

BURGAN BANK A.Ş.

**PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL
STATEMENTS, RELATED DISCLOSURES AND
INDEPENDENT AUDITOR’S REVIEW REPORT THEREON
AS OF AND FOR THE SIX MONTH PERIOD ENDED
30 JUNE 2024**

*(CONVENIENCE TRANSLATION
FINANCIAL STATEMENTS AND AUDITOR’S REVIEW REPORT
ORIGINALLY ISSUED IN TURKISH)*



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Convenience Translation of the Independent Auditor's Review Report

Originally Prepared and Issued in Turkish to English

Independent Auditor's Report on Review of Consolidated Interim Financial Information

To the Board of Directors of Burgan Bank A.Ş.

Introduction

We have reviewed the accompanying consolidated balance sheet of Burgan Bank A.Ş. ("the Bank") and its consolidated financial subsidiaries (together referred to as "the Group") as at 30 June 2024 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 six month period then ended and notes, comprising a summary of significant accounting policies and other explanatory information. The Group Management is responsible for the preparation and fair presentation of these consolidated interim financial information in accordance with the "Banking Regulation and Supervision Agency ("BRSA") Accounting and Reporting Legislation" which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette No.26333 dated 1 November 2006, and other regulations on accounting records of banks published by Banking Regulation and Supervision Board and circulars and interpretations published by BRSA and the requirements of Turkish Accounting Standard 34 "Interim Financial Reporting" for the matters not regulated by the aforementioned legislations. Our responsibility is to express a conclusion on these consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review of interim consolidated financial information is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Basis for Qualified Conclusion

As stated in Note 2.h.2.ii of Section Five, the accompanying consolidated interim financial information as at 30 June 2024 includes a free provision of TL 1,660,109 thousands, of which TL 211,989 thousands had been cancelled in current period and TL 1,872,098 thousand had been recognized as expense in prior periods which does not meet the requirements of BRSA Accounting and Reporting Legislation. This free provision is provided by the Bank management for the possible effects of the negative circumstances which may arise in economy or market conditions.

Qualified Conclusion

Based on our review, except for the effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information does not present fairly, in all material respects, the consolidated financial position of Burgan Bank A.Ş. as at 30 June 2024, and its consolidated financial performance and its consolidated cash flows for the six month period then ended in accordance with the BRSA Accounting and Reporting Legislation.

Report on Other Legal and Regulatory Requirements

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

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Ebru Koçak, SMMM
Partner

14 August 2024
İstanbul, Turkey

**THE CONSOLIDATED SIX-MONTH INTERIM FINANCIAL REPORT OF
BURGAN BANK A.Ş. AS OF 30 JUNE 2024**

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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The Bank's Website : www.burgan.com.tr
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The consolidated six months financial report includes the following sections in accordance with the Communiqué on Financial Statements and Related Explanations and Notes that will be Publicly Announced as sanctioned by the Banking Regulation and Supervision Agency.

- **Section One** **GENERAL INFORMATION ABOUT THE 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:

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

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

14 August 2024

Emin Hakan EMİNSOY
Chairman of the
Board of Directors

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

Zeynep BOZKURT
Deputy Chief Executive
Officer, Vice General
Manager of Financial
Affairs

Bahadır AKSU
Head of Accounting,
Tax, and Reporting Unit

Hasan KILIÇ
Head of the Audit Committee

Khaled F.A.O. ALZOUMAN
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:

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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 and "The Decree of Establishment Permission" was published in the Official Gazette numbered 21017 and dated 10 October 1991. The Articles of Association was published in the Trade Registry Gazette numbered 2969 and dated 18 February 1992. The Turkish Savings Deposit and Insurance Fund ("SDIF") took over the management of Bank Ekspres A.Ş. due to the poor fiscal structure of the bank on 23 October 1998.

According to the Share Transfer Agreement signed between the SDIF and Tekfen Holding A.Ş. on 30 June 2001, 2,983,800,000 shares with a nominal value of Kr 1 each and which amount to 99.46% of the capital of Bank Ekspres A.Ş. under the control of the SDIF in accordance with Banking Law were transferred to Tekfen Holding A.Ş.. Based on this agreement, the acquisition of Tekfen Yatırım ve Finansman Bankası A.Ş., where Tekfen Holding A.Ş. owns 57.69% of the Bank, by Bank Ekspres A.Ş. was permitted by the Banking Regulation and Supervision Agency's ("BRSA") decision numbered 489 dated 18 October 2001. The share transfers were realised on 26 October 2001 and the bank's name was changed to Tekfenbank Anonim Şirketi (the "Bank"), which had two main shareholders: Tekfen Holding A.Ş. with 57.30% and TST International S.A. with 40.62%.

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

Under the agreement regarding the sale of Eurobank Ergasias S.A.'s Turkey operations to Burgan Bank K.P.S.C. (formerly Burgan Bank S.A.K), 70% of the Bank shares belonging to Eurobank EFG Holding (Luxemburg) S.A. and 29.26% of the shares belonging to Tekfen Holding A.Ş. are bought by Burgan Bank K.P.S.C. 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. 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.

Burgan Bank K.P.S.C., which is the main shareholder with a share ratio of 99.41%, has completed the transfer transaction of its share corresponding to 52% of the Bank's capital to Al Rawabi United Holding K.S.C.C., obtaining necessary approvals from the Banking Regulation and Supervision Agency on 13 November 2023. Kuwait Projects Company K.S.C.P., the actual main shareholder of Burgan Bank K.P.S.C., also owns 99.99% of the shares of Al Rawabi United Holding Company K.S.C.C. Therefore, there has been no change in the ultimate ownership of Burgan Bank A.Ş., as Kuwait Projects Company K.S.C.P., the actual main shareholder of Burgan Bank K.P.S.C., holds 99.99% of the shares of Al Rawabi United Holding Company K.S.C.C.

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2024**

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

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

The Bank's registered capital ceiling is 6 billion full TL.

The Bank's capital amount to full TL 3,050,000,000.

In accordance with the Decision of the Board of Directors of the Bank dated 21 June 2023 and numbered 2023/22, the required permission was obtained from Banking Regulation and Supervision Agency regarding increasing the capital amounting to TL 2,655,500,000 by TL 6,000,000,000 to TL 394,500,000, being within the limit of registered capital ceiling amounting to TL 3,050,000,000, 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 is registered and announced in the Turkish Trade Registry Gazette dated 13 December 2023 and numbered 10978.

Burgan Bank K.P.S.C., which is the main shareholder with a share ratio of 99.41%, has completed the transfer transaction of its share corresponding to 52% of the Bank's capital to Al Rawabi United Holding K.S.C.C., obtaining necessary approvals from the Banking Regulation and Supervision Agency on 13 November 2023. Kuwait Projects Company K.S.C.P., the actual main shareholder of Burgan Bank K.P.S.C., also owns 99.99% of the shares of Al Rawabi United Holding Company K.S.C.C. Therefore, there has been no change in the ultimate ownership of Burgan Bank A.Ş., as Kuwait Projects Company K.S.C.P., the actual main shareholder of Burgan Bank K.P.S.C., holds 99.99% of the shares of Al Rawabi United Holding Company K.S.C.C.

Founded in 1977, Burgan Bank K.P.S.C., 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).

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2024**

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

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

<u>Title</u>	<u>Name</u>	<u>Responsibility</u>	<u>Education</u>
Chairman of the Board of Directors:	Emin Hakan Eminsoy	Chairman of Board of Directors	Undergraduate
Board of Directors Members:	Abdelkarim A. S. Kabariti	Deputy Chairman	Undergraduate
	Mehmet Alev Göçmez	Member	Graduate
	Khaled F.A.O. Alzouman	Member	Undergraduate
	Hasan Kılıç	Member	Undergraduate
	Fadhil M. GH. A. Abdullah	Member	Undergraduate
	Mohammad M. A. H. S. Almael	Member	Graduate
	Moustapha Chami	Member	Graduate
	Ali Murat Dinç	Member and General Manager	Graduate
General Manager:	Ali Murat Dinç	Member and General Manager	Graduate
Deputy General Managers:	Suat Kerem Sözügüzel	Corporate & Commercial Banking	Graduate
	Zeynep Bozkurt	Financial Affairs	Graduate
Vice General Managers:	Esra Aydın	Operations & Management Services	Graduate
	Cihan Vural	Internal Systems	Undergraduate
	Rasim Levent Ergin	Employee Experience and Communication	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
Audit Committee:	Hasan Kılıç	Committee President	Undergraduate
	Khaled F.A.O. Alzouman	Member	Undergraduate
	Moustapha Chami	Member	Graduate

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

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2024**

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

GENERAL INFORMATION ABOUT THE GROUP (continued):**IV. EXPLANATION ON SHAREHOLDERS HAVING CONTROL SHARES IN THE PARENT BANK:**

Name/Commercial Title	Share Amounts	Share Percentage	Paid-in Capital	Unpaid Portion
Al Rawabi United Holding K.S.C.C.	1,586,000	52.00%	52.00%	-
Burgan Bank K.P.S.C.	1,446,061	47.41%	47.41%	-

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 June 2024, the Parent Bank, whose headquarter located in Istanbul, has 28 branches operating in Turkey (31 December 2023: 29). The Bank's core business activities include corporate and commercial banking, retail banking and banking services in treasury fields. As of 30 June 2024, the Group has 1,375 (31 December 2023: 1,256) employees.

VI. INFORMATION ON APPLICATION DIFFERENCES BETWEEN CONSOLIDATION PRACTICES AS PER THE REGULATION ON PREPARATION OF CONSOLIDATED FINANCIAL 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

BURGAN BANK A.Ş
CONSOLIDATED BALANCE SHEETS (STATEMENTS OF FINANCIAL POSITION)
AS OF 30 JUNE 2024 AND 31 DECEMBER 2023
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

I. BALANCE SHEET	Note (Section Five)	Reviewed 30/06/2024			Audited 31/12/2023		
		TL	FC	Total	TL	FC	Total
ASSETS							
I. FINANCIAL ASSETS (Net)		13,423,311	12,066,782	25,490,093	11,054,781	10,020,871	21,075,652
1.1 Cash and Cash Equivalents		6,278,528	6,896,435	13,174,963	6,012,634	7,412,819	13,425,453
1.1.1 Cash and Balances with Central Bank	I-a	4,716,646	5,949,924	10,666,570	4,427,484	6,188,372	10,615,856
1.1.2 Banks	I-c	1,114,261	946,511	2,060,772	1,522,980	1,224,447	2,747,427
1.1.3 Money Market Placements		447,700	-	447,700	62,235	-	62,235
1.1.4 Expected Credit Losses (-)		79	-	79	65	-	65
1.2 Financial Assets at Fair Value through Profit or Loss	I-b	461,869	1,575,868	2,037,737	751,483	64,784	816,267
1.2.1 Public Debt Securities		170,360	599,651	770,011	1,566	64,784	66,350
1.2.2 Equity Securities		31	-	31	-	-	-
1.2.3 Other Financial Assets		291,478	976,217	1,267,695	749,917	-	749,917
1.3 Financial Assets at Fair Value through Other Comprehensive Income	I-d	4,178,405	2,773,475	6,951,880	2,020,960	1,032,708	3,053,668
1.3.1 Public Debt Securities		4,170,731	2,249,785	6,420,516	2,013,286	988,763	3,002,049
1.3.2 Equity Securities		7,674	49,002	56,676	7,674	43,945	51,619
1.3.3 Other Financial Assets		-	474,688	474,688	-	-	-
1.4 Derivative Financial Assets	I-l	2,504,509	821,004	3,325,513	2,269,704	1,510,560	3,780,264
1.4.1 Derivative Financial Assets Measured at Fair Value Through Profit or Loss		545,441	98,646	644,087	891,701	209,997	1,101,698
1.4.2 Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income		1,959,068	722,358	2,681,426	1,378,003	1,300,563	2,678,566
II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)		38,113,872	29,218,373	67,332,245	33,869,110	27,221,152	61,090,262
2.1 Loans	I-e-f	27,813,333	21,447,701	49,261,034	26,101,162	20,516,689	46,617,851
2.2 Leasing Receivables	I-k	2,121,432	4,512,182	6,633,614	1,908,151	4,183,135	6,091,286
2.3 Factoring Receivables		942	-	942	12,889	-	12,889
2.4 Financial Assets at Amortized Cost	I-g	8,774,458	3,685,601	12,460,059	6,432,367	3,232,867	9,665,234
2.4.1 Public Sector Debt Securities		7,529,635	3,685,601	11,215,236	6,432,367	3,232,867	9,665,234
2.4.2 Other Financial Assets		1,244,823	-	1,244,823	-	-	-
2.5 Expected Credit Losses (-)	I-e-f	596,293	427,111	1,023,404	585,459	711,539	1,296,998
III. ASSETS HELD FOR SALE AND FROM DISCONTINUED OPERATIONS (Net)	I-m	1,726,035	-	1,726,035	1,805,136	-	1,805,136
3.1 Held for Sale		1,726,035	-	1,726,035	1,805,136	-	1,805,136
3.2 Discontinued Operations		-	-	-	-	-	-
IV. OWNERSHIP INVESTMENTS (Net)		-	-	-	-	-	-
4.1 Associates (Net)	I-h	-	-	-	-	-	-
4.1.1 Associates Consolidated Under Equity Accounting		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		-	-	-	-	-	-
4.2 Subsidiaries (Net)	I-i	-	-	-	-	-	-
4.2.1 Unconsolidated Financial Investment in Subsidiaries		-	-	-	-	-	-
4.2.2 Unconsolidated Non-Financial Investments in Subsidiaries		-	-	-	-	-	-
4.3 Joint Ventures (Net)	I-j	-	-	-	-	-	-
4.3.1 Joint-Ventures Consolidated Under Equity Accounting		-	-	-	-	-	-
4.3.2 Unconsolidated Joint-Ventures		-	-	-	-	-	-
V. TANGIBLE ASSETS (Net)		4,113,888	-	4,113,888	3,738,042	-	3,738,042
VI. INTANGIBLE ASSETS (Net)		212,215	-	212,215	174,690	-	174,690
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		212,215	-	212,215	174,690	-	174,690
VII. INVESTMENT PROPERTIES (Net)		-	-	-	-	-	-
VIII. CURRENT TAX ASSETS		79,835	-	79,835	145,743	-	145,743
IX. DEFERRED TAX ASSETS		176,608	-	176,608	-	-	-
X. OTHER ASSETS (Net)	I-n	2,235,413	441,648	2,677,061	1,312,540	420,497	1,733,037
TOTAL ASSETS		60,081,177	41,726,803	101,807,980	52,100,042	37,662,520	89,762,562

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

BURGAN BANK A.Ş.
CONSOLIDATED BALANCE SHEETS (STATEMENTS OF FINANCIAL POSITION)
AS OF 30 JUNE 2024 AND 31 DECEMBER 2023
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

I. BALANCE SHEET	Note (Section Five)	Reviewed 30/06/2024			Audited 31/12/2023		
LIABILITIES		TL	FC	Total	TL	FC	Total
I. DEPOSITS	II-a	29,279,966	11,579,813	40,859,779	25,463,367	15,084,719	40,548,086
II. LOANS RECEIVED	II-c	145,405	25,668,003	25,813,408	36,193	20,630,079	20,666,272
III. PAYABLES TO MONEY MARKET		7,081,040	2,723,624	9,804,664	2,323,271	2,734,906	5,058,177
IV. ISSUED SECURITIES (Net)	II-d	-	-	-	-	-	-
4.1 Bonds		-	-	-	-	-	-
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bills		-	-	-	-	-	-
V. FUNDS		-	-	-	-	-	-
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	II-b	-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	II-g	1,096,282	146,610	1,242,892	1,239,787	201,991	1,441,778
7.1 Derivative Financial Liabilities at Fair Value through Profit or Loss		624,909	103,742	728,651	769,337	127,609	896,946
7.2 Derivative Financial Liabilities at Fair Value through Other Comprehensive Income		471,373	42,868	514,241	470,450	74,382	544,832
VIII. FACTORING LIABILITIES		-	-	-	-	-	-
IX. LEASE LIABILITIES (Net)	II-f	164,921	-	164,921	105,557	-	105,557
X. PROVISIONS	II-h	2,026,076	82,996	2,109,072	1,540,838	758,292	2,299,130
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		383,977	-	383,977	365,801	-	365,801
10.3 Insurance Technical Reserves (Net)		-	-	-	-	-	-
10.4 Other Provisions		1,642,099	82,996	1,725,095	1,175,037	758,292	1,933,329
XI. CURRENT TAX LIABILITY	II-i	477,059	-	477,059	240,951	-	240,951
XII. DEFERRED TAX LIABILITY	II-i	159,687	-	159,687	842,049	-	842,049
XIII. PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	II-j	-	-	-	-	-	-
13.1 Held for Sale		-	-	-	-	-	-
13.2 Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBTS	II-k	-	6,628,044	6,628,044	-	5,943,105	5,943,105
14.1 Loans		-	6,628,044	6,628,044	-	5,943,105	5,943,105
14.2 Other Debt Instruments		-	-	-	-	-	-
XV. OTHER LIABILITIES	II-e	2,649,484	2,886,274	5,535,758	1,480,510	3,747,270	5,227,780
XVI. SHAREHOLDERS' EQUITY	II-l	8,808,194	204,502	9,012,696	6,813,303	576,374	7,389,677
16.1 Paid-in Capital		3,050,000	-	3,050,000	3,050,000	-	3,050,000
16.2 Capital Reserves		(6,321)	-	(6,321)	(6,321)	-	(6,321)
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		(6,321)	-	(6,321)	(6,321)	-	(6,321)
16.3 Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss		45,044	-	45,044	45,044	-	45,044
16.4 Other Comprehensive Income/Expense to be Recycled to Profit or Loss		105,511	204,502	310,013	(88,058)	576,374	488,316
16.5 Profit Reserves		3,668,075	-	3,668,075	1,252,334	-	1,252,334
16.5.1 Legal Reserves		167,239	-	167,239	46,452	-	46,452
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		3,500,731	-	3,500,731	1,205,777	-	1,205,777
16.5.4 Other Profit Reserves		105	-	105	105	-	105
16.6 Profit or Loss		1,945,885	-	1,945,885	2,560,304	-	2,560,304
16.6.1 Prior Years' Income/ (Loss)		144,563	-	144,563	-	-	-
16.6.2 Current Years' Income/ (Loss)		1,801,322	-	1,801,322	2,560,304	-	2,560,304
16.7 Minority Shares		-	-	-	-	-	-
TOTAL LIABILITIES		51,888,114	49,919,866	101,807,980	40,085,826	49,676,736	89,762,562

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

BURGAN BANK A.Ş.
CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS
AS OF 30 JUNE 2024 AND 31 DECEMBER 2023

