio:**

30 September 2022		Unweighted Amounts (*)		Weighted Amounts (*)	
		TL+FC	FC	TL+FC	FC
<b>HIGH QUALITY LIQUID ASSETS</b>					
<b>1</b>	<b>High quality liquid assets</b>			<b>10,466,411</b>	<b>8,326,128</b>
<b>CASH OUTFLOWS</b>					
<b>2</b>	<b>Retail and small business customers deposits</b>	<b>27,872,567</b>	<b>18,940,902</b>	<b>2,700,742</b>	<b>1,894,090</b>
3	Stable deposits	1,730,286	-	86,514	-
4	Less stable deposits	26,142,281	18,940,902	2,614,228	1,894,090
<b>5</b>	<b>Unsecured funding other than retail and small business customers deposits</b>	<b>9,368,968</b>	<b>6,488,748</b>	<b>5,157,478</b>	<b>3,381,700</b>
6	Operational deposits	2,863,787	2,052,871	715,947	513,218
7	Non-Operational Deposits	4,943,627	3,569,858	2,879,977	2,002,463
8	Other Unsecured Funding	1,561,554	866,019	1,561,554	866,019
<b>9</b>	<b>Secured funding</b>			-	-
<b>10</b>	<b>Other cash outflows</b>	<b>1,820,368</b>	<b>1,819,627</b>	<b>1,820,368</b>	<b>1,819,627</b>
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	1,820,368	1,819,627	1,820,368	1,819,627
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off-balance sheet liabilities	-	-	-	-
<b>14</b>	<b>Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments</b>	-	-	-	-
<b>15</b>	<b>Other irrevocable or conditionally revocable commitments</b>	<b>8,252,387</b>	<b>4,801,828</b>	<b>1,343,074</b>	<b>765,935</b>
<b>16</b>	<b>TOTAL CASH OUTFLOWS</b>			<b>11,021,662</b>	<b>7,861,352</b>
<b>CASH INFLOWS</b>					
17	Secured receivables	-	-	-	-
18	Unsecured receivables	6,851,966	2,998,165	5,093,621	2,598,913
19	Other cash inflows	116,671	2,477,331	116,671	2,477,331
<b>20</b>	<b>TOTAL CASH INFLOWS</b>	<b>6,968,637</b>	<b>5,475,496</b>	<b>5,210,292</b>	<b>5,076,244</b>
				<b>Upper Limit Applied Values</b>	
<b>21</b>	<b>TOTAL HIGH QUALITY LIQUID ASSETS</b>			<b>10,466,411</b>	<b>8,326,128</b>
<b>22</b>	<b>TOTAL NET CASH OUTFLOWS</b>			<b>5,811,370</b>	<b>2,785,108</b>
<b>23</b>	<b>LIQUIDITY COVERAGE RATIO (%)</b>			<b>180,10</b>	<b>298,95</b>

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

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

31 December 2021		Unweighted Amounts (*)		Weighted Amounts (*)	
		TL+FC	FC	TL+FC	FC
<b>HIGH QUALITY LIQUID ASSETS</b>					
<b>1</b>	<b>High quality liquid assets</b>			<b>6,944,894</b>	<b>5,961,887</b>
<b>CASH OUTFLOWS</b>					
<b>2</b>	<b>Retail and small business customers deposits</b>	<b>14,166,092</b>	<b>9,188,205</b>	<b>1,354,575</b>	<b>918,820</b>
3	Stable deposits	1,240,687	-	62,034	-
4	Less stable deposits	12,925,405	9,188,205	1,292,541	918,820
<b>5</b>	<b>Unsecured funding other than retail and small business customers deposits</b>	<b>5,914,223</b>	<b>4,865,258</b>	<b>2,645,028</b>	<b>1,984,664</b>
6	Operational deposits	2,422,062	2,238,772	605,515	559,693
7	Non-Operational Deposits	2,864,257	2,397,487	1,411,609	1,195,972
8	Other Unsecured Funding	627,904	228,999	627,904	228,999
<b>9</b>	<b>Secured funding</b>			-	-
<b>10</b>	<b>Other cash outflows</b>	<b>804,430</b>	<b>798,302</b>	<b>804,430</b>	<b>798,302</b>
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	804,430	798,302	804,430	798,302
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off-balance sheet liabilities	-	-	-	-
<b>14</b>	<b>Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments</b>	-	-	-	-
<b>15</b>	<b>Other irrevocable or conditionally revocable commitments</b>	<b>6,111,430</b>	<b>4,683,503</b>	<b>927,723</b>	<b>713,525</b>
<b>16</b>	<b>TOTAL CASH OUTFLOWS</b>			<b>5,731,756</b>	<b>4,415,311</b>
<b>CASH INFLOWS</b>					
17	Secured receivables	-	-	-	-
18	Unsecured receivables	4,327,949	1,702,603	2,918,766	1,148,042
19	Other cash inflows	108,239	1,050,607	108,239	1,050,607
<b>20</b>	<b>TOTAL CASH INFLOWS</b>	<b>4,436,188</b>	<b>2,753,210</b>	<b>3,027,005</b>	<b>2,198,649</b>
				<b>Upper Limit Applied Values</b>	
<b>21</b>	<b>TOTAL HIGH QUALITY LIQUID ASSETS</b>			<b>6,944,894</b>	<b>5,961,887</b>
<b>22</b>	<b>TOTAL NET CASH OUTFLOWS</b>			<b>2,704,751</b>	<b>2,216,662</b>
<b>23</b>	<b>LIQUIDITY COVERAGE RATIO (%)</b>			<b>256,77</b>	<b>268,96</b>

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

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

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

As of the period-end, high quality liquid assets of the Bank consist of accounts in Central Bank of the Republic of Turkey at a ratio of 64% and securities issued by under secretariat of Treasury at a ratio of 31%. The fund resources are distributed among deposits of individuals and retail, corporate deposits and due to bank debt at ratios of 22%, 40% and 16%, 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 September 2022 is given below:

Date	FC	FC + TL
30 September 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. As of 30 September 2022, liquidity coverage rates must be at least 80% for foreign currency assets and liabilities and at least 100% in total assets and liabilities. Dates and values of the lowest and highest foreign currency and total consolidated liquidity coverage ratios related to the three-month period calculated by taking daily arithmetic averages are explained in the table below:

Current Period	Maximum (%)		Minimum (%)	
	FC	FC + TL	FC	FC + TL
Monthly Arithmetic Average (%)	366,63	202,28	224,47	167,55
Monthly	31.07.2022	30.09.2022	31.08.2022	31.08.2022

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

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

<b>30 September 2022</b>	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 Years</b>	<b>5 Years and Over</b>	<b>Undistributable</b>	<b>Total</b>
<b>Assets <sup>(1)</sup></b>								
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	2,929,318	5,277,678	-	-	-	-	-	<b>8,206,996</b>
Banks	146,157	2,447,569	-	-	-	-	151,113	<b>2,744,839</b>
Financial Assets at Fair Value Through Profit or Loss <sup>(2)</sup>	-	152,006	145,691	106,903	1,930,355	745,388	83,571	<b>3,163,914</b>
Interbank Money Market Placements	-	2,029,424	-	-	-	-	-	<b>2,029,424</b>
Financial Assets at Fair Value Through Other Comprehensive Income	-	131	70,845	313,842	664,510	261,204	30,183	<b>1,340,715</b>
Loans Given	-	5,589,328	10,614,748	5,896,639	7,488,071	4,165,936	1,753,500	<b>35,508,222</b>
Financial Assets Measured at Amortized Cost	-	-	51,127	101,387	1,900,032	1,199,710	-	<b>3,252,256</b>
Other Assets <sup>(3)</sup>	24,903	262,902	46,600	168,526	-	-	2,658,217	<b>3,161,148</b>
<b>Total Assets</b>	<b>3,100,378</b>	<b>15,759,038</b>	<b>10,929,011</b>	<b>6,587,297</b>	<b>11,982,968</b>	<b>6,372,238</b>	<b>4,676,584</b>	<b>59,407,514</b>
<b>Liabilities</b>								
Bank Deposits	118,492	127,013	94,013	-	-	-	-	<b>339,518</b>
Other Deposits	3,869,333	20,425,282	9,772,533	1,297,329	4,222	-	-	<b>35,368,699</b>
Funds Borrowed from Other Financial Institutions	-	85,549	1,007,580	2,270,171	5,323,207	2,803,144	-	<b>11,489,651</b>
Funds from Interbank Money Market	-	1,289,820	-	-	270,913	-	-	<b>1,560,733</b>
Marketable Securities Issued	-	74,493	-	-	-	-	-	<b>74,493</b>
Miscellaneous Payables	-	102,768	-	-	-	-	3,456,885	<b>3,559,653</b>
Other Liabilities <sup>(4)(5)</sup>	-	687,573	181,727	226,353	435,820	241	5,483,053	<b>7,014,767</b>
<b>Total Liabilities</b>	<b>3,987,825</b>	<b>22,792,498</b>	<b>11,055,853</b>	<b>3,793,853</b>	<b>6,034,162</b>	<b>2,803,385</b>	<b>8,939,938</b>	<b>59,407,514</b>
<b>Net Liquidity Gap</b>	<b>(887,447)</b>	<b>(7,033,460)</b>	<b>(126,842)</b>	<b>2,793,444</b>	<b>5,948,806</b>	<b>3,568,853</b>	<b>(4,263,354)</b>	<b>-</b>
<b>Net Off-balance Sheet Position</b>	<b>-</b>	<b>18,316</b>	<b>(49,699)</b>	<b>239,574</b>	<b>2,060,741</b>	<b>522,884</b>	<b>-</b>	<b>2,791,816</b>
Receivables from Derivative Financial Instruments	-	14,378,383	7,543,049	1,794,737	6,118,284	2,479,104	-	<b>32,313,557</b>
Payables from Derivative Financial Instruments	-	(14,360,067)	(7,592,748)	(1,555,163)	(4,057,543)	(1,956,220)	-	<b>(29,521,741)</b>
<b>Non-Cash Loans</b>	<b>-</b>	<b>4,700,624</b>	<b>1,431,612</b>	<b>2,308,200</b>	<b>434,412</b>	<b>2,465</b>	<b>-</b>	<b>8,877,313</b>
<b>31 December 2021</b>								
<b>Total Assets</b>	<b>2,680,761</b>	<b>10,697,542</b>	<b>5,848,807</b>	<b>5,054,434</b>	<b>8,876,425</b>	<b>4,795,499</b>	<b>4,018,313</b>	<b>41,971,781</b>
<b>Total Liabilities</b>	<b>3,611,503</b>	<b>16,522,964</b>	<b>6,308,898</b>	<b>3,789,861</b>	<b>3,667,746</b>	<b>3,347,572</b>	<b>4,723,237</b>	<b>41,971,781</b>
<b>Net Liquidity Gap</b>	<b>571,095</b>	<b>(4,581,319)</b>	<b>(1,915,306)</b>	<b>(155,436)</b>	<b>4,286,980</b>	<b>1,486,814</b>	<b>307,172</b>	<b>-</b>
<b>Net Off-balance Sheet Position</b>	<b>-</b>	<b>192,654</b>	<b>(106,509)</b>	<b>416,220</b>	<b>459,172</b>	<b>2,456</b>	<b>-</b>	<b>963,993</b>
Receivables from Derivative Financial Instruments	-	10,951,870	3,910,276	1,355,543	2,997,378	6,919	-	<b>13,692,441</b>
Payables from Derivative Financial Instruments	-	(10,759,216)	(4,016,785)	(939,323)	(2,538,206)	(4,463)	-	<b>(13,049,856)</b>
<b>Non-cash Loans</b>	<b>-</b>	<b>4,143,098</b>	<b>1,199,728</b>	<b>1,215,942</b>	<b>478,284</b>	<b>9,498</b>	<b>-</b>	<b>7,046,550</b>

