

BURGAN BANK A.Ş.

**PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL
STATEMENTS, RELATED DISCLOSURES AND
INDEPENDENT AUDITOR'S REVIEW REPORT THEREON
AS OF AND FOR THE NINE MONTH PERIOD ENDED
30 SEPTEMBER 2023**

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



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Convenience Translation of the 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 September 2023 and the consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows for the nine month period then ended and 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 September 2023 includes a general reserve of TL 1,816,973 thousands, of which TL 1,122,662 thousands was recognized as expense in the current period and TL 694,311 thousands had been recognized as expense in prior periods which does not meet the requirements of BRSA Accounting and Reporting Legislation. This general reserve 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 September 2023, and its consolidated financial performance and its consolidated cash flows for the nine month period then ended in accordance with the BRSA Accounting and Reporting Legislation.

Other Matter

The consolidated financial statements of the Bank as at and for the year ended 31 December 2022 were audited and as at and for the nine month period ended 30 September 2022 were reviewed by another auditor who expressed a qualified opinion and a qualified conclusion due to general reserve provided by the Bank on 15 February 2023 and 11 November 2022, respectively.

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

13 November 2023
İstanbul, Turkey

**THE CONSOLIDATED NINE-MONTH INTERIM FINANCIAL REPORT OF
BURGAN BANK A.Ş. AS OF 30 SEPTEMBER 2023**

Address of the Bank's Head Office : Maslak Mahallesi, Eski Büyükdere Caddesi No: 13
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Telephone and Fax Numbers of the Bank : Phone : 0 212 371 37 37
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Bank's Website : www.burgan.com.tr
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The consolidated nine month financial report includes the following sections in accordance with the Communiqué on Financial Statements and Related Explanations and Notes that will be Publicly Announced as sanctioned by the Banking Regulation and Supervision Agency.

- **Section One** **GENERAL INFORMATION ABOUT THE GROUP**
- **Section Two** **CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP**
- **Section Three** **EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD**
- **Section Four** **INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE GROUP WITHIN THE SCOPE OF CONSOLIDATION**
- **Section Five** **EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS**
- **Section Six** **EXPLANATIONS ON 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 nine month 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.




Emin Hakan EMINSOY
Chairman of the
Board of Directors



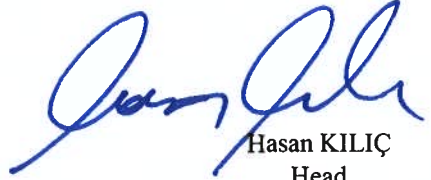
Ali Murat DİNC
Member of the Board of
Directors and
General Manager



Zeynep BOZKURT
Deputy General Manager
and Chief Financial Officer




Bahadır AKSU
Head of Accounting,
Tax, and Reporting Unit



Hasan KILIÇ
Head
of the Audit Committee



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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2023

(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 full capital ceiling is TL 6 billion.

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

On 22 June 2022, the Bank's full capital was registered as full TL 2,655,500,000.

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

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 SEPTEMBER 2023**

(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	Human Resources	Graduate
	Suat Kerem Sözügüzel	Corporate & Commercial Banking	Graduate
	Banu Ertürk	Credits Monitoring and Legal Follow-Up	Undergraduate
	Darço Akkaranfil	Information Technologies	Graduate
	Zeynep Bozkurt	Financial Affairs	Graduate
	Ayşen Aslı Koçer	Deposit Management	Undergraduate
	Yener Yazlalı	Loans	Graduate
	Halil Özcan	Digital Banking	Undergraduate
	Tuba Onay Ergelen	Risk Management	Undergraduate
	Erdal Arda Türerer	Treasury, Capital Markets and Financial Institutions	Graduate
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 SEPTEMBER 2023**

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

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

Name/Commercial Title	Share Amounts	Share Percentage	Paid-in Capital	Unpaid Portion
Burgan Bank K.P.S.C.	2,639,882	99.41%	99.41%	-

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

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

As of 30 September 2023, the Parent Bank, whose headquarter located in Istanbul, has 31 branches operating in Turkey (31 December 2022: 32). The Bank's core business activities include corporate and commercial banking, retail banking and banking services in treasury fields. As of 30 September 2023, the Group has 1,221 (31 December 2022: 1,138) 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 SEPTEMBER 2023 AND 31 DECEMBER 2022
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

I. BALANCE SHEET	Note (Section Five)	Reviewed 30/09/2023			Audited 31/12/2022		
		TL	FC	Total	TL	FC	Total
ASSETS							
I. FINANCIAL ASSETS (Net)		12,903,111	9,736,282	22,639,393	6,574,865	8,627,401	15,202,266
1.1 Cash and Cash Equivalents		5,896,931	6,679,239	12,576,170	3,739,061	6,741,529	10,480,590
1.1.1 Cash and Balances with Central Bank	I-a	3,094,567	6,278,849	9,373,416	1,219,549	5,629,209	6,848,758
1.1.2 Banks	I-c	1,674,016	400,390	2,074,406	640,327	1,112,320	1,752,647
1.1.3 Money Market Placements		1,128,409	-	1,128,409	1,879,256	-	1,879,256
1.1.4 Expected Credit Losses (-)		61	-	61	71	-	71
1.2 Financial Assets at Fair Value through Profit or Loss	I-b	2,582,190	258,727	2,840,917	478,779	124,703	603,482
1.2.1 Public Debt Securities		280	17,224	17,504	382,718	18,311	401,029
1.2.2 Equity Securities		51	-	51	-	-	-
1.2.3 Other Financial Assets		2,581,859	241,503	2,823,362	96,061	106,392	202,453
1.3 Financial Assets at Fair Value through Other Comprehensive Income	I-d	2,179,218	815,845	2,995,063	1,341,741	284,890	1,626,631
1.3.1 Public Debt Securities		2,171,544	735,647	2,907,191	1,334,067	262,162	1,596,229
1.3.2 Equity Securities		7,674	25,628	33,302	7,674	22,728	30,402
1.3.3 Other Financial Assets		-	54,570	54,570	-	-	-
1.4 Derivative Financial Assets	I-l	2,244,772	1,982,471	4,227,243	1,015,284	1,476,279	2,491,563
1.4.1 Derivative Financial Assets Measured at Fair Value Through Profit or Loss		660,720	179,818	840,538	110,344	143,897	254,241
1.4.2 Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income		1,584,052	1,802,653	3,386,705	904,940	1,332,382	2,237,322
II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)		23,857,744	26,041,324	49,899,068	24,713,570	20,192,572	44,906,142
2.1 Loans	I-e-f	18,022,521	19,912,172	37,934,693	20,580,816	16,514,042	37,094,858
2.2 Leasing Receivables	I-k	1,722,027	3,892,288	5,614,315	1,544,119	3,217,772	4,761,891
2.3 Factoring Receivables		-	-	-	-	-	-
2.4 Financial Assets at Amortized Cost	I-g	4,936,505	2,770,109	7,706,614	3,679,178	1,701,528	5,380,706
2.4.1 Public Sector Debt Securities		4,936,505	2,770,109	7,706,614	3,679,178	1,701,528	5,380,706
2.4.2 Other Financial Assets		-	-	-	-	-	-
2.5 Expected Credit Losses (-)	I-e-f	823,309	533,245	1,356,554	1,090,543	1,240,770	2,331,313
III. ASSETS HELD FOR SALE AND FROM DISCONTINUED OPERATIONS (Net)	I-m	1,713,578	-	1,713,578	855,289	-	855,289
3.1 Held for Sale		1,713,578	-	1,713,578	855,289	-	855,289
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)		3,240,030	-	3,240,030	1,583,273	-	1,583,273
VI. INTANGIBLE ASSETS (Net)		113,813	-	113,813	86,599	-	86,599
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		113,813	-	113,813	86,599	-	86,599
VII. INVESTMENT PROPERTIES (Net)		-	-	-	-	-	-
VIII. CURRENT TAX ASSETS		118,116	-	118,116	29,604	-	29,604
IX. DEFERRED TAX ASSETS		-	-	-	164,843	-	164,843
X. OTHER ASSETS (Net)	I-n	1,735,827	243,559	1,979,386	804,331	115,643	919,974
TOTAL ASSETS		43,682,219	36,021,165	79,703,384	34,812,374	28,935,616	63,747,990

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 SEPTEMBER 2023 AND 31 DECEMBER 2022
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