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

II. OFF-BALANCE SHEET	Note (Section Five)	Reviewed 30/06/2024			Audited 31/12/2023		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)		47,160,276	64,604,114	111,764,390	41,109,064	76,977,203	118,086,267
I. GUARANTEES AND WARRANTIES	III-a-2-3	11,130,680	8,208,241	19,338,921	8,427,639	6,232,947	14,660,586
1.1. Letters of Guarantee		7,691,480	2,417,524	10,109,004	6,055,350	1,873,781	7,929,131
1.1.1. Guarantees Subject to State Tender Law		11,597	2,681	14,278	20,225	1,241	21,466
1.1.2. Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3. Other Letters of Guarantee		7,679,883	2,414,843	10,094,726	6,035,125	1,872,540	7,907,665
1.2. Bank Loans		74,400	4,127	78,527	75,030	27,242	102,272
1.2.1. Import Letter of Acceptance		74,400	4,127	78,527	75,030	27,242	102,272
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letters of Credit		-	5,644,579	5,644,579	166,509	3,627,573	3,794,082
1.3.1. Documentary Letters of Credit		-	5,644,579	5,644,579	166,509	3,627,573	3,794,082
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		3,364,800	142,011	3,506,811	2,130,750	704,351	2,835,101
1.9. Other Collaterals		-	-	-	-	-	-
II. COMMITMENTS	III-a-1	1,999,177	3,029,757	5,028,934	612,296	575,825	1,188,121
2.1. Irrevocable Commitments		1,999,177	3,029,757	5,028,934	612,296	575,825	1,188,121
2.1.1. Asset Purchase and Sales Commitments		1,086,332	3,029,757	4,116,089	159,580	575,825	735,405
2.1.2. Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3. Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4. Commitments for Loan Limits		608,979	-	608,979	237,903	-	237,903
2.1.5. Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6. Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7. Commitments for Cheques		184,435	-	184,435	141,403	-	141,403
2.1.8. Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9. Commitments for Credit Card Limits		104	-	104	-	-	-
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		119,327	-	119,327	73,410	-	73,410
2.2. Revocable Commitments		-	-	-	-	-	-
2.2.1. Revocable Commitments for Loan Limits		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		34,030,419	53,366,116	87,396,535	32,069,129	70,168,431	102,237,560
3.1. Hedging Derivative Financial Instruments		16,356,346	27,981,842	44,338,188	10,097,042	36,548,969	46,646,011
3.1.1. Transactions for Fair Value Hedge		-	-	-	-	-	-
3.1.2. Transactions for Cash Flow Hedge		16,356,346	27,981,842	44,338,188	10,097,042	36,548,969	46,646,011
3.1.3. Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2. Trading Derivative Financial Instruments		17,674,073	25,384,274	43,058,347	21,972,087	33,619,462	55,591,549
3.2.1. Forward Foreign Currency Buy/Sell Transactions		2,639,777	2,675,581	5,315,358	874,284	903,651	1,777,935
3.2.1.1. Forward Foreign Currency Transactions-Buy		2,639,777	178,866	2,818,643	874,284	50,157	924,441
3.2.1.2. Forward Foreign Currency Transactions-Sell		-	2,496,715	2,496,715	-	853,494	853,494
3.2.2. Swap Transactions Related to Foreign Currency and Interest Rates		8,954,706	14,014,240	22,968,946	19,528,023	27,336,848	46,864,871
3.2.2.1. Foreign Currency Swap-Buy		(151,801)	7,582,897	7,431,096	3,457,501	18,691,326	22,148,827
3.2.2.2. Foreign Currency Swap-Sell		5,806,507	2,163,807	7,970,314	15,870,522	6,529,810	22,400,332
3.2.2.3. Interest Rate Swap-Buy		1,650,000	2,133,768	3,783,768	100,000	1,057,856	1,157,856
3.2.2.4. Interest Rate Swap-Sell		1,650,000	2,133,768	3,783,768	100,000	1,057,856	1,157,856
3.2.3. Foreign Currency, Interest rate and Securities Options		172,184	3,801,183	3,973,367	-	3,871,728	3,871,728
3.2.3.1. Foreign Currency Options-Buy		-	1,974,903	1,974,903	-	1,929,671	1,929,671
3.2.3.2. Foreign Currency Options-Sell		172,184	1,826,280	1,998,464	-	1,942,057	1,942,057
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		5,907,406	4,893,270	10,800,676	1,569,780	1,507,235	3,077,015
3.2.4.1. Foreign Currency Futures-Buy		1,951,729	3,411,561	5,363,290	1,172,958	385,640	1,558,598
3.2.4.2. Foreign Currency Futures-Sell		3,955,677	1,481,709	5,437,386	396,822	1,121,595	1,518,417
3.2.5. Interest Rate Futures		-	-	-	-	-	-
3.2.5.1. Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2. Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6. Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		201,482,894	759,134,514	960,617,408	184,412,422	711,768,233	896,180,655
IV. ITEMS HELD IN CUSTODY		19,659,443	17,985,715	37,645,158	8,121,098	11,783,258	19,904,356
4.1. Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2. Investment Securities Held in Custody		11,059,786	17,794,080	28,853,866	1,434,788	11,636,109	13,070,897
4.3. Cheques Received for Collection		4,884,883	138,296	5,023,179	4,349,032	120,952	4,469,984
4.4. Commercial Notes Received for Collection		45,444	28,376	73,820	25,411	26,197	51,608
4.5. Other Assets Received for Collection		-	-	-	-	-	-
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items Under Custody		3,669,330	24,963	3,694,293	2,311,867	-	2,311,867
4.8. Custodians		-	-	-	-	-	-
V. PLEDGES RECEIVED		181,257,966	741,148,799	922,406,765	176,083,124	699,984,975	876,068,099
5.1. Marketable Securities		851,909	-	851,909	893,581	-	893,581
5.2. Guarantee Notes		35,002,455	88,708,967	123,711,422	31,306,099	84,482,296	115,788,395
5.3. Commodity		11,505,267	2,967,075	14,472,342	8,566,884	2,633,834	11,200,718
5.4. Warranty		-	-	-	-	-	-
5.5. Immovable		111,195,657	386,608,013	497,803,670	115,838,967	373,779,540	489,618,507
5.6. Other Pledged Items		22,702,678	262,864,744	285,567,422	19,477,593	239,089,305	258,566,898
5.7. Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		565,485	-	565,485	208,200	-	208,200
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		248,643,170	823,738,628	1,072,381,798	225,521,486	788,745,436	1,014,266,922

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

BURGAN BANK A.Ş.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIODS ENDED
30 JUNE 2024 AND 30 JUNE 2023

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

III.	STATEMENT OF PROFIT OR LOSS INCOME AND EXPENSE ITEMS	Note (Section Five)	Reviewed 01/01/2024- 30/06/2024	Reviewed 01/01/2023- 30/06/2023	Reviewed 01/04/2024- 30/06/2024	Reviewed 01/04/2023- 30/06/2023
I.	INTEREST INCOME	IV-a	14,244,185	4,216,709	7,528,543	2,145,572
1.1	Interest Received from Loans		6,420,096	1,767,438	3,297,149	836,724
1.2	Interest Received from Reserve Deposits		118,026	73	80,312	38
1.3	Interest Received from Banks		424,956	186,923	214,066	98,326
1.4	Interest Received from Money Market Transactions		58,614	134,717	54,379	78,902
1.5	Interest Received from Securities		2,070,312	701,738	1,151,292	367,627
1.5.1	Financial Assets at Fair Value through Profit or Loss		46,160	9,788	32,918	3,401
1.5.2	Financial Assets at Fair Value through Other Comprehensive Income		630,799	157,549	372,453	95,464
1.5.3	Financial Assets Measured at Amortized Cost		1,393,353	534,401	745,921	268,762
1.6	Finance Lease Interest Income		560,935	381,201	291,392	204,895
1.7	Other Interest Income	IV-k	4,591,246	1,044,619	2,439,953	559,060
II.	INTEREST EXPENSES (-)	IV-b	12,415,378	3,714,972	6,522,750	2,008,926
2.1	Interest on Deposits		5,509,818	2,284,894	2,958,292	1,190,614
2.2	Interests Given to Used Loans		1,159,408	581,516	612,973	332,106
2.3	Interest on Money Market Transactions		902,324	75,033	520,575	41,526
2.4	Interest on Securities Issued		-	-	-	-
2.5	Finance Lease Interest Expenses		24,675	8,172	16,081	4,156
2.6	Other Interest Expenses	IV-k	4,819,153	765,357	2,414,829	440,524
III.	NET INTEREST INCOME/EXPENSE (I - II)		1,828,807	501,737	1,005,793	136,646
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSES		229,384	439,990	122,692	236,029
4.1	Fees and Commissions Received		306,716	506,128	164,359	270,488
4.1.1	Non-Cash Loans		74,949	55,478	38,640	35,549
4.1.2	Other	IV-k	231,767	450,650	125,719	234,939
4.2	Fees and Commissions Paid (-)		77,332	66,138	41,667	34,459
4.2.1	Non-Cash Loans (-)		1,320	2,673	439	1,500
4.2.2	Other (-)	IV-k	76,012	63,465	41,228	32,959
V.	DIVIDEND INCOME		52	38	52	38
VI.	TRADING PROFIT/LOSS (Net)	IV-c	321,517	749,062	120,982	565,421
6.1	Profit/Losses From Capital Market Transactions		202,146	263,126	108,282	97,854
6.2	Profit/Losses From Derivative Financial Transactions		55,429	(298,077)	78,646	(305,182)
6.3	Foreign Exchange Profit/Losses		63,942	784,013	(65,946)	772,749
VII.	OTHER OPERATING INCOME	IV-d	1,047,235	604,827	392,711	357,861
VIII.	GROSS PROFIT FROM OPERATING ACTIVITIES (III+IV+V+VI)		3,426,995	2,295,654	1,642,230	1,295,995
IX.	ALLOWANCES FOR EXPECTED CREDIT LOSSES (-)	IV-e	(337,129)	(1,130,482)	117,831	(875,715)
X.	OTHER PROVISION EXPENSES (-)	IV-e	27,594	618,476	25,500	558,476
XI.	PERSONNEL EXPENSES (-)		1,263,068	515,923	676,262	261,480
XII.	OTHER OPERATING EXPENSES (-)	IV-f	1,051,213	510,588	484,120	290,396
XIII.	NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		1,422,249	1,781,149	338,517	1,061,358
XIV.	SURPLUS WRITTEN AS GAIN AFTER MERGER		-	-	-	-
XV.	PROFIT/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES		-	-	-	-
XVI.	NET MONETARY POSITION GAIN/LOSS		-	-	-	-
XVII.	PROFIT/LOSS BEFORE TAXES FROM CONTINUING OPERATIONS (XIII+...+XVI)	IV-g	1,422,249	1,781,149	338,517	1,061,358
XVIII.	PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	IV-h	379,073	(556,162)	641,487	(486,388)
18.1	Current Tax Provision		403,526	20,180	233,263	4,213
18.2	Expense Effect of Deferred Tax (+)		59,746	847,583	(256,889)	676,633
18.3	Income Effect of deferred tax (-)		842,345	311,601	617,861	194,458
XIX.	NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	IV-i	1,801,322	1,224,987	980,004	574,970
XX.	INCOME FROM DISCONTINUED OPERATIONS		-	-	-	-
20.1	Income From Assets Held For Sale		-	-	-	-
20.2	Profit From Sale of Associates, Subsidiaries and Joint Ventures		-	-	-	-
20.3	Other Income From Discontinued Operations		-	-	-	-
XXI.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
21.1	Expenses on Assets Held For Sale		-	-	-	-
21.2	Losses From Sale of Associates, Subsidiaries and Joint Ventures		-	-	-	-
21.3	Other Expenses From Discontinued Operations		-	-	-	-
XXII.	PROFIT/LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (XX-XXI)		-	-	-	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-	-	-
23.1	Current Tax Provision		-	-	-	-
23.2	Expense Effect of Deferred Tax (+)		-	-	-	-
23.3	Income Effect of Deferred Tax (-)		-	-	-	-
XXIV.	NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)		-	-	-	-
XXV.	NET PROFIT/LOSS (XIX+XXIV)	IV-j	1,801,322	1,224,987	980,004	574,970
25.1	Group's Profit / Loss		1,801,322	1,224,987	980,004	574,970
25.2	Minority Shares' Profit / Loss (-)		-	-	-	-
	Profit / (Loss) per share (1.000 nominal in TL full)		5.906	4.613	3.213	2.165

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

BURGAN BANK A.Ş.
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME FOR THE PERIODS ENDED 30 JUNE 2024 AND 30 JUNE 2023
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

IV. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	Reviewed 01/01/2024- 30/06/2024	Reviewed 01/01/2023- 30/06/2023
I. CURRENT PERIOD PROFIT/LOSS	1,801,322	1,224,987
II. OTHER COMPREHENSIVE INCOME	(178,303)	42,147
2.1 Items that Will not be Reclassified to Profit or Loss	-	-
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	-	-
2.2 Items that will be Reclassified to Profit or Loss	(178,303)	42,147
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	(48,248)	(98,619)
2.2.3 Income/Expenses Arising on Cash Flow Hedges	(206,426)	155,019
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	76,371	(14,253)
III. TOTAL COMPREHENSIVE INCOME (I+II)	1,623,019	1,267,134

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

BURGAN BANK A.Ş.**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 30 JUNE 2024**

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY						Accumulated Other Comprehensive Income or Expenses not to be Reclassified to Profit or Loss			Accumulated Other Comprehensive Income or Expenses to be Reclassified to Profit or Loss								
Reviewed CURRENT PERIOD 30.06.2024	Note (Section Five)	Paid-in Capital	Share Premium	Share Cancellation Profit	Other Capital Reserves	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
I. Balances at Beginning of Period	II-I	3,050,000	-	-	(6,321)	99,718	(54,674)	-	-	(102,006)	590,322	1,252,334	2,560,304	-	7,389,677	-	7,389,677
II. Corrections according to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New Balance (I+II)		3,050,000	-	-	(6,321)	99,718	(54,674)	-	-	(102,006)	590,322	1,252,334	2,560,304	-	7,389,677	-	7,389,677
IV. Total Comprehensive Income		-	-	-	-	-	-	-	-	(33,773)	(144,530)	-	-	1,801,322	1,623,019	-	1,623,019
V. Capital Increase in Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase in Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Inflation Adjustment to Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt Instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase / Decrease Related to Other Changes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	2,415,741	(2,415,741)	-	-	-	-
11.1 Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	2,415,741	(2,415,741)	-	-	-	-
11.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (III+IV+.....+X+XI)		3,050,000	-	-	(6,321)	99,718	(54,674)	-	-	(135,779)	445,792	3,668,075	144,563	1,801,322	9,012,696	-	9,012,696

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.

BURGAN BANK A.Ş.**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 30 JUNE 2023**

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY						Accumulated Other Comprehensive Income or Expenses not to be Reclassified to Profit or Loss			Accumulated Other Comprehensive Income or Expenses to be Reclassified to Profit or Loss								
Reviewed PRIOR PERIOD 30.06.2023	Note (Section Five)	Paid-in Capital	Share Premium	Share Cancellation Profit	Other Capital Reserves	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
I. Balances at Beginning of Period	II-I	2,655,500	-	-	(6,321)	53,305	(40,681)	-	-	64,663	720,650	429,402	1,217,432	-	5,093,950	-	5,093,950
II. Corrections according to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New Balance (I+II)		2,655,500	-	-	(6,321)	53,305	(40,681)	-	-	64,663	720,650	429,402	1,217,432	-	5,093,950	-	5,093,950
IV. Total Comprehensive Income		-	-	-	-	-	-	-	-	(73,964)	116,111	-	-	1,224,987	1,267,134	-	1,267,134
V. Capital Increase in Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase in Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Inflation Adjustment to Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt Instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase / Decrease Related to Other Changes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	1,217,432	(1,217,432)	-	-	-	-
11.1 Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	1,217,432	(1,217,432)	-	-	-	-
11.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (III+IV+.....+X+XI)		2,655,500	-	-	(6,321)	53,305	(40,681)	-	-	(9,301)	836,761	1,646,834	-	1,224,987	6,361,084	-	6,361,084

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.

BURGAN BANK A.Ş.
CONSOLIDATED STATEMENTS OF CASH FLOWS
AS OF 30 JUNE 2024 AND 30 JUNE 2023

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

VI. STATEMENT OF CASH FLOWS	Reviewed 30/06/2024	Reviewed 30/06/2023
A. CASH FLOWS FROM BANKING OPERATIONS		
I.1 Operating Profit Before Changes in Operating Assets and Liabilities	(253,658)	(2,616,151)
1.1.1 Interest Received	13,749,570	3,945,951
1.1.2 Interest Paid	(12,185,545)	(3,442,578)
1.1.3 Dividend Received	52	38
1.1.4 Fees and Commissions Received	275,368	470,111
1.1.5 Other Income	-	-
1.1.6 Collections from Previously Written-off Loans and Other Receivables	35,418	630,478
1.1.7 Payments to Personnel and Service Suppliers	(1,263,068)	(515,923)
1.1.8 Taxes Paid	(68,872)	(24,279)
1.1.9 Other	(796,581)	(3,679,949)
I.2 Changes in Operating Assets and Liabilities	5,771,086	5,720,157
1.2.1 Net (Increase) Decrease in Financial Assets at Fair Value Through Profit or Loss	(1,188,888)	189,281
1.2.2 Net (Increase) Decrease in Due from Banks and Other Financial Institutions	1,192,434	1,384,399
1.2.3 Net (Increase) Decrease in Loans	(2,344,901)	4,282,700
1.2.4 Net (Increase) Decrease in Other Assets	(1,893,739)	(1,737,927)
1.2.5 Net Increase (Decrease) in Bank Deposits	613,429	(6,004)
1.2.6 Net Increase (Decrease) in Other Deposits	(458,631)	(9,247,104)
1.2.7 Net Increase (Decrease) in Financial Liabilities at Fair Value Through Profit or Loss	-	-
1.2.8 Net Increase (Decrease) in Funds Borrowed	5,759,137	9,563,189
1.2.9 Net Increase (Decrease) in Overdue Payables	-	-
1.2.10 Net Increase (Decrease) in Other Liabilities	4,092,245	1,291,623
I. Net Cash Flow Provided from Banking Operations	5,517,428	3,104,006
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II. Net Cash Provided from Investing Activities	(4,631,701)	(769,225)
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	(534,163)	(1,362,398)
2.4 Disposals of Property and Equipment	379,730	356,641
2.5 Cash Paid for Purchase of Financial Assets at Fair Value Through Other Comprehensive Income	(3,231,341)	(165,813)
2.6 Cash Obtained from Sale of Financial Assets at Fair Value Through Other Comprehensive Income	74,838	340,798
2.7 Cash Paid for Purchase of Financial Assets at Amortised Cost	(1,740,282)	(437,115)
2.8 Cash Obtained from Sale of Financial Assets at Amortised Cost	476,174	502,604
2.9 Other	(56,657)	(3,942)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net Cash Provided from Financing Activities	(56,479)	(30,501)
3.1 Cash Obtained from Funds Borrowed and Securities Issued	-	-
3.2 Cash Outflow from Repayment of Funds Borrowed and Securities Issued	-	-
3.3 Issued Capital Instruments	-	-
3.4 Dividends Paid	-	-
3.5 Payments for Finance Leases	(56,479)	(30,501)
3.6 Other	-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	112,682	243,944
V. Net Increase / (Decrease) in Cash and Cash Equivalents (I+II+III+IV)	941,930	2,548,224
VI. Cash and Cash Equivalents at the Beginning of the Period	9,753,467	6,762,609
VII. Cash and Cash Equivalents at the End of the Period	10,695,397	9,310,833

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

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 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 "TAS") 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.

According to TAS 29 Financial Reporting Standard in High-Inflation Economies, businesses whose functional currency is the currency of a high-inflation economy report their financial statements according to the purchasing power of money at the end of the reporting period. TAS 29 identifies features that may indicate that an economy is a high-inflation economy. At the same time, according to IAS 29, all entities reporting in the currency of a hyperinflationary economy are required to apply this Standard from the same date. Therefore, it is expected that all entities will start applying TAS 29 simultaneously with the announcement to be made by the Public Oversight, Accounting and Auditing Standards Authority to ensure consistency in application nationwide, as stated in TAS 29.

EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD (continued):**I. BASIS OF PRESENTATION (continued):**

- 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 Regarding Banks' Accounting Application and Keeping Documents (continued):**

With its announcement dated 23 November 2023, the Public Oversight, Accounting, and Auditing Standards Authority (POA) stated that the financial statements of entities applying the Turkish Financial Reporting Standards, for annual reporting periods ending on or after 31 December 2023, should be prepared in accordance with the Financial Reporting Standard for High Inflationary Economies ("TAS 29"). However, it was also mentioned that institutions authorized to regulate and supervise in their respective fields may determine different transition dates for the application of TAS 29 provisions. In response to POA's announcement, the Banking Regulation and Supervision Agency (BRSA) decided through its decision numbered 10744 dated 12 December 2023, that banks, financial leasing, factoring, financing, savings finance, and asset management companies would not be subject to inflation adjustment for their financial statements ending on 31 December 2023, under TAS 29. According to the decision numbered 10825 dated 11 January 2024, by BRSA, it was decided that banks, financial leasing, factoring, financing, savings finance, and asset management companies would transition to inflation accounting from 1 January 2025, onwards. Consequently, the Bank did not apply the inflation accounting required under TAS 29 in its financial statements for the period ending 30 June 2024.

- 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 June 2024, foreign currency denominated balances are translated into TL using the exchange rates of TL 32.8262 and TL 35.1284 for USD and EUR, respectively.

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 June 2024 and 31 December 2023.

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 June 2024, 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.

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.

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.

Additionally, the Bank's securities portfolio includes inflation-linked government bonds, which are classified as financial assets measured at fair value through other comprehensive income and financial assets measured at amortized cost. These securities are indexed to the Consumer Price Index (CPI). They are valued and accounted for using the effective interest method based on the index calculated considering the real coupon rates and the inflation index at the issuance date along with the estimated inflation rate. As stated in the Treasury Undersecretariat's Investor Guide for CPI-Linked Bonds, the reference indices used for calculating the actual coupon payment amounts for these securities are based on the CPI from two months prior. The Bank determines the estimated inflation rate accordingly. The estimated inflation rate, taking into account the expectations of the Central Bank of the Republic of Turkey and the Bank, is updated as deemed necessary throughout the year.

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.

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.

In calculating expected credit loss, The bank incorporates forward-looking macroeconomic data into its calculation of expected credit losses to assess default probabilities. In this context, estimates of default rates for future periods are based on Turkey's annual real Gross Domestic Product (GDP) growth rate. Predictions regarding macroeconomic variables are determined based on three different scenarios: negative, baseline, and positive, to be used in calculating expected credit losses. Final values are obtained by averaging the expected credit losses generated in the respective scenarios.