<sup>(1)</sup> Assets are shown with their net values in their related period by deducting allowances for expected credit losses.

<sup>(2)</sup> Financial Assets at Fair Value Through Profit/Loss includes derivative financial assets amounting to TL 2,998,475 classified to a related re-pricing periods.

<sup>(3)</sup> Active accounts that make up the balance sheet, accounts such as fixed assets, associates and subsidiaries and goods are shown in the " Undistributable " column in "Other Assets".

<sup>(4)</sup> Other liabilities include derivative financial liabilities amounting to TL 549,954 classified to a related re-pricing periods.

<sup>(5)</sup> Shareholders' equity is presented under the "Other liabilities" item in the "Undistributable" column.

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**VII. EXPLANATIONS ON CONSOLIDATED LEVERAGE RATIO:**

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

As of 30 September 2022, leverage ratio of the Bank calculated from the arithmetic average of the three months is 6.70% (31 December 2021: 6.05%). This ratio is above the minimum required. The most important reason for the difference in leverage ratio between current and prior period is the increase in balance sheet and off-balance sheet assets.

**Disclosure of leverage ratio template:**

	<b>30 September 2022 (*)</b>	<b>31 December 2021 (*)</b>
<b>Balance sheet assets</b>		
Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	56,689,724	37,654,863
(Assets deducted from Core capital)	64,433	58,443
Total risk amount of balance sheet assets	56,625,291	37,596,420
<b>Derivative financial assets and credit derivatives</b>		
Cost of replenishment for derivative financial assets and credit derivatives	1,950,830	1,434,239
Potential credit risk amount of derivative financial assets and credit derivatives	305,933	187,960
Total risk amount of derivative financial assets and credit derivatives	2,256,763	1,622,199
<b>Financing transactions secured by marketable security or commodity</b>		
Risk amount of financing transactions secured by marketable security or commodity (excluding Balance sheet)	-	-
Risk amount arising from intermediary transactions	-	-
Total risk amount of financing transactions secured by marketable security or commodity	-	-
<b>Off-balance sheet transactions</b>		
Gross nominal amount of off-balance sheet transactions	13,672,444	7,947,351
(Correction amount due to multiplication with credit conversion rates)	-	-
Total risk of off-balance sheet transactions	13,672,444	7,947,351
<b>Capital and total risk</b>		
Core Capital	4,853,606	2,806,646
Total risk amount	72,554,498	47,165,970
<b>Leverage ratio</b>		
Leverage ratio	6.70%	6.05%

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

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**VIII. EXPLANATIONS ON HEDGE TRANSACTIONS:**

As of 30 September 2022, The Group applies cash flow hedge accounting using interest swaps to hedge its FC deposits and other liabilities with an average maturity up to 3 months against interest rate fluctuations. The Group implements effectiveness tests at the balance sheet dates for hedge accounting; the effective parts are accounted as defined in TFRS 9, in financial statements under equity “Hedging Funds”, whereas the amount concerning ineffective parts is associated with the statement of profit or loss.

As of the balance sheet date derivative financial assets of which carrying amount is TL 2,647,473 (31 December 2021: TL 1,693,717) and derivative financial payables of which carrying amount is TL 137,703 (31 December 2021: TL 118,110), are subject to hedge accounting as hedging instruments. As a result of the mentioned hedge accounting, fair value income amounting to TL 537,275 (31 December 2021: TL 195,760 fair value income) after tax is recognized under the equity in the current period. Ineffective part is not available (31 December 2021: None).

Hedging Instrument	Hedging Subject	Exposed Risk	Hedging Instruments Fair Value		Hedging Funds	Ineffective Part Accounted in Income Statement (Net)
			Assets	Liabilities		
Cross Currency Swap	Floating rate up to 3 month maturity FC deposits	Cash flow risk of changes in market interest rates	2,278,896	45,062	505,000	-
Interest Rate Swap	Floating rate up to 3 month maturity FC deposits	Cash flow risk of changes in market interest rates	368,577	92,641	217,798	-

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 income statement 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 September 2022 show that the cash flow hedging transactions shown above are effective.



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

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

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

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

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

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

The prior period information is presented as of 31 December 2021 for balance sheet items and 30 September 2021 for income statement items.

	<b>Retail Banking</b>	<b>Corporate and Commercial Banking</b>	<b>Treasury</b>	<b>Other and Undistributed (*)</b>	<b>Total Operations of the Group</b>
<b>30 September 2022</b>					
Net Interest Income	231,227	848,226	14,489	176,592	1,270,534
Net Fees and Commissions	1,160	95,944	-	9,671	106,775
Trading Profit/Loss	40,330	12,521	185,883	(38,751)	199,983
Other Operating Income	1,781	146,032	-	229,283	377,096
<b>Operating Income</b>	<b>274,498</b>	<b>1,102,723</b>	<b>200,372</b>	<b>376,795</b>	<b>1,954,388</b>
<b>Operating and Provision Costs (-)</b>	<b>151,434</b>	<b>85,755</b>	<b>60,384</b>	<b>296,883</b>	<b>594,456</b>
<b>Net Operating Income</b>	<b>123,064</b>	<b>1,016,968</b>	<b>139,988</b>	<b>79,912</b>	<b>1,359,932</b>
Dividend Income	-	-	-	24	24
Income/Loss from subsidiaries based on equity method	-	-	-	-	-
<b>Profit Before Tax</b>	<b>123,064</b>	<b>1,016,968</b>	<b>139,988</b>	<b>79,936</b>	<b>1,359,956</b>
Tax Provisions (-)	30,766	254,242	34,997	34,166	354,171
<b>Net Profit/Loss</b>	<b>92,298</b>	<b>762,726</b>	<b>104,991</b>	<b>45,770</b>	<b>1,005,785</b>
Segment Assets	5,068,140	31,300,737	14,963,330	6,335,702	57,667,909
Investments in associates, subsidiaries and joint ventures	-	-	-	-	-
Unallocated Assets	-	-	-	1,739,605	1,739,605
<b>Total Assets</b>	<b>5,068,140</b>	<b>31,300,737</b>	<b>14,963,330</b>	<b>8,075,307</b>	<b>59,407,514</b>
Segments Liabilities	24,884,148	10,159,709	8,978,336	10,520,148	54,542,341
Unallocated Liabilities	-	-	-	4,865,173	4,865,173
<b>Total Liabilities</b>	<b>24,884,148</b>	<b>10,159,709</b>	<b>8,978,336</b>	<b>15,385,321</b>	<b>59,407,514</b>

(\*) Other operations include non-distributable items of Parent Bank and operations of Burgan Finansal Kiralama A.Ş., Burgan Yatırım Menkul Değerler A.Ş. which are consolidated as affiliated partnerships of the Parent Bank.