I. BALANCE SHEET	Note (Section Five)	Reviewed 30/09/2023			Audited 31/12/2022		
LIABILITIES		TL	FC	Total	TL	FC	Total
I. DEPOSITS	II-a	20,685,669	14,556,585	35,242,254	25,160,517	14,553,031	39,713,548
II. FUNDS BORROWED	II-c	71,260	17,410,771	17,482,031	819,207	6,638,570	7,457,777
III. PAYABLES TO MONEY MARKET		2,394,826	1,383,361	3,778,187	1,055,388	600,907	1,656,295
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	592,936	182,845	775,781	194,368	260,139	454,507
7.1 Derivative Financial Liabilities at Fair Value through Profit or Loss		481,402	153,467	634,869	60,080	239,710	299,790
7.2 Derivative Financial Liabilities at Fair Value through Other Comprehensive Income		111,534	29,378	140,912	134,288	20,429	154,717
VIII. FACTORING LIABILITIES		-	-	-	-	-	-
IX. LEASE LIABILITIES (Net)	II-f	91,542	-	91,542	83,046	-	83,046
X. PROVISIONS	II-h	1,361,815	755,034	2,116,849	236,796	716,803	953,599
10.1 Restructuring Provisions		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		240,722	-	240,722	209,824	-	209,824
10.3 Insurance Technical Reserves (Net)		-	-	-	-	-	-
10.4 Other Provisions		1,121,093	755,034	1,876,127	26,972	716,803	743,775
XI. CURRENT TAX LIABILITY	II-i	445,140	-	445,140	467,947	-	467,947
XII. DEFERRED TAX LIABILITY	II-i	852,678	-	852,678	159,992	-	159,992
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	-	5,526,835	5,526,835	-	3,771,359	3,771,359
14.1 Loans		-	5,526,835	5,526,835	-	3,771,359	3,771,359
14.2 Other Debt Instruments		-	-	-	-	-	-
XV. OTHER LIABILITIES	II-e	1,553,043	4,544,870	6,097,913	1,145,311	2,790,659	3,935,970
XVI. SHAREHOLDERS' EQUITY	II-l	6,572,372	721,802	7,294,174	4,479,688	614,262	5,093,950
16.1 Paid-in Capital		2,655,500	-	2,655,500	2,655,500	-	2,655,500
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		9,200	-	9,200	12,624	-	12,624
16.4 Other Comprehensive Income/Expense to be Recycled to Profit or Loss		264,784	721,802	986,586	171,051	614,262	785,313
16.5 Profit Reserves		1,646,834	-	1,646,834	429,402	-	429,402
16.5.1 Legal Reserves		46,452	-	46,452	31,287	-	31,287
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		1,600,277	-	1,600,277	398,010	-	398,010
16.5.4 Other Profit Reserves		105	-	105	105	-	105
16.6 Profit or Loss		2,002,375	-	2,002,375	1,217,432	-	1,217,432
16.6.1 Prior Years' Income/ (Loss)		-	-	-	15,708	-	15,708
16.6.2 Current Years' Income/ (Loss)		2,002,375	-	2,002,375	1,201,724	-	1,201,724
16.7 Minority Shares		-	-	-	-	-	-
TOTAL LIABILITIES		34,621,281	45,082,103	79,703,384	33,802,260	29,945,730	63,747,990

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

BURGAN BANK A.Ş.
CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS
FOR THE PERIODS ENDED 30 SEPTEMBER 2023 AND 31 DECEMBER 2022
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

II. OFF-BALANCE SHEET	Note (Section Five)	Reviewed 30/09/2023			Audited 31/12/2022		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)		41,851,083	76,426,455	118,277,538	29,264,213	67,232,593	96,496,806
I. GUARANTEES AND WARRANTIES	III-a-2-3	8,478,837	6,790,761	15,269,598	5,307,122	4,801,663	10,108,785
1.1. Letters of Guarantee		6,454,402	1,810,676	8,265,078	3,825,522	1,526,334	5,351,856
1.1.1. Guarantees Subject to State Tender Law		15,692	1,155	16,847	11,621	789	12,410
1.1.2. Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3. Other Letters of Guarantee		6,438,710	1,809,521	8,248,231	3,813,901	1,525,545	5,339,446
1.2. Bank Loans		82,450	52,169	134,619	35,400	13,267	48,667
1.2.1. Import Letter of Acceptance		82,450	52,169	134,619	35,400	13,267	48,667
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letters of Credit		111,510	4,272,889	4,384,399	40,000	2,537,801	2,577,801
1.3.1. Documentary Letters of Credit		111,510	4,272,889	4,384,399	40,000	2,537,801	2,577,801
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		1,830,475	655,027	2,485,502	1,406,200	724,261	2,130,461
1.9. Other Collaterals		-	-	-	-	-	-
II. COMMITMENTS	III-a-1	613,931	1,880,437	2,494,368	515,729	609,013	1,124,742
2.1. Irrevocable Commitments		613,931	1,880,437	2,494,368	515,729	609,013	1,124,742
2.1.1. Asset Purchase and Sales Commitments		164,292	1,880,437	2,044,729	185,000	609,013	794,013
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		221,302	-	221,302	172,366	-	172,366
2.1.5. Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6. Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7. Commitments for Cheques		146,321	-	146,321	98,941	-	98,941
2.1.8. Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9. Commitments for Credit Card Limits		-	-	-	-	-	-
2.1.10. Promotion Commitments for Credit Cards and Banking Services		-	-	-	-	-	-
2.1.11. Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12. Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13. Other Irrevocable Commitments		82,016	-	82,016	59,422	-	59,422
2.2. Revocable Commitments		-	-	-	-	-	-
2.2.1. Revocable Commitments for Loan Limits		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		32,758,315	67,755,257	100,513,572	23,441,362	61,821,917	85,263,279
3.1. Hedging Derivative Financial Instruments		4,807,042	33,880,665	38,687,707	3,207,042	27,510,897	30,717,939
3.1.1. Transactions for Fair Value Hedge		-	-	-	-	-	-
3.1.2. Transactions for Cash Flow Hedge		4,807,042	33,880,665	38,687,707	3,207,042	27,510,897	30,717,939
3.1.3. Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2. Trading Derivative Financial Instruments		27,951,273	33,874,592	61,825,865	20,234,320	34,311,020	54,545,340
3.2.1. Forward Foreign Currency Buy/Sell Transactions		360,530	487,504	848,034	958,200	1,101,744	2,059,944
3.2.1.1. Forward Foreign Currency Transactions-Buy		360,530	79,903	440,433	958,200	86,278	1,044,478
3.2.1.2. Forward Foreign Currency Transactions-Sell		-	407,601	407,601	-	1,015,466	1,015,466
3.2.2. Swap Transactions Related to Foreign Currency and Interest Rates		23,737,981	26,351,635	50,089,616	7,174,249	19,648,293	26,822,542
3.2.2.1. Foreign Currency Swap-Buy		4,645,256	16,742,733	21,387,989	2,080,567	10,058,064	12,138,631
3.2.2.2. Foreign Currency Swap-Sell		15,892,725	5,660,042	21,552,767	4,593,682	7,532,051	12,125,733
3.2.2.3. Interest Rate Swap-Buy		1,600,000	1,974,430	3,574,430	250,000	1,029,089	1,279,089
3.2.2.4. Interest Rate Swap-Sell		1,600,000	1,974,430	3,574,430	250,000	1,029,089	1,279,089
3.2.3. Foreign Currency, Interest rate and Securities Options		96,183	3,476,482	3,572,665	11,613,515	13,093,525	24,707,040
3.2.3.1. Foreign Currency Options-Buy		-	1,786,545	1,786,545	9,851,777	2,647,813	12,499,590
3.2.3.2. Foreign Currency Options-Sell		96,183	1,689,937	1,786,120	1,761,738	10,445,712	12,207,450
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		3,756,579	3,558,971	7,315,550	488,356	467,458	955,814
3.2.4.1. Foreign Currency Futures-Buy		3,756,579	-	3,756,579	488,356	-	488,356
3.2.4.2. Foreign Currency Futures-Sell		-	3,558,971	3,558,971	-	467,458	467,458
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)		186,925,060	665,742,921	852,667,981	169,615,321	448,534,685	618,150,006
IV. ITEMS HELD IN CUSTODY		13,925,323	9,567,252	23,492,575	13,610,861	8,544,173	22,155,034
4.1. Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2. Investment Securities Held in Custody		8,618,847	9,446,956	18,065,803	8,957,723	8,189,953	17,147,676
4.3. Cheques Received for Collection		3,385,331	95,014	3,480,345	3,155,875	60,224	3,216,099
4.4. Commercial Notes Received for Collection		12,897	25,282	38,179	15,016	17,118	32,134
4.5. Other Assets Received for Collection		-	-	-	-	-	-
4.6. Assets Received for Public Offering		-	-	-	-	-	-
4.7. Other Items Under Custody		1,908,248	-	1,908,248	1,482,247	276,878	1,759,125
4.8. Custodians		-	-	-	-	-	-
V. PLEDGES RECEIVED		172,763,561	656,175,669	828,939,230	155,784,284	439,990,512	595,774,796
5.1. Marketable Securities		1,129,214	-	1,129,214	1,365,501	-	1,365,501
5.2. Guarantee Notes		28,864,263	76,559,634	105,423,897	25,904,515	52,600,268	78,554,783
5.3. Commodity		6,304,226	2,784,218	9,088,444	2,757,975	1,912,416	4,670,391
5.4. Warranty		-	-	-	-	-	-
5.5. Immovable		117,899,499	356,934,724	474,834,223	110,957,551	227,890,780	338,848,331
5.6. Other Pledged Items		18,566,359	219,897,093	238,463,452	14,798,742	157,537,048	172,335,790
5.7. Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		236,176	-	236,176	220,176	-	220,176
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		228,776,143	742,169,376	970,945,519	198,879,534	515,767,278	714,646,812

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 SEPTEMBER 2023 AND 30 SEPTEMBER 2022