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.

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.

EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD (continued):**XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS:****a. Goodwill:**

As of 30 June 2024, the Group has no goodwill (31 December 2023: 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 ("TAS 16")" for its buildings. Independent expert appraisal values determined by independent experts are presented in the financial statements.

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

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

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

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

Gains and losses 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.

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.

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.

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.

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:**

Corporate Tax Law No. 5520 entered into force after being published in the Official Gazette No. 26205 dated 21 June 2006, with most of its provisions effective from 1 January 2006. Accordingly, in Turkey, the general corporate tax rate is 25% and corporate tax is calculated at the rate of 30% on the corporate income of banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorised foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies. Corporate tax is payable at a rate of 30% on the total income of the companies after adjusting for certain disallowable expenses, exemptions (such as participation exemption) and deductions. If no profit is distributed, no further tax is payable.

Corporate tax applied at the rate of 20% for corporate earnings in Turkey, pursuant to the regulation introduced by the Law No. 7316 on the "Law on the Collection of Public Claims and Amendments to Certain Laws" is applied as 25% to be applied to corporate earnings for the 2021 taxation period and 23% to be applied to corporate earnings for the 2022 taxation period, pursuant to the regulation introduced by the Law No. 7394 on "The Law on the Evaluation of Immovable Property Owned by the Treasury and Amendment to the Value Added Tax Law and Amendments to Some Laws and Decrees" this rate has been determined as 25% to be applied to the corporate earnings of banks, companies under the 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 for the taxation period as of 2022.

EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD (continued):**XVIII. EXPLANATIONS ON TAXATION (continued):****a. Current Tax (continued):**

However, with the Law No. 7456 published on 15 July 2023 the aforementioned rate has been increased to 30% to be applied to cumulative bases included in declarations to be submitted as of 1 October 2023. Starting from the advance tax return to be submitted for the period of 1 January 2023 to 31 December 2023, the corporate tax rate will be applied at 30% for subsequent periods.

In Turkey, non-resident companies earning income through a branch or permanent representative paid to resident entities in Turkey, are not subject to withholding tax. However, dividends paid to individuals and entities outside these categories are subject to a withholding tax rate of 10%. The addition of profit to the capital is not considered as profit distribution, and withholding tax is not applied.

With the Presidential Decision No.7343 published in the Official Gazette dated 7 July 2023, For fully liable capital companies whose shares are traded on Borsa Istanbul, a withholding tax of 0% is applied to the amounts considered as distributed profits related to the acquisition of their own shares. This amendment will be applicable to shares acquired as of 7 July 2023. For fully liable capital companies other than those mentioned, a withholding tax rate of 15% will be applied to the amounts considered as distributed profits related to the acquisition of their own shares as of 7 July 2023.

Corporations calculate and declare provisional taxes based on their quarterly financial profits, paying them until the evening of the 17th day of the second month following the end of each period. The provisional tax paid during the year is credited against the Corporate Tax calculated on the Corporate Tax Return to be submitted for the subsequent year. Despite the offset, if there is an excess amount of provisional tax paid, this amount can be refunded in cash or offset against other financial obligations to the government.

75% portion of the capital gains derived from the sale of equity investments and immovable properties held for minimum two years before 5 December 2017, 50% portion of the capital gains derived from the sale of equity investments and immovable properties after 5 December 2017 are tax exempt, if such gains are added to paid-in capital or held in a special account under shareholder's equity for 5 years. According to Turkish tax legislation, losses can be carried forward to offset against future taxable income for up to five years. However, losses cannot be carried back to offset profits from previous periods. With the Law No.7456 published on 15 July 2023, exception has been abolished for the real estates to be acquired after the publication date of decision. If real estate acquired before this date is sold after the effective date of the regulation, 25% of the capital gain from the sale of the real estate will be exempt from corporate tax.

In accordance with the repeated Article 298 of the Tax Procedure Law, if the increase in the producer price index is more than 100% in the last 3 accounting periods including the current period and more than 10% in the current accounting period, financial statements will be subject to inflation adjustment and these conditions have been realized as of 31 December 2021. However, with the "Law on Changes to the Tax Procedure Law and Corporate Tax Law" numbered 7352 published in the Official Gazette dates 29 January 2022, and numbered 31734, temporary article 33 has been added to the Tax Procedure Law numbered 213 and the 2021 and 2022 accounting periods, including the provisional tax periods (as of the accounting periods ending in 2022 and 2023 for those who are assigned a special accounting period) the financial statements as of 31 December 2023, will be subject to inflation adjustment within the scope of article 298 are realized, and the financial statements as of 31 December 2023, will be subject to inflation adjustment regardless of whether the conditions for inflation adjustment are met, and the profit/loss differences arising from the inflation adjustment will be recognized in retained earnings.

EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD (continued):**XVIII. EXPLANATIONS ON TAXATION (continued):****a. Current Tax (continued):**

According to Article 17 of the Law No. 7491 on Amendments to Certain Laws and Decree Laws published in the Official Gazette No. 32413 dated 28 December 2023, it has become law that profit/loss differences arising from the inflation adjustment to be made in the 2024 and 2025 accounting periods, including the provisional tax periods, do not be taken into account in determining the income of banks, companies within the scope of the Financial Leasing, Factoring, Financing and Savings Financing Companies Law No. 6361 dated 21 November 2012, payment and electronic money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies. The President of the Republic is authorized to extend the periods determined within the scope of this paragraph by one accounting period, including the temporary tax periods.

According to the Amendment Notification to the General Communiqué (Serial No: 537) on the Tax Procedure Law, published in the Official Gazette numbered 32073 dated 14 January 2023, the procedures and principles regarding the revaluation of real estate and depreciable economic assets have been revised. Accordingly, the Bank has revalued its real estate and depreciable economic assets in its balance sheet until 30 September 2023, provided that it meets the conditions specified in Temporary Article 32 of the Tax Procedure Law and Article 298/ç of the Tax Procedure Code. Since the financial statements are subject to inflation adjustment as of 31 December 2023, real estates and depreciable contingent assets are not subject to revaluation as of 31 December 2023. Corporate tax is calculated by taking into account of real estates and depreciation units' amortized values which are calculated based on their revalued amounts until 30 September 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 July 2023, will be taken into account in the taxation of corporate earnings for the periods valid from 1 January 2023, starting from 1 October 2023 under TAS 12, deferred tax has been calculated at the rate of 30% for assets and liabilities.

According to the temporary article 33 of the Tax Procedure Law, in the financial statements dated 30 June 2024, the tax effects resulting from the inflation reduction of corporate tax are included in the deferred tax programming as of 30 June 2024.

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.

EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD (continued):**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 June 2024, the Group does not have any government incentives or grants (31 December 2023: None).

XXIII. EXPLANATIONS ON PROFIT RESERVES AND PROFIT DISTRIBUTION:

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

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

XXIV. 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.

	30 June 2024	30 June 2023
Net Profit/(Loss) to be Appropriated to Ordinary Shareholders	1,801,322	1,224,987
Weighted Average Number of Issued Ordinary Shares (Thousand)	305,000,000	265,550,000
Earnings Per Ordinary Shares (Disclosed as 1,000 nominal in full TL)	5.906	4.613

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.

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

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 six 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 IX in Section Four.

XXVIII. RECLASSIFICATIONS:

None.

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 June 2024, Bank's total capital has been calculated as TL 15,718,144 (31 December 2023: TL 13,212,118), consolidated standard capital adequacy ratio is 18.73% (31 December 2023: 20.48%).

As of 30 June 2024, within the scope of BRSA's instructions dated 21 December 2021, 28 April 2022, 31 January 2023, and 12 December 2023; 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 Central Bank's foreign exchange buying rates as of 26 June 2023 were 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 1 January 2024 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.

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 JUNE 2024**

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

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 equity items:**

	Current Period 30 June 2024	Prior Period 31 December 2023
COMMON EQUITY TIER 1 CAPITAL		
Paid-in capital following all debts in terms of claim in liquidation of the Bank	3,050,000	3,050,000
Share issue premiums	-	-
Legal reserves	3,661,754	1,246,013
Gains recognized in equity as per TAS	565,482	706,515
Profit	1,945,885	2,560,304
Current Period Profit	1,801,322	2,560,304
Prior Period Profit	144,563	-
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	-	-
Common Equity Tier 1 Capital Before Deductions	9,223,121	7,562,832
Deductions from Common Equity Tier 1 Capital	-	-
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	61,893	199,527
Improvement costs for operating leasing	16,702	16,650
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	209,692	172,817
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	445,792	590,322
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-	-
Gains arising from securitization transactions	-	-
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	-	-
Direct and indirect investments of the Bank in its own Common Equity	-	-
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-	-
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-	-
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-	-
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-	-
Excess amount arising from mortgage servicing rights	-	-
Excess amount arising from deferred tax assets based on temporary differences	-	-
Other items to be defined by the BRSA	-	-
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-	-
Total Deductions from Common Equity Tier 1 Capital	734,079	979,316
Total Common Equity Tier 1 Capital	8,489,042	6,583,516

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

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

	Current Period 30 June 2024	Prior Period 31 December 2023
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-
Debt instruments and premiums approved by BRSA (*)	1,641,310	1,471,910
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	1,641,310	1,471,910
Deductions from Additional Tier I Capital		
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-
Other items to be defined by the BRSA	-	-
Transition from the Core Capital to Continue to deduct Components		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-
Total Deductions from Additional Tier I Capital		
Total Additional Tier I Capital	1,641,310	1,471,910
Total Tier I Capital (Tier I Capital=Common Equity + Additional Tier I Capital)	10,130,352	8,055,426
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	4,923,930	4,415,730
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	671,035	740,962
Tier II Capital Before Deductions	5,594,965	5,156,692
Deductions from Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	7,173	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	7,173	
Total Tier II Capital	5,587,792	5,156,692
Total Capital (The sum of Tier I Capital and Tier II Capital)	15,718,144	13,212,118
Deductions from Total Capital		
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	-	-
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components		
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-

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

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

	Current Period 30 June 2024	Prior Period 31 December 2023
TOTAL EQUITY		
Total Capital (Tier I and Tier II Capital)	15,718,144	13,212,118
Total risk weighted amounts	83,923,698	64,516,237
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	10.12	10.20
Tier I Capital Adequacy Ratio (%)	12.07	12.49
Capital Adequacy Ratio (%)	18.73	20.48
BUFFERS		
Total additional Tier I Capital requirement (a + b + c)	2,531	2,537
a. Capital conservation buffer requirement (%)	2,500	2,500
b. Bank specific counter-cyclical buffer requirement (%)	0.031	0.037
c. Systematically important bank buffer ratio (%)	-	-
The ratio of Additional Common Equity Tier I capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets	5.62	5.70
Amounts below the Excess Limits as per the Deduction Principles		
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-	-
Amount arising from rights to provide mortgage service	-	-
Amount arising from deferred tax assets based on temporary differences	650,531	466,410
Limits Related to Provisions Considered in Tier II Calculation		
General provisions for standard based receivables (before ten thousand twenty-five limitation)	671,035	1,000,495
Up to 1.25% of total risk-weighted amount of free provisions for receivables where the standard approach used	926,762	740,962
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Excess amount of total provision amount to 0.6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-	-
Debt instruments subjected to Article 4 (to be implemented between 1 January 2018 and 1 January 2022)	-	-
Upper limit for Additional Tier I Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-	-
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-	-
Amounts Excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-	-

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

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 the reconciliation of Total Capital and Shareholders' Equity:

The difference between Total Capital and Shareholders' Equity in the unconsolidated balance sheet mainly arises from expected credit loss provisions (for stage I and stage II loans) and subordinated loans. As stated in Article 8 of the Regulation on Equity of Banks, the portion of First and Second Stage Loss Provisions up to 1.25% of the amount subject to credit risk and the remaining portion of subordinated loans by reducing 100% of the nominal amount of the subordinated loans until the remaining maturity is less than 5 years and 20% for each year less than 5 years are taken into consideration as 'Tier II Capital' item in the calculation of equity as a basis for capital adequacy. In addition, in accordance with the Regulation, operating lease development costs and Intangible Fixed Assets balances, which are recognised under Tangible Fixed Assets in the balance sheet, are taken into consideration as a deduction item from Common Equity Tier I capital in the calculation of shareholders' equity for capital adequacy purposes.

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 JUNE 2024**

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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):****c. Information on instruments related to equity estimation:**

Details on debt instruments that will be included in equity calculation:		
Issuer – Loan grantor	Burgan Bank K.P.S.C.	Burgan Bank K.P.S.C.
Unique Identifier of the Debt Instrument	-	-
Governing Legislation of the Debt Instrument	BRSA	BRSA
Regulatory Treatment in Equity Calculation	Tier II Capital	Tier I Capital
Assessment whether it is subject to being taken into consideration as 10% decreased as of 1/1/2015	No	No
Validity status in a consolidated or unconsolidated basis or in a consolidated and unconsolidated basis	Unconsolidated - Consolidated	Unconsolidated - Consolidated
Instrument type	Subordinated Loan	Subordinated Loan
Amount recognized in equity calculation (As of most recent reporting date – Thousands TL)	4,923,930	1,641,310
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	12.05.2022	22.02.2021
Maturity structure of the debt instrument (Perpetual/Dated)	Dated	Perpetual
Original maturity date of the debt instrument	10 Years	-
Whether the issuer has a right to call subject to BRSA approval	Yes	Yes
Optional call date, contingent call options and redemption amount	After 5th year	After 5th year
Subsequent call dates of call options	After 5th year	After 5th year
Coupon/dividend payments	3 Months	-
Fixed or floating dividend/coupon payments	Floating dividend	-
Coupon rate and any related index value	SOFR +4.25	-
Existence of a restriction which can stop dividend payments	-	-
Being fully discretionary, partially discretionary or mandatory	-	-
Existence of an interest rate increase or other incentive to call	-	-
Being noncumulative or cumulative	Noncumulative	Noncumulative
Being convertible or non-convertible to stock	None	None
If convertible to a stock, conversion trigger(s)	-	-
If convertible to a stock, fully or partially	-	-
If convertible to a stock, conversion rate	-	-
If convertible to a stock, mandatory or optional conversion	-	-
If convertible to a stock, specify instrument type convertible into	-	-
If convertible to a stock, issuer of debt instrument it converts into	-	-
Value reduction feature	None	-
If it has a value reduction feature, write-down trigger(s)	-	If unsustainability occurs, a decrease in value can be realized.
If it has a value reduction feature, full or partial	-	Partially or completely depreciation can be realized.
If it has a value reduction feature, permanent or temporary	-	Constant
If temporary value reduction exists, description of value increase mechanism	-	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to this instrument)	Before debt instruments to be included in Additional Tier I Capital calculation but after the deposit holders and all other creditors of the debtor.	After the right to claim of the holder, the deposit holders, other creditors and contribution capital calculation included borrowings of the debtor.
Whether it is in compliance with the terms in articles 7 and 8 of the Communiqué on Bank's Equities	None.	None.
The terms it is not in compliance 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 June 2024:

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

	Risk Weighted Amounts		Minimum Capital Liability
	Current Period	Prior Period	Current Period
	30 June 2024	31 December 2023	30 June 2024
1 Credit risk (excluding counterparty credit risk) (CCR)	71,838,350	56,651,207	5,747,068
2 Standardised approach (SA)	71,838,350	56,651,207	5,747,068
3 Internal rating-based (IRB) approach	-	-	-
4 Counterparty credit risk	2,302,232	2,625,745	184,179
5 Standardised approach for counterparty credit risk (SACCR)	2,302,232	2,625,745	184,179
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	4,840,394	2,468,187	387,232
17 Standardised approach (SA)	4,840,394	2,468,187	387,232
18 Internal model approaches (IMM)	-	-	-
19 Operational risk	4,942,722	2,771,098	395,418
20 Basic indicator approach	4,942,722	2,771,098	395,418
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)	83,923,698	64,516,237	6,713,897

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 JUNE 2024**

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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 (Continued):****1. Credit Quality of Assets:**

	Current Period	Gross carrying values of as per TAS in the financial statements prepared according to legal consolidation		Allowances/depreciation and impairments	Net values
		Defaulted	Not-defaulted		
1	Loans	1,237,360	54,658,230	1,022,393	54,873,197
2	Debt Securities	-	21,494,283	102,294	21,391,989
	Off-balance sheet				
3	receivables	14,940	20,236,825	25,408	20,226,357
4	Total	1,252,300	96,389,338	1,150,095	96,491,543

	Prior Period	Gross carrying values of as per TAS in the financial statements prepared according to legal consolidation		Allowances/depreciation and impairments	Net values
		Defaulted	Not-defaulted		
1	Loans	1,149,144	51,572,882	1,296,951	51,425,075
2	Debt Securities	-	13,578,199	94,696	13,483,503
	Off-balance sheet				
3	receivables	42,932	15,070,370	48,438	15,064,864
4	Total	1,192,076	80,221,451	1,440,085	79,973,442

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

Current Period		
1	Defaulted loans and debt securities at the end of the previous reporting period	1,192,076
2	Loans and debt securities that have defaulted since the last reporting period	124,520
3	Returned to non-defaulted status	-
4	Amounts written off (-)	356
5	Other changes	(63,940)
6	Defaulted loans and debt securities at the end of the reporting period (1+2-3-4+5)	1,252,300

Prior Period		
1	Defaulted loans and debt securities at the end of the previous reporting period	2,421,915
2	Loans and debt securities that have defaulted since the last reporting period	220,536
3	Returned to non-defaulted status	-
4	Amounts written off (-)	193,612
5	Other changes	(1,256,763)
6	Defaulted loans and debt securities at the end of the reporting period (1+2-3-4+5)	1,192,076

3. Credit Risk Mitigation Techniques:

	Current Period	Exposures unsecured: amount valued in accordance with TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
1	Loans	48,706,609	6,166,588	3,994,370	-	-	-	-
2	Debt securities	21,391,989	-	-	-	-	-	-
3	Total	70,098,598	6,166,588	3,994,370	-	-	-	-
4	Defaulted	1,225,857	11,503	11,503	-	-	-	-

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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 (Continued):
3. Credit Risk Mitigation Techniques (Continued):

	Prior Period	Exposures unsecured: amount valued in accordance with TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
1	Loans	44,187,436	7,237,639	5,237,678	-	-	-	-
2	Debt securities	13,483,503	-	-	-	-	-	-
3	Total	57,670,939	7,237,639	5,237,678	-	-	-	-
4	Defaulted	1,134,845	14,299	14,299	-	-	-	-

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

	Current Period	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk weighted amount	Risk weighted amount density
1	Receivables from central governments or central banks	26,280,421	-	17,089,120	-	-	0.0%
2	Receivables from regional governments or local authorities	1,471,246	-	1,294,466	-	647,233	50.0%
3	Receivables from administrative units and non-commercial enterprises	-	-	-	-	-	0.0%
4	Receivables from multilateral development banks	-	51,081	-	51,081	-	0.0%
5	Receivables from international organizations	-	-	-	-	-	0.0%
6	Receivables from banks and intermediary institutions	3,401,944	1,101,068	13,147,514	1,087,779	1,672,137	11.7%
7	Receivables from corporates	24,897,325	16,371,704	30,840,531	10,688,827	45,564,750	109.7%
8	Retail exposures	5,083,639	789,478	5,584,659	288,458	7,540,866	128.4%
9	Exposures secured by residential property	276,957	12,831	257,477	4,977	91,801	35.0%
10	Exposures secured by commercial real estate	11,900,827	202,096	11,958,825	98,764	7,605,447	63.1%
11	Past-due loans	859,702	-	849,540	-	819,897	96.5%
12	Higher-risk categories by the Agency Board	-	-	-	-	-	0.0%
13	Mortgage-backed securities	-	-	-	-	-	0.0%
14	Short-term receivables from banks and intermediary institutions and short-term corporate receivables	-	-	-	-	-	0.0%
15	Investments in the nature of collective investment enterprise	-	-	-	-	-	0.0%
16	Other Receivables	8,649,863	-	8,649,863	-	7,896,219	91.3%
17	Equity investment	-	-	-	-	-	0.0%
18	Total	82,821,924	18,528,258	89,671,995	12,219,886	71,838,350	70.5%

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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 (Continued):****4. Standardised Approach – Exposures by Asset Classes and Risk Weight (Continued):**