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

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

	<b>Retail Banking</b>	<b>Corporate and Commercial Banking</b>	<b>Treasury</b>	<b>Other and Uncdistributed (*)</b>	<b>Total Operations of the Group</b>
<b>30 September 2021</b>					
Net Interest Income	109,650	281,755	(43,176)	120,013	468,242
Net Fees and Commissions	7	27,296	-	4,447	31,750
Trading Profit/Loss	21,698	2,968	62,512	(2,173)	85,005
Other Operating Income	44	139,396	-	56,071	195,511
<b>Operating Income</b>	<b>131,399</b>	<b>451,415</b>	<b>19,336</b>	<b>178,358</b>	<b>780,508</b>
<b>Operating and Provision Costs (-)</b>	<b>85,551</b>	<b>289,525</b>	<b>34,851</b>	<b>219,144</b>	<b>629,071</b>
<b>Net Operating Income</b>	<b>45,848</b>	<b>161,890</b>	<b>(15,515)</b>	<b>(40,786)</b>	<b>151,437</b>
Dividend Income	-	-	-	46	46
Income/Loss from subsidiaries based on equity method	-	-	-	-	-
<b>Profit Before Tax</b>	<b>45,848</b>	<b>161,890</b>	<b>(15,515)</b>	<b>(40,740)</b>	<b>151,483</b>
Tax Provisions (-)	9,170	32,378	(3,103)	(8,614)	29,831
<b>Net Profit / Loss</b>	<b>36,678</b>	<b>129,512</b>	<b>(12,412)</b>	<b>(32,126)</b>	<b>121,652</b>
<b>31 December 2021</b>					
Segment Assets	2,937,212	25,231,179	7,482,947	4,626,877	40,278,215
Investments in associates, subsidiaries and joint ventures	-	-	-	-	-
Unallocated Assets	-	-	-	1,693,566	1,693,566
<b>Total Assets</b>	<b>2,937,212</b>	<b>25,231,179</b>	<b>7,482,947</b>	<b>6,320,443</b>	<b>41,971,781</b>
Segments Liabilities	15,374,769	8,154,507	8,873,548	7,094,548	39,497,372
Unallocated Liabilities	-	-	-	2,474,409	2,474,409
<b>Total Liabilities</b>	<b>15,374,769</b>	<b>8,154,507</b>	<b>8,873,548</b>	<b>9,568,957</b>	<b>41,971,781</b>

(\*) Other operations include non-distributable items of Parent Bank and operations of Burgan Finansal Kiralama A.Ş. and Burgan Yatırım Menkul Değerler A.Ş. which are consolidated as affiliated partnerships of the Parent Bank.

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**SECTION FIVE**

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

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

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

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

	30 September 2022		31 December 2021	
	TL	FC	TL	FC
Cash/Foreign currency	26,038	378,696	24,317	397,942
CBRT	1,055,593	6,584,571	427,401	5,450,020
Other	-	162,098	-	92,171
<b>Total</b>	<b>1,081,631</b>	<b>7,125,365</b>	<b>451,718</b>	<b>5,940,133</b>

2. Information on the account of the CBRT:

	30 September 2022		31 December 2021	
	TL	FC	TL	FC
Demand Unrestricted Amount	1,055,593	2,331,333	427,401	1,846,171
Time Unrestricted Amount	-	544,215	-	-
Time Restricted Amount	-	3,709,023	-	3,603,849
<b>Total</b>	<b>1,055,593</b>	<b>6,584,571</b>	<b>427,401</b>	<b>5,450,020</b>

3. Information on Reserve Requirements:

In accordance with the “Communiqué Regarding Reserve Requirements” No. 2013/15, the Bank is required to maintain reserves in CBRT for TL and foreign currency liabilities. According to the “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.

As of the liability date of 2 September 2022, a commission regulation has been introduced according to the share of Turkish Lira deposits in total deposits. It has been decided to apply a commission of 3% over the required reserve requirement for foreign currency deposit liabilities (excluding deposits from foreign banks), excluding banks whose Turkish Lira deposit share is above 50% separately for real and legal persons.

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

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

**b. Information On Financial Assets At Fair Value Through Profit or Loss:**

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

As of 30 September 2022, there are TL 97 financial assets at fair value through profit or loss given as collateral/blocked (31 December 2021: TL 70).

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

As of 30 September 2022, the amount subject to repurchase agreements from financial assets at fair value through profit or loss is TL 3,246 (31 December 2021: None).

**c. Information on banks:**

	30 September 2022		31 December 2021	
	TL	FC	TL	FC
Banks				
Domestic	214,892	578,381	233,250	6,797
Foreign	-	1,951,637	-	316,379
Foreign Headquarters and Branches	-	-	-	-
<b>Total</b>	<b>214,892</b>	<b>2,530,018</b>	<b>233,250</b>	<b>323,176</b>

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

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

As of 30 September 2022, there are TL 864,546 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 September 2022, there are TL 43,816 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 September 2022	31 December 2021
Debt Securities	1,347,835	712,965
Quoted on Stock Exchange	1,347,835	712,965
Not Quoted	-	-
Share Certificates	30,183	24,645
Quoted on Stock Exchange	-	-
Not Quoted	30,183	24,645
Impairment Provision (-)	37,303	53,460
<b>Total</b>	<b>1,340,715</b>	<b>684,150</b>

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**EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

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

**e. Explanations on loans:**

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

	30 September 2022		31 December 2021	
	Cash	Non-cash	Cash	Non-cash
Direct Loans Granted To Shareholders	-	23,883	-	24,860
Corporate Shareholders	-	23,883	-	24,860
Real Person Shareholders	-	-	-	-
Indirect Loans Granted To Shareholders	-	-	-	-
Loans Granted To Employees	3,719	-	4,361	-
<b>Total</b>	<b>3,719</b>	<b>23,883</b>	<b>4,361</b>	<b>24,860</b>

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

- i.

Cash Loans	Standard Loans	Loans Under Close Monitoring		
		Loans Not Subject to Restructuring	Restructured Loans	
			Loans with Revised Contract Terms	Re-finance
Non-Specialized Loans	25,298,276	355,296	5,722,006	-
Loans given to enterprises	-	-	-	-
Export Loans	7,505,679	-	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	3,204,095	-	-	-
Consumer Loans	833,472	4,498	2,974	-
Credit Cards	-	-	-	-
Other (*)	13,755,030	350,798	5,719,032	-
Specialized Loans	-	-	-	-
Other Receivables (**)	2,412,873	161,956	1,326,570	-
<b>Total</b>	<b>27,711,149</b>	<b>517,252</b>	<b>7,048,576</b>	<b>-</b>

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

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

- ii.

	Standard Loans	Loans Under Close Monitoring
<b>General provisions</b>	<b>59,470</b>	<b>1,462,785</b>
12 Month Expected Credit Losses	59,470	-
Significant Increase in Credit Risk	-	1,462,785

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

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**EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**

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

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

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

	<b>Short-term</b>	<b>Medium and Long-term</b>	<b>Total</b>
<b>Consumer Loans-TL</b>	<b>198,654</b>	<b>629,639</b>	<b>828,293</b>
Real estate loans	-	31,742	31,742
Automotive loans	5,922	283,234	289,156
Consumer loans	192,732	314,663	507,395
Other	-	-	-
<b>Consumer Loans-FC Indexed</b>	<b>-</b>	<b>-</b>	<b>-</b>
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Consumer Loans-FC</b>	<b>-</b>	<b>4,814</b>	<b>4,814</b>
Real estate loans	-	4,814	4,814
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Individual Credit Cards-TL</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installments	-	-	-
Without installments	-	-	-
<b>Individual Credit Cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installments	-	-	-
Without installments	-	-	-
<b>Personnel Loans-TL</b>	<b>252</b>	<b>3,467</b>	<b>3,719</b>
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	252	3,467	3,719
Other	-	-	-
<b>Personnel Loans-FC Indexed</b>	<b>-</b>	<b>-</b>	<b>-</b>
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Personnel Loans-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Personnel Credit Cards-TL</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installments	-	-	-
Without installments	-	-	-
<b>Personnel Credit Cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installments	-	-	-
Without installments	-	-	-
<b>Credit Deposit Account-TL (Real Person)</b>	<b>4,118</b>	<b>-</b>	<b>4,118</b>
<b>Credit Deposit Account-FC (Real Person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>203,024</b>	<b>637,920</b>	<b>840,944</b>

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

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

**e. Explanations on loans:**

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

	Short-term	Medium and long-term	Total
<b>Commercial Installments Loans-TL</b>	<b>15,195</b>	<b>941,010</b>	<b>956,205</b>
Real estate Loans	-	-	-
Automotive Loans	-	161	161
Consumer Loans	15,195	940,849	956,044
Other	-	-	-
<b>Commercial Installments Loans-FC Indexed</b>	<b>-</b>	<b>102,944</b>	<b>102,944</b>
Real estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	102,944	102,944
Other	-	-	-
<b>Commercial Installments Loans-FC</b>	<b>686,497</b>	<b>9,035,066</b>	<b>9,721,563</b>
Real estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	686,497	9,035,066	9,721,563
Other	-	-	-
<b>Corporate Credit Cards-TL</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installments	-	-	-
Without installments	-	-	-
<b>Corporate Credit Cards-FC</b>	<b>-</b>	<b>-</b>	<b>-</b>
With installments	-	-	-
Without installments	-	-	-
<b>Credit Deposit Account-TL (Legal Person)</b>	<b>1,712</b>	<b>-</b>	<b>1,712</b>
<b>Credit Deposit Account-FC (Legal Person)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>703,404</b>	<b>10,079,020</b>	<b>10,782,424</b>

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

	30 September 2022	31 December 2021
Public	537,040	32,591
Private	34,739,937	27,555,756
<b>Total</b>	<b>35,276,977</b>	<b>27,588,347</b>

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

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

	30 September 2022	31 December 2021
Domestic Loans	35,228,399	27,512,957
Foreign Loans	48,578	75,390
<b>Total</b>	<b>35,276,977</b>	<b>27,588,347</b>

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

**7. Loans given to associates and subsidiaries:**

None (31 December 2021: None).