(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 01/01/2023- 30/09/2023	Reviewed 01/01/2022- 30/09/2022	Reviewed 01/07/2023- 30/09/2023	Reviewed 01/07/2022- 30/09/2022
I.	INTEREST INCOME	IV-a	7,537,457	4,531,490	3,320,748	1,974,817
1.1	Interest Received from Loans		3,131,706	2,974,713	1,364,268	1,274,085
1.2	Interest Received from Reserve Deposits		268	11,002	195	51
1.3	Interest Received from Banks		361,953	40,472	175,030	19,606
1.4	Interest Received from Money Market Transactions		163,041	77,817	28,324	34,699
1.5	Interest Received from Securities		1,395,333	417,776	693,595	201,117
1.5.1	Financial Assets at Fair Value through Profit or Loss		13,418	3,040	3,630	802
1.5.2	Financial Assets at Fair Value through Other Comprehensive Income		312,344	184,240	154,795	64,980
1.5.3	Financial Assets Measured at Amortized Cost		1,069,571	230,496	535,170	135,335
1.6	Finance Lease Interest Income		561,390	275,148	180,189	98,399
1.7	Other Interest Income	IV-k	1,923,766	734,562	879,147	346,860
II.	INTEREST EXPENSES (-)	IV-b	6,465,290	3,260,956	2,750,318	1,378,834
2.1	Interest on Deposits		3,760,547	1,708,922	1,475,653	808,951
2.2	Interests Given to Used Loans		1,022,525	386,416	441,009	159,345
2.3	Interest on Money Market Transactions		185,545	73,827	110,512	41,907
2.4	Interest on Securities Issued		-	4,424	-	4,424
2.5	Finance Lease Interest Expenses		12,064	9,712	3,892	3,528
2.6	Other Interest Expenses	IV-k	1,484,609	1,077,655	719,252	360,679
III.	NET INTEREST INCOME/EXPENSE (I - II)		1,072,167	1,270,534	570,430	595,983
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSES		756,742	106,775	316,752	69,749
4.1	Fees and Commissions Received		853,667	148,285	347,539	86,995
4.1.1	Non-Cash Loans		92,366	32,531	36,888	12,387
4.1.2	Other	IV-k	761,301	115,754	310,651	74,608
4.2	Fees and Commissions Paid (-)		96,925	41,510	30,787	17,246
4.2.1	Non-Cash Loans (-)		4,954	1,170	2,281	647
4.2.2	Other (-)	IV-k	91,971	40,340	28,506	16,599
V.	DIVIDEND INCOME		7,445	24	7,407	-
VI.	TRADING PROFIT/LOSS (Net)	IV-c	1,120,789	199,983	371,727	44,535
6.1	Profit/Losses From Capital Market Transactions		419,275	99,965	156,149	64,551
6.2	Profit/Losses From Derivative Financial Transactions		(275,064)	(81,475)	23,013	(78,530)
6.3	Foreign Exchange Profit/Losses		976,578	181,493	192,565	58,514
VII.	OTHER OPERATING INCOME	IV-d	1,153,944	377,096	549,117	134,536
VIII.	GROSS PROFIT FROM OPERATING ACTIVITIES (III+IV+V+VI)		4,111,087	1,954,412	1,815,433	844,803
IX.	ALLOWANCES FOR EXPECTED CREDIT LOSSES (-)	IV-e	(1,393,101)	(225,514)	(262,619)	(140,472)
X.	OTHER PROVISION EXPENSES (-)	IV-e	799,255	58,697	180,779	55,744
XI.	PERSONNEL EXPENSES (-)		913,702	401,012	397,779	172,620
XII.	OTHER OPERATING EXPENSES (-)	IV-f	779,736	360,261	269,148	141,656
XIII.	NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		3,011,495	1,359,956	1,230,346	615,255
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	3,011,495	1,359,956	1,230,346	615,255
	PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	IV-h	(1,009,120)	(354,171)	(452,958)	(170,328)
XVIII.	OPERATIONS (±)		1,009,120	(354,171)	(452,958)	(170,328)
18.1	Current Tax Provision		316,410	395,197	296,230	161,764
18.2	Expense Effect of Deferred Tax (+)		909,218	239,566	61,635	17,425
18.3	Income Effect of deferred tax (-)		216,508	280,592	(95,093)	8,861
XIX.	NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	IV-i	2,002,375	1,005,785	777,388	444,927
XX.	INCOME FROM DISCONTINUED OPERATIONS		-	-	-	-
20.1	Income From Assets Held For Sale		-	-	-	-
20.2	Profit From Sale of Associates, Subsidiaries and Joint Ventures		-	-	-	-
20.3	Other Income From Discontinued Operations		-	-	-	-
XXI.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-	-	-
21.1	Expenses on Assets Held For Sale		-	-	-	-
21.2	Losses From Sale of Associates, Subsidiaries and Joint Ventures		-	-	-	-
21.3	Other Expenses From Discontinued Operations		-	-	-	-
	PROFIT/LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (XX-XXI)		-	-	-	-
XXII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-	-	-
22.1	Current Tax Provision		-	-	-	-
22.2	Expense Effect of Deferred Tax (+)		-	-	-	-
22.3	Income Effect of Deferred Tax (-)		-	-	-	-
XXIV.	NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)		-	-	-	-
XXV.	NET PROFIT/LOSS (XIX+XXIV)	IV-j	2,002,375	1,005,785	777,388	444,927
25.1	Group's Profit / Loss		2,002,375	1,005,785	777,388	444,927
25.2	Minority Shares' Profit / Loss (-)		-	-	-	-
	Profit / (Loss) per share (1.000 nominal in TL full)		7.540	4.501	2.927	1.991

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 SEPTEMBER 2023 AND 30 SEPTEMBER 2022
(Amounts expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

IV. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	Reviewed 30/09/2023	Reviewed 30/09/2022
I. CURRENT PERIOD PROFIT/LOSS	2,002,375	1,005,785
II. OTHER COMPREHENSIVE INCOME	197,849	607,553
2.1 Items that Will not be Reclassified to Profit or Loss	(3,424)	(439)
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	77	-
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	(3,501)	(439)
2.2 Items that will be Reclassified to Profit or Loss	201,273	607,992
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	(61,278)	89,939
2.2.3 Income/Expenses Arising on Cash Flow Hedges	423,869	730,852
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	(161,318)	(212,799)
III. TOTAL COMPREHENSIVE INCOME (I+II)	2,200,224	1,613,338

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 SEPTEMBER 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 CURRENT PERIOD 30.09.2023	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		-	-	-	-	(6,093)	2,669	-	-	(47,205)	248,478	-	-	2,002,375	2,200,224	-	2,200,224
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)	47,212	(38,012)	-	-	17,458	969,128	1,646,834	-	2,002,375	7,294,174	-	7,294,174

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 SEPTEMBER 2022

(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 30.09.2022	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	1,890,000	-	-	(2,532)	34,176	(9,954)	-	-	(52,206)	185,523	124,587	304,815	-	2,474,409	-	2,474,409
II. Corrections according to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New Balance (I+II)		1,890,000	-	-	(2,532)	34,176	(9,954)	-	-	(52,206)	185,523	124,587	304,815	-	2,474,409	-	2,474,409
IV. Total Comprehensive Income		-	-	-	-	(948)	509	-	-	70,717	537,275	-	-	1,005,785	1,613,338	-	1,613,338
V. Capital Increase in Cash		765,500	-	-	-	-	-	-	-	-	-	-	-	-	765,500	-	765,500
VI. Capital Increase in Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Inflation Adjustment to Paid-in Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt Instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase / Decrease Related to Other Changes		-	-	-	(3,782)	-	-	-	-	-	-	-	15,708	-	11,926	-	11,926
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	304,815	(304,815)	-	-	-	-
11.1 Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	304,815	(304,815)	-	-	-	-
11.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (III+IV+.....+X+XI)		2,655,500	-	-	(6,314)	33,228	(9,445)	-	-	18,511	722,798	429,402	15,708	1,005,785	4,865,173	-	4,865,173

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 SEPTEMBER 2023 AND 30 SEPTEMBER 2022
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

VI. STATEMENT OF CASH FLOWS	Reviewed 30/09/2023	Reviewed 30/09/2022
A. CASH FLOWS FROM BANKING OPERATIONS		
I.1 Operating Profit Before Changes in Operating Assets and Liabilities	(2,314,637)	1,220,073
1.1.1 Interest Received	6,185,879	4,037,560
1.1.2 Interest Paid	(6,146,556)	(3,011,379)
1.1.3 Dividend Received	7,445	24
1.1.4 Fees and Commissions Received	812,463	119,364
1.1.5 Other Income	-	-
1.1.6 Collections from Previously Written-off Loans and Other Receivables	941,654	370,393
1.1.7 Payments to Personnel and Service Suppliers	(913,702)	(401,012)
1.1.8 Taxes Paid	(49,546)	(27,218)
1.1.9 Other	(3,152,274)	132,341
I.2 Changes in Operating Assets and Liabilities	7,321,367	4,549,892
1.2.1 Net (Increase) Decrease in Financial Assets at Fair Value Through Profit or Loss	(2,249,644)	(29,370)
1.2.2 Net (Increase) Decrease in Due from Banks and Other Financial Institutions	2,438,491	(1,071,163)
1.2.3 Net (Increase) Decrease in Loans	(2,081,998)	(6,939,095)
1.2.4 Net (Increase) Decrease in Other Assets	(3,162,863)	(2,188,718)
1.2.5 Net Increase (Decrease) in Bank Deposits	202,352	(158,355)
1.2.6 Net Increase (Decrease) in Other Deposits	(4,835,254)	11,502,274
1.2.7 Net Increase (Decrease) in Financial Liabilities at Fair Value Through Profit or Loss	-	(206,835)
1.2.8 Net Increase (Decrease) in Funds Borrowed	11,622,604	(168,436)
1.2.9 Net Increase (Decrease) in Overdue Payables	-	-
1.2.10 Net Increase (Decrease) in Other Liabilities	5,387,679	3,809,590
I. Net Cash Flow Provided from Banking Operations	5,006,730	5,769,965
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II. Net Cash Provided from Investing Activities	(1,480,466)	(1,878,849)
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	(1,752,775)	-
2.4 Disposals of Property and Equipment	604,030	442,399
2.5 Cash Paid for Purchase of Financial Assets at Fair Value Through Other Comprehensive Income	(176,744)	(1,427,939)
2.6 Cash Obtained from Sale of Financial Assets at Fair Value Through Other Comprehensive Income	340,798	875,472
2.7 Cash Paid for Purchase of Financial Assets at Amortised Cost	(959,576)	(2,072,663)
2.8 Cash Obtained from Sale of Financial Assets at Amortised Cost	502,604	303,882
2.9 Other	(38,803)	-
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net Cash Provided from Financing Activities	(53,676)	811,030
3.1 Cash Obtained from Funds Borrowed and Securities Issued	-	74,493
3.2 Cash Outflow from Repayment of Funds Borrowed and Securities Issued	-	-
3.3 Issued Capital Instruments	-	765,500
3.4 Dividends Paid	-	-
3.5 Payments for Finance Leases	(53,676)	(28,963)
3.6 Other	-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	262,132	227,027
V. Net Increase / (Decrease) in Cash and Cash Equivalents (I+II+III+IV)	3,734,720	4,929,173
VI. Cash and Cash Equivalents at the Beginning of the Period	6,762,609	3,410,629
VII. Cash and Cash Equivalents at the End of the Period	10,497,329	8,339,802

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.