	Prior Period	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk weighted amount	Risk weighted amount density
1	Receivables from central governments or central banks	20,544,577	-	20,870,131	-	-	0.0%
2	Receivables from regional governments or local authorities	278,562	-	238,975	-	119,488	50.0%
3	Receivables from administrative units and non-commercial enterprises	-	-	-	-	-	0.0%
4	Receivables from multilateral development banks	-	4,413	-	4,413	-	0.0%
5	Receivables from international organizations	-	-	-	-	-	0.0%
6	Receivables from banks and intermediary institutions	2,751,365	999,540	2,807,768	993,620	1,209,523	31.8%
7	Receivables from corporates	23,672,462	10,811,459	27,488,299	7,137,197	35,586,345	102.8%
8	Retail exposures	4,750,412	600,285	5,069,180	281,517	6,583,324	123.0%
9	Exposures secured by residential property	281,892	15,753	264,929	6,794	93,888	34.6%
10	Exposures secured by commercial real estate	8,511,383	341,928	8,705,825	116,091	5,455,476	61.8%
11	Past-due loans	835,964	-	823,394	-	778,783	94.6%
12	Higher-risk categories by the Agency Board	-	-	-	-	-	0.0%
13	Mortgage-backed securities	-	-	-	-	-	0.0%
14	Short-term receivables from banks and intermediary institutions and short-term corporate receivables	-	-	-	-	-	0.0%
15	Investments in the nature of collective investment enterprise	-	-	-	-	-	0.0%
16	Other Receivables	7,295,129	-	7,295,129	-	6,824,380	93.5%
17	Equity investment	-	-	-	-	-	0.0%
18	Total	68,921,746	12,773,378	73,563,630	8,539,632	56,651,207	62.8%

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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 (Continued):****5. Standardised Approach – Exposures by Asset Classes and Risk Weights:**

	Current Period											Total credit risk exposure amount (after CCF and CRM)
					Guaranteed by 35% Real Estate Fund							
	Risk Classes/ Risk Weight	0%	10%	20%		50%	75%	100%	150%	200%	500%	
1	Exposures to central governments or central banks	17,089,120	-	-	-	-	-	-	-	-	-	17,089,120
2	Exposures to regional governments or local authorities	-	-	-	-	1,294,466	-	-	-	-	-	1,294,466
3	Exposures to public sector entities	-	-	-	-	-	-	-	-	-	-	-
4	Exposures to multilateral development banks	51,081	-	-	-	-	-	-	-	-	-	51,081
5	Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to institutions	8,175,081	-	2,265,849	-	2,409,834	-	14,050	-	-	-	12,864,814
7	Exposures to corporates	2,444,509	-	1,222,958	-	6,847,597	-	22,872,634	1,080	9,511,050	-	42,899,828
8	Retail exposures	6,644	-	1,180	-	8	1,496,917	280,669	4,086,076	-	1,632	5,873,126
9	Exposures secured by residential property	161	-	7	262,286	-	-	-	-	-	-	262,454
10	Exposures secured by commercial real estate	1,225	-	1,267	-	8,899,807	-	3,155,290	-	-	-	12,057,589
11	Past-due loans	-	-	-	-	123,837	-	661,152	64,551	-	-	849,540
12	Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	-	-	-	-
13	Mortgage-backed securities	-	-	-	-	-	-	-	-	-	-	-
14	Short-term receivables from banks and intermediary institutions and short-term corporate receivables	-	-	-	-	-	-	-	-	-	-	-
15	Investments in the nature of collective investment enterprise	-	-	-	-	-	-	-	-	-	-	-
16	Investments in equities	-	-	-	-	-	-	-	-	-	-	-
17	Other receivables	753,644	-	-	-	-	-	7,896,219	-	-	-	8,649,863
18	Total	28,521,465	-	3,491,261	262,286	19,575,549	1,496,917	34,880,014	4,151,707	9,511,050	1,632	101,891,881

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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 (Continued):****5. Standardised Approach – Exposures by Asset Classes and Risk Weights (Continued):**

	Prior Period											Total credit risk exposure amount (after CCF and CRM)
	Risk Classes/ Risk Weight	0%	10%	20%	Guaranteed by 35% Real Estate Fund	50%	75%	100%	150%	200%	500%	
1	Exposures to central governments or central banks	20,862,762	-	-	-	-	-	-	-	-	-	20,862,762
2	Exposures to regional governments or local authorities	-	-	-	-	238,975	-	-	-	-	-	238,975
3	Exposures to public sector entities	-	-	-	-	-	-	-	-	-	-	-
4	Exposures to multilateral development banks	4,413	-	-	-	-	-	-	-	-	-	4,413
5	Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to institutions	-	-	2,425,435	-	1,357,092	-	18,861	-	-	-	3,801,388
7	Exposures to corporates	588,069	-	1,460,708	-	5,207,487	-	22,039,865	1,024	5,334,154	1,558	34,632,865
8	Retail exposures	15,627	-	2,267	-	1,257	1,475,903	616,319	3,239,324	-	-	5,350,697
9	Exposures secured by residential property	3,505	-	11	268,186	-	-	21	-	-	-	271,723
10	Exposures secured by commercial real estate	22,559	-	4,678	-	6,680,276	-	2,114,403	-	-	-	8,821,916
11	Past-due loans	-	-	-	-	119,946	-	672,726	30,722	-	-	823,394
12	Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	-	-	-	-
13	Mortgage-backed securities	-	-	-	-	-	-	-	-	-	-	-
14	Short-term receivables from banks and intermediary institutions and short-term corporate receivables	-	-	-	-	-	-	-	-	-	-	-
15	Investments in the nature of collective investment enterprise	-	-	-	-	-	-	-	-	-	-	-
16	Investments in equities	-	-	-	-	-	-	-	-	-	-	-
17	Other receivables	470,749	-	-	-	-	-	6,824,380	-	-	-	7,295,129
18	Total	21,967,684	-	3,893,099	268,186	13,605,033	1,475,903	32,286,575	3,271,070	5,334,154	1,558	82,103,262

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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 (Continued):
6. Assessment of Counterparty Credit Risk According to The Models Of Measurement:

	Current Period	Revaluation cost	Potential credit risk exposure	EEPE	Alpha used for computing regulatory EAD	Exposure after credit risk mitigation	Risk weighted amounts
1	Standart Approach-CCR (for derivatives)	-	-		1.4	11,919,184	1,162,077
2	Internal Model Approach - (for derivative financial instruments, repo transactions, marketable securities or commodity lending or borrowing transactions, transactions with long swap periods and overdraft securities transactions)			-	-	-	-
3	Simplified Standardised Approach for Credit Risk Mitigation - (for repo transactions, marketable securities or commodity lending or borrowing transactions, transactions with long swap periods and overdraft securities transactions)					990,559	931,860
4	Comprehensive Method for Credit Risk Mitigation - (for repo transactions, marketable securities or commodity lending or borrowing transactions, transactions with long swap periods and overdraft securities transactions)					-	-
5	Value at risk for repo transactions, marketable securities or commodity lending or borrowing transactions, transactions with long swap periods and overdraft securities transactions					-	-
6	Total						2,093,937

	Prior Period	Revaluation cost	Potential credit risk exposure	EEPE	Alpha used for computing regulatory EAD	Exposure after credit risk mitigation	Risk weighted amounts
1	Standart Approach-CCR (for derivatives)	-	-		1.4	7,546,024	1,516,130
2	Internal Model Approach - (for derivative financial instruments, repo transactions, marketable securities or commodity lending or borrowing transactions, transactions with long swap periods and overdraft securities transactions)			-	-	-	-
3	Simplified Standardised Approach for Credit Risk Mitigation - (for repo transactions, marketable securities or commodity lending or borrowing transactions, transactions with long swap periods and overdraft securities transactions)					530,446	468,262
4	Comprehensive Method for Credit Risk Mitigation - (for repo transactions, marketable securities or commodity lending or borrowing transactions, transactions with long swap periods and overdraft securities transactions)					-	-
5	Value at risk for repo transactions, marketable securities or commodity lending or borrowing transactions, transactions with long swap periods and overdraft securities transactions					-	-
6	Total						1,984,392

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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 (Continued):****7. Credit Valuation Adjustment (CVA) Capital Charge:**

	Current Period	Exposure (After credit risk mitigation methods)	Risk weighted amounts
	Total portfolio value with comprehensive approach CVA capital adequacy	-	-
1	(i) Value at risk component (including 3* multiplier)	-	-
2	(ii) Stressed Value at Risk (including 3* multiplier)	-	-
3	All portfolios subject to Standardised CVA capital obligation	11,919,184	208,295
4	Total amount of CVA capital adequacy	11,919,184	208,295

	Prior Period	Exposure (After credit risk mitigation methods)	Risk weighted amounts
	Total portfolio value with comprehensive approach CVA capital adequacy	-	-
1	(i) Value at risk component (including 3* multiplier)	-	-
2	(ii) Stressed Value at Risk (including 3* multiplier)	-	-
3	All portfolios subject to Standardised CVA capital obligation	7,546,024	641,353
4	Total amount of CVA capital adequacy	7,546,024	641,353

8. Standardised Approach - CCR Exposures by Regulatory Portfolio and Risk Weights:

Current Period	0%	10%	20%	50%	75%	100%	150%	Other	Total credit risk
Risk weights									
Risk Classes									
Central governments and central banksreceivables	9,555,500	-	-	-	-	-	-	-	9,555,500
Local governments and municipalities receivables	-	-	-	-	-	-	-	-	-
Administrative and non-commercial receivables	-	-	-	-	-	-	-	-	-
Multilateral Development Bank receivables	-	-	-	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-	-	-	-
Banks and Intermediary Institutions receivables	-	-	115,912	2,221,800	-	27,995	-	-	2,365,707
Corporate receivables	-	-	47,806	36,865	-	903,865	-	-	988,537
Retail receivables	-	-	-	-	-	-	-	-	-
Mortgage receivables	-	-	-	-	-	-	-	-	-
Past-due loans	-	-	-	-	-	-	-	-	-
Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	-	-
Mortgage-backed securities	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Receivables from banks and intermediary institutions with short-term credit ratings and corporate receivables	-	-	-	-	-	-	-	-	-
Investments in nature of collective investment enterprise	-	-	-	-	-	-	-	-	-
Investments in equities	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total	9,555,500	-	163,718	2,258,665	-	931,860	-	-	12,909,743

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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 (Continued):
8. Standardised Approach - CCR Exposures by Regulatory Portfolio and Risk Weights (Continued):

Prior Period	0%	10%	20%	50%	75%	100%	150%	Other	Total credit risk
Risk weights									
Risk Classes									
Central governments and central banksreceivables	4,089,389	-	-	-	-	-	-	-	4,089,389
Local governments and municipalities receivables	-	-	-	-	-	-	-	-	-
Administrative and non-commercial receivables	-	-	-	-	-	-	-	-	-
Multilateral Development Bank receivables	-	-	-	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-	-	-	-
Banks and Intermediary Institutions receivables	-	-	722,479	2,735,091	-	4,074	10	-	3,461,654
Corporate receivables	-	-	43,412	44,871	-	437,144	-	-	525,427
Retail receivables	-	-	-	-	-	-	-	-	-
Mortgage receivables	-	-	-	-	-	-	-	-	-
Past-due loans	-	-	-	-	-	-	-	-	-
Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	-	-
Mortgage-backed securities	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Receivables from banks and intermediary institutions with short-term credit ratings and corporate receivables	-	-	-	-	-	-	-	-	-
Investments in nature of collective investment enterprise	-	-	-	-	-	-	-	-	-
Investments in equities	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total	4,089,389	-	765,891	2,779,962	-	441,218	10	-	8,076,470

9. Composition of Collateral for CCR Exposure:

Current Period	Collaterals for Derivatives Transactions				Collaterals for Derivatives Transactions	
	Collaterals Taken		Collaterals Taken		Collaterals Taken	Collaterals Taken
	Segregated	Non-segregated	Segregated	Non-segregated		
Cash – local currency	-	-	-	-	6,539,570	-
Cash – foreign currency	-	-	-	-	2,714,755	-
Government bonds-domestic	-	-	-	-	-	-
Government bonds-other	-	-	-	-	-	-
Public institution bonds	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Share certificate	-	-	-	-	-	-
Other guarantees	-	-	-	-	-	-
Total	-	-	-	-	9,254,325	-

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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 (Continued):****9. Composition of Collateral for CCR Exposure(Continued):**

Prior Period	Collaterals for Derivatives Transactions				Collaterals for Derivatives Transactions	
	Collaterals Taken		Collaterals Taken		Collaterals Taken	Collaterals Taken
	Segregated	Non-segregated	Segregated	Non-segregated		
Cash – local currency	-	-	-	-	1,583,523	-
Cash – foreign currency	-	-	-	-	2,493,478	-
Government bonds-domestic	-	-	-	-	-	-
Government bonds-other	-	-	-	-	-	-
Public institution bonds	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Share certificate	-	-	-	-	-	-
Other guarantees	-	-	-	-	-	-
Total	-	-	-	-	4,077,001	-

10. Credit Derivatives:

None.

11. Risk to Central Counterparty:

There is a minimal CCP risk exposure due to the future transactions carried out by the Bank in Takasbank market. On a consolidated basis, Burgan Yatırım A.Ş is exposed to a minimal CCP risk within the scope of the products offered to its customers. For CCP risk, capital requirement is calculated for commercial risks and guarantee fund amounts with an alternative method.

Current Period	Risk Amount After CRM	RWA
1 Total risks arising from transactions to qualified CCP		97,213
2 Regarding risks arising from transactions in CCP (excluding initial margin and guarantee fund amount)	-	-
3 (i) OTC derivative financial instruments	486,063	97,213
4 (ii) Other derivative financial instruments	-	-
5 (iii) Repo-reverse repo transactions, overdraft transactions, and lending or borrowing securities or commodities	-	-
6 (iv) Netting groups to which cross product netting is applied	-	-
7 Reserved initial margin	-	-
8 Unreserved initial margin	-	-
9 Paid guarantee fund amount	-	-
10 Unpaid guarantee fund commitment	-	-
11 Total risks arising from transactions to non-qualified CCPs		-
12 Regarding risks arising from transactions in CCP (excluding initial margin and guarantee fund amount)	-	-
13 (i) OTC derivative financial instruments	-	-
14 (ii) Other derivative financial instruments	-	-
15 (iii) Repo-reverse repo transactions, overdraft transactions, and lending or borrowing securities or commodities	-	-
16 (iv) Netting groups to which cross product netting is applied	-	-
17 Reserved initial margin	-	-
18 Unreserved initial margin	-	-
19 Paid guarantee fund amount	-	-
20 Unpaid guarantee fund commitment	-	-

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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 (Continued):****11. Risk to Central Counterparty (Continued):**

Prior Period	Risk Amount After CRM	RWA
1 Total risks arising from transactions to qualified CCP		34,271
2 Regarding risks arising from transactions in CCP (excluding initial margin and guarantee fund amount)	-	-
3 (i) OTC derivative financial instruments	171,534	34,271
4 (ii) Other derivative financial instruments	-	-
5 (iii) Repo-reverse repo transactions, overdraft transactions, and lending or borrowing securities or commodities	-	-
6 (iv) Netting groups to which cross product netting is applied	-	-
7 Reserved initial margin	-	-
8 Unreserved initial margin	-	-
9 Paid guarantee fund amount	-	-
10 Unpaid guarantee fund commitment	-	-
11 Total risks arising from transactions to non-qualified CCPs		-
12 Regarding risks arising from transactions in CCP (excluding initial margin and guarantee fund amount)	-	-
13 (i) OTC derivative financial instruments	-	-
14 (ii) Other derivative financial instruments	-	-
15 (iii) Repo-reverse repo transactions, overdraft transactions, and lending or borrowing securities or commodities	-	-
16 (iv) Netting groups to which cross product netting is applied	-	-
17 Reserved initial margin	-	-
18 Unreserved initial margin	-	-
19 Paid guarantee fund amount	-	-
20 Unpaid guarantee fund commitment	-	-

12. Securitization Disclosures:

None.

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INFORMATION RELATED TO THE FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE GROUP ON A CONSOLIDATED BASIS (Continued):**II. EXPLANATIONS ON RISK MANAGEMENT (Continued):****13. Market Risk Under Standardised Approach:**

Current Period		RWA
Outright products		
1	Interest rate risk (general and specific)	2,330,819
2	Equity risk (general and specific)	587,371
3	Foreign exchange risk	1,921,368
4	Commodity risk	521
Options		
5	Simplified approach	-
6	Delta-plus method	315
7	Scenario approach	-
8	Securitisation	-
9	Total	4,840,394

Prior Period		RWA
Outright products		
1	Interest rate risk (general and specific)	122,301
2	Equity risk (general and specific)	1,499,830
3	Foreign exchange risk	845,874
4	Commodity risk	158
Options		
5	Simplified approach	-
6	Delta-plus method	24
7	Scenario approach	-
8	Securitisation	-
9	Total	2,468,187

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

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

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

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

	EUR		USD	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Bid Rate	TL 35.1284	TL 32.5739	TL 32.8262	TL 29.4382
1st Day Bid Rate	TL 35.1284	TL 32.5739	TL 32.8262	TL 29.4382
2nd Day Bid Rate	TL 35.1212	TL 32.6937	TL 32.8417	TL 29.3973
3rd Day Bid Rate	TL 35.1801	TL 32.4186	TL 32.9040	TL 29.3374
4th Day Bid Rate	TL 35.2869	TL 32.2421	TL 32.9015	TL 29.2647
5th Day Bid Rate	TL 35.1702	TL 32.1766	TL 32.8078	TL 29.2108

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

	EUR		USD	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Arithmetic average - 30 days	TL 34.9595	TL 31.7509	TL 32.4905	TL 29.0619

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INFORMATION RELATED TO THE FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE GROUP ON A CONSOLIDATED BASIS (continued):**III. EXPLANATIONS ON CONSOLIDATED CURRENCY RISK (continued):****Information on Currency Risk of The Group:**

	EUR	USD	Other FC	Total
30 June 2024				
Assets				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	322,312	5,147,739	479,873	5,949,924
Banks	71,011	208,652	666,848	946,511
Financial Assets at Fair Value Through Profit or Loss ⁽¹⁾	122,862	1,551,129	1,104	1,675,095
Interbank Money Market Placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	291,543	2,481,932	-	2,773,475
Loans ⁽²⁾	18,429,153	7,184,727	-	25,613,880
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Financial Assets Measured at Amortized Cost	729,837	2,955,764	-	3,685,601
Hedging Derivative Financial Assets ⁽¹⁾	96,452	261,493	-	357,945
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets ⁽⁴⁾	204,114	230,325	1,314	435,753
Total Assets	20,267,284	20,021,761	1,149,139	41,438,184
Liabilities				
Bank Deposits	33,160	439,342	-	472,502
Foreign Currency Deposits	3,428,161	5,989,096	1,690,054	11,107,311
Funds from Interbank Money Market	530,378	2,193,246	-	2,723,624
Funds Borrowed from Other Financial Institutions	9,011,870	23,284,177	-	32,296,047
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	1,386,513	1,203,981	504	2,590,998
Hedging Derivative Financial Liabilities ⁽³⁾	51,040	98,051	-	149,091
Other Liabilities ⁽³⁾⁽⁴⁾	121,837	171,772	249	293,858
Total Liabilities	14,562,959	33,379,665	1,690,807	49,633,431
Net On-balance Sheet Position	5,704,325	(13,357,904)	(541,668)	(8,195,247)
Net Off-balance Sheet Position	(5,200,042)	11,857,528	431,156	7,088,642
Financial Derivative Assets	(605,491)	16,072,087	650,616	16,117,212
Financial Derivative Liabilities	4,594,551	4,214,559	219,460	9,028,570
Non-Cash Loans ⁽⁵⁾	2,462,802	5,624,773	120,666	8,208,241
31 December 2023				
Total Assets	20,892,522	15,733,615	622,996	37,249,133
Total Liabilities	15,705,142	31,088,766	1,457,464	48,251,372
Net On-balance Sheet Position	5,187,380	(15,355,151)	(834,468)	(11,002,239)
Net Off-balance Sheet Position	(4,934,551)	15,916,890	873,628	11,855,967
Financial Derivative Assets	2,534,904	23,907,829	1,105,870	27,548,603
Financial Derivative Liabilities	7,469,455	7,990,939	232,242	15,692,636
Non-Cash Loans ⁽⁵⁾	1,301,062	4,818,583	113,302	6,232,947