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

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

8. Specific provisions provided against loans (\*):

	30 September 2022	31 December 2021
Loans with Limited Collectability	211,178	97,553
Loans with Doubtful Collectability	37,044	108,270
Uncollectible Loans	650,923	676,874
<b>Total</b>	<b>899,145</b>	<b>882,697</b>

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

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

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

	Group III Loans with limited collectability	Group IV Loans with doubtful collectability	Group V Uncollectible loans
<b>30 September 2022</b>			
Gross Amounts Before The Provisions	-	-	-
Restructured Loans	-	410	363,250
<b>31 December 2021</b>			
Gross Amounts Before The Provisions	-	-	-
Restructured Loans	-	503	241,230

ii. Information on the movement of total non-performing loans (\*):

	Group III Loans with limited collectability	Group IV Loans with doubtful collectability	Group V Uncollectible loans
<b>Prior Period End Balance</b>	<b>299,269</b>	<b>197,550</b>	<b>2,079,694</b>
Additions (+)	425,560	283	70,534
Transfers from Other Categories of Non-performing Loans (+)	-	389,787	470,585
Transfers to Other Categories of Non-performing Loans (-)	389,787	470,585	-
Collections (-)	14,144	14,272	341,977
Write-offs (-)	-	-	49,852
Sold Portfolio (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
<b>Balance at the End of the Period</b>	<b>320,898</b>	<b>102,763</b>	<b>2,228,984</b>
<b>Specific Provision (-)</b>	<b>211,178</b>	<b>37,044</b>	<b>650,923</b>
<b>Net Balance on Balance Sheet</b>	<b>109,720</b>	<b>65,719</b>	<b>1,578,061</b>

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



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

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

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

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

	<b>Group III Loans with limited collectability</b>	<b>Group IV Loans with doubtful collectability</b>	<b>Group V Uncollectible loans</b>
<b>30 September 2022</b>			
Period-End Balance	297,936	89,851	1,624,313
Provision Amount (-)	199,641	32,095	408,868
<b>Net Balance on Balance Sheet</b>	<b>98,295</b>	<b>57,756</b>	<b>1,215,445</b>
<b>31 December 2021</b>			
Period-End Balance	277,506	2,997	1,468,057
Provision Amount (-)	95,886	1,650	475,276
<b>Net Balance on Balance Sheet</b>	<b>181,620</b>	<b>1,347</b>	<b>992,781</b>

(\*) Including “Receivables from Leasing Transactions”.

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

	<b>Group III Loans with limited collectability</b>	<b>Group IV Loans with doubtful collectability</b>	<b>Group V Uncollectible loans</b>
<b>30 September 2022</b>			
<b>Current Period (Net)</b>	<b>109,720</b>	<b>65,719</b>	<b>1,578,061</b>
Loans Given to Real Persons and Legal Persons (Gross)	318,163	8,884	1,614,873
Provision Amount (-)	210,362	4,947	527,169
Loans Given to Real Persons and Legal Persons (Net)	107,801	3,937	1,087,704
Banks (Gross)	-	-	-
Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	2,735	93,879	614,111
Provision Amount (-)	816	32,097	123,754
Other Loans (Net)	1,919	61,782	490,357
<b>Prior Period (Net)</b>	<b>201,716</b>	<b>89,280</b>	<b>1,402,820</b>
Loans Given to Real Persons and Legal Persons (Gross)	4,634	194,579	1,720,740
Provision Amount (-)	915	106,636	620,070
Loans Given to Real Persons and Legal Persons (Net)	3,719	87,943	1,100,670
Banks (Gross)	-	-	-
Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	294,635	2,971	358,954
Provision Amount (-)	96,638	1,634	56,804
Other Loans (Net)	197,997	1,337	302,150

(\*) Including “Receivables from Leasing Transactions”.

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

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

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

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

Loans and other receivables in the nature of loss are collected through legal proceedings and conversion of guarantees into cash.

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 5<sup>th</sup> 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 September 2022, the Group has written-off its loans amounting to TL 49,852 (31 December 2020: 17,461).

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

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

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

	Group III Loans with limited collectability	Group IV Loans with doubtful collectability	Group V Uncollectible loans
<b>Current Period (Net)</b>	<b>2,471</b>	<b>40</b>	<b>72,602</b>
Interest Accruals and Valuation Differences	5,878	87	136,012
Provision Amount (-)	3,407	47	63,410
<b>Prior Period (Net)</b>	<b>1,155</b>	<b>158</b>	<b>87,613</b>
Interest Accruals 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 September 2022		31 December 2021	
	TL	FC	TL	FC
Bonds	-	-	-	-
Bonds and Similar Securities	970,218	375,349	-	273,313
Other	-	-	-	-
<b>Total</b>	<b>970,218</b>	<b>375,349</b>	<b>-</b>	<b>273,313</b>

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

	30 September 2022		31 December 2021	
	TL	FC	TL	FC
Bonds	-	-	-	-
Bonds and Similar Securities	514,903	988,106	-	750,155
Other	-	-	-	-
<b>Total</b>	<b>514,903</b>	<b>988,106</b>	<b>-</b>	<b>750,155</b>

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

	30 September 2022	31 December 2021
Government Bond	3,252,287	1,023,468
Treasury Bond	-	-
Other Public Debt Securities	-	-
<b>Total</b>	<b>3,252,287</b>	<b>1,023,468</b>

4. Information on financial assets measured at amortized cost:

	30 September 2022	31 December 2021
Debt Securities	3,252,287	1,023,468
Publicly-Traded	3,252,287	1,023,468
Not Publicly-Traded	-	-
Provision for Impairment (-)	-	-
<b>Total</b>	<b>3,252,287</b>	<b>1,023,468</b>

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

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

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

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

	30 September 2022	31 December 2021
Balance at the Beginning of the Period	1,023,468	510,403
Exchange Differences in Monetary Assets	460,038	449,660
Purchases During the Year	2,072,663	228,699
Disposal Through Sale and Redemption	(303,882)	(165,294)
Provision for Impairment (-)	-	-
<b>End of Period Total</b>	<b>3,252,287</b>	<b>1,023,468</b>

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

None. (31 December 2021: None).

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

1. Capital adequacy situation of major subsidiaries:

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

2. Information on unconsolidated subsidiaries:

None (31 December 2021: None).

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

None (31 December 2021: None).

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

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

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

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/ Loss	Fair Value
1	6,676,782	820,243	1,173,855	513,027	-	212,549	24,175	-
2	473,538	199,045	4,838	36,927	2,990	21,750	14,606	-

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

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

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

6. Movements of consolidated subsidiaries:

	30 September 2022	31 December 2021
<b>Balance at the Beginning of the Period</b>	<b>669,736</b>	<b>548,560</b>
<b>Movements During the Period</b>	<b>349,468</b>	<b>121,176</b>
Purchases	-	-
Bonus Shares Obtained	-	-
Dividends from Current Year Income	234,299	90,033
Sales	-	-
Revaluation Increase/Decrease (*)	115,169	31,143
Impairment Provision	-	-
<b>Balance at the end of the Period</b>	<b>1,019,204</b>	<b>669,736</b>
<b>Capital Commitments</b>	<b>-</b>	<b>-</b>
<b>Share Percentage at the end of the Period (%)</b>	<b>99,99%</b>	<b>99,99%</b>

(\*) Includes the data before consolidation procedures.

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

<b>Subsidiaries (*)</b>	<b>30 September 2022</b>	<b>31 December 2021</b>
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	897,234	569,516
Finance Companies	-	-
Other Financial Subsidiaries	121,970	100,220
<b>Total</b>	<b>1,019,204</b>	<b>669,736</b>

(\*) Includes the data before consolidation procedures.

8. Subsidiaries quoted on stock exchange:

None (31 December 2021: None).

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

None (31 December 2021: None).

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

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

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

	30 September 2022		31 December 2021	
	Gross	Net	Gross	Net
Less than 1 year	2,081,549	1,777,485	1,792,138	1,517,086
1-4 Years	2,000,471	1,591,612	1,803,093	1,461,408
More than 4 years	1,430,243	1,243,027	1,206,371	1,087,392
<b>Total</b>	<b>5,512,263</b>	<b>4,612,124</b>	<b>4,801,602</b>	<b>4,065,886</b>

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

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

	30 September 2022		31 December 2021	
	TL	FC	TL	FC
Forward Transactions	13,888	11,937	4,974	443
Swap Transactions	201,811	60,600	1,083,428	44,953
Futures Transactions	972	-	1,060	-
Options	4,613	57,025	8,033	17,412
Other	156	-	-	-
<b>Total</b>	<b>221,440</b>	<b>129,562</b>	<b>1,097,495</b>	<b>62,808</b>

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

	30 September 2022		31 December 2021	
	TL	FC	TL	FC
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	941,886	1,705,587	1,569,017	124,700
Foreign Net Investment Hedge	-	-	-	-
<b>Total</b>	<b>941,886</b>	<b>1,705,587</b>	<b>1,569,017</b>	<b>124,700</b>

**m. Information on investment property:**

None (31 December 2021: None).

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

As of 30 September 2022, the Group has netted-off the calculated deferred tax asset of TL 549,859 (31 December 2021: TL 570,247) and deferred tax liability of TL 695,387 (31 December 2021: TL 559,271) in accordance with TAS 12 and hasn't recorded any net deferred tax asset (31 December 2021: TL 24,416 net deferred tax assets) and deferred tax liability of TL 145,528 (31 December 2021: TL 13,440) in the financial statements.

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

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

**n. Information on assets held for resale and discontinued operations (continued):**

The total amount of the Group's assets held for sale is TL 959,063 (31 December 2021: TL 1,039,012) and it has no discontinued operations.