TAS 29 Financial Reporting in Hyperinflation Economies requires entities whose functional currency is that of a hyperinflationary economy to prepare their financial statements in terms of the measuring unit current at the end of the reporting period. TAS 29 describes characteristics that may indicate that an economy is hyperinflationary, and it requires all entities that report in the currency of the same hyperinflationary economy apply this Standard from the same date. Therefore, it is expected that TAS 29 will start to be applied simultaneously by all entities with the announcement of Public Oversight Accounting and Auditing Standards Authority to ensure consistency of the application required by TAS 29 throughout the country. In accordance with the POA’s announcement dated 20 January 2022, It has been stated that entities applying TFRS do not need to make any adjustments within the scope of TAS 29 Financial Reporting in Hyperinflationary Economies in their financial statements for the year ended 31 December 2021.

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):**

The authority has not published any announcement that determines entities would restate their financial statements for the accounting period ending on 30 September 2023 in accordance with TAS 29. In this context, TAS 29 is not applied and inflation adjustment has not been reflected in the consolidated financial statements as of 30 September 2023.

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

None.

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

None.

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

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

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

As of 30 September 2023, foreign currency denominated balances are translated into TL using the exchange rates of TL 27.3767 and TL 29.0305 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 September 2023 and 31 December 2022.

EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD (continued):**IV. EXPLANATIONS ON FORWARD TRANSACTIONS, OPTIONS AND DERIVATIVE INSTRUMENTS:**

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

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

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

As of 30 September 2023, 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.

Also, within the Bank's securities portfolio, inflation-indexed government bonds are classified as financial assets reflected in fair value changes recognized in other comprehensive income, and financial assets measured at amortized cost. These securities are valued and accounted for using the effective interest method based on the index calculated considering real coupon rates and the inflation index at the issuance date, along with the estimated inflation rate. As specified in the Treasury's Guide for Investors in Inflation-Indexed Bonds, the actual coupon payment amounts for these instruments are determined based on the inflation indices derived from the Consumer Price Index (CPI) two months prior. The Bank also adjusts its estimated inflation rate accordingly, in line with the expectations of the Central Bank of the Republic of Turkey and the Bank, and updates it as deemed necessary throughout the year.

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

VIII. 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 I.e.12 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.

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 September 2023, the Group has no goodwill (31 December 2022: 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:**

Many clauses of Corporate Tax Law No.5520 which are valid starting from 1 January 2006, was taken into effect after being published in the Official Gazette dated 21 June 2006 No. 26205. Accordingly, the general corporate tax rate is 25% in Turkey. Corporate tax is calculated at the rate of 30% for 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. The corporate tax rate is applied to the tax base to be found as a result of adding the expenses that are not accepted as deductions in accordance with the tax laws to the commercial profits of the institutions, and deducting the exemptions (such as the participation earnings exemption) and deductions in the tax laws. No further tax is paid if the profit is not distributed.

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 30 September 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. Tax Law, losses can be carried forward to offset against future taxable income for up to five years. Losses cannot be carried back to offset profits from previous periods. However, 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.

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

With the Communiqué Amending the Tax Procedure Law General Communiqué (line no. 537) with line number 547 published in the Official Gazette dated 14 January 2023 and numbered 32073, the procedures and principles of the law articles that allow the revaluation of immovable and depreciable economic assets have been restated. Accordingly, the Bank will be able to revalue the immovables in its balance sheet and its depreciable economic assets, provided that the conditions in the Tax Procedure Law Provisional Article 32 and Reiterated Article 298/ç are met. Thus, corporate tax can be paid by calculating the values of real estate and depreciable economic assets after revaluation. Our bank will benefit from this revaluation implementation.

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

According to Law No. 7440 on Restructuring of Certain Receivables and Amending Certain Laws published in the Official Gazette (dated on 12 March 2023 and numbered 32130), tax payers are to be calculating additional tax in order to be indicated in corporate income tax returns of the year 2022. With the regulation of Law No. 5520 on the "Corporate Tax Law" and other tax regulations, an additional tax of 10% will be calculated based on the exemption and deduction amounts subject to deduction from corporate income and the tax bases subject to reduced corporate tax within the scope of Article 32/A of the same law and with the exception regulated in subparagraph (a) of the first paragraph of Article 5 of the Law No. 5520., an additional tax of 5% will be calculated based on exempted dividends and certificated additional earnings from abroad with at least tax burden of 15%. The first partial payment of this additional taxes is to be paid within the payment period of the corporate income tax, and the second partial payment is to be paid in the fourth month following this period.

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.

XIX. EXPLANATIONS ON BORROWINGS:

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

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

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

XX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES:

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

XXI. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES:

Avalized drafts and acceptances shown among the "Off-balance sheet commitments" as possible debt commitments of the Group.

XXII. EXPLANATIONS ON GOVERNMENT GRANTS:

As of 30 September 2023, the Group does not have any government incentives or grants (31 December 2022: None).

EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD (continued):**XXIII. EXPLANATIONS ON PROFIT RESERVES AND PROFIT DISTRIBUTION:**

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

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

XXIV. 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 September 2023	30 September 2022
Net Profit/(Loss) to be Appropriated to Ordinary Shareholders	2,002,375	1,005,785
Weighted Average Number of Issued Ordinary Shares (Thousand)	265,550,000	223,446,508
Earnings Per Ordinary Shares (Disclosed as 1,000 nominal in full TL)	7.540	4.501

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 three months and investments on marketable securities other than common stocks.

XXVII. EXPLANATIONS ON SEGMENT REPORTING:

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

XXVIII. RECLASSIFICATIONS:

In order to provide comparative information, classification processes have not been made in the financial statements and disclosures.

SECTION FOUR

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

I. EXPLANATIONS ON EQUITY:

Total capital and Capital adequacy ratio have been calculated in accordance with the "Regulation on Equity of Banks" and "Regulation on Measurement and Assessment of Capital Adequacy of Banks". As of 30 September 2023, Group's total capital has been calculated as TL 12,239,304 (31 December 2022: TL 8,533,598), consolidated standard capital adequacy ratio is 21.40% (31 December 2022: 19.09%).

As of 30 September 2023, within the scope of BRSA's instructions dated 21 December 2021, 28 April 2022 and 31 January 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 simple arithmetic average of the Central Bank's foreign exchange buying rates as of 31 December 2022 was used and in case the net valuation differences of the securities held by the Bank in the portfolio of "Securities at Fair Value Reflected in Other Comprehensive Income" as of 21 December 2021 Decision date are negative, it is possible to ignore these differences in the amount of equity to be calculated in accordance with the Regulation on the Equity of Banks published in the Official Gazette dated 5 September 2013 and numbered 28756 and to be used for the capital adequacy ratio.

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 SEPTEMBER 2023**

(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 total capital:**

	Current Period 30 September 2023	Amounts related to treatment before 1/1/2014 (*)	Prior Period 31 December 2022	Amounts related to treatment before 1/1/2014 (*)
COMMON EQUITY TIER 1 CAPITAL				
Paid-in capital following all debts in terms of claim in liquidation of the Bank	2,655,500		2,655,500	
Share issue premiums	-		-	
Legal reserves	1,640,513		423,081	
Gains recognized in equity as per TAS	1,052,144		851,551	
Profit	2,002,375		1,217,432	
Current Period Profit	2,002,375		1,201,724	
Prior Period Profit	-		15,708	
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	-		-	
Common Equity Tier 1 Capital Before Deductions	7,350,532		5,147,564	
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	94,107		44,941	
Improvement costs for operating leasing	11,080		11,764	
Goodwill (net of related tax liability)	-		-	
Other intangibles other than mortgage-servicing rights (net of related tax liability)	110,035	110,035	86,124	86,124
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	969,128		720,650	
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	1,184,350		863,479	
Total Common Equity Tier 1 Capital	6,166,182		4,284,085	

(*) 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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(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):**

	Current Period 30 September 2023	Amounts related to treatment before 1/1/2014 (*)	Prior Period 31 December 2022	Amounts related to treatment before 1/1/2014 (*)
ADDITIONAL TIER I CAPITAL				
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-	-	-
Debt instruments and premiums approved by BRSA (*)	1,368,835	-	934,915	-
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-	-	-
Additional Tier I Capital before Deductions	1,368,835	-	934,915	-
Deductions from Additional Tier I Capital	-	-	-	-
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-	-	-
Other items to be defined by the BRSA	-	-	-	-
Transition from the Core Capital to Continue to deduce Components	-	-	-	-
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-	-	-
Total Deductions from Additional Tier I Capital	-	-	-	-
Total Additional Tier I Capital	1,368,835	-	934,915	-
Total Tier I Capital (Tier I Capital=Common Equity + Additional Tier I Capital)	7,535,017	-	5,219,000	-
TIER II CAPITAL				
Debt instruments and share issue premiums deemed suitable by the BRSA	4,106,505	-	2,804,745	-
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)	-	-	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	597,782	-	509,871	-
Tier II Capital Before Deductions	4,704,287	-	3,314,616	-
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.	-	-	18	-
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	-	-	18	-
Total Tier II Capital	4,704,287	-	3,314,598	-
Total Capital (The sum of Tier I Capital and Tier II Capital)	12,239,304	-	8,533,598	-
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 I 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 September 2023	Amounts related to treatment before 1/1/2014 (*)	Prior Period 31 December 2022	Amounts related to treatment before 1/1/2014 (*)
TOTAL EQUITY				
Total Capital (Tier I and Tier II Capital)	12,239,304		8,533,598	
Total risk weighted amounts	57,194,008		44,706,381	
CAPITAL ADEQUACY RATIOS				
Core Capital Adequacy Ratio (%)	10.78		9.58	
Tier I Capital Adequacy Ratio (%)	13.17		11.67	
Capital Adequacy Ratio (%)	21.40		19.09	
BUFFERS				
Total additional Tier I Capital requirement (a + b + c)	2,532		2,522	
Capital conservation buffer requirement (%)	2.500		2.500	
b. Bank specific counter-cyclical buffer requirement (%)	0.032		0.022	
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	6.28		5.08	
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	416,252		517,089	
Limits Related to Provisions Considered in Tier II Calculation				
General provisions for standard based receivables (before ten thousand twenty-five limitation)	844,460		1,686,481	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	597,782		509,871	
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.