⁽¹⁾ TL 363,832 (31 December 2023: TL 494,253) income accruals of derivative financial instruments are not included.⁽²⁾ Foreign currency indexed loans amounting to TL 81,108 (31 December 2023: TL 86,152) are included in the table above. TL 427,114 (31 December 2023: TL 711,475) "Expected Loss Provisions" are included in the table. Lease Receivables from leasing transactions are also included.⁽³⁾ TL 9,474 (31 December 2023: TL 127,849) derivative financial instruments expense accruals are not included in the table above.⁽⁴⁾ Prepaid Expenses amounting to TL 5,895 in Other Assets are not included in the table. Other Liabilities include TL 204,502 (31 December 2023: TL 576,374) "Securities Valuation Differences" and "Hedging Funds", TL 70,257 (31 December 2023: TL 719,004) "Free Provisions" are not included in the table. TL 2,202 (31 December 2023: TL 2,137) "Provisions for Non-cash Loans First and Second Stage Expected Losses" are included in the table.⁽⁵⁾ Non-cash loans are not included in the total of "Net Off-Balance Sheet Position".⁽⁶⁾ As of 10 December 2022, with the amendment made in the "Regulation on the Calculation and Application of the Foreign Currency Net General Position/Equity Standard Ratio by Banks on a Consolidated and Unconsolidated Basis" with the decision numbered 32039; As of 9 January 2023, delta equivalents have been taken into account by multiplying the nominal value of the currency option with the delta value in the calculation of the net foreign currency 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):

30 June 2024	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets ⁽¹⁾							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	3,978,424	-	-	-	-	6,688,146	10,666,570
Banks	1,030,879	-	-	-	-	1,029,814	2,060,693
Financial Assets at Fair Value Through Profit/Loss ⁽²⁾	1,444,001	763,879	1,228,955	772,426	862,480	291,509	5,363,250
Interbank Money Market Placements	180,400	267,300	-	-	-	-	447,700
Financial Assets at Fair Value Through Other Comprehensive Income	1,139,597	1,182,343	509,107	2,423,520	1,640,637	56,676	6,951,880
Loans Given ⁽³⁾	15,643,523	6,836,504	16,398,109	12,825,910	2,309,450	859,702	54,873,198
Financial Assets Measured at Amortized Cost ⁽⁴⁾	1,235,953	4,638,283	2,532,693	2,106,527	1,945,591	-	12,459,047
Other Assets ⁽⁵⁾	6,358	-	-	-	-	8,979,284	8,985,642
Total Assets	24,659,135	13,688,309	20,668,864	18,128,383	6,758,158	17,905,131	101,807,980
Liabilities							
Bank Deposits	575,024	-	42,659	-	-	20,987	638,670
Other Deposits	24,250,825	5,490,935	2,145,371	39,106	-	8,294,872	40,221,109
Funds from Interbank Money Market	7,114,696	1,132,212	985,840	571,916	-	-	9,804,664
Miscellaneous Payables ⁽⁶⁾	-	-	-	-	-	3,339,989	3,339,989
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed from Other Financial Institutions	3,837,491	18,147,900	8,814,751	-	-	1,641,310	32,441,452
Other Liabilities ⁽⁶⁾⁽⁷⁾	345,928	172,619	340,595	545,725	680	13,956,549	15,362,096
Total Liabilities	36,123,964	24,943,666	12,329,216	1,156,747	680	27,253,707	101,807,980
Balance Sheet Long Position	-	-	8,339,648	16,971,636	6,757,478	-	32,068,762
Balance Sheet Short Position	(11,464,829)	(11,255,357)	-	-	-	(9,348,576)	(32,068,762)
Off-balance Sheet Long Position	-	-	532,103	2,622,227	-	-	3,154,330
Off-balance Sheet Short Position	(929,666)	(1,630,172)	-	-	-	-	(2,559,838)
Total Position	(12,394,495)	(12,885,529)	8,871,751	19,593,863	6,757,478	(9,348,576)	594,492

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

⁽²⁾ Financial Assets at Fair Value Through Profit/Loss includes derivative financial assets amounting to TL 3,325,513 classified to a related re-pricing periods.

⁽³⁾ Loans Given item includes TL 1,022,392 Expected Loss Provisions.

⁽⁴⁾ Financial Assets Measured at Amortized Cost item includes Expected Loss Provisions of TL 1,012.

⁽⁵⁾ Other Assets item consists of TL 1,726,035 Assets Held For Sale From Discontinued Operations, TL 4,113,888 Tangible Assets, TL 212,215 Intangible Assets, TL 79,835 Current Tax Asset, TL 176,608 Deferred Tax Asset and TL 2,677,061 Other Assets.

⁽⁶⁾ Other Liabilities item includes derivative financial liabilities amounting to TL 1,242,892 classified to a related re-pricing periods. Other Liabilities and Miscellaneous Payables consist of TL 1,242,892 Financial Derivate Liabilities, TL 164,921 Lease Liabilities, TL 2,109,072 Provisions, TL 477,059 Current Tax Liability, TL 159,687 Deferred Tax Liability, TL 5,535,758 Other Liabilities and TL 9,012,696 Shareholder's Equity.

⁽⁷⁾ Shareholders' Equity is presented in the Non-Interest Bearing column.

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

INFORMATION RELATED TO THE FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE GROUP ON A CONSOLIDATED BASIS (continued):**IV. EXPLANATIONS ON CONSOLIDATED INTEREST RATE RISK (continued):****a. Interest rate sensitivity of assets, liabilities and off-balance sheet items based on repricing dates (As for the remaining time to repricing) (continued):**

31 December 2023	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets ⁽¹⁾							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	3,477,961	-	-	-	-	7,137,895	10,615,856
Banks ⁽¹⁾	1,511,301	-	-	-	-	1,236,061	2,747,362
Financial Assets at Fair Value Through Profit/Loss ⁽²⁾	1,922,006	1,553,692	266,833	66,970	37,112	749,918	4,596,531
Interbank Money Market Placements	62,235	-	-	-	-	-	62,235
Financial Assets at Fair Value Through Other Comprehensive Income	754,522	769,581	429,104	478,595	570,247	51,619	3,053,668
Loans Given ⁽³⁾	15,127,917	8,579,490	14,255,690	10,396,591	2,229,423	835,964	51,425,075
Financial Assets Measured at Amortized Cost ⁽⁴⁾	814,877	3,542,803	1,776,380	2,075,656	1,455,471	-	9,665,187
Other Assets ⁽⁵⁾	33,973	-	-	-	-	7,562,675	7,596,648
Total Assets	23,704,792	14,445,566	16,728,007	13,017,812	4,292,253	17,574,132	89,762,562
Liabilities							
Bank Deposits	-	-	-	-	-	25,241	25,241
Other Deposits	27,005,374	5,113,324	1,316,411	1,968	-	7,085,768	40,522,845
Funds from Interbank Money Market	2,979,112	679,543	781,852	617,670	-	-	5,058,177
Miscellaneous Payables ⁽⁶⁾	-	-	-	-	-	3,919,826	3,919,826
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed from Other Financial Institutions	3,769,390	16,564,706	4,802,982	-	-	1,472,299	26,609,377
Other Liabilities ^{(6) (7)}	613,916	247,022	193,544	338,885	3,493	12,230,236	13,627,096
Total Liabilities	34,367,792	22,604,595	7,094,789	958,523	3,493	24,733,370	89,762,562
Balance Sheet Long Position	-	-	9,633,218	12,059,289	4,288,760	-	25,981,267
Balance Sheet Short Position	(10,663,000)	(8,159,029)	-	-	-	(7,159,238)	(25,981,267)
Off-balance Sheet Long Position	55,361	-	267,955	1,499,268	-	-	1,822,584
Off-balance Sheet Short Position	-	(1,078,800)	-	-	(21,827)	-	(1,100,627)
Total Position	(10,607,639)	(9,237,829)	9,901,173	13,558,557	4,266,933	(7,159,238)	721,957

⁽¹⁾ Assets are shown with their net values in their related period by deducting allowances for expected credit losses.⁽²⁾ Financial Assets at Fair Value Through Profit/Loss includes derivative financial assets amounting to TL 3,780,264 classified to a related re-pricing periods.⁽³⁾ Loans Given item includes TL 1,296,951 Expected Loss Provisions.⁽⁴⁾ Financial Assets Measured at Amortized Cost item includes Expected Loss Provisions of TL 47.⁽⁵⁾ Other Assets item consists of TL 1,805,136 Assets Held For Sale From Discontinued Operations, TL 3,738,042 Tangible Assets, TL 174,690 Intangible Assets, TL 145,743 Current Tax Asset and TL 1,733,037 Other Assets.⁽⁶⁾ Other Liabilities item includes derivative financial liabilities amounting to TL 1,441,778 classified to a related re-pricing periods. Other Liabilities and Miscellaneous Payables consist of TL 1,441,778 Financial Derivate Liabilities, TL 105,557 Lease Liabilities, TL 2,299,130 Provisions, TL 240,951 Current Tax Liability, TL 842,049 Deferred Tax Liability, TL 5,227,780 Other Liabilities and TL 7,389,677 Shareholder's Equity.⁽⁷⁾ 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:

30 June 2024	EUR	USD	Yen	TL
Assets	%	%	%	%
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	-	-	-	-
Banks	-	-	-	50.80
Financial Assets at Fair Value Through Profit/Loss	5.63	7.11	-	35.23
Interbank Money Market Placements	-	-	-	22.12
Financial Assets at Fair Value Through Other Comprehensive Income	4.76	7.60	-	41.97
Loans Given	7.38	9.17	-	48.20
Financial Assets Measured at Amortized Cost	3.90	8.31	-	39.55
Liabilities				
Bank Deposits (*)	3.62	5.44	-	52.36
Other Deposits (*)	0.48	1.05	-	44.95
Funds from Interbank Money Market	5.45	6.64	-	46.03
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed from Other Financial Institutions	6.66	6.62	-	46.10

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

31 December 2023	EUR	USD	Yen	TL
Assets	%	%	%	%
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	-	-	-	-
Due from Banks	-	4.66	-	41.65
Financial Assets at Fair Value Through Profit/Loss	5.37	8.29	-	24.05
Interbank Money Market Placements	-	-	-	42.16
Financial Assets at Fair Value Through Other Comprehensive Income	4.75	7.81	-	46.80
Loans Given	7.44	10.21	-	42.18
Financial Assets Measured at Amortized Cost	3.89	8.44	-	48.74
Liabilities				
Bank Deposits (*)	-	-	-	-
Other Deposits (*)	1.46	2.99	-	37.26
Funds from Interbank Money Market	5.90	6.42	-	30.29
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed from Other Financial Institutions	6.50	6.45	-	34.31

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

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):****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	(152,702)	(1.0) %
2. TL	-400 bp	139,022	0.9 %
3. EUR	+200 bp	(387,359)	(2.5) %
4. EUR	-200 bp	448,811	2.9 %
5. USD	+200 bp	(398,324)	(2.5) %
6. USD	-200 bp	476,478	3.0 %
Total (For Negative Shocks)		1,064,311	6.8 %
Total (For Positive Shocks)		(938,385)	(6.0) %

V. EXPLANATIONS ON CONSOLIDATED SHARE CERTIFICATE POSITION RISK:**a. Comparison of balance sheet value, fair value and market value of equity investment**

Current Period		Comparison		
Equity Investments	Balance Sheet Value	Fair Value	Market Value	
1 Equity Investment Group A	-	-	-	-
Exchange Traded	-	-	-	-
2 Equity Investment Group B	-	-	-	-
Exchange Traded	-	-	-	-
3 Equity Investment Group C	-	-	-	-
Exchange Traded	-	-	-	-
4 Other Equity Investment Group	49,002	49,002	-	-
Unlisted Exchange Traded	49,002	49,002	-	-

Prior Period		Comparison		
Equity Investments	Balance Sheet Value	Fair Value	Market Value	
1 Equity Investment Group A	-	-	-	-
Exchange Traded	-	-	-	-
2 Equity Investment Group B	-	-	-	-
Exchange Traded	-	-	-	-
3 Equity Investment Group C	-	-	-	-
Exchange Traded	-	-	-	-
4 Other Equity Investment Group	43,945	43,945	-	-
Unlisted Exchange Traded	43,945	43,945	-	-

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.

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.

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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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):****Consolidated Liquidity Coverage Ratio:**

30 June 2024		Unweighted Amounts (*)		Weighted Amounts (*)	
		TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS					
1	High quality liquid assets			17,190,489	8,281,628
CASH OUTFLOWS					
2	Retail and small business customers deposits	33,184,853	14,771,210	2,925,896	1,477,121
3	Stable deposits	7,851,784	-	392,589	-
4	Less stable deposits	25,333,069	14,771,210	2,533,307	1,477,121
5	Unsecured funding other than retail and small business customers deposits	11,794,048	6,771,318	9,036,341	4,919,594
6	Operational deposits	2,035,509	1,405,741	508,877	351,436
7	Non-Operational Deposits	3,727,712	2,358,445	2,496,637	1,561,026
8	Other Unsecured Funding	6,030,827	3,007,132	6,030,827	3,007,132
9	Secured funding	-	-	-	-
10	Other cash outflows	2,642,246	2,392,122	2,642,246	2,392,120
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	2,642,246	2,392,122	2,642,246	2,392,120
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off-balance sheet liabilities	-	-	-	-
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15	Other irrevocable or conditionally revocable commitments	18,360,211	7,889,600	3,009,515	1,090,006
16	TOTAL CASH OUTFLOWS			17,613,998	9,878,841
CASH INFLOWS					
17	Secured receivables	-	-	-	-
18	Unsecured receivables	9,298,916	2,371,363	6,135,729	1,737,769
19	Other cash inflows	2,137	4,879,902	2,137	4,879,902
20	TOTAL CASH INFLOWS	9,301,053	7,251,265	6,137,866	6,617,671
				Upper Limit Applied Values	
21	TOTAL HIGH QUALITY LIQUID ASSETS			17,190,489	8,281,628
22	TOTAL NET CASH OUTFLOWS			11,476,132	3,261,170
23	LIQUIDITY COVERAGE RATIO (%)			149.79	253.95

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

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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):**

31 December 2023		Unweighted Amounts (*)		Weighted Amounts (*)	
		TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS					
1	High quality liquid assets			17,847,870	7,446,588
CASH OUTFLOWS					
2	Retail and small business customers deposits	33,506,202	16,291,085	3,101,155	1,629,109
3	Stable deposits	4,989,313	-	249,466	-
4	Less stable deposits	28,516,889	16,291,085	2,851,689	1,629,109
5	Unsecured funding other than retail and small business customers deposits	11,784,477	6,436,445	8,390,436	4,259,189
6	Operational deposits	2,162,790	1,263,593	540,697	315,899
7	Non-Operational Deposits	4,447,144	2,738,235	2,675,196	1,508,673
8	Other Unsecured Funding	5,174,543	2,434,617	5,174,543	2,434,617
9	Secured funding	-	-	-	-
10	Other cash outflows	2,392,122	2,392,122	2,392,123	2,392,120
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	2,392,122	2,392,122	2,392,123	2,392,120
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off-balance sheet liabilities	-	-	-	-
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15	Other irrevocable or conditionally revocable commitments	14,987,219	6,514,637	2,448,953	982,594
16	TOTAL CASH OUTFLOWS			16,332,667	9,263,012
CASH INFLOWS					
17	Secured receivables	-	-	-	-
18	Unsecured receivables	10,583,484	2,383,033	7,633,114	1,565,399
19	Other cash inflows	204,389	4,062,179	204,389	4,062,179
20	TOTAL CASH INFLOWS	10,787,873	6,445,212	7,837,503	5,627,578
				Upper Limit Applied Values	
21	TOTAL HIGH QUALITY LIQUID ASSETS			17,847,870	7,446,588
22	TOTAL NET CASH OUTFLOWS			8,495,164	3,635,434
23	LIQUIDITY COVERAGE RATIO (%)			210.09	204.83

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

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):**

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 sheet 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, bank 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 55% and securities issued by under secretariat of Treasury at a ratio of 36%. The fund resources are distributed among deposits of individuals and retail, corporate deposits and due to bank debt at ratios of 14%, 30% and 31%, respectively.

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

Absolute value of net warrant flows realized as of 30 days periods for each transaction and liability are calculated provided that changes in fair values of derivative transactions and other liabilities can form a margin liability in accordance with "Regulation on Calculation of Liquidity Coverage Ratio of Banks" entered into force through publishing in Official Gazette dated 21 March 2014 and numbered 28948. The biggest absolute value, which is calculated in the last 24 months, is taken into consideration as cash outflow. Calculations for derivative transactions and other liabilities, having a flow history shorter than 24 months, are performed from the date in which the transaction is triggered. Information related to the aforementioned cash outflow occurred on 30 June 2024 is given below:

Date	FC	FC + TL
30 June 2024	2,392,122	2,392,122

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 June 2024, 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 (%)	345.28	185.71	163.75	115.41
Monthly	1.04.2024	1.04.2024	1.06.2024	1.06.2024

Prior Period	Maximum (%)		Minimum (%)	
	FC	FC + TL	FC	FC + TL
Monthly Arithmetic Average (%)	245.72	276.97	197.98	177.88
Monthly	1.12.2023	1.10.2023	1.11.2023	1.11.2023

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	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributable	Total
30 June 2024								
Assets ⁽¹⁾								
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the CBRT	3,880,717	6,785,853	-	-	-	-	-	10,666,570
Banks	936,199	1,030,879	-	-	-	-	93,615	2,060,693
Financial Assets at Fair Value Through Profit or Loss ⁽²⁾	-	340,008	430,360	713,614	2,689,474	898,286	291,508	5,363,250
Interbank Money Market Placements	-	180,400	267,300	-	-	-	-	447,700
Financial Assets at Fair Value Through Other Comprehensive Income	-	250,388	203,444	529,900	4,162,699	1,748,773	56,676	6,951,880
Loans Given ⁽³⁾	-	6,184,753	9,353,363	16,574,591	17,426,659	4,474,130	859,702	54,873,198
Financial Assets Measured at Amortized Cost ⁽⁴⁾	-	597,778	2,783,989	2,535,761	2,719,769	3,821,750	-	12,459,047
Other Assets ⁽⁵⁾	80,583	434,608	124,824	446,319	-	-	7,899,308	8,985,642
Total Assets	4,897,499	15,804,667	13,163,280	20,800,185	26,998,601	10,942,939	9,200,809	101,807,980
Liabilities								
Bank Deposits	20,987	575,024	-	42,659	-	-	-	638,670
Other Deposits	8,294,872	24,250,825	5,490,935	2,145,371	39,106	-	-	40,221,109
Funds Borrowed from Other Financial Institutions	-	1,779,652	13,809,227	10,136,708	1,729,131	4,986,734	-	32,441,452
Funds from Interbank Money Market	-	7,114,696	1,132,212	985,840	571,916	-	-	9,804,664
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	57,652	107,087	-	-	-	-	3,175,250	3,339,989
Other Liabilities ⁽⁶⁾⁽⁷⁾	-	1,466,633	289,514	747,817	619,087	680	12,238,365	15,362,096
Total Liabilities	8,373,511	35,293,917	20,721,888	14,058,395	2,959,240	4,987,414	15,413,615	101,807,980
Net Liquidity Gap	(3,476,012)	(19,489,250)	(7,558,608)	6,741,790	24,039,361	5,955,525	(6,212,806)	-
Net Off-balance Sheet Position	-	352,800	428,591	1,250,133	(222,551)	351	-	1,809,324
Receivables from Derivative Financial Instruments	-	10,631,742	6,854,545	9,020,419	4,501,259	8,857	-	31,016,822
Payables from Derivative Financial Instruments	-	(10,278,942)	(6,425,954)	(7,770,286)	(4,723,810)	(8,506)	-	(29,207,498)
Non-Cash Loans	-	8,627,091	2,190,599	7,946,253	525,435	49,542	-	19,338,920
31 December 2023								
Total Assets	4,877,778	17,482,813	10,267,527	16,086,823	23,372,026	9,080,825	8,594,770	89,762,562
Total Liabilities	7,160,291	32,775,192	13,770,182	13,552,596	3,763,525	4,474,688	14,266,088	89,762,562
Net Liquidity Gap	(2,282,513)	(15,292,379)	(3,502,655)	2,534,227	19,608,501	4,606,137	(5,671,318)	-
Net Off-balance Sheet Position	-	(193,215)	58,551	742,422	485,470	280,393	-	1,373,621
Receivables from Derivative Financial Instruments	-	19,080,156	7,450,631	8,414,168	5,865,344	2,744,813	-	43,555,112
Payables from Derivative Financial Instruments	-	(19,273,371)	(7,392,080)	(7,671,746)	(5,379,874)	(2,464,420)	-	(42,181,491)
Non-cash Loans	-	7,552,861	1,793,418	4,522,316	757,615	34,376	-	14,660,586

⁽¹⁾ Assets are shown with their net values in their related period by deducting allowances for expected credit losses.⁽²⁾ Financial Assets at Fair Value Through Profit/Loss includes derivative financial assets amounting to TL 3,325,513 classified to a related re-pricing periods.⁽³⁾ Loans Given item includes TL 1,022,392 Expected Loss Provisions.⁽⁴⁾ Financial Assets Measured at Amortized Cost item includes Expected Loss Provisions of TL 1,012.⁽⁵⁾ Other Assets item consists of TL 1,726,035 Assets Held For Sale From Discontinued Operations, TL 4,113,888 Tangible Assets, TL 212,215 Intangible Assets, TL 79,835 Current Tax Asset, TL 176,608 Deferred Tax Asset, TL 2,677,061 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".⁽⁶⁾ Other Liabilities item includes derivative financial liabilities amounting to TL 1,242,892 classified to a related re-pricing periods. Other Liabilities and Miscellaneous Payables consist of TL 1,242,892 Financial Derivate Liabilities, TL 164,921 Lease Liabilities, TL 2,109,072 Provisions, TL 477,059 Current Tax Liability, TL 159,687 Deferred Tax Liability, TL 5,535,758 Other Liabilities and TL 9,012,696 Shareholder's Equity.⁽⁷⁾ Shareholders' equity is presented under the "Other liabilities" item in the "Undistributable" column.