	30 September 2022	31 December 2021
<b>Prior Period</b>		
Cost	1,039,357	614,352
Accumulated Depreciation (-)	345	364
<b>Net Book Value</b>	<b>1,039,012</b>	<b>613,988</b>
<b>Current Period</b>		
Net Book Value at Beginning of the Period	1,039,012	613,988
Additions	401,576	732,142
Disposals (-), net	481,525	307,118
Impairment (-)	-	-
Depreciation (-)	-	-
Cost at the End of the Period	959,350	1,039,357
Accumulated Depreciation at the End of the Period (-)	287	345
<b>Closing Net Book Value</b>	<b>959,063</b>	<b>1,039,012</b>

**o. Information on other assets:**

Other assets amount to TL 784.228 (31 December 2021: TL 579,524) and do not exceed 10% of the total assets excluding off-balance sheet commitments.

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

**II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES:**

**a. Information on deposits:**

1. Information on maturity structure of deposits:

i. 30 September 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	195,490	-	2,113,816	1,099,813	6,551,812	182,616	196,465	-	10,340,012
Foreign Currency Deposits	2,244,204	-	2,378,364	12,476,958	423,470	117,346	127,641	-	17,767,983
Residents in Turkey	2,164,541	-	2,373,201	12,336,721	413,566	115,979	68,482	-	17,472,490
Residents Abroad	79,663	-	5,163	140,237	9,904	1,367	59,159	-	295,493
Public Sector Deposits	336,601	-	-	-	-	-	-	-	336,601
Commercial Deposits	860,383	-	284,798	3,294,428	1,435,601	558,000	145,244	-	6,578,454
Other Institutions Deposits	66,441	-	2,311	93,023	17,653	-	7	-	179,435
Precious Metal Deposits	166,214	-	-	-	-	-	-	-	166,214
Bank Deposits	118,492	-	90,729	36,284	-	94,013	-	-	339,518
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	78,573	-	-	-	-	-	-	-	78,573
Foreign Banks	39,919	-	90,729	36,284	-	94,013	-	-	260,945
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3,987,825</b>	<b>-</b>	<b>4,870,018</b>	<b>17,000,506</b>	<b>8,428,536</b>	<b>951,975</b>	<b>469,357</b>	<b>-</b>	<b>35,708,217</b>

ii. 31 December 2021:

	Demand	With 7 days notifications	Up to 1 month	1-3 months	3-6 months	6 months -1 year	1 year and over	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	2,367,562	-	2,654,597	12,154,085	405,256	54,718	59,910	-	17,696,128
Residents in Turkey	2,314,406	-	2,646,367	12,060,532	400,864	39,560	46,320	-	17,508,049
Residents Abroad	53,156	-	8,230	93,553	4,392	15,158	13,590	-	188,079
Public Sector Deposits	188,844	-	-	-	-	-	-	-	188,844
Commercial Deposits	815,663	-	254,569	325,818	28,926	89,712	22,582	-	1,537,270
Other Institutions Deposits	2,168	-	2,070	4,453	14	3,941	2,165	-	14,811
Precious Metal Deposits	105,679	-	-	-	-	-	-	-	105,679
Bank Deposits	23,981	-	459,851	14,041	-	-	-	-	497,873
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	691	-	459,851	14,041	-	-	-	-	474,583
Foreign Banks	23,290	-	-	-	-	-	-	-	23,290
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3,606,292</b>	<b>-</b>	<b>4,568,528</b>	<b>14,606,098</b>	<b>695,199</b>	<b>307,121</b>	<b>579,937</b>	<b>-</b>	<b>24,363,175</b>



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

**II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED 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 September 2022	31 December 2021	30 September 2022	31 December 2021
<b>Saving Deposits</b>				
Savings Deposit	2,735,184	1,399,356	7,604,828	2,923,214
Foreign Currency Savings Deposit	1,268,788	942,872	10,290,544	9,375,416
Other Deposits in the Form of Savings Deposits	56,301	41,870	109,913	63,809
Foreign Branches’ Deposits Under Foreign Authorities’ Insurance	-	-	-	-
Off-shore Banking Regions’ Deposits Under Foreign Authorities’ Insurance	-	-	-	-
<b>Total</b>	<b>4,060,273</b>	<b>2,384,098</b>	<b>18,005,285</b>	<b>12,362,439</b>

(\*) First paragraph of Article 1 of the “Regulation on Deposits and Participation Funds Subject to Insurance and Premiums to be Collected by the Savings Deposit Insurance Fund” published in the Official Gazette dated 7/11/2006 and numbered 26339, the phrase “savings deposits except those belonging to official institutions, credit institutions and financial institutions, are included in the insurance coverage, and the TL 171,892, Commercial and Other Institutions deposits within the scope of the insurance are not included in the above note.

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

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

	30 September 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	24,318	10,771
Deposits and Other Accounts of Property Assets Value due to Crime which is in the Scope of Article 282 of Numbered 5237 “TCK” Dated 26 September 2004	-	-
Deposits in Banks Incorporated in Turkey Exclusively for Off-shore Banking Operations	-	-
<b>Total</b>	<b>24,318</b>	<b>10,771</b>

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

None (31 December 2020: None).

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

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

**c. Information on borrowings:**

1. Information on banks and other financial institutions:

	30 September 2022		31 December 2021	
	TL	FC	TL	FC
CBRT Borrowings	-	-	-	-
From Domestic Banks and Institutions	388,984	81,172	182,243	144,463
From Foreign Banks, Institutions and Funds	-	7,290,416	-	7,942,549
<b>Total</b>	<b>388,984</b>	<b>7,371,588</b>	<b>182,243</b>	<b>8,087,012</b>

2. Information on maturity structure of borrowings:

	30 September 2022		31 December 2021	
	TL	FC	TL	FC
Short-term	334,855	737,647	26,935	700,782
Medium and Long-term	54,129	6,633,941	155,308	7,386,230
<b>Total</b>	<b>388,984</b>	<b>7,371,588</b>	<b>182,243</b>	<b>8,087,012</b>

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

The Group's main funding sources are deposits and borrowings. As of 30 September 2022, deposits and borrowings from Group's risk group comprise 0.6% (31 December 2021: 0.5%) of total deposits. Besides this, borrowings from Group's risk group comprise 72.2% (31 December 2021: %65.1) of subordinated and other borrowings.

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

	30 September 2022		31 December 2021	
	TL	FC	TL	FC
Bill	-	-	-	-
Bond	74,493	-	-	-
Asset Collateralized Securities	-	-	-	-
<b>Total</b>	<b>74,493</b>	<b>-</b>	<b>-</b>	<b>-</b>

**e. Information on other foreign liabilities:**

Other foreign liabilities amounting to TL 4,289,562 (31 December 2021: TL 2,252,111) do not exceed 10% of the total balance sheet excluding off-balance sheet commitments.

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

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

**f. Information on lease payables:**

	30 September 2022		31 December 2021	
	Gross	Net	Gross	Net
Less than 1 year	3,457	2,079	1,627	1,381
Between 1-4 years	70,026	57,274	67,451	55,427
More than 4 years	33,653	23,203	27,610	19,252
<b>Total</b>	<b>107,136</b>	<b>82,556</b>	<b>96,688</b>	<b>76,060</b>

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

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

Trading Derivative Financial Liabilities	30 September 2022		31 December 2021	
	TL	FC	TL	FC
Forward Transactions	13,129	15,088	10,211	2,618
Swap Transactions	301,122	12,750	415,683	32,921
Futures Transactions	1,341	-	3,465	-
Options	-	68,538	-	4,779
Other	283	-	-	-
<b>Total</b>	<b>315,875</b>	<b>96,376</b>	<b>429,359</b>	<b>40,318</b>

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

	30 September 2022		31 December 2021	
	TL	FC	TL	FC
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	128,127	9,576	87,382	30,728
Foreign Net Investment Hedge	-	-	-	-
<b>Total</b>	<b>128,127</b>	<b>9,576</b>	<b>87,382</b>	<b>30,728</b>

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

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

**h. Information on provisions:**

1. Information on reserve for employment termination benefits:

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

The payment amount that is one month's salary for each working year is restricted to TL 15,371.40 since 1 July 2022. Employment termination benefits are not funded as there is no funding requirement.

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

	30 September 2022	31 December 2021
Discount rate (%)	3.33	3.33
Salary increase rate (%)	17.20	17.20
Average remaining work period (Year)	11.60	11.60

Movement of reserve for employment termination benefits during the period:

	30 September 2022	31 December 2021
Prior period end balance	30,425	23,621
Service cost	12,569	3,409
Interest cost	-	2,607
Settlement cost	-	(2,396)
Actuarial loss/gain	-	5,571
Benefits paid (-)	3,704	2,387
<b>Balance at the End of Period</b>	<b>39,290</b>	<b>30,425</b>

In addition, as of 30 September 2022, the Group has accounted for vacation rights provision and personnel bonus provision amounting to TL 73,892 (31 December 2021: TL 47,058).

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

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

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

2. Other Provisions:

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

The provisions related to foreign currency differences of foreign indexed loans calculated as of the balance sheet date have been netted-off from the loan amount in the financial statements, and there is no the provision related to foreign currency differences of foreign indexed loans (31 December 2021: None).

ii. Information on other provisions:

The Bank set aside general reserves under other provisions amounting to TL 251,854 (31 December 2021: TL 138,622). TL 27,728 (31 December 2021: TL 30,902) for provisions for non-cash loans and commitments that are not converted to cash and not indemnified, TL 8,207 for the provision for other (31 December 2021: TL 8,023).

**i. Information on taxes payable:**

1. Information on tax provision:

As of 30 September 2022, corporate tax provision is TL 161,365 (31 December 2021: TL 1,515).