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INFORMATION RELATED TO THE FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE GROUP ON A CONSOLIDATED BASIS (continued):**I. EXPLANATIONS ON EQUITY (continued):****b. Information on instruments related to equity estimation:**

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)	4,106,505	1,368,835
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	Undated
Original maturity date of the debt instrument	10 Years	-
Whether the issuer has a right to call subject to BRSA approval	Yes	Yes
Optional call date, contingent call options and redemption amount	After 5th year	After 5th year
Subsequent call dates of call options	After 5th year	After 5th year
Coupon/dividend payments	3 Months	-
Fixed or floating dividend/coupon payments	Floating dividend	-
Coupon rate and any related index value	LIBOR+4.25	-
Existence of a restriction which can stop dividend payments	-	-
Being fully discretionary, partially discretionary or mandatory	-	-
Existence of an interest rate increase or other incentive to call	-	-
Being noncumulative or cumulative	Noncumulative	Noncumulative
Being convertible or non-convertible to stock	None	None
If convertible to a stock, conversion trigger(s)	-	-
If convertible to a stock, fully or partially	-	-
If convertible to a stock, conversion rate	-	-
If convertible to a stock, mandatory or optional conversion	-	-
If convertible to a stock, specify instrument type convertible into	-	-
If convertible to a stock, issuer of debt instrument it converts into	-	-
Value reduction feature	None	-
If it has a value reduction feature, write-down trigger(s)	-	If unsustainability occurs, a decrease in value can be realized.
If it has a value reduction feature, full or partial	-	Partially or completely depreciation can be realized.
If it has a value reduction feature, permanent or temporary	-	Permanant
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.

INFORMATION RELATED TO THE FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE GROUP ON A CONSOLIDATED BASIS (continued):**II. EXPLANATIONS ON RISK MANAGEMENT :****a. Overview of Risk Weighted Amounts**

Notes and explanations in this section have been prepared in accordance with the Communiqué on Disclosures about Risk Management to Be Announced to Public by Banks that have been published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016. According to Communiqué have to be presented on a quarterly basis. Due to usage of standard approach for the calculation of capital adequacy by the Bank, the following tables have not been presented as of the date 30 September 2023:

- 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 30 September 2023	Prior Period 31 December 2022	Current Period 30 September 2023
1 Credit risk (excluding counterparty credit risk) (CCR)	45,050,652	39,813,838	3,604,052
2 Standardised approach (SA)	45,050,652	39,813,838	3,604,052
3 Internal rating-based (IRB) approach	-	-	-
4 Counterparty credit risk	2,771,869	975,833	221,750
5 Standardised approach for counterparty credit risk (SACCR)	2,771,869	975,833	221,750
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	6,600,389	2,102,141	528,031
17 Standardised approach (SA)	6,600,389	2,102,141	528,031
18 Internal model approaches (IMM)	-	-	-
19 Operational risk	2,771,098	1,814,569	221,688
20 Basic indicator approach	2,771,098	1,814,569	221,688
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)	57,194,008	44,706,381	4,575,521

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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 September 2023	31 December 2022	30 September 2023	31 December 2022
Bid Rate	TL 29.0305	TL 19.9349	TL 27.3767	TL 18.6983
1. Day Bid Rate	TL 29.0305	TL 19.9349	TL 27.3767	TL 18.6983
2. Day Bid Rate	TL 28.8083	TL 19.8816	TL 27.3752	TL 18.6966
3. Day Bid Rate	TL 28.7853	TL 19.8946	TL 27.2640	TL 18.6964
4. Day Bid Rate	TL 28.8183	TL 19.9087	TL 27.2108	TL 18.6813
5. Day Bid Rate	TL 28.9027	TL 19.8324	TL 27.1751	TL 18.6649

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 September 2023	31 December 2022	30 September 2023	31 December 2022
Arithmetic average - 30 days	TL 28.8224	TL 19.7480	TL 26.9630	TL 18.6404

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BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 SEPTEMBER 2023**

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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 September 2023				
Assets				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	1,663,652	4,281,269	333,928	6,278,849
Banks	64,281	72,053	264,056	400,390
Financial Assets at Fair Value Through Profit or Loss ⁽¹⁾	24,941	338,255	-	363,196
Interbank Money Market Placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	220,243	595,602	-	815,845
Loans ⁽²⁾	16,086,525	7,264,057	-	23,350,582
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Financial Assets Measured at Amortized Cost	608,473	2,161,636	-	2,770,109
Hedging Derivative Financial Assets ⁽¹⁾	104,070	976,900	-	1,080,970
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets ⁽⁴⁾	99,717	138,901	25	238,643
Total Assets	18,871,902	15,828,673	598,009	35,298,584
Liabilities				
Bank Deposits	1,202	698,688	-	699,890
Foreign Currency Deposits	3,325,079	9,392,732	1,138,884	13,856,695
Funds from Interbank Money Market	-	1,383,361	-	1,383,361
Funds Borrowed from Other Financial Institutions	8,989,450	13,948,156	-	22,937,606
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	1,193,272	2,861,892	2,418	4,057,582
Hedging Derivative Financial Liabilities ⁽³⁾	45,755	87,591	-	133,346
Other Liabilities ⁽³⁾⁽⁴⁾	85,541	75,168	30,148	190,857
Total Liabilities	13,640,299	28,447,588	1,171,450	43,259,337
Net On-balance Sheet Position	5,231,603	(12,618,915)	(573,441)	(7,960,753)
Net Off-balance Sheet Position	(5,106,709)	16,903,076	581,947	12,378,314
Financial Derivative Assets	1,676,891	25,481,144	581,947	27,739,982
Financial Derivative Liabilities	6,783,600	8,578,068	-	15,361,668
Non-Cash Loans ⁽⁵⁾	1,257,515	5,428,445	104,801	6,790,761
31 December 2022				
Total Assets	17,920,756	11,620,162	337,268	29,878,186
Total Liabilities	6,816,659	21,173,547	591,585	28,581,791
Net On-balance Sheet Position	11,104,097	(9,553,385)	(254,317)	1,296,395
Net Off-balance Sheet Position	(10,782,561)	10,368,033	61,055	(353,473)
Financial Derivative Assets	1,371,225	20,397,099	976,010	22,744,334
Financial Derivative Liabilities	12,153,786	10,029,066	914,955	23,097,807
Non-Cash Loans ⁽⁵⁾	1,695,328	3,030,385	75,950	4,801,663

⁽¹⁾ TL 797,032 (31 December 2022: TL 459,476) income accruals of derivative financial instruments are not included.⁽²⁾ Foreign currency indexed loans amounting to TL 79,367 (31 December 2022: TL 165,571) are included in the table above. TL 533,152 (31 December 2022: TL 1,239,833) "Expected Loss Provisions" are included in the table. Lease Receivables from leasing transactions are also included.⁽³⁾ TL 380,233 (31 December 2022: TL 51,936) derivative financial instruments expense accruals are not included in the table above.⁽⁴⁾ TL 4,916 in prepaid expenses is not included in the table among Other Assets. Other Liabilities include TL 721,802 (31 December 2022: TL 614,262) "Securities Valuation Differences" and "Hedging Funds", TL 718,693 (31 December 2022: TL 694,311) "General Reserves" are not included in the table. TL 2,038 (31 December 2022: TL 3,430) "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 September 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	2,771,316	-	-	-	-	6,602,100	9,373,416
Banks	1,637,382	-	-	-	-	436,963	2,074,345
Financial Assets at Fair Value Through Profit/Loss ⁽²⁾	1,482,115	1,496,889	1,191,920	284,025	31,301	2,581,910	7,068,160
Interbank Money Market Placements	1,128,409	-	-	-	-	-	1,128,409
Financial Assets at Fair Value Through Other Comprehensive Income	-	-	765,842	1,128,792	1,067,126	33,303	2,995,063
Loans Given ⁽³⁾	15,073,039	8,076,656	8,838,163	6,982,975	2,100,045	1,121,617	42,192,495
Financial Assets Measured at Amortized Cost ⁽⁴⁾	68,826	-	704,797	4,711,874	2,221,076	-	7,706,573
Other Assets ⁽⁵⁾	64,224	-	-	-	-	7,100,699	7,164,923
Total Assets	22,225,311	9,573,545	11,500,722	13,107,666	5,419,548	17,876,592	79,703,384
Liabilities							
Bank Deposits	665,461	-	-	-	-	34,764	700,225
Other Deposits	19,655,441	8,410,733	897,899	11,473	-	5,566,483	34,542,029
Funds from Interbank Money Market	2,401,281	-	631,956	744,950	-	-	3,778,187
Miscellaneous Payables ⁽⁶⁾	-	-	-	-	-	4,702,858	4,702,858
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed from Other Financial Institutions	1,369,652	5,757,442	13,943,617	569,320	-	1,368,835	23,008,866
Other Liabilities ⁽⁶⁾⁽⁷⁾	262,449	341,945	162,650	49,308	4,277	12,150,590	12,971,219
Total Liabilities	24,354,284	14,510,120	15,636,122	1,375,051	4,277	23,823,530	79,703,384
Balance Sheet Long Position	-	-	-	11,732,615	5,415,271	-	17,147,886
Balance Sheet Short Position	(2,128,973)	(4,936,575)	(4,135,400)	-	-	(5,946,938)	(17,147,886)
Off-balance Sheet Long Position	-	-	-	1,578,030	155,567	-	1,733,597
Off-balance Sheet Short Position	(5,196)	(407,113)	(526,224)	-	-	-	(938,533)
Total Position	(2,134,169)	(5,343,688)	(4,661,624)	13,310,645	5,570,838	(5,946,938)	795,064

⁽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 4,227,243 classified to a related re-pricing periods.