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

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):****Net Stable Funding Ratio:**

Net stable funding ratio (NSFR) is calculated by dividing the available stable funding amount by the required stable funding amount. Available stable funding includes the portion of Banks' liabilities and capital that are expected to be permanent; and required stable funding refers to the portion of Banks' on-balance sheet assets and off-balance sheet liabilities that are expected to be refunded.

Available stable funding amount is calculated by summing the amounts to be found after applying the relevant consideration rates determined within the scope of the legislation to the amounts of banks' liabilities and capital items valued in accordance with TFRS. Required stable funding amount will be found after applying the relevant consideration rates determined within the scope of the legislation to the value calculated by deducting the special provisions set aside in accordance with the Regulation on the Procedures and Principles on the Classification of Loans and the Provisions from the amounts of the banks' on-balance sheet assets and off-balance sheet liabilities valued in accordance with TFRS.

The three-month simple arithmetic average of the consolidated and unconsolidated NSFR calculated monthly as of capital calculation periods as of March, June, September and December cannot be less than one hundred percent.

Current Period	a	b	c	c	d
	Unweighted Amount According to Residual Maturity				Total Weighted Amount
	Non Maturity	Residual maturity of less than 6 months	Residual maturity of six months and longer but less than one year	Residual maturity of one year or more	
Available Stable Funding					
1 Capital Instruments	9,886,983	-	-	6,565,240	16,452,223
2 Tier 1 Capital and Tier 2 Capital	9,886,983	-	-	6,565,240	16,452,223
3 Other Capital Instruments	-	-	-	-	-
4 Real-person and Retail Customer Deposits	3,714,056	28,494,469	584,196	59,780	29,988,847
5 Stable Deposits	391,699	7,977,372	58,272	4,583	8,010,330
6 Less Stable Deposits	3,322,356	20,517,098	525,924	55,196	21,978,517
7 Other Obligations	4,299,632	17,290,561	4,389,034	679,799	14,029,524
8 Operational deposits	-	3,012,883	-	-	1,506,441
9 Other Obligations	4,299,632	14,277,679	4,389,034	679,799	12,523,082
10 Liabilities equivalent to interconnected assets	-	-	-	-	-
11 Other Liabilities	-	-	-	-	-
12 Derivative liabilities	-	-	-	-	-
13 All other equity not included in the above categories	7,359,133	14,784,468	-	-	-
14 Available stable funding					60,470,594
Required Stable Funding					
15 High Quality Liquid Assets	-	-	-	-	2,389,841
16 Deposits held at financial institutions for operational purposes	-	-	-	-	-
17 Performing Loans	1,260,186	22,993,902	12,851,356	31,907,131	44,369,569
18 Encumbered loans to financial institutions, where the loan is secured against Level 1 assets	-	-	-	-	-
19 Unencumbered loans to financial institutions or encumbered loans that are not secured against Level 1 assets	1,201,305	4,025,653	1,339,162	977,388	2,431,013
20 Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	-	18,968,249	11,512,194	30,858,610	41,862,878
21 Loans with a risk weight of less than or equal to 35%	-	58,078	49,544	54	53,865
22 Residential mortgages	-	-	-	71,133	46,237
23 Residential mortgages with a risk weight of less than or equal to 35%	-	-	-	71,133	46,237
24 Securities that are not in default and do not qualify as HQLA and exchange-traded equities	58,881	-	-	-	29,441
25 Assets equivalent to interconnected liabilities	-	-	-	-	-
26 Other Assets	-	-	-	-	11,784,027
27 Physical traded commodities, including gold	-	-	-	-	-
28 Initial margin posted or given guarantee fund to central counterparty	-	-	-	652,792	554,874
29 Derivative Assets	-	-	-	84,594	84,594
30 Derivative Liabilities before the deduction of the variation margin	-	-	-	17,591	17,591
31 Other Assets not included above	10,543,320	-	-	583,647	11,126,968
32 Off-balance sheet commitments	-	15,180,836	4,464,060	606,866	1,012,588
33 Total Required stable funding					59,556,025
34 Net Stable Funding Ratio (%)					101.54

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 JUNE 2024**

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

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):****Net Stable Funding Ratio (continued) :**

Prior Period	a	b	c	ç	d
	Non Maturity	Residual maturity of less than 6 months	Residual maturity of six months and longer but less than one year	Residual maturity of one year or more	Total Weighted Amount
Available Stable Funding					
1 Capital Instruments	8,796,388	-	-	4,415,730	13,212,118
2 Tier 1 Capital and Tier 2 Capital	8,796,388	-	-	4,415,730	13,212,118
3 Other Capital Instruments	-	-	-	-	-
4 Real-person and Retail Customer Deposits	3,238,746	31,462,103	331,432	2,751	31,824,863
5 Stable Deposits	189,696	5,659,116	16,929	947	5,573,353
6 Less Stable Deposits	3,049,050	25,802,987	314,503	1,804	26,251,510
7 Other Obligations	945,418	10,010,101	1,217,248	627,316	9,959,611
8 Operational deposits	-	812,648	-	-	406,324
9 Other Obligations	945,418	9,197,453	1,217,248	627,316	9,553,287
10 Liabilities equivalent to interconnected assets	-	-	-	-	-
11 Other Liabilities	-	-	-	-	-
12 Derivative liabilities	-	-	-	-	-
13 All other equity not included in the above categories	8,219,318	11,814,386	-	-	-
14 Available stable funding	-	-	-	-	54,996,592
Required Stable Funding					
15 High Quality Liquid Assets	-	-	-	-	903,464
16 Deposits held at financial institutions for operational purposes	-	-	-	-	-
17 Performing Loans	480,260	28,638,992	6,118,438	26,688,169	38,234,612
18 Encumbered loans to financial institutions, where the loan is secured against Level 1 assets	-	-	-	-	-
19 Unencumbered loans to financial institutions or encumbered loans that are not secured against Level 1 assets	428,641	6,279,810	-	-	1,006,268
20 Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	-	22,359,182	6,118,438	26,599,383	37,144,824
21 Loans with a risk weight of less than or equal to 35%	-	52,387	22,209	23,687	60,985
22 Residential mortgages	-	-	-	88,785	57,710
23 Residential mortgages with a risk weight of less than or equal to 35%	-	-	-	88,785	57,710
24 Securities that are not in default and do not qualify as HQLA and exchange-traded equities	51,619	-	-	-	25,810
25 Assets equivalent to interconnected liabilities	-	-	-	-	-
26 Other Assets	-	-	-	-	11,012,283
27 Physical traded commodities, including gold	-	-	-	-	-
28 Initial margin posted or given guarantee fund to central counterparty	-	-	-	990,711	842,104
29 Derivative Assets	-	-	-	211,010	211,010
30 Derivative Liabilities before the deduction of the variation margin	-	-	-	4,034	4,034
31 Other Assets not included above	9,327,819	-	-	627,316	9,955,135
32 Off-balance sheet commitments	-	11,974,085	2,389,788	749,430	755,665
33 Total Required stable funding	-	-	-	-	50,906,024
34 Net Stable Funding Ratio (%)	-	-	-	-	108.04

The consolidated NSFR ratio for the last three months of 2024 and the last three months of 2023 is presented in the table below.

Period	Rate
30.04.2024	101.54
31.05.2024	102.79
30.06.2024	101.54
3 Months Average	101.96

Period	Rate
31.10.2023	113.40
30.11.2023	108.95
31.12.2023	108.04
3 Months Average	110.13

INFORMATION RELATED TO THE FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE GROUP ON A CONSOLIDATED BASIS (continued):**VII. EXPLANATIONS ON CONSOLIDATED LEVERAGE RATIO:****Information on subjects that causes difference in leverage ratio between current and prior periods:**

As of 30 June 2024, leverage ratio of the Group calculated from the arithmetic average of the three months is 7.79% (31 December 2023: 7.29%). This ratio is above the minimum required. The most important reason for the difference in leverage ratio between current and prior periods is the increase in balance sheet and off-balance sheet assets.

Disclosure of leverage ratio template:

	30 June 2024 (*)	31 December 2023 (*)
Balance sheet assets		
Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	97,432,902	87,010,514
(Assets deducted from core capital)	228,237	142,425
Total risk amount of balance sheet assets	97,204,665	86,868,089
Derivative financial assets and credit derivatives		
Cost of replenishment for derivative financial assets and credit derivatives	1,587,058	3,414,481
Potential credit risk amount of derivative financial assets and credit derivatives	287,879	375,721
Total risk amount of derivative financial assets and credit derivatives	1,874,937	3,790,202
Financing transactions secured by marketable security or commodity		
Risk amount of financing transactions secured by marketable security or commodity (excluding Balance sheet)	-	-
Risk amount arising from intermediary transactions	-	-
Total risk amount of financing transactions secured by marketable security or commodity	-	-
Off-balance sheet transactions		
Gross nominal amount of off-balance sheet transactions	23,615,317	18,226,390
(Correction amount due to multiplication with credit conversion rates)	-	-
Total risk of off-balance sheet transactions	23,615,317	18,226,390
Capital and total risk		
Core capital	9,562,157	7,931,248
Total risk amount	122,694,919	108,884,682
Leverage ratio		
Leverage ratio	7.79%	7.29%

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

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

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

As of 30 June 2024, The Group applies cash flow hedge accounting using cross currency & 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 each balance sheet date 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 balance sheet date derivative financial assets of which carrying amount is TL 2,681,426 (31 December 2023: TL 2,678,566) and derivative financial payables of which carrying amount is TL 514,241 (31 December 2023: TL 544,832), are subject to hedge accounting as hedging instruments. As a result of the mentioned hedge accounting, fair value income after tax amounting to TL 114,530 (30 June 2023: TL 116,111 fair value income) is recognized under the equity in the current period. Ineffective part is not available (31 December 2023: TL 2,064).

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	1,373,364	53,657	64,731	-
Interest Rate Swap	Floating rate up to 3 month maturity FC deposits	Cash flow risk of changes in market interest rates	1,308,062	460,584	381,061	-

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 (such as the periods, in which interest income or expense is 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 2023: TL 2,064).

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 JUNE 2024**

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

INFORMATION RELATED TO THE FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE GROUP ON A CONSOLIDATED BASIS (continued):**IX. 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 2023 for balance sheet items and 30 June 2023 for income statement items.

	Retail Banking	Digital Banking	Corporate and Commercial Banking	Treasury and Asset Liability Management	Other and Undistributed (*)	Total Operations of the Group
30 June 2024						
Net Interest Income	405,691	746,776	1,461,907	(1,378,584)	593,017	1,828,807
Net Fees and Commissions	3,049	9,058	177,305	-	39,972	229,384
Trading Profit/Loss	74,602	6,774	35,456	258,476	(53,791)	321,517
Other Operating Income	839	10,729	455,957	-	579,710	1,047,235
Operating Income	484,181	773,337	2,130,625	(1,120,108)	1,158,908	3,426,943
Operating and Provision Costs (-)	(359,434)	(464,965)	(409,000)	(170,363)	(600,984)	(2,004,746)
Net Operating Income	124,747	308,372	1,721,625	(1,290,471)	557,924	1,422,197
Dividend Income	-	-	-	-	52	52
Income/Loss from subsidiaries based on equity method	-	-	-	-	-	-
Profit Before Tax	124,747	308,372	1,721,625	(1,290,471)	557,976	1,422,249
Tax Provisions (-)	(37,423)	(92,512)	(481,734)	387,141	603,601	379,073
Net Profit/Loss	87,324	215,860	1,239,891	(903,330)	1,161,577	1,801,322
Segment Assets	2,801,748	5,817,596	44,597,761	31,298,705	12,515,348	97,031,158
Investments in associates, subsidiaries and joint ventures	-	-	-	-	-	-
Unallocated Assets	-	-	-	-	4,776,822	4,776,822
Total Assets	2,801,748	5,817,596	44,597,761	31,298,705	17,292,170	101,807,980
Segments Liabilities	20,509,993	10,771,257	7,872,326	36,206,414	17,435,294	92,795,284
Unallocated Liabilities	-	-	-	-	9,012,696	9,012,696
Total Liabilities	20,509,993	10,771,257	7,872,326	36,206,414	26,447,990	101,807,980

(*) 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.

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 JUNE 2024**

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

	Retail Banking	Digital Banking	Corporate and Commercial Banking	Treasury and Asset Liability Management	Other and Undistributed (*)	Total Operations of the Group
30 June 2023						
Net Interest Income	282,463	127,692	491,361	(884,252)	484,473	501,737
Net Fees and Commissions	857	(1,615)	418,633	-	22,115	439,990
Trading Profit/Loss	34,945	2,788	172,903	600,541	(62,115)	749,062
Other Operating Income	943	8,421	138,371	-	457,092	604,827
Operating Income	319,208	137,286	1,221,268	(283,711)	901,565	2,295,616
Operating and Provision Costs (-)	(161,707)	(89,828)	133,884	(85,451)	(311,403)	(514,505)
Net Operating Income	157,501	47,458	1,355,152	(369,162)	590,162	1,781,111
Dividend Income	-	-	-	-	38	38
Income/Loss from subsidiaries based on equity method	-	-	-	-	-	-
Profit Before Tax	157,501	47,458	1,355,152	(369,162)	590,200	1,781,149
Tax Provisions (-)	(39,358)	(11,896)	(451,581)	84,120	(137,447)	(556,162)
Net Profit/Loss	118,143	35,562	903,571	(285,042)	452,753	1,224,987
Segment Assets	3,259,814	5,367,657	42,035,517	23,757,889	11,709,459	86,130,336
Investments in associates, subsidiaries and joint ventures	-	-	-	-	-	-
Unallocated Assets	-	-	-	-	3,632,226	3,632,226
Total Assets	3,259,814	5,367,657	42,035,517	23,757,889	15,341,686	89,762,562
Segments Liabilities	22,404,675	9,207,265	7,042,676	25,367,973	18,350,296	82,372,885
Unallocated Liabilities	-	-	-	-	7,389,677	7,389,677
Total Liabilities	22,404,675	9,207,265	7,042,676	25,367,973	25,739,973	89,762,562

(*) 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.

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 June 2024		31 December 2023	
	TL	FC	TL	FC
Cash/Foreign currency	43,725	895,788	35,594	700,550
Central Bank of Turkey	4,672,921	4,965,073	4,391,890	5,354,642
Other	-	89,063	-	133,180
Total	4,716,646	5,949,924	4,427,484	6,188,372

2. Information on the account of the CBRT:

	30 June 2024		31 December 2023	
	TL	FC	TL	FC
Unrestricted Demand Amount	4,672,921	2,640,586	4,391,890	2,596,976
Unrestricted Time Amount	-	-	-	-
Restricted Time Amount	-	2,324,487	-	2,757,666
Total	4,672,921	4,965,073	4,391,890	5,354,642

3. Information on Reserve Requirements:

The Bank establishes mandatory reserves at the CBRT for Turkish currency and foreign currency liabilities in accordance with the CBRT's "Communiqué No. 2013/15 on Required Reserves". Required reserves can be subject to the TL, USD, EUR and standard gold in accordance with the "Communiqué on Required Reserves" at the CBRT.

The required reserve rates at the CBRT for TL liabilities vary between 8% and 12% for TL deposits and other liabilities according to their maturities as of 30 June 2024 (31 December 2023: between 0% and 8%) for Turkish currency, excluding accounts provided with exchange rate/price protection support by the Central Bank, according to the maturity structure, and between 22% and 33% (31 December 2023: between 10% and 30%) for accounts provided with exchange rate/price protection support by the Central Bank; and FX deposits are between 5% and 30% (31 December 2023: between 5% and 30%) for foreign currency, depending on the maturity structure. In addition to foreign currency deposits, a reserve requirement of 8% in TL is established.

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 JUNE 2024**

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (continued):****b. Information on financial assets measured at fair value through profit or loss:**

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

As of 30 June 2024, there are TL 36,753 of financial assets measured at fair value through profit or loss given as collateral/blocked (31 December 2023: TL 73).

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

As of 30 June 2024, there are not repurchase agreements from financial assets measured at fair value through profit or loss (31 December 2023: None).

c. Information on banks:

1. Information on banks:

	30 June 2024		31 December 2023	
	TL	FC	TL	FC
Banks				
Domestic	1,114,261	32,330	1,522,980	521,417
Foreign	-	914,181	-	703,030
Foreign Headquarters and Branches	-	-	-	-
Total	1,114,261	946,511	1,522,980	1,224,447

2. Information on foreign bank accounts:

	Unrestricted Balance		Restricted Balance	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
EU Countries	55,310	44,928	-	-
USA, Canada	101,440	111,653	-	-
OECD Countries (*)	735,946	492,413	-	-
Coastal Banking Regions	-	-	-	-
Other	21,485	54,036	-	-
Total	914,181	703,030	-	-

(*) EU countries, OECD countries except USA and Canada.

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

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

As of 30 June 2024, there are TL 437,298 of financial assets measured at fair value through other comprehensive income given as collateral/blocked (31 December 2023: TL 1,602,712).

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

As of 30 June 2024, there are TL 3,541,373 of financial assets measured at fair value through other comprehensive income subject to repurchase agreements (31 December 2023: TL 1,314,677).

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 JUNE 2024**

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (continued):****d. Information on Financial Assets at Fair Value Through Other Comprehensive Income (continued):****3. Information on financial assets measured at fair value through other comprehensive income:**

	30 June 2024	31 December 2023
Debt Securities	6,995,244	3,096,588
Quoted on Stock Exchange	6,995,244	3,096,588
Not Quoted	-	-
Share Certificates	56,676	51,619
Quoted on Stock Exchange	-	-
Not Quoted	56,676	51,619
Impairment Provision (-)	100,040	94,539
Total	6,951,880	3,053,668

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (continued):****e. Explanations on loans:**

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

	30 June 2024		31 December 2023	
	Cash	Non-cash	Cash	Non-cash
Direct Loans Granted To Shareholders	-	5,200	-	21,373
Corporate Shareholders	-	5,200	-	21,373
Real Person Shareholders	-	-	-	-
Indirect Loans Granted To Shareholders	-	-	-	-
Loans Granted To Employees	5,065	-	4,646	-
Total	5,065	5,200	4,646	21,373

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-financed
Non-Specialized Loans	41,431,888	1,057,659	5,789,730	-
Loans given to enterprises	-	-	-	-
Export Loans	7,855,559	821,153	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	4,384,727	-	-	-
Consumer Loans	4,342,104	73,731	437	-
Credit Cards	1	-	-	-
Other (*)	24,849,497	162,775	5,789,293	-
Specialized Loans	-	-	-	-
Other Receivables (**)	4,335,763	41,285	2,001,905	-
Total	45,767,651	1,098,944	7,791,635	-

(*) 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
12 Months Expected Credit Losses	90,902	-
Significant Increase in Credit Risk	-	553,832

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

3. Information on distribution of cash loans according to maturity structure:

	Standard Loans	Loans Under Close Monitoring	
		Loans Not Subject to Restructuring	Restructured Loans
Short-Term Loans	17,500,170	913,230	312,321
Medium and Long-Term Loans	28,267,481	185,714	7,479,314
TOTAL	45,767,651	1,098,944	7,791,635

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 JUNE 2024**

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (continued)**I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (continued):****e. Explanations on loans (continued):****4. Information on consumer loans, individual credit cards, personnel loans and personnel credit cards:**

	Short-term	Medium and Long-term	Total
Consumer Loans-TL	744,505	3,590,852	4,335,357
Real estate loans	-	15,202	15,202
Automotive loans	164,755	2,085,861	2,250,616
Consumer loans	579,750	1,489,789	2,069,539
Other	-	-	-
Consumer Loans-FC Indexed	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	5,406	5,406
Real estate loans	-	5,406	5,406
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Individual Credit Cards-TL	-	-	-
With installments	-	-	-
Without installments	-	-	-
Individual Credit Cards-FC	-	-	-
With installments	-	-	-
Without installments	-	-	-
Personnel Loans-TL	1,165	3,900	5,065
Real estate loans	-	-	-
Automotive loans	-	228	228
Consumer loans	1,165	3,672	4,837
Other	-	-	-
Personnel Loans-FC Indexed	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	1	-	1
With installments	-	-	-
Without installments	1	-	1
Personnel Credit Cards-FC	-	-	-
With installments	-	-	-
Without installments	-	-	-
Credit Deposit Account-TL (Real Person)	70,444	-	70,444
Credit Deposit Account-FC (Real Person)	-	-	-
Total	816,115	3,600,158	4,416,273

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 JUNE 2024**

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (continued):**I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (continued):****e. Explanations on loans:****5. Information on commercial installment loans and corporate credit cards:**

	Short-term	Medium and long-term	Total
Commercial Installments Loans-TL	125,921	6,439,619	6,565,540
Real estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	125,921	6,439,619	6,565,540
Other	-	-	-
Commercial Installments Loans-FC Indexed	-	81,129	81,129
Real estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	81,129	81,129
Other	-	-	-
Commercial Installments Loans-FC	-	14,623,213	14,623,213
Real estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	14,623,213	14,623,213
Other	-	-	-
Corporate Credit Cards-TL	-	-	-
With installments	-	-	-
Without installments	-	-	-
Corporate Credit Cards-FC	-	-	-
With installments	-	-	-
Without installments	-	-	-
Credit Deposit Account-TL (Legal Person)	-	-	-
Credit Deposit Account-FC (Legal Person)	-	-	-
Total	125,921	21,143,961	21,269,882

6. Distribution of Loans according to borrowers (*):

	30 June 2024	31 December 2023
Public	2,603,929	1,322,572
Private	52,054,301	50,250,310
Total	54,658,230	51,572,882

(*) "It includes "Receivables from Leasing Transactions".