2. Information on taxes payable:

	30 September 2022	31 December 2021
Corporate Tax Payable	161,365	1,515
Taxation of Marketable Securities	24,638	10,011
Property Tax	618	87
Banking Insurance Transaction Tax	24,065	24,698
Foreign Exchange Transaction Tax	1,761	3,110
Value Added Tax Payable	3,639	9,985
Other	13,977	5,599
<b>Total</b>	<b>230,063</b>	<b>55,005</b>

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

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

i. Information on taxes payable (continued):

3. Information on premium payables:

	30 September 2022	31 December 2021
Social Security Premiums-Employee	4,011	2,062
Social Security Premiums-Employer	4,904	2,472
Bank Social Aid Pension Fund Premiums-Employee	-	-
Bank Social Aid Pension Fund Premiums-Employer	-	-
Pension Fund Membership Fee and Provisions-Employee	-	-
Pension Fund Membership Fee and Provisions-Employer	-	-
Unemployment Insurance-Employee	274	141
Unemployment Insurance-Employer	547	283
Other	877	570
<b>Total</b>	<b>10,613</b>	<b>5,528</b>

4. Explanations on deferred tax asset/liability:

As of 30 September 2022, the Group has netted-off the calculated deferred tax asset of TL 549,859 (31 December 2021: TL 570,247) and tax liability of TL 695,387 (31 December 2021: TL 559,271) on a company basis in accordance with TAS 12 and hasn't recorded any net deferred tax asset (31 December 2021: 24,416 net deferred tax asset) and a net deferred tax liability of TL 145,528 (31 December 2021: TL 13,440) in the financial statements.

As of 30 September 2022 and 31 December 2021, the details of accumulated temporary differences and deferred tax assets and liabilities are as follows:

	Accumulated Temporary Differences		Deferred tax assets/liabilities	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
Carried Financial Loss	268,624	994,250	67,156	222,001
Provision for Legal Cases	8,207	8,023	2,051	1,605
Expected Loss Provisions	1,592,057	1,561,919	398,014	327,738
Employee Benefits Provision	56,947	41,145	14,237	8,504
Unearned Revenue	13,895	17,598	3,474	3,498
Other	259,712	33,808	64,927	6,901
<b>Deferred Tax Assets</b>	<b>2,199,442</b>	<b>2,656,743</b>	<b>549,859</b>	<b>570,247</b>
Difference Between Book Value and Tax Base of Tangible and Intangible Assets	361,303	269,828	85,586	50,468
Valuation Differences of Derivative Instruments	2,405,005	2,287,329	601,251	505,992
Other	34,202	13,751	8,550	2,811
<b>Deferred Tax Liabilities</b>	<b>2,800,510</b>	<b>2,570,908</b>	<b>695,387</b>	<b>559,271</b>
<b>Deferred Tax Assets/(Liabilities) (Net)</b>			<b>(145,528)</b>	<b>10,976</b>

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

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

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

The deferred tax asset/liability movement is as follows:

	<b>30 September 2022</b>	<b>31 December 2021</b>
<b>Balance as of 1 January</b>	10,976	118,760
Current year deferred tax income/(expense), net	41,026	(72,289)
Deferred tax recognized in equity, net	(197,530)	(35,495)
<b>Period end balance</b>	<b>(145,528)</b>	<b>10,976</b>

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

None (31 December 2021: None).

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

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

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

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

Issuing Institution	Amount	Opening Date	Maturity Date	Interest Rate (%)
Burgan Bank K.P.S.C. (Main Shareholder)	USD 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 September 2022		31 December 2021	
	TL	FC	TL	FC
Domestic Banks	-	-	-	-
Other Domestic Institutions	-	-	-	-
Foreign Banks	-	3,729,079	-	3,347,213
Other Foreign Institutions	-	-	-	-
<b>Total</b>	-	<b>3,729,079</b>	-	<b>3,347,213</b>

	30 September 2022		31 December 2021	
	TL	FC	TL	FC
<b>Debt Instruments Subject to Common Equity</b>	-	<b>925,935</b>	-	<b>666,450</b>
Subordinated Loans	-	925,935	-	666,450
Subordinated Debt Instruments	-	-	-	-
<b>Debt Instruments Subject to Tier 2 Equity</b>	-	<b>2,803,144</b>	-	<b>2,680,763</b>
Subordinated Loans	-	2,803,144	-	2,680,763
Subordinated Debt Instruments	-	-	-	-
<b>Total</b>	-	<b>3,729,079</b>	-	<b>3,347,213</b>



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

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

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

1. Presentation of paid-in capital:

	30 September 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 2022 and numbered 2022/19, the required permission was obtained from Banking Regulation and Supervision Agency regarding increasing the capital amounting to full TL 2,655,500,000 by full TL 765,500,000, 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 it was registered and announced in Turkish Trade Registry Gazette numbered 10604 and dated 22 June 2022.

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

None.

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

None.

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

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

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

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

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

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

8. Information on marketable securities valuation reserve:

	30 September 2022		31 December 2021	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	48,416	(29,905)	(45,308)	(6,898)
Foreign Currency Translation Difference	-	-	-	-
<b>Total</b>	<b>48,416</b>	<b>(29,905)</b>	<b>(45,308)</b>	<b>(6,898)</b>

9. Information on tangible assets revaluation reserve:

	30 September 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 CONSOLIDATED FINANCIAL STATEMENTS (continued):**

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

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

1. The amount and type of irrevocable commitments:

	30 September 2022	31 December 2021
Forward foreign exchange commitments	6,057,440	1,912,509
Time deposit buy-sell commitments	544,185	-
Forward securities purchase-sale commitments	428,782	-
Guaranteed loan allocation commitment	213,941	295,348
Payment commitment for check sheets	100,731	81,744
Blocked checks issued to customers	82,752	80,701
<b>Total</b>	<b>7,427,831</b>	<b>2,370,302</b>

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

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

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

	30 September 2022	31 December 2021
Letter of guarantees	4,970,025	3,088,188
Other guarantees	2,587,790	2,515,966
Letter of credits	11,343	209,466
Bank acceptance loans	1,308,155	1,232,930
<b>Total</b>	<b>8,877,313</b>	<b>7,046,550</b>

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

	30 September 2022		31 December 2021	
	TL	FC	TL	FC
Irrevocable Letters Of Guarantee	2,125,849	1,155,675	1,224,502	835,017
Revocable Letters Of Guarantee	49,824	11,268	88,702	12,375
Letters Of Guarantee Given In Advance	91,870	111,675	23,881	255,103
Guarantees Given To Customs	13,833	42,900	14,101	156,374
Other Letters Of Guarantee	960,082	407,049	241,806	236,327
<b>Total</b>	<b>3,241,458</b>	<b>1,728,567</b>	<b>1,592,992</b>	<b>1,495,196</b>

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

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

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

	30 September 2022	31 December 2021
Non-cash loans given against cash loans	1,635,131	1,612,262
With original maturity of 1 year or less than 1 year	-	-
With original maturity of more than 1 year	1,635,131	1,612,262
Other non-cash loans	7,242,182	5,434,288
<b>Total</b>	<b>8,877,313</b>	<b>7,046,550</b>

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

Current Period (*)	1st Group		2nd Group	
	TL	FC	TL	FC
Letters of Guarantee	3,220,246	1,649,842	14,400	56,810
Bill of Exchange and Acceptances	-	11,343	-	-
Letters of Credit	-	2,571,503	-	16,287
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	578,800	729,355	-	-
<b>Total</b>	<b>3,799,046</b>	<b>4,962,043</b>	<b>14,400</b>	<b>73,097</b>

(\*) In addition to the non-cash loans stated in the table above, the Bank has a non-cash loan amounting to TL 28,727, which is classified as total non-performing loans. As of 30 September 2022, the Bank has made a provision of TL 16,272 for these loans.

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

As of 30 September 2022, the total amount of legal cases against the Group is TL 27,213 (30 September 2021: TL 40,697) and the Group sets aside a provision of TL 7,763 (31 December 2021: TL 22,211) regarding these risks.

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

**FITCH (28 September 2022)**

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

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

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

**a. Information on interest income:**

1. Information on interest income on loans :

	30 September 2022		30 September 2021	
	TL	FC	TL	FC
<b>Interest Income on Loans (*)</b>				
Short-term Loans	2,028,372	89,771	582,124	15,703
Medium/Long-term Loans	317,764	461,992	288,510	354,452
Interest on Subordinated Loans	76,814	-	18,468	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-
<b>Total</b>	<b>2,422,950</b>	<b>551,763</b>	<b>889,102</b>	<b>370,155</b>

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

2. Information on interest income on banks:

	30 September 2022		30 September 2021	
	TL	FC	TL	FC
From the CBRT	215	450	860	-
From Domestic Banks	28,351	2,939	45,264	396
From Foreign Banks	-	8,517	-	310
Headquarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>28,566</b>	<b>11,906</b>	<b>46,124</b>	<b>706</b>

3. Information on marketable securities:

	30 September 2022		30 September 2021	
	TL	FC	TL	FC
Financial Assets Measured at Fair Value Through Profit/Loss	773	2,267	449	1,124
Financial Assets Measured at Fair Value Through Other Comprehensive Income	175,328	8,912	32,554	1,588
Financial Assets Measured at Amortized Cost	153,596	76,900	-	27,451
<b>Total</b>	<b>329,697</b>	<b>88,079</b>	<b>33,003</b>	<b>30,163</b>

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

None (30 September 2021: None).