⁽³⁾ Loans Given item includes TL 1,356,513 Expected Loss Provisions.

⁽⁴⁾ Financial Assets Measured at Amortized Cost item includes Expected Loss Provisions of TL 41.

⁽⁵⁾ Other Assets item consists of TL1,713,578 Assets Held For Sale From Discontinued Operations, TL 3,240,030 Tangible Assets, TL 113,813 Intangible Assets, TL 118,116 Current Tax Asset and TL 1,979,386 Other Assets.

⁽⁶⁾ Other Liabilities item includes derivative financial liabilities amounting to TL 775,781 classified to a related re-pricing periods. Other Liabilities and Miscellaneous Payables consist of TL 775,781 Financial Derivate Liabilities, TL 91,542 Lease Liabilities, TL 2,116,849 Provisions, TL 445,140 Current Tax Liability, TL 852,678 Deferred Tax Liability, TL 6,097,913 Other Liabilities and TL 7,294,174 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):****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 2022	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	1,133,913	-	-	-	-	5,714,845	6,848,758
Banks ⁽¹⁾	1,323,625	-	-	-	-	428,951	1,752,576
Financial Assets at Fair Value Through Profit/Loss ⁽²⁾	1,275,899	1,016,583	485,371	91,167	129,960	96,065	3,095,045
Interbank Money Market Placements	1,519,254	310,048	49,954	-	-	-	1,879,256
Financial Assets at Fair Value Through Other Comprehensive Income	59,213	929,794	161,091	163,061	283,070	30,402	1,626,631
Loans Given ⁽³⁾	16,864,460	7,300,462	7,354,099	4,815,007	1,469,205	1,722,246	39,525,479
Financial Assets Measured at Amortized Cost ⁽⁴⁾	104,501	2,113,477	578,665	1,366,328	1,217,692	-	5,380,663
Other Assets ⁽⁵⁾	40,636	-	-	-	-	3,598,946	3,639,582
Total Assets	22,321,501	11,670,364	8,629,180	6,435,563	3,099,927	11,591,455	63,747,990
Liabilities							
Bank Deposits	139,592	-	-	-	-	37,211	176,803
Other Deposits	24,110,488	10,232,437	864,553	26,323	-	4,302,944	39,536,745
Funds from Interbank Money Market	1,056,983	-	-	599,312	-	-	1,656,295
Miscellaneous Payables ⁽⁶⁾	-	-	-	-	-	3,304,237	3,304,237
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed from Other Financial Institutions	2,140,924	7,139,095	988,824	25,378	-	934,915	11,229,136
Other Liabilities ^{(6) (7)}	89,037	109,674	158,276	165,356	265	7,322,166	7,844,774
Total Liabilities	27,537,024	17,481,206	2,011,653	816,369	265	15,901,473	63,747,990
Balance Sheet Long Position	-	-	6,617,527	5,619,194	3,099,662	-	15,336,383
Balance Sheet Short Position	(5,215,523)	(5,810,842)	-	-	-	(4,310,018)	(15,336,383)
Off-balance Sheet Long Position	-	-	606,479	1,021,909	134,665	-	1,763,053
Off-balance Sheet Short Position	(284,092)	(470,237)	-	-	-	-	(754,329)
Total Position	(5,499,615)	(6,281,079)	7,224,006	6,641,103	3,234,327	(4,310,018)	1,008,724

⁽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 2,491,563 classified to a related re-pricing periods.⁽³⁾ Loans Given item includes TL 2,331,270 Expected Loss Provisions.⁽⁴⁾ Financial Assets Measured at Amortized Cost item includes Expected Loss Provisions of TL 43.⁽⁵⁾ Other Assets item consists of TL 855,289 Assets Held For Sale From Discontinued Operations, TL 1,583,273 Tangible Assets, TL 86,599 Intangible Assets, TL 29,604 Current Tax Asset, TL 164,843 Deferred Tax Asset, TL 919,974 Other Assets.⁽⁶⁾ Other Liabilities item includes derivative financial liabilities amounting to TL 454,507 classified to a related re-pricing periods. Other Liabilities and Miscellaneous Payables consist of TL 454,507 Financial Derivate Liabilities, TL 83,046 Lease Liabilities, TL 953,599 Provisions, TL 467,947 Current Tax Liability, TL 159,992 Deferred Tax Liability, TL 3,935,970 Other Liabilities and TL 5,093,950 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 September 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	-	-	-	-
Banks	-	-	-	38.35
Financial Assets at Fair Value Through Profit/Loss	4.71	5.16	-	10.36
Interbank Money Market Placements	-	-	-	34.86
Financial Assets at Fair Value Through Other Comprehensive Income	4.75	7.46	-	36.39
Loans Given	7.26	10.87	-	30.58
Financial Assets Measured at Amortized Cost	3.89	8.60	-	46.31
Liabilities				
Bank Deposits (*)	-	5.33	-	-
Other Deposits (*)	1.65	3.22	-	28.06
Funds from Interbank Money Market	-	6.14	-	29.31
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed from Other Financial Institutions	6.51	6.58	-	19.64

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

31 December 2022	EUR	USD	Yen	TL
Assets	%	%	%	%
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	-	-	-	-
Due from Banks	2.03	3.96	-	16.99
Financial Assets at Fair Value Through Profit/Loss	3.68	4.71	-	13.93
Interbank Money Market Placements	-	-	-	12.37
Financial Assets at Fair Value Through Other Comprehensive Income	4.76	7.64	-	27.60
Loans Given	6.19	8.65	-	17.35
Financial Assets Measured at Amortized Cost	3.88	8.56	-	43.46
Liabilities				
Bank Deposits (*)	3.42	-	-	-
Other Deposits (*)	1.26	2.00	-	19.09
Funds from Interbank Money Market	-	4.42	-	7.65
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed from Other Financial Institutions	-	5.28	-	14.19

(*) 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	(55,773)	(0.5%)
2. TL	-400 bp	65,988	0.5%
3. EUR	+200 bp	40,609	0.3%
4. EUR	-200 bp	(37,767)	(0.3%)
5. USD	+200 bp	(157,406)	(1.3%)
6. USD	-200 bp	179,769	1.5%
Total (For Negative Shocks)		207,990	1.7%
Total (For Positive Shocks)		(172,570)	(1.4%)

V. EXPLANATIONS ON CONSOLIDATED SHARE CERTIFICATE POSITION RISK:**a. Balance Sheet Values, Fair Value and Market Value's compare of Share Certificate Investments**

Current Period		Comparison		
Share Certificate Investments		Balance Sheet	Fair Value	Market Value
1	Share Certificate Investment Group A	-	-	-
	Publicly-traded	-	-	-
2	Share Certificate Investment Group B	-	-	-
	Publicly-traded	-	-	-
3	Share Certificate Investment Group C	-	-	-
	Publicly-traded	-	-	-
4	Share Certificate Investment Group Other	68,826	68,826	-
	Not publicly-traded	68,826	68,826	-

As of 31 December 2022 there is no Share Certificate Position Risk.

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.

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

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

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 SEPTEMBER 2023**

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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 September 2023		Unweighted Amounts (*)		Weighted Amounts (*)	
		TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS					
1	High quality liquid assets			15,145,778	7,283,559
CASH OUTFLOWS					
2	Retail and small business customers deposits	28,881,741	14,452,595	2,680,748	1,445,260
3	Stable deposits	4,148,510	-	207,425	-
4	Less stable deposits	24,733,231	14,452,595	2,473,323	1,445,260
5	Unsecured funding other than retail and small business customers deposits	10,939,235	6,130,257	8,252,041	4,348,275
6	Operational deposits	1,821,362	1,153,346	455,341	288,338
7	Non-Operational Deposits	3,280,457	2,048,961	1,959,284	1,131,987
8	Other Unsecured Funding	5,837,416	2,927,950	5,837,416	2,927,950
9	Secured funding			-	-
10	Other cash outflows	2,398,840	2,428,268	2,398,840	2,428,267
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	2,398,840	2,428,268	2,398,840	2,428,267
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	14,757,664	6,961,413	2,365,045	1,017,248
16	TOTAL CASH OUTFLOWS			15,696,674	9,239,050
CASH INFLOWS					
17	Secured receivables	-	-	-	-
18	Unsecured receivables	9,618,393	1,955,346	7,315,306	1,437,603
19	Other cash inflows	365,736	1,617,224	365,736	1,617,225
20	TOTAL CASH INFLOWS	9,984,129	3,572,570	7,681,042	3,054,828
				Upper Limit Applied Values	
21	TOTAL HIGH QUALITY LIQUID ASSETS			15,145,778	7,283,559
22	TOTAL NET CASH OUTFLOWS			8,015,632	6,184,222
23	LIQUIDITY COVERAGE RATIO (%)			188.95	117.78