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

	30 June 2024	31 December 2023
Domestic Loans	54,654,455	51,552,769
Foreign Loans	3,775	20,113
Total	54,658,230	51,572,882

(*) "It includes "Receivables from Leasing Transactions".

8. Loans given to associates and subsidiaries:

None (31 December 2023: None).

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 JUNE 2024**

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (continued):**I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (continued):****e. Explanations on loans (continued):****9. Specific provisions allocated for loans (*) :**

	30 June 2024	31 December 2023
Substandard Loans	19,136	4,856
Doubtful Loans	9,911	1,128
Uncollectible Loans	348,611	307,195
Total	377,658	313,179

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

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

	Group III	Group IV	Group V
	Substandard Loans	Doubtful Loans	Uncollectible Loans
30 June 2024			
Gross Amounts Before The Provisions	73	33	2,908
Restructured Loans	73	33	2,908
31 December 2023			
Gross Amounts Before The Provisions	39	-	6,247
Restructured Loans	39	-	6,247

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

	Group III	Group IV	Group V
	Substandard Loans	Doubtful Loans	Uncollectible Loans
Ending Balance of Prior Period	20,078	7,499	1,121,567
Additions (+)	84,661	266	39,063
Transfers from Other Categories of Non-Performing Loans (+)	-	15,841	1,624
Transfers to Other Categories of Non-Performing Loans (-)	15,841	1,624	-
Collections (-)	11,750	3,220	20,448
Write-off (-)	-	-	356
Sold Portfolio (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Balance at the End of the Period	77,148	18,762	1,141,450
Specific Provision (-)	19,136	9,911	348,611
Net Balance on Balance Sheet	58,012	8,851	792,839

(*) It includes "Receivables from Leasing Transactions.

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 JUNE 2024**

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

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 (*):**

	Group III	Group IV	Group V
	Substandard Loans	Doubtful Loans	Uncollectible Loans
30 June 2024 (*)			
Period-End Balance	491	8,345	977,945
Provision Amount (-)	488	4,590	269,930
Net Balance on Balance Sheet	3	3,755	708,015
31 December 2023 (*)			
Period-End Balance	357	-	966,130
Provision Amount (-)	310	-	234,802
Net Balance on Balance Sheet	47	-	731,328

(*) Including "Receivables from Leasing Transactions".

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

	Group III	Group IV	Group V
	Substandard Loans	Doubtful Loans	Uncollectible Loans
30 June 2024			
Current Period (Net)	58,012	8,851	792,839
Loans Given to Real Persons and Legal Persons (Gross)	73,928	9,734	896,897
Provision Amount (-)	17,487	4,945	333,815
Loans Given to Real Persons and Legal Persons (Net)	56,441	4,789	563,082
Banks (Gross)	-	-	-
Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	3,220	9,028	244,553
Provision Amount (-)	1,649	4,966	14,796
Other Loans (Net)	1,571	4,062	229,757
Prior Period (Net)	15,222	6,371	814,372
Loans Given to Real Persons and Legal Persons (Gross)	18,197	7,499	864,721
Provision Amount (-)	3,856	1,128	292,839
Loans Given to Real Persons and Legal Persons (Net)	14,341	6,371	571,882
Banks (Gross)	-	-	-
Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	1,881	-	256,846
Provision Amount (-)	1,000	-	14,356
Other Loans (Net)	881	-	242,490

(*) Including "Receivables from Leasing Transactions".

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

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

e. Explanations on loans (continued):

11. 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.

12. 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 second reporting period (interim or year-end reporting period) following their classification in the group,

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

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

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

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

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

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

As of 30 June 2024, the Group has written-off its loans amounting to TL 356 (31 December 2023: TL 193,612).

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	Group IV	Group V
	Substandard Loans	Doubtful Loans	Uncollectible Loans
Current Period (Net)	3,474	85	16,720
Interest Accruals and Discounts,			
Valuation Differences	4,433	144	33,089
Provision Amount (-)	959	59	16,369
Prior Period (Net)	86	3	17,679
Interest Accruals and Discounts,			
Valuation Differences	125	9	34,184
Provision Amount (-)	39	6	16,505

g. Information on financial assets measured at amortized cost:

1. Information on financial assets measured at amortized cost subject to repo transactions:

	30 June 2024		31 December 2023	
	TL	FC	TL	FC
Bonds	-	-	-	-
Bonds and Similar Securities	5,779,903	3,113,297	1,670,222	3,031,657
Other	-	-	-	-
Total	5,779,903	3,113,297	1,670,222	3,031,657

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

	30 June 2024		31 December 2023	
	TL	FC	TL	FC
Bonds	-	-	-	-
Bonds and Similar Securities	1,359,221	224,500	2,105,071	201,210
Other	-	-	-	-
Total	1,359,221	224,500	2,105,071	201,210

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

	30 June 2024	31 December 2023
Government Bond	11,215,236	9,665,234
Treasury Bond	-	-
Other Public Debt Securities	1,244,823	-
Total	12,460,059	9,665,234

4. Information on financial assets measured at amortized cost:

	30 June 2024	31 December 2023
Debt Securities	12,460,059	9,665,234
Quoted on Stock Exchange	12,460,059	9,665,234
Not Quoted	-	-
Provision for Impairment (-)	-	-
Total	12,460,059	9,665,234

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 JUNE 2024**

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

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 June 2024	31 December 2023
Balance at the Beginning of the Period	9,665,234	5,380,706
Exchange Differences in Monetary Assets	321,406	947,068
Purchases During the Year	1,740,282	2,178,641
Disposal Through Sale and Redemption	(476,174)	(594,021)
Increase in Value	1,209,311	1,752,840
End of Period Total	12,460,059	9,665,234

h. Information on associates (Net):

None. (31 December 2023: 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 2023: None).

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

None (31 December 2023: None).

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

	Title	Address (City/ Country)	Bank's Share Percentage, If Different Voting Percentage (%)	Bank's Risk Group Percentage (%)
1	Burgan Finansal Kiralama A.Ş.	İstanbul/Turkey	99.99	99.99
2	Burgan Yatırım Menkul Değerler A.Ş.	İstanbul/ Turkey	100.00	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	12,766,845	2,761,715	3,577,677	1,671,585	-	950,283	512,600	-
2	939,863	637,865	19,868	167,754	842	78,319	66,528	-

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 JUNE 2024**

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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 June 2024	31 December 2023
Opening Balance	2,388,445	1,096,358
Movements During the Period	1,011,053	1,292,087
Purchases	-	350,000
Bonus Shares Obtained	-	-
Dividends from Current Year Income	1,028,602	965,707
Sales	-	-
Revaluation Increase/Decrease (*)	(17,549)	(23,620)
Impairment Provision	-	-
Period End Balance	3,399,498	2,388,445
Capital Commitments	-	-
Share Percentage at the end of the Period (%)	99.99%	99.99%

(*) Includes the data before consolidation procedures.

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

Subsidiaries (*)	30 June 2024	31 December 2023
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	2,761,632	1,828,899
Financing Companies	-	-
Other Financial Subsidiaries	637,866	559,546
Total	3,399,498	2,388,445

(*) Includes the data before consolidation procedures.

8. Subsidiaries quoted on stock exchange:

None (31 December 2023: None).

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

None (31 December 2023: None).

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 JUNE 2024**

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (continued):**I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (continued):****k. Information on lease receivables (net):**

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

	30 June 2024		31 December 2023	
	Gross	Net	Gross	Net
Less than 1 year	3,536,719	2,672,520	3,039,176	2,327,911
1-4 Years	3,369,244	2,639,401	3,180,712	2,474,479
More than 4 years	1,550,637	1,321,693	1,548,875	1,288,896
Total	8,456,600	6,633,614	7,768,763	6,091,286

l. Information on derivative financial assets:

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

	30 June 2024		31 December 2023	
	TL	FC	TL	FC
Forward Transactions	262,157	1,616	60,271	1,037
Swap Transactions	276,936	88,675	830,225	203,117
Futures Transactions	6,251	-	1,205	-
Options	-	8,355	-	5,843
Other	97	-	-	-
Total	545,441	98,646	891,701	209,997

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

	30 June 2024		31 December 2023	
	TL	FC	TL	FC
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	1,959,068	722,358	1,378,003	1,300,563
Foreign Net Investment Hedge	-	-	-	-
Total	1,959,068	722,358	1,378,003	1,300,563

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 JUNE 2024**

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**EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(continued):****I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (continued):****m. Information on assets held for sale and discontinued operations (continued):**

The total amount of the Group's assets held for sale is TL 1,726,035 (31 December 2023: TL 1,805,136) and it has no discontinued operations.

	30 June 2024	31 December 2023
Prior Period		
Cost	1,805,412	855,576
Accumulated Depreciation (-)	276	287
Net Book Value	1,805,136	855,289
Current Period		
Net Book Value at Beginning of the Period	1,805,136	855,289
Additions	28,041	1,215,954
Disposals (-), net	107,142	266,107
Impairment (-)	-	-
Depreciation (-)	-	-
Cost at the End of the Period	1,726,311	1,805,412
Accumulated Depreciation at the End of the Period (-)	276	276
Closing Net Book Value	1,726,035	1,805,136

n. Information on other assets:

Other assets amount to TL 2,677,061 (31 December 2023: TL 1,733,037) and do not exceed 10% of the total assets excluding off-balance sheet commitments.

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 JUNE 2024**

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

**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 June 2024:**

	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	817,887	-	4,578,128	8,964,911	4,213,956	970,421	560,329	-	20,105,632
Foreign Currency Deposits	4,065,029	-	1,285,306	4,297,377	303,713	34,033	150,578	-	10,136,036
Residents in Turkey	3,923,392	-	1,282,852	4,179,108	290,165	30,027	74,063	-	9,779,607
Residents Abroad	141,637	-	2,454	118,269	13,548	4,006	76,515	-	356,429
Public Sector Deposits	514,372	-	-	-	-	-	-	-	514,372
Commercial Deposits	1,922,248	-	378,249	4,743,934	1,093,934	253,849	82,705	-	8,474,919
Other Institutions Deposits	4,064	-	2,611	6,992	3,281	1,930	-	-	18,878
Precious Metal Deposits	971,272	-	-	-	-	-	-	-	971,272
Bank Deposits	20,987	-	575,027	-	-	42,656	-	-	638,670
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	116	-	-	-	-	-	-	-	116
Foreign Banks	20,871	-	575,027	-	-	42,656	-	-	638,554
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	8,315,859	-	6,819,321	18,013,214	5,614,884	1,302,889	793,612	-	40,859,779

ii. 31 December 2023:

	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	463,844	-	4,966,288	6,650,887	4,276,197	917,691	308,748	-	17,583,655
Foreign Currency Deposits	3,797,318	-	1,656,640	8,174,267	727,980	96,740	146,188	-	14,599,133
Residents in Turkey	3,573,307	-	1,649,232	8,017,076	709,114	94,350	70,103	-	14,113,182
Residents Abroad	224,011	-	7,408	157,191	18,866	2,390	76,085	-	485,951
Public Sector Deposits	182,057	-	-	-	-	-	-	-	182,057
Commercial Deposits	2,087,838	-	118,479	4,840,314	304,222	230,968	17,492	-	7,599,313
Other Institutions Deposits	93,916	-	343	3,633	-	-	-	-	97,892
Precious Metal Deposits	460,795	-	-	-	-	-	-	-	460,795
Bank Deposits	25,241	-	-	-	-	-	-	-	25,241
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	28	-	-	-	-	-	-	-	28
Foreign Banks	25,213	-	-	-	-	-	-	-	25,213
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	7,111,009	-	6,741,750	19,669,101	5,308,399	1,245,399	472,428	-	40,548,086

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 insured:****i. Information on saving deposits under the guarantee of the saving deposits insurance fund and exceeding the limit of deposit insurance fund:**

	Under the guarantee of deposit insurance		Exceeding limit of the deposit insurance	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Saving Deposits				
Savings Deposit	10,182,208	7,582,044	9,923,424	10,001,611
Foreign Currency Savings Deposit	1,930,136	1,589,772	4,914,455	9,154,369
Other Deposits in the Form of Savings Deposits	322,684	156,113	648,588	304,682
Foreign Branches' Deposits Under Foreign Authorities' Insurance	-	-	-	-
Off-shore Banking Regions' Deposits Under Foreign Authorities' Insurance	-	-	-	-
Total	12,435,028	9,327,929	15,486,467	19,460,662

(*) In accordance with the "Regulation Amending the Regulation on the Insured Deposit and Participation Funds and Premiums to be Collected by the Savings Deposit Insurance Fund" published in the Official Gazette dated 27 August 2022 and numbered 31936 all deposits and participation funds, except those belonging to official institutions, credit institutions and financial institutions in the presence of credit institutions, are included in the insurance coverage and deposits of TL 391,570 which are covered by the insurance, are not included in the note above.

(**) Deposit amount subject to insurance is TL 650 (31 December 2023: TL 400).

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 June 2024	31 December 2023
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	94,076	74,119
Deposits and Other Accounts of Property Assets Value due to Crime which is in the Scope of Article 282 of Numbered 5237 "TPC" (Turkish Penal Code) Dated 26 September 2004	-	-
Deposits in Banks Incorporated in Turkey Exclusively for Off-shore Banking Operations	-	-
Total	94,076	74,119

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

None (31 December 2023: None).

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 June 2024		31 December 2023	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
From Domestic Banks and Institutions	145,405	-	36,193	-
From Foreign Banks, Institutions and Funds	-	25,668,003	-	20,630,079
Total	145,405	25,668,003	36,193	20,630,079

2. Information on maturity structure of borrowings:

	30 June 2024		31 December 2023	
	TL	FC	TL	FC
Short-term	64,130	20,371,318	36,193	17,445,220
Medium and Long-term	81,275	5,296,685	-	3,184,859
Total	145,405	25,668,003	36,193	20,630,079

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 June 2024, deposits and borrowings from Group's risk group is covering 1.1% (31 December 2023: 1%) of total deposits. Besides, borrowings from Group's risk group is covering 67% (31 December 2023: 80.6%) of subordinated loans and other borrowings.

d. Information on marketable securities issued:

None (31 December 2023: None).

e. Information on other liabilities:

Other foreign liabilities amounting to TL 5,535,758 (31 December 2023: TL 5,227,780) do not exceed 10% of the total balance sheet excluding off-balance sheet commitments.

**EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(continued):****II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (continued):****f. Information on lease payables:**

	30 June 2024		31 December 2023	
	Gross	Net	Gross	Net
Less than 1 year	19,386	10,961	3,761	3,393
Between 1-4 years	85,406	60,001	78,564	63,239
More than 4 years	119,224	93,959	44,536	38,925
Total	224,016	164,921	126,861	105,557

g. Information on derivative financial liabilities:

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

Trading Derivative Financial Liabilities	30 June 2024		31 December 2023	
	TL	FC	TL	FC
Forward Transactions	112,969	32,444	47,402	9,092
Swap Transactions	497,518	65,686	721,648	113,577
Futures Transactions	14,371	-	287	-
Options	-	5,612	-	4,940
Other	51	-	-	-
Total	624,909	103,742	769,337	127,609

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

	30 June 2024		31 December 2023	
	TL	FC	TL	FC
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	471,373	42,868	470,450	74,382
Foreign Net Investment Hedge	-	-	-	-
Total	471,373	42,868	470,450	74,382

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 severance to the employees who have been working more than one year and their employment is terminated due to obligatory reasons or retired, when they have fulfilled 25 working years (for women 20 years) 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 change in amendment of legislation on 23 May 2002, some of the transition process articles related to the working period before retirement were enacted.

The compensation to be paid is one month salary for each working years and this amount is limited by the severance pay maximum wage. 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 June 2024	31 December 2023
Discount rate (%)	2.46	2.46
Salary increase rate (%)	22.61	22.61
Average remaining work period (Year)	12.97	12.97

Movement of reserve for employment termination benefits during the period:

	30 June 2024	31 December 2023
Prior period end balance	82,229	78,934
Service cost	9,447	14,368
Interest cost	7,848	7,249
Reductions and payments	(1,700)	-
Actuarial loss/gain	-	23,726
Benefits paid (-)	2,828	42,124
Balance at the End of Period	94,996	82,153

In addition, as of 30 June 2024, the Group has accounted for vacation rights provision and personnel bonus provision amounting to TL 288,981 (31 December 2023: TL 283,648).

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 JUNE 2024**

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

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 2023: None).

ii. Information on other provisions:

The Bank set aside free provisions under other provisions amounting to TL 1,660,109 (31 December 2023: TL 1,872,098). TL 25,408 (31 December 2023: TL 48,438) provisions for non-cash loans and commitments that are not converted to cash and not indemnified, TL 7,445 (31 December 2023: TL 6,846) for lawsuit cases, TL 32,133 (31 December 2023: TL 5,947) other provision.

i. Information on taxes payable:**1. Information on tax provision:**

As of 30 June 2024, there is a provision for corporate tax payable of TL 227,363 (31 December 2023: TL 72,210).

2. Information on taxes payable:

	30 June 2024	31 December 2023
Corporate Tax Payable	227,363	72,210
Taxation of Securities Income	62,890	39,893
Taxation on Real Estates Income	579	230
Banking Insurance Transaction Tax	58,246	38,463
Foreign Exchange Transaction Tax	446	705
Value Added Tax Payable	1,955	12,377
Other	48,830	30,862
Total	400,309	194,740

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 June 2024	31 December 2023
Social Security Premiums-Employee	28,377	17,118
Social Security Premiums-Employer	39,960	23,777
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	1,752	1,045
Unemployment Insurance-Employer	3,504	2,091
Other	3,157	2,180
Total	76,750	46,211

4. Explanations on deferred tax asset/liability:

As of 30 June 2024, the Group has netted-off the calculated tax asset of TL 686,421 (31 December 2023: TL 442,249) and deferred tax liability of TL 669,500 (31 December 2023: TL 1,284,298) in accordance with TAS 12 and the Group has recorded a net deferred tax asset of TL 16,921 (31 December 2023: 842.049 TL net deferred tax liability) in the financial statements.

As of 30 June 2024 and 31 December 2023, the details of accumulated temporary differences and deferred tax assets and liabilities are as follows:

	Accumulated Temporary Differences		Deferred tax assets/liabilities	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023
Provision for Legal Cases	39,578	12,793	11,874	3,838
Expected Loss Provisions	759,277	1,000,495	227,783	300,148
Employee Benefits Provision	383,977	353,711	115,193	106,113
Unearned Revenue	-	16,428	-	4,928
Difference Between Book Value and Tax Value and Tax Value of Fixed Assets	960,647	-	297,844	-
Other	169,491	90,742	33,727	27,222
Deferred Tax Assets	2,312,970	1,474,169	686,421	442,249
Unearned Revenue	17,066	-	5,119	-
Difference Between Book Value and Tax Value and Tax Value of Fixed Assets	-	1,193,518	-	343,148
Valuation Differences of Derivative Instruments	2,095,727	2,357,837	628,719	707,351
Other	118,875	1,054,037	35,662	233,799
Deferred Tax Liabilities	2,231,668	4,605,392	669,500	1,284,298
Deferred Tax Assets/(Liabilities) (Net)			16,921	(842,049)

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 JUNE 2024**

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

**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:

	30 June 2024	31 December 2023
Balance as of 1 January	(842,049)	4,851
Current year deferred tax income/(expense), net	782,599	(887,388)
Deferred tax recognized in equity, net	76,371	40,488
Period end balance	16,921	(842,049)

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

None (31 December 2023: None).