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

**b. Information on interest expenses:**

1. Information on interest income on loans:

	30 September 2022		30 September 2021	
	TL	FC	TL	FC
<b>Banks</b>	<b>47,231</b>	<b>337,803</b>	<b>47,581</b>	<b>170,922</b>
The CBRT	-	-	-	-
Domestic Banks	47,231	67	47,581	698
Foreign Banks	-	337,736	-	170,224
Headquarters and Branches Abroad	-	-	-	-
<b>Other Institutions</b>	<b>-</b>	<b>1,382</b>	<b>-</b>	<b>3,458</b>
<b>Total (*)</b>	<b>47,231</b>	<b>339,185</b>	<b>47,581</b>	<b>174,380</b>

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

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

None (30 September 2021: None).

3. Information on interest expense on issued securities:

	30 September 2022	30 September 2021
Interests Paid on Issued Securities	4,424	-
<b>Total</b>	<b>4,424</b>	<b>-</b>

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	1 Year and More			
<b>TL</b>									
Bank Deposits	-	942	-	-	-	-	-	942	276
Savings Deposits	-	294,786	231,555	331,087	22,710	43,378	-	923,516	552,626
Public Deposits	-	14	-	-	-	-	-	14	-
Commercial Deposits	-	43,669	95,883	43,968	147,768	10,620	-	341,908	89,213
Other Deposits	-	568	134,207	157	288	189	-	135,409	19,652
7 Day Notice Deposits	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>339,979</b>	<b>461,645</b>	<b>375,212</b>	<b>170,766</b>	<b>54,187</b>	<b>-</b>	<b>1,401,789</b>	<b>661,767</b>
<b>FC</b>									
Foreign Currency Account	-	28,678	259,654	11,832	1,483	1,302	-	302,949	108,461
Bank Deposits	-	4,184	-	-	-	-	-	4,184	1,098
7 Day Notice Deposits	-	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>32,862</b>	<b>259,654</b>	<b>11,832</b>	<b>1,483</b>	<b>1,302</b>	<b>-</b>	<b>307,133</b>	<b>109,559</b>
<b>Grand Total</b>	<b>-</b>	<b>372,841</b>	<b>721,299</b>	<b>387,044</b>	<b>172,249</b>	<b>55,489</b>	<b>-</b>	<b>1,708,922</b>	<b>771,326</b>

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

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

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

	30 September 2022	30 September 2021
<b>Income</b>	<b>50,288,267</b>	<b>28,249,889</b>
Capital Market Transactions	116,246	31,975
Derivative Financial Transactions	757,717	393,579
Foreign Exchange Gains	49,414,304	27,824,335
<b>Loss (-)</b>	<b>50,088,284</b>	<b>28,164,884</b>
Capital Market Transactions	16,281	6,745
Derivative Financial Transactions	839,192	210,174
Foreign Exchange Losses	49,232,811	27,947,965
<b>Net Income/Loss</b>	<b>199,983</b>	<b>85,005</b>

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

For the period ended 30 September 2022, the Group's other operating income includes the adjustment account for previous years' expenses and other operating income.

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

	30 September 2022	30 September 2021
<b>Expected Credit Loss</b>	<b>(225,514)</b>	<b>208,586</b>
12 Month Expected Credit Loss (Stage 1)	(12,135)	4,881
Significant Increase in Credit Risk (Stage 2)	(273,658)	56,428
Non-performing Loans (Stage 3)	60,279	147,277
<b>Marketable Securities Impairment Expense</b>	<b>-</b>	<b>-</b>
Financial Assets at Fair Value through Profit or Loss	-	-
Financial Assets at Fair Value through Other Comprehensive Income	-	-
<b>Investments in Associates, Subsidiaries and Joint Ventures Value Decrease</b>	<b>-</b>	<b>-</b>
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
<b>Other (*)</b>	<b>58,697</b>	<b>-</b>
<b>Total</b>	<b>(166,817)</b>	<b>208,586</b>

(\*) As of 30 September 2022, it includes of Free Provisions for Possible Risks amounting to TL 55,556 (30 September 2021: None).

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

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

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

	<b>30 September 2022</b>	<b>30 September 2021</b>
Provision for Employment Termination Benefits (*)	15.189	7.703
Provision for Bank Social Aid Pension Fund Deficit	-	-
Impairment Expenses of Tangible Assets	-	-
Amortization Expenses of Tangible Assets	37.935	33.691
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expense	-	-
Amortization Expenses of Intangible Assets	9.942	9.783
Impairment Expenses of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held For Resale	-	-
Amortization Expenses of Assets Held for Resale	-	-
Impairment Expenses of Non-current Assets Related to Discontinued Activities Held for Sale	-	-
Other Operating Expenses	263.331	143.072
Leasing Expenses Related to TFRS 16 Exceptions	3.776	1.399
Maintenance Expenses	20.667	1.047
Advertising Expenses	11.920	5.186
Other Expense	226.968	135.440
Loss on Sales of Assets	3	17
Other	33.861	15.773
<b>Total</b>	<b>360.261</b>	<b>210.039</b>

(\*) As of 30 September 2022, “Employee Vacation Fee Provision Expense” amounts to TL 3,126 (30 September 2021: TL : 1,255).

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

The Group has no discontinued operations. The Group’s profit before tax from continuing operations is TL 1,359,956 (30 September 2021: TL 151,483 profit before tax).



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

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

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

The Group has no discontinued operations, the explanations below represent the provision for taxes of continuing operations:

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

As of 30 September 2022, the Group has current tax expense amounting to TL 395,197 and deferred tax income amounting to TL 41,026.

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

The Group has TL 213,436 deferred tax income from temporary differences, TL 67,156 deferred tax income from carried financial loss, The deferred tax expense due to the closing of temporary differences amounts to TL 239,566, netting off to TL 41,026 deferred tax income.

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

As of 30 September 2022, the Group has deferred tax expense amounting to TL 26,130 (30 September 2021: 78,378 deferred tax expense) arising from temporary differences, however, the Group has TL 67,156 deferred tax income as a result of carried financial loss (30 September 2021: TL 52,312 deferred tax income).

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

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

**j. Information on current period net profit and loss:**

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

None.

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

None.

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

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

k. Explanations on other items on the income statement:

1. In the current period, the Group's interest income amounts to TL 4,531,490 (30 September 2021: TL 1,894,487) and TL 734,562 (30 September 2021: TL 304,112) of the related amount is classified as "Other Interest Income" in the income statement.

	30 September 2022	30 September 2021
<b>Other Interest Income</b>		
Interest Income Related To Derivative Transactions	486,194	156,428
Other	248,368	147,684
<b>Total</b>	<b>734,562</b>	<b>304,112</b>

2. In the current period, the Group's interest expense amounts to TL 3,260,956 (30 September 2022: TL 1,426,245) and TL 1,077,655 (30 September 2021: TL 421,818) of the related amount is classified as "Other Interest Expense" in the income statement.

	30 September 2022	30 September 2021
<b>Other Interest Income</b>		
Interest Income Related To Derivative Transactions	867,056	337,021
Other	210,599	84,797
<b>Total</b>	<b>1,077,655</b>	<b>421,818</b>

3. In the current period, the Group's fee and commissions received amounts to TL 148,285 (30 September 2021: TL 48,186) and TL 115,754 (30 September 2021: TL 20,658) of the related amount is classified under "Other" in the income statement.

	30 September 2022	30 September 2021
<b>Other Fee and Commissions Received</b>		
Commissions on Investment Fund Services	11,859	4,459
Early Closing Commissions	6,484	3,830
Insurance Commissions	4,896	2,650
Commissions on Futures Options Exchange Brokerage	3,105	1,699
Commissions from Correspondent Banks	1,850	822
Credit Card and POS Transaction Commission	486	109
Transfer Commissions	365	232
Common Point Commissions	149	77
Other	86,560	6,780
<b>Total</b>	<b>115,754</b>	<b>20,658</b>

4. In the current period, Group's fees and commissions expense amounts to TL 41,510 (30 September 2021: TL 16,436) and TL 40,340 (30 September 2021: TL 15,963) of the related amount is classified under "Other" account in the income statement.

	30 September 2022	30 September 2021
<b>Other Fee and Commissions Given</b>		
Card Transaction Commission	5,308	3,075
Commissions Granted to Correspondent Banks	2,803	549
EFT Commissions	1,173	387
Common Point Commissions	919	1,258
Transfer Commissions	107	75
Other	30,030	10,619
<b>Total</b>	<b>40,340</b>	<b>15,963</b>

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

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

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

1. The information related to the prior period is presented as of 31 December 2021 for balance sheet items, and as of 30 September 2021 for income/expense items.