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

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 SEPTEMBER 2023**

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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):**

		Unweighted Amounts (*)		Weighted Amounts (*)	
		TL+FC	FC	TL+FC	FC
31 December 2022					
HIGH QUALITY LIQUID ASSETS					
1	High quality liquid assets			12,303,121	7,584,145
CASH OUTFLOWS					
2	Retail and small business customers deposits	28,732,845	16,065,230	2,772,705	1,606,523
3	Stable deposits	2,011,600	-	100,580	-
4	Less stable deposits	26,721,245	16,065,230	2,672,125	1,606,523
5	Unsecured funding other than retail and small business customers deposits	10,460,515	6,711,574	5,952,923	3,471,759
6	Operational deposits	3,349,936	2,428,731	837,484	607,183
7	Non-Operational Deposits	4,785,564	3,281,505	2,790,424	1,863,238
8	Other Unsecured Funding	2,325,015	1,001,338	2,325,015	1,001,338
9	Secured funding	-	-	-	-
10	Other cash outflows	1,839,085	1,821,148	1,839,085	1,821,148
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	1,839,085	1,821,148	1,839,085	1,821,148
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off-balance sheet liabilities	-	-	-	-
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15	Other irrevocable or conditionally revocable commitments	9,356,464	4,808,935	1,554,508	841,100
16	TOTAL CASH OUTFLOWS			12,119,221	7,740,530
CASH INFLOWS					
17	Secured receivables	-	-	-	-
18	Unsecured receivables	7,280,111	2,061,929	5,621,116	1,789,356
19	Other cash inflows	24,434	2,221,134	24,434	2,221,134
20	TOTAL CASH INFLOWS	7,304,545	4,283,063	5,645,550	4,010,490
				Upper Limit Applied Values	
21	TOTAL HIGH QUALITY LIQUID ASSETS			12,303,121	7,584,145
22	TOTAL NET CASH OUTFLOWS			6,473,671	3,730,040
23	LIQUIDITY COVERAGE RATIO (%)			190.05	203.33

(*) 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 items which are determinant on the ratio are sorted as required reserves kept in Central Bank of the Republic of Turkey, securities which are not subject to repo/guarantee, deposit having a corporate transaction, banks deposits, foreign sourced funds and receivables from banks. The impacts of aforementioned items on liquidity coverage ratio are higher than other items since they have a higher share in liquid assets and net cash out flows and they can change in time.

As of the period-end, high quality liquid assets of the Bank consist of accounts in Central Bank of the Republic of Turkey at a ratio of 47% and securities issued by under secretariat of Treasury at a ratio of 39%. The fund resources are distributed among deposits of individuals and retail, corporate deposits and due to bank debt at ratios of 18%, 32% and 24%, respectively.

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

Absolute value of net warrant flows realized as of 30 days periods for each transaction and liability are calculated provided that changes in fair values of derivative transactions and other liabilities can form a margin liability in accordance with "Regulation on Calculation of Liquidity Coverage Ratio of Banks" entered into force through publishing in Official Gazette dated 21 March 2014 and numbered 28948. The biggest absolute value, which is calculated in the last 24 months, is taken into consideration as cash outflow. Calculations for derivative transactions and other liabilities, having a flow history shorter than 24 months, are performed from the date in which the transaction is triggered. Information related to the aforementioned cash outflow occurred on 30 September 2023 is given below:

Date	FC	FC + TL
30 September 2023	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 September 2023, 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 (%)	143.18	206.49	101.43	171.29
Monthly	01.07.2023	01.07.2023	01.08.2023	01.08.2023

Prior Period	Maximum (%)		Minimum (%)	
	FC	FC + TL	FC	FC + TL
Monthly Arithmetic Average (%)	306.48	235.01	149.69	162.51
Monthly	30.11.2022	31.12.2022	31.12.2022	30.11.2022

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

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed	Total
30 September 2023								
Assets ⁽¹⁾								
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the CBRT	4,043,206	5,330,210	-	-	-	-	-	9,373,416
Banks	384,321	1,637,382	-	-	-	-	52,642	2,074,345
Financial Assets at Fair Value Through Profit or Loss ⁽²⁾	-	307,917	881,943	581,282	2,055,598	659,511	2,581,909	7,068,160
Interbank Money Market Placements	-	1,128,409	-	-	-	-	-	1,128,409
Financial Assets at Fair Value Through Other Comprehensive Income	-	-	-	599,881	1,775,777	586,102	33,303	2,995,063
Loans Given ⁽³⁾	-	8,043,317	8,879,043	7,879,104	12,014,210	4,255,307	1,121,514	42,192,495
Financial Assets Measured at Amortized Cost ⁽⁴⁾	-	68,826	-	1,187,162	2,710,541	3,740,044	-	7,706,573
Other Assets ⁽⁵⁾	100,714	147,679	122,291	452,865	-	-	6,341,374	7,164,923
Total Assets	4,528,241	16,663,740	9,883,277	10,700,294	18,556,126	9,240,964	10,130,742	79,703,384
Liabilities								
Bank Deposits	34,764	665,461	-	-	-	-	-	700,225
Other Deposits	5,566,483	19,655,441	8,410,733	897,899	11,473	-	-	34,542,029
Funds Borrowed from Other Financial Institutions	-	1,393,526	1,609,024	13,910,483	1,937,833	4,158,000	-	23,008,866
Funds from Interbank Money Market	-	2,401,281	-	631,956	744,950	-	-	3,778,187
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	59,309	84,433	-	-	-	-	4,559,116	4,702,858
Other Liabilities ⁽⁶⁾⁽⁷⁾	-	608,320	558,570	816,195	755,248	4,277	10,228,609	12,971,219
Total Liabilities	5,660,556	24,808,462	10,578,327	16,256,533	3,449,504	4,162,277	14,787,725	79,703,384
Net Liquidity Gap	(1,132,315)	(8,144,722)	(695,050)	(5,556,239)	15,106,622	5,078,687	(4,656,983)	-
Net Off-balance Sheet Position	-	40,010	577,591	1,051,688	1,808,166	430,737	-	3,908,192
Receivables from Derivative Financial Instruments	-	12,029,783	15,634,219	5,202,540	4,782,419	2,645,765	-	40,294,726
Payables from Derivative Financial Instruments	-	(11,989,773)	(15,056,628)	(4,150,852)	(2,974,253)	(2,215,028)	-	(36,386,534)
Non-Cash Loans	-	7,244,362	2,472,240	4,791,083	730,403	31,510	-	15,269,598
31 December 2022								
Total Assets	2,984,008	16,720,245	9,764,533	8,821,473	12,610,137	8,151,569	4,696,025	63,747,990
Total Liabilities	4,397,507	26,231,775	11,919,905	2,260,302	6,685,143	2,836,709	9,416,649	63,747,990
Net Liquidity Gap	(1,413,499)	(9,511,530)	(2,155,372)	6,561,171	5,924,994	5,314,860	(4,720,624)	-
Net Off-balance Sheet Position	-	24,290	(15,889)	459,948	1,441,478	345,709	-	2,255,536
Receivables from Derivative Financial Instruments	-	10,940,502	8,187,518	2,718,932	5,531,825	2,489,308	-	29,868,085
Payables from Derivative Financial Instruments	-	(10,916,212)	(8,203,407)	(2,258,984)	(4,090,347)	(2,143,599)	-	(27,612,549)
Non-cash Loans	-	7,565,675	614,230	1,624,567	301,857	2,456	-	10,108,785

⁽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 4,227,243 classified to a related re-pricing periods.⁽³⁾ Loans Given item includes TL 1,356,513 Expected Loss Provisions.⁽⁴⁾ Financial Assets Measured at Amortized Cost item includes Expected Loss Provisions of TL 41.⁽⁵⁾ Other Assets item consists of TL 1,713,578 Assets Held For Sale From Discontinued Operations, TL 3,240,030 Tangible Assets, TL 113,813 Intangible Assets, TL 118,116 Current Tax Asset, TL 1,979,386 Other Assets. 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 775,781 classified to a related re-pricing periods. Other Liabilities and Miscellaneous Payables consist of TL 775,781 Financial Derivate Liabilities, TL 91,542 Lease Liabilities, TL 2,116,849 Provisions, TL 445,140 Current Tax Liability, TL 852,678 Deferred Tax Liability, TL 6,097,913 Other Liabilities and TL 7,294,174 Shareholder's Equity.⁽⁷⁾ Shareholders' equity is presented under the "Other liabilities" item in the "Undistributable" column.

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 SEPTEMBER 2023**

(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):**VII. EXPLANATIONS ON CONSOLIDATED LEVERAGE RATIO:****Information on subjects that causes difference in leverage ratio between current and prior periods:**

As of 30 September 2023 leverage ratio of the Bank calculated from the arithmetic average of the three months is 7.66% (31 December 2022: 6.83%). This ratio is above the minimum requirement. The most important reason for the difference in leverage ratio between current and prior periods are the increase in balance sheet and off-balance sheet assets.

Disclosure of leverage ratio template:

	30 September 2023 (*)	31 December 2022 (*)
Balance sheet assets		
Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	75,151,573	61,957,793
(Assets deducted from Core capital)	104,583	77,881
Total risk amount of balance sheet assets	75,046,990	61,879,912
Derivative financial assets and credit derivatives		
Cost of replenishment for derivative financial assets and credit derivatives	2,446,833	1,183,483
Potential credit risk amount of derivative financial assets and credit derivatives	314,033	321,833
Total risk amount of derivative financial assets and credit derivatives	2,760,866	1,505,316
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	17,680,990	12,347,130
(Correction amount due to multiplication with credit conversion rates)	-	-
Total risk of off-balance sheet transactions	17,680,990	12,347,130
Capital and total risk		
Core Capital	7,313,209	5,168,027
Total risk amount	95,488,846	75,732,358
Leverage ratio		
Leverage ratio	7.66%	6.83%

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

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 September 2023, The Group applies cash flow hedge accounting using interest swaps to hedge its FC deposits and other liabilities with an average maturity up to 3 months against interest rate fluctuations. The Group implements effectiveness tests at the balance sheet dates for hedge accounting; the effective parts are accounted as defined in TFRS 9, in financial statements under equity "Hedging Funds", whereas the amount concerning ineffective parts is associated with the statement of profit or loss.