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 JUNE 2024**

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

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	12 May 2022	12 May 2032	SOFR+4.25
Burgan Bank K.P.S.C. (Main Shareholder)	USD 50,000,000	22 February 2021	Indefinite	-

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

	30 June 2024		31 December 2023	
	TL	FC	TL	FC
Domestic Banks	-	-	-	-
Other Domestic Institutions	-	-	-	-
Foreign Banks	-	6,628,044	-	5,943,105
Other Foreign Institutions	-	-	-	-
Total	-	6,628,044	-	5,943,105

	30 June 2024		31 December 2023	
	TL	FC	TL	FC
Debt Instruments Subject to Common Equity	-	1,641,310	-	1,471,910
Subordinated Loans	-	1,641,310	-	1,471,910
Subordinated Debt Instruments	-	-	-	-
Debt Instruments Subject to Tier 2 Equity	-	4,986,734	-	4,471,195
Subordinated Loans	-	4,986,734	-	4,471,195
Subordinated Debt Instruments	-	-	-	-
Total	-	6,628,044	-	5,943,105

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 JUNE 2024**

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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 June 2024	31 December 2023
Provision for Common Stock	3,050,000	3,050,000
Provision for 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	3,050,000	6,000,000

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

None.

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

None.

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

None.

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

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

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 JUNE 2024**

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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 (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 June 2024		31 December 2023	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	(155,751)	19,972	(118,481)	16,475
Foreign Currency Translation Difference	-	-	-	-
Total	(155,751)	19,972	(118,481)	16,475

9. Information on tangible assets revaluation reserve:

	30 June 2024		31 December 2023	
	TL	FC	TL	FC
Movables	-	-	-	-
Real Estates	99,718	-	99,718	-
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 2024; TL 2,560,304 including the effects of TAS 27 Standard, which is the profit of 2023, was transferred to legal and extraordinary reserves.

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 June 2024	31 December 2023
Currency forward buy/sell commitments	3,570,037	735,405
Loan allocation commitment with guaranteed usage	608,979	237,903
Securities buy/sale commitments	546,052	-
Commitments for cheques	184,435	141,403
Cheques blocked issued to customers	119,327	73,410
Commitments for credit card limits	104	-
Time deposits buy/sell commitments	-	-
Toplam	5,028,934	1,188,121

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

There are no possible 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 June 2024	31 December 2023
Letter of guarantees	10,109,004	7,929,131
Other guarantees	5,644,579	3,794,082
Letter of credits	3,506,811	2,835,101
Bank acceptance loans	78,527	102,272
Total	19,338,921	14,660,586

ii. Irrevocable guarantees, revocable, contingencies and other similar guarantees:

	30 June 2024		31 December 2023	
	TL	FC	TL	FC
Irrevocable Letters Of Guarantee	3,555,482	1,170,485	3,384,273	1,037,105
Revocable Letters Of Guarantee	57,305	23,832	31,340	171,802
Letters Of Guarantee Given In Advance	34,619	686,799	34,975	283,146
Guarantees Given To Customs	11,173	83,079	11,645	77,037
Other Letters Of Guarantee	4,032,901	453,329	2,593,117	304,691
Total	7,691,480	2,417,524	6,055,350	1,873,781

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EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (continued):**III. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED OFF-BALANCE SHEET ACCOUNTS (continued):****a. Information on off-balance sheet commitments (continued):****3. i. Total amount of non-cash loans:**

	30 June 2024	31 December 2023
Non-cash loans given against cash loans	4,476,857	2,889,499
With original maturity of 1 year or less than 1 year	-	-
With original maturity of more than 1 year	4,476,857	2,889,499
Other non-cash loans	14,862,063	11,771,087
Total	19,338,920	14,660,586

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	7,675,964	2,241,375	9,512	171,550
Aval and Acceptance Credit	74,400	4,127	-	-
Letters of Credit	-	5,644,579	-	-
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Guarantees	3,364,800	142,011	-	-
Total	11,115,164	8,032,092	9,512	171,550

(*) In addition to the non-cash loans stated in the table above, the Bank has a non-cash loan amounting to TL 10,603 , which is classified as total non-performing loans. As of 30 June 2024, the Bank has allocated provision amounting to TL 8,033 for these loans.

b. Information on contingent assets and contingent liabilities:

As of 30 June 2024, the total amount of lawsuit cases against the Group is TL 12,572 (31 December 2023: TL 11,397) and the Group sets aside a provision of TL 7,445 (31 December 2023: TL 6,846) regarding these risks.

c. Brief information on the Banks' rating given by International Rating Institutions:**FITCH (15 March 2024)**

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

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 JUNE 2024**

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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 June 2024		30 June 2023	
	TL	FC	TL	FC
Interest Income on Loans (*)				
Short-term Loans	2,941,610	182,242	705,918	241,695
Medium/Long-term Loans	2,574,791	677,416	366,101	382,587
Interest on Non-performing Loans	44,036	-	71,137	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	5,560,437	859,658	1,143,156	624,282

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

2. Information on interest income on banks:

	30 June 2024		30 June 2023	
	TL	FC	TL	FC
From the CBRT	2,500	-	-	453
From Domestic Banks	409,486	3,147	174,520	3,702
From Foreign Banks	-	9,823	-	8,248
Headquarters and Branches Abroad	-	-	-	-
Total	411,986	12,970	174,520	12,403

3. Information on marketable securities:

	30 June 2024		30 June 2023	
	TL	FC	TL	FC
Financial Assets Measured at Fair Value Through Profit/Loss	16,906	29,254	4,238	5,550
Financial Assets Measured at Fair Value Through Other Comprehensive Income	574,492	56,307	137,384	20,165
Financial Assets Measured at Amortized Cost	1,260,121	133,232	452,165	82,236
Total	1,851,519	218,793	593,787	107,951

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

None (30 June 2023: None).

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 JUNE 2024**

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

**EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(continued):****IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED INCOME STATEMENT
(continued):****b. Information on interest expenses:**

1. Information on interest income on loans:

	30 June 2024		30 June 2023	
	TL	FC	TL	FC
Banks	26,153	1,133,255	64,153	517,363
The CBRT	-	-	-	-
Domestic Banks	26,153	-	64,153	-
Foreign Banks	-	1,133,255	-	517,363
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	-	-	-
Total (*)	26,153	1,133,255	64,153	517,363

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

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

None (30 June 2023: None).

3. Information on interest expense on issued securities:

None (30 June 2023: None).

4. Information on interest expense on deposits according to maturity structure:

	Demand Deposit	Time 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	Accum. Deposit		
Current Period									
Domestic Currency									
Bank Deposits	-	45,131	-	-	-	-	-	45,131	680
Savings Deposits	-	1,120,103	1,719,039	732,705	217,612	69,613	-	3,859,072	1,604,187
Public Deposits	-	-	-	-	-	-	-	-	6
Commercial Deposits	-	77,977	258,525	41,928	35,450	10,657	-	424,537	248,949
Other Deposits	-	395	1,045,053	24,448	56	-	-	1,069,952	328,354
7 Day Notice Deposits	-	-	-	-	-	-	-	-	-
Total	-	1,243,606	3,022,617	799,081	253,118	80,270	-	5,398,692	2,182,176
Foreign Currency									
Foreign Currency Account	-	12,502	77,429	9,587	751	4,085	-	104,354	94,810
Bank Deposits	-	6,772	-	-	-	-	-	6,772	7,908
7 Day Notice Deposits	-	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Total	-	19,274	77,429	9,587	751	4,085	-	111,126	102,718
Grand Total	-	1,262,880	3,100,046	808,668	253,869	84,355	-	5,509,818	2,284,894

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 JUNE 2024**

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

**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 June 2024	30 June 2023
Income	61,504,524	42,954,820
Capital Market Transactions	263,352	281,195
Derivative Financial Transactions	1,029,098	918,435
Foreign Exchange Gains	60,212,074	41,755,190
Loss (-)	61,183,007	42,205,758
Capital Market Transactions	61,206	18,069
Derivative Financial Transactions	973,669	1,216,512
Foreign Exchange Losses	60,148,132	40,971,177
Net Income/Loss	321,517	749,062

d. Information on other operating income:

The Group's other operating income for the period ending on 30 June 2024 and 30 June 2023 includes the adjustment account for previous years' expenses and other operating income.

e. Expected loss provisions and other provision expenses:

	30 June 2024	30 June 2023
Expected Credit Loss	(337,129)	(1,130,482)
12 Months Expected Credit Loss (Stage 1)	(18,633)	13,504
Significant Increase in Credit Risk (Stage 2)	(16,787)	(1,053,947)
Non-performing Loans (Stage 3)	(301,709)	(90,039)
Marketable Securities Impairment Expense	-	-
Financial Assets at Fair Value through Profit or Loss	-	-
Financial Assets at Fair Value through Other Comprehensive Income	-	-
Investments in Associates, Subsidiaries and Joint Ventures Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other (*)	27,594	618,476
Total	(309,535)	(512,006)

(*) As of 30 June 2024, there is no free provisions expense for possible risks in the other item (30 June 2023: TL 618,324).

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 JUNE 2024**

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

**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:**

	30 June 2024	30 June 2023
Provision for Employment Termination Benefits (*)	45,792	17,601
Provision for Bank Social Aid Pension Fund Deficit	-	-
Impairment Expenses of Tangible Assets	-	-
Amortization Expenses of Tangible Assets	83,834	38,813
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expense	-	-
Amortization Expenses of Intangible Assets	20,063	10,877
Impairment Expenses of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held For Sale	-	-
Amortization Expenses of Assets Held for Sale	-	-
Impairment Expenses of Non-current Assets Related to Discontinued Activities Held for Sale	-	-
Other Operating Expenses	897,413	382,152
Leasing Expenses Related to TFRS 16 Exceptions	11,160	5,472
Maintenance Expenses	12,172	2,350
Advertising Expenses	85,340	19,981
Other Expense	788,741	354,349
Loss on Sales of Assets	355	52,570
Other	3,756	8,575
Total	1,051,213	510,588

(*) As of 30 June 2024, "Employee Vacation Fee Provision Expense" amounts to TL 28,494 (30 June 2023: TL 5,624).

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

The Group has no discontinued operations. The Group's net income before tax from continuing operations is TL 1,422,249 (30 June 2022: TL 1,781,149 profit before tax).

**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, and explanations of provision for taxes before continuing operations are represented below:

1. Information on calculated current tax income or expense and deferred tax income or expense:
As of 30 June 2024, the Group has current tax expense amounting to TL 403,526 and deferred tax expense amounting to TL 782,599. As of 30 June 2023 the Group has current tax expense amounting to TL 20,180 and deferred tax expense amounting to TL 535,982.
2. Explanations regarding income or expense from current tax and deferred tax income or expense:
The Group has TL 842,345 of deferred tax income from temporary differences. The deferred tax expense due to the closing of temporary differences amounts to TL 59,746 netting off to TL 782,599 of deferred tax income.
As of 30 June 2024 the Group has TL 101,199 deferred tax income from temporary differences and has TL 288,554 deferred tax income from the carried financial loss. The deferred tax expense due to the closing of temporary differences amounts to TL 925,735 netting off to TL 535,982 deferred tax expense.
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 June 2024, the Group has deferred tax income amounting to TL 782,599 (30 June 2023: 824,536 deferred tax expense) arising from temporary differences, however, the Group has no deferred tax income as a result of carried financial loss (30 June 2023: TL 288,554 of 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 (k) 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.

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 14,244,185 (30 June 2023: TL 4,216,709) and TL 4,591,246 (30 June 2023: TL 1,044,619) of the related amount is classified as "Other Interest Income" in the income statement.

	30 June 2024	30 June 2023
Other Interest Income		
Interest Income Related To Derivative Transactions	3,611,881	660,628
Other	979,365	383,991
Total	4,591,246	1,044,619

2. In the current period, the Group's interest expense amounts to TL 12,415,378 (30 June 2023: TL 3,714,972) and TL 4,819,153 (30 June 2023: TL 765,357) of the related amount is classified as "Other Interest Expense" in the income statement.

	30 June 2024	30 June 2023
Other Interest Expense		
Interest Income Related To Derivative Transactions	4,045,697	621,128
Other	773,456	144,229
Total	4,819,153	765,357

3. In the current period, the Group's fee and commissions received amounts to TL 306,716 (30 June 2023: TL 506,128) and TL 231,767 (30 June 2023: TL 450,650) of this amount is classified under "Other" in the income statement.

	30 June 2024	30 June 2023
Other Fee and Commissions Received		
Commissions on Investment Fund Services	40,506	13,096
Early Closing Commissions	31,277	82,301
Insurance Commissions	14,076	12,241
Commissions on Futures Options Exchange Brokerage	7,983	2,855
Credit Card and POS Transaction Commission	4,408	697
Commissions from Correspondent Banks	3,674	1,678
Transfer Commissions	668	494
Common Point Commissions	406	191
Other	128,769	337,097
Total	231,767	450,650

4. In the current period, Group's fees and commissions expense amounts to TL 77,332 (30 June 2023: TL 66,138) and TL 76,012 (30 June 2023: TL 63,465) of the related amount is classified under "Other" account in the income statement.

	30 June 2024	30 June 2023
Other Fee and Commissions Given		
Card Transaction Commission	18,065	8,527
Commissions Granted to Correspondent Banks	4,976	3,261
EFT Commissions	2,771	1,484
Common Point Commissions	3,821	2,837
Transfer Commissions	246	211
Other	46,133	47,145
Total	76,012	63,465

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 JUNE 2024**

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

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. Prior period financial information is presented as at 31 December 2023 for balance sheet and 30 June 2023 income statement items.

30 June 2024						
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	
Loans and Other Receivables	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Balance at the Beginning of the Period	-	-	-	21,373	1,173	87
Balance at the End of the Period	-	-	-	5,200	1,254	87
Interest and Commission Income Received	-	-	-	2	204	1

31 December 2023						
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	
Loans and Other Receivables	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Balance at the Beginning of the Period	-	-	-	17,225	828	87
Balance at the End of the Period	-	-	-	21,373	1,173	87
Interest and Commission Income Received	-	-	-	2	60	-

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	
Deposit	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Beginning of the Period	-	-	314,501	332,312	86,820	40,543
End of the Period	-	-	346,619	314,501	120,028	86,820
Interest Expense on Deposits	-	-	22,073	4,405	14,801	2,806

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	
Repo Transactions	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Interest Expense on Repo Transactions	-	-	-	-	30	-

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 JUNE 2024**

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

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:

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
Fair Value Through Profit or Loss Transactions						
Beginning of the Period	-	-	3,303,501	1,745,925	-	-
End of the Period	-	-	-	3,303,501	-	-
Total Profit/Loss	-	-	2,602	(845,977)	-	-
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	-	-	-
End of the period	-	-	-	-	-	-
Total Profit/Loss	-	-	-	-	-	-

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

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

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

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

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

	Total Risk Group	Share in Financial Statements (%)
Borrowings and Subordinated Debt Instruments	21,751,579	67.05
Deposit	466,647	1.14
Banks and Other Financial Institutions	13,669	0.66
Non-cash Loans	5,287	0.03
Loans	1,254	0.00

As of 30 June 2024, the Group has no interest income from deposits given to banks included in the risk group (30 June 2023: None) The Group has interest expense amounting to TL 860,711 (30 June 2023: TL 442,881) on loans borrowed from the banks included in the risk group.

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 real estate 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 0.01% (31 December 2023: 0.05%) of the Group's total cash and non-cash loans.

As of 30 June 2024, there are no purchase-sales transactions on any assets except real estate with the risk group consisting the Parent Bank.

As of 30 June 2024, 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 174,878 (30 June 2023: TL 82,432) 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.

SECTION SIX

EXPLANATIONS ON LIMITED REVIEW REPORT

I. EXPLANATIONS ON LIMITED REVIEW REPORT:

The consolidated financial statements as of 30 June 2024 and for the period then ended have been reviewed by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and the auditor’s review report dated 14 August 2024 has been presented prior to the consolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITOR:

None.

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

As the first half of 2024 is behind us, it is seen that global disinflation has become more evident, and price rigidities have begun to weaken along with the slowdown in demand and labor markets. While the European Central Bank reduced interest rates in June, the US Federal Reserve is expected to start the interest rate reduction process starting in September. On the other hand, macroeconomic data confirming the changes in geopolitical risks and monetary policies of developed countries can cause rapid changes in global risk perception and are being closely monitored.

While the effects of these global perception changes are also felt in Turkish markets, we are pleased to see that the tight monetary policy stance and reserve policy have limited the country risk premium and Turkish Lira volatility, and that inflation has entered a downward trend. We believe that prudent policies and determination should be maintained and supported by structural reforms in order to ensure the continuation of these gains. In this environment, we expect the slowdown in economic activity to become more evident in the second half of the year. On the other hand, high funding costs, credit growth constraints and slowing economic activity bring about an increasingly challenging conjuncture for the banking sector. In parallel with the permanent decrease in inflation, easing the regulations that put pressure on the growth and profitability of the banking sector is important in terms of preserving the strong capital structure of the sector and contributing to the economic welfare of our country in the coming period.

In this economic and political conjuncture, we continue to work with the principles of ensuring customer satisfaction at the highest level and implementing our medium-long term strategies while managing your resources in the most effective way with our dynamic and forward-looking management approach. The consolidated balance sheet size of our bank as of 30 June 2024 was TL 101,807,980, the total of consolidated net cash loans and financial leasing receivables was TL 54,873,198, and the total deposit are TL 40,859,779. Our bank continued its uninterrupted support to its customers during this period. Our bank's second quarter net profit of 2024 is TL 1,801,322, and our equity has reached TL 9,012,696. Our consolidated capital adequacy ratio is 18.73%.

In the upcoming period, we aim to continue our principles of providing high quality service to our customers and providing the support they need without interruption with the investments we continue to make in the field of technology and digital banking, new products and digital processes. We believe that our bank is progressing with solid steps in the direction it aims under the guidance of our shareholders and board of directors. On this occasion, we would like to thank all our customers, employees and investors for their valuable contributions, trust and loyalty to the Burgan brand.

Ali Murat DİNÇ
Member of Board of Directors and General Manager

Emin Hakan EMİNSOY
Chairman of Board of Directors

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 JUNE 2024**

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

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

<u>Name</u>	<u>Duty</u>	<u>Date of Assignment</u>	<u>Educational Background</u>	<u>Banking and Managership Experience (Year)</u>
<i>Chairman and Members of Board of Directors:</i>				
Emin Hakan Eminsoy	Chairman	07.08.2019	Undergraduate	34
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
<i>General Manager:</i>				
Ali Murat Dinç	Member and General Manager	03.02.2014	Graduate	21
<i>Deputy General Managers:</i>				
Suat Kerem Sözügüzel	Corporate & Commercial Banking	01.04.2014	Graduate	17
Zeynep Bozkurt	Financial Affairs	15.01.2021	Graduate	13
<i>Vice General Managers:</i>				
Esra Aydın	Operation & Management Services	01.08.2007	Graduate	16
Cihan Vural	Internal Systems	03.11.2008	Undergraduate	13
Rasim Levent Ergin	Employee Experience and Communication	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.

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.

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

BURGAN BANK A.Ş.

NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 JUNE 2024

(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:

	30.06.2024	31.12.2023	Change (%)
Total Assets	101,807,980	89,762,562	13.4
Loans, Lease Receivables and Factoring Receivables (Net)	54,873,198	51,425,075	6.7
Securities	21,448,664	13,535,128	58.5
Deposits	40,859,779	40,548,086	0.8
Debts Having Loan Characteristics	42,246,116	31,667,554	33.4
Equity	9,012,696	7,389,677	22.0
Guarantees and Warranties	19,338,921	14,660,586	31.9
Capital Adequacy Ratio	18.73	20.48	(1.7)

	(01/01/2024 - 30/06/2024)	(01/01/2023 - 30/06/2023)	(01/04/2024 - 30/06/2024)	(01/04/2023 - 30/06/2023)
Net Profit/(Loss) for the Period	1,801,322	1,224,987	576,335	574,970

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 28 branches, including 7 retail, 1 corporate and 21 mixed banking branches, internet banking applications, call center and 1,375 employees.

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

Million TL	Burgan Bank	Sector (*)	Share of our Bank (%)
Cash Loans	45,309	13,851,874	0.33
Customer Deposits	39,695	16,465,582	0.24
Branch Number	28	10,873	0.26
Personnel Number	1,211	209,263	0.58

(*) Reference is prepared based on BRSA Data of 30 June 2024 and discount and accrual are not added to balance sheet items.