30 September 2022	Associates, Subsidiaries and Joint Ventures		Direct And Indirect Shareholders Of The Group		Other Real and Legal Persons That Have Been Included in the Risk Group	
					Cash	Non-Cash
<b>Group’s Risk Group</b>	<b>Cash</b>	<b>Non-Cash</b>	<b>Cash</b>	<b>Non-Cash</b>	<b>Cash</b>	<b>Non-Cash</b>
<b>Loans and Other Receivables</b>						
Balance at the Beginning of the Period	-	24,341	-	24,860	677	-
Balance at the End of the Period	-	22,378	-	23,883	918	87
<b>Interest and Commission Income Received</b>	-	-	-	10	117	1

31 December 2021	Associates, Subsidiaries and Joint Ventures		Direct And Indirect Shareholders Of The Group		Other Real and Legal Persons That Have Been Included in the Risk Group	
					Cash	Non-Cash
<b>Group’s Risk Group</b>	<b>Cash</b>	<b>Non-Cash</b>	<b>Cash</b>	<b>Non-Cash</b>	<b>Cash</b>	<b>Non-Cash</b>
<b>Loans and Other Receivables</b>						
Balance at the Beginning of the Period	-	62,497	-	12,944	790	-
Balance at the End of the Period	-	24,341	-	24,860	677	-
<b>Interest and Commission Income Received</b>	-	-	-	4	96	1

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

Group’s Risk Group	Associates, Subsidiaries and Joint Ventures		Direct And Indirect Shareholders of the Group		Other Real and Legal Persons That Have Been Included in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Deposit</b>						
Beginning of the Period	-	-	106,907	171,520	23,864	24,112
End of the Period	-	-	166,929	106,907	32,314	23,864
<b>Interest Expense on Deposits</b>	-	-	4,372	2,811	1,581	1,522

Group’s Risk Group	Associates, Subsidiaries and Joint Ventures		Direct And Indirect Shareholders of the Group		Other Real and Legal Persons That Have Been Included in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Repurchase Transactions</b>						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
<b>Interest Expense on Repurchase Transactions</b>	-	-	-	-	2	1

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

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

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

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

Bank’s Risk Group	Investments in Associates, Subsidiaries And Joint Ventures		Direct And Indirect Shareholders of the Group		Other Real and Legal Persons That Have Been Included in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<b>Fair Value Through Profit or Loss Transactions</b>						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	1,745,925	-	-	-
<b>Total Profit/Loss</b>	-	-	<b>(18,350)</b>	-	-	-
<b>Transactions for Hedging Purposes</b>						
Beginning of the Period	-	-	-	-	-	-
End of the period	-	-	-	-	-	-
<b>Total Profit/Loss</b>	-	-	-	-	-	-

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

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

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

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

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

	Total Risk Group	Share in Financial Statements (%)
Borrowings and Subordinated Debt Instruments	8,635,111	75.16
Deposit	199,243	0.56
Non-cash Loans	46,348	0.52
Banks and Other Financial Institutions	22,235	0.81
Loans	918	-

As of 30 September 2022, the Group has TL 22 interest income from deposits given to banks included in the risk group (30 September 2021: TL 73), The Group has realized interest expense amounting to TL 252,018 (30 September 2021: TL 129,893) on loans borrowed from the banks included in the risk group.

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

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

**b. With respect to the Group's risk group (continued):**

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

In accordance with the limits in Banking Law, cash and non-cash loans are allocated to the Parent Bank's risk group and the amount composes 0.11% (31 December 2021: 0.15%) of the Group's total cash and non-cash loans.

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

As of 30 September 2022, there are no agreements related to transfer and management of the information gathered from the research and development with the risk group that the Parent Bank is included.

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

Top management of the Group is composed of the Board of Directors, General Manager and Vice General Managers, The sum of benefits paid to top management, amounts to TL 51,119 (30 September 2021: TL 27,951) which constitutes of the sum of other benefits including yearly gross salaries and other payments and travel, meal aids, health and life insurances and vehicle expenses.

**VI. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS:**

None.

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**SECTION SIX**

**EXPLANATIONS ON LIMITED REVIEW REPORT**

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

The consolidated financial statements as of 30 September 2022 and for the period then ended 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 11 November 2022 has been presented prior to the consolidated financial statements.

**II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITOR:**

None.

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**SECTION SEVEN**

**EXPLANATIONS ON INTERIM ACTIVITY REPORT**

**I. EVALUATIONS FOR THE OPERATING PERIOD AND EXPECTATIONS FOR THE FUTURE BY THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE GENERAL MANAGER**

Global economic activity has entered a period of significant slowdown that has affected the whole world. High living costs, the tightening of financial conditions by the central banks of many developed countries against high inflation, and the Russia-Ukraine war have a negative impact on global growth dynamics. In the subsequent period, the global growth rate is expected to decline to its weakest level since 2001, when the global financial crisis and the pandemic are excluded.

After the strong growth in the first half of the year, the Turkish economy is expected to slow down in the third quarter due to the weakening global demand. While slowdown signals are seen in the manufacturing industry data, the relatively lively domestic demand continues to support growth. The employment market, on the other hand, remains relatively strong. The strong recovery of the tourism sector partially alleviates the negative effects of increasing energy imports on the current account balance. The CBRT has been reducing the policy rate since August to support industrial production and employment against the increasing global recession risk; and macro-prudential policies drive loan growth and appropriate use of loans. Although the supply-side effects of inflation are starting to lose their strength and due to base effects, inflation is expected to decline slightly from its current levels in the coming months, but inflation dynamics are closely monitored.

The consolidated balance sheet size of our bank dated 30 September 2022 is TL 59,407,514, while consolidated deposits are TL 35,708,217. In the current period Burgan Bank has maintained its support to its customers uninterruptedly and consolidated net cash loans has been realized as TL 35,508,222. The net profit of our bank in the third quarter of 2022 is TL 1,005,785, and our equity has been realized as TL 4,865,173. Our capital adequacy ratio is around 19.66%. In addition to deepening our existing customers in 14 provinces in which we operate, we will continue to serve with new customer acquisitions, keeping customer satisfaction in the foreground.

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

Ali Murat DİNÇ  
Member of Board of Directors and General Manager

Emin Hakan EMİNSOY  
Chairman of Board of Directors

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**BURGAN BANK A.Ş.**

**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 SEPTEMBER 2022**

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

**EXPLANATIONS ON INTERIM ACTIVITY REPORT (continued):**

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

<u>Name</u>	<u>Duty</u>	<u>Date of Assignment</u>	<u>Educational Background</u>	<u>Banking and Managership Experience (Year)</u>
<b>Chairman and Members of Board of Directors:</b>				
Emin Hakan Eminsoy	Chairman	07.08.2019	Undergraduate	34
Abdelkarim A. S. Kabariti	Deputy Chairman	04.11.2021	Undergraduate	32
Mehmet Alev Göçmez	Member	23.01.2013	Graduate	33
Khaled F.A.O. Alzouman	Member	13.06.2019	Undergraduate	31
Hasan Kılıç	Member	10.06.2021	Undergraduate	32
Fadhil M. GH. A. Abdullah	Member	3.12.2021	Undergraduate	32
Mohammad M. A. H. S. Almael	Member	3.12.2021	Graduate	22
Moustapha Chami	Member	15.06.2022	Graduate	19
Ali Murat Dinç	Member and General Manager	03.02.2014	Graduate	21
<b>General Manager:</b>				
Ali Murat Dinç	Member and General Manager	03.02.2014	Graduate	21
<b>Deputy General Managers:</b>				
Suat Kerem Sözügüzel	Corporate & Commercial Banking	01.04.2014	Graduate	17
Zeynep Bozkurt	Financial Affairs	15.01.2021	Graduate	13
<b>Vice General Managers:</b>				
Esra Aydın	Operation & Management Services	01.08.2007	Graduate	16
Cihan Vural	Internal Systems	03.11.2008	Undergraduate	13
Rasim Levent Ergin	Human Resources	01.11.2012	Graduate	17
Suat Kerem Sözügüzel	Corporate & Commercial Banking	01.04.2014	Graduate	17
Banu Ertürk	Loan Follow-up and Legal Procedures	01.08.2020	Undergraduate	22
Darço Akkaranfil	Information Technologies	14.09.2020	Graduate	15
Zeynep Bozkurt	Financial Affairs	15.01.2021	Graduate	13
Ayşen Aslı Koçer	Deposit 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:**

There are no appointments in the last three months.

**Resignations:**

There are no resignations in the last three months

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



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**BURGAN BANK A.Ş.**

**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 SEPTEMBER 2022**

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

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**EXPLANATIONS ON INTERIM ACTIVITY REPORT (continued):**

**III. INFORMATION ON ACTIVITIES OF COMMITTEES ESTABLISHED LINKED TO BOARD OF DIRECTORS OR IN ORDER TO ASSIST BOARD OF DIRECTORS IN THE FRAMEWORK OF RISK MANAGEMENT SYSTEMS IN ACCORDANCE WITH THE REGULATION ON CREDIT COMMITTEE AND INTERNAL SYSTEMS OF THE BANK AND NAMES, SURNAMES AND FUNDAMENTAL DUTIES OF CHAIRMAN AND MEMBERS ASSIGNED IN AFOREMENTIONED COMMITTEES:**

Emin Hakan Eminsoy is the Chairman, Fadhil 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 Khaled 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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**BURGAN BANK A.Ş.**

**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 SEPTEMBER 2022**

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

**EXPLANATIONS ON INTERIM ACTIVITY REPORT (continued):**

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

	<b>30.09.2022</b>	<b>31.12.2021</b>	<b>Change (%)</b>
Total Assets	59,407,514	41,971,781	41.5
Loans (Net)	35,508,222	27,769,619	27.9
Securities	4,571,028	1,685,348	171.2
Deposits	35,708,217	24,363,175	46.6
Debts Having Loan Characteristics	13,124,877	11,889,236	10.4
Equity	4,865,173	2,474,409	96.6
Guarantee and Suretyship	8,877,313	7,046,550	26.0
Capital Adequacy Ratio	19.66%	20.88%	(1.2)

	<b>(01/01/2022 - 30/09/2022)</b>	<b>(01/01/2021 - 30/09/2021)</b>	<b>(01/07/2022 - 30/09/2022)</b>	<b>(01/07/2021 - 30/09/2021)</b>
Net Profit/(Loss) for the Period)	1,005,785	121,652	444,927	45,753

**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 23 branches, including 8 retail, 1 corporate and 23 mixed banking branches, internet banking applications, call center and 1,109 employees.

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

<b>Million TL</b>	<b>Burgan Bank</b>	<b>Sector (*)</b>	<b>Share of our Bank (%)</b>
Cash Loans	29,506	6,661,162	0.44
Customer Deposits	35,231	7,739,399	0.46
Branch Number	32	11,026	0.29
Personnel Number	993	203,702	0.49

(\*) Reference is prepared based on BRSA Data of 31 August 2022 and discount and accrual are not added to balance sheet items.