As of the balance sheet date derivative financial assets of which carrying amount is TL 3,386,705 (31 December 2022: TL 2,237,322) and derivative financial payables of which carrying amount is TL 140,912 (31 December 2022: TL 154,717), are subject to hedge accounting as hedging instruments. As a result of the mentioned hedge accounting, fair value income amounting to TL 248,478 (30 September 2022: TL 537,275 fair value income) after tax is recognized under the equity in the current period. Ineffective part is not available (31 December 2022: None).

Hedging Instrument	Hedging Subject	Exposed Risk	Hedging Instruments Fair Value		Hedging Funds	Ineffective Part Accounted in Income Statement (Net)
			Assets	Liabilities		
Cross Currency Swap	Floating rate up to 3 month maturity FC deposits	Cash flow risk of changes in market interest rates	2,736,955	60,516	578,811	-
Interest Rate Swap	Floating rate up to 3 month maturity FC deposits	Cash flow risk of changes in market interest rates	649,750	80,396	390,317	-

When hedge accounting of cash flow hedges cannot be maintained effectively as defined in TAS 39, the accounting application is ended. In case of deterioration of efficiency, the effective amounts, which are recognized under the equity due to the risk hedge accounting, are eliminated from equities in the periods or periods, when cash flow effects profit and losses (periods, when interest income or expenses are recognized) as re-classification adjustment and then it is re-classified in the profit and loss. There is no amount, which is transferred to income statement due to the swaps, of which effectiveness is damaged or closed in the current period (31 December 2022: None).

The measurements conducted as of 30 September 2023 between 31 December 2022 show that the cash flow hedging transactions shown above are effective.

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 SEPTEMBER 2023**

(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 2022 for balance sheet items and 30 September 2022 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 September 2023						
Net Interest Income	456,326	246,676	457,453	(863,843)	775,555	1,072,167
Net Fees and Commissions	1,360	(4,411)	722,260	-	37,533	756,742
Trading Profit/Loss	55,622	3,467	191,926	926,443	(56,669)	1,120,789
Other Operating Income	981	10,730	197,687	-	944,546	1,153,944
Operating Income	514,289	256,462	1,569,326	62,600	1,700,965	4,103,642
Operating and Provision Costs (-)	(212,942)	(152,319)	303,097	(107,605)	(929,823)	(1,099,592)
Net Operating Income	301,347	104,143	1,872,423	(45,005)	771,142	3,004,050
Dividend Income	-	-	-	-	7,445	7,445
Income/Loss from subsidiaries based on equity method	-	-	-	-	-	-
Profit Before Tax	301,347	104,143	1,872,423	(45,005)	778,587	3,011,495
Tax Provisions (-)	(90,404)	(31,244)	(676,055)	13,502	(224,919)	(1,009,120)
Net Profit/Loss	210,943	72,899	1,196,368	(31,503)	553,668	2,002,375
Segment Assets	3,077,238	4,495,141	33,658,304	23,581,357	7,726,421	72,538,461
Investments in associates, subsidiaries and joint ventures	-	-	-	-	-	-
Unallocated Assets	-	-	-	-	7,164,923	7,164,923
Total Assets	3,077,238	4,495,141	33,658,304	23,581,357	14,891,344	79,703,384
Segments Liabilities	20,435,664	6,517,461	5,713,309	20,521,333	19,221,443	72,409,210
Unallocated Liabilities	-	-	-	-	7,294,174	7,294,174
Total Liabilities	20,435,664	6,517,461	5,713,309	20,521,333	26,515,617	79,703,384

(*) 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 SEPTEMBER 2023**

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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 September 2022						
Net Interest Income	281,280	(50,053)	848,226	14,489	176,592	1,270,534
Net Fees and Commissions	384	795	95,925	-	9,671	106,775
Trading Profit/Loss	40,430	362	12,521	185,421	(38,751)	199,983
Other Operating Income	589	1,220	146,004	-	229,283	377,096
Operating Income	322,683	(47,676)	1,102,676	199,910	376,795	1,954,388
Operating and Provision Costs (-)	(96,815)	(54,176)	(85,755)	(60,384)	(297,326)	(594,456)
Net Operating Income	225,868	(101,852)	1,016,921	139,526	79,469	1,359,932
Dividend Income	-	-	-	-	24	24
Income/Loss from subsidiaries based on equity method	-	-	-	-	-	-
Profit Before Tax	225,868	(101,852)	1,016,921	139,526	79,493	1,359,956
Tax Provisions (-)	(56,467)	25,463	(254,230)	(34,882)	(34,055)	(354,171)
Net Profit/Loss	169,401	(76,389)	762,691	104,644	45,438	1,005,785
31 December 2022						
Segment Assets	3,110,052	2,409,090	34,444,359	14,700,425	5,444,482	60,108,408
Investments in associates, subsidiaries and joint ventures	-	-	-	-	-	-
Unallocated Assets	-	-	-	-	3,639,582	3,639,582
Total Assets	3,110,052	2,409,090	34,444,359	14,700,425	9,084,064	63,747,990
Segments Liabilities	23,208,234	4,894,988	10,798,939	7,809,186	11,942,693	58,654,040
Unallocated Liabilities	-	-	-	-	5,093,950	5,093,950
Total Liabilities	23,208,234	4,894,988	10,798,939	7,809,186	17,036,643	63,747,990

(*) 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 September 2023		31 December 2022	
	TL	FC	TL	FC
Cash/Foreign currency	37,132	765,868	32,803	318,656
Central Bank of Turkey	3,057,435	5,387,133	1,186,746	5,140,335
Other	-	125,848	-	170,218
Total	3,094,567	6,278,849	1,219,549	5,629,209

2. Information on the account of the CBRT:

	30 September 2023		31 December 2022	
	TL	FC	TL	FC
Unrestricted Demand Amount	3,057,435	2,662,813	1,186,746	2,023,468
Unrestricted Time Amount	-	-	-	-
Restricted Time Amount	-	2,724,320	-	3,116,867
Total	3,057,435	5,387,133	1,186,746	5,140,335

3. Information on Reserve Requirements:

According to the Communiqué on Required Reserves published in the Official Gazette dated 31 December 2022 and numbered 32060, the facility for maintain Turkish lira reserve requirements in standard gold and scrap gold will be terminated as of 23 June 2023.

The required reserve rates for TL liabilities vary between 0% and 25% for TL deposits and other liabilities according to their maturities as of 30 September 2023 (31 December 2022: 3% and 8% for all TL liabilities); the reserve rates for foreign currency liabilities vary between 5% and 29% for deposit and other foreign currency liabilities according to their maturities as of 30 September 2023 (31 December 2022: 5% and 26% for all foreign currency liabilities). As of 18 August 2023, execution of 5 points higher foreign currency reserve requirement ratios for the banks with a "TL Deposit Share" ratio below 60%, calculated separately for real and legal person deposit portfolio has been terminated.

The commission practice according to the share of Turkish Lira deposits in total deposits which were applied since 23 December 2022, has been changed as of 29 September 2023. An annual commission of 8% in USD will be applied over the required reserve amount placed at CBRT for foreign currency deposit and precious metal deposit accounts, for the banks whose rate of converted and renewed FC Protected TL Deposit Amounts and newly opened Real Person FC Protected TL Deposit Amounts below 100%. Having said that, if a bank achieves the target, but could not convert at least 5% of FC Protected TL Deposit Amounts to Conventional TL Deposit; then a discounted commission rate according to deficient amount would be applied to that bank.

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 SEPTEMBER 2023**

(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 At Fair Value Through Profit or Loss:**

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

As of 30 September 2023, there are TL 73 financial assets at fair value through profit or loss given as collateral/blocked (31 December 2022: TL 290,167).

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

As of 30 September 2023, there are not repurchase agreements from financial assets at fair value through profit or loss (31 December 2022: None).

c. Information on banks:

1. Information on banks:

	30 September 2023		31 December 2022	
	TL	FC	TL	FC
Banks				
Domestic	1,674,016	27,561	640,327	872,358
Foreign	-	372,829	-	239,962
Foreign Headquarters and Branches	-	-	-	-
Total	1,674,016	400,390	640,327	1,112,320

2. Information on foreign bank accounts:

	Unrestricted Balance		Restricted Balance	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
EU Countries	37,420	48,393	-	-
USA, Canada	23,569	66,671	-	-
OECD Countries (*)	255,065	102,214	-	-
Coastal Banking Regions	-	-	-	-
Other	56,775	22,684	-	-
Total	372,829	239,962	-	-

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

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

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

As of 30 September 2023, there are TL 1,776,195 financial assets at fair value through other comprehensive income given as collateral/blocked (31 December 2022: TL 627,587).

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

As of 30 September 2023, there are TL 661,842 financial assets at fair value through other comprehensive income subject to repurchase agreements (31 December 2022: TL 7,811).

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 SEPTEMBER 2023**

(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 at fair value through other comprehensive income:**

	30 September 2023	31 December 2022
Debt Securities	3,048,277	1,611,781
Quoted on Stock Exchange	3,048,277	1,611,781
Not Quoted	-	-
Share Certificates	33,302	30,402
Quoted on Stock Exchange	-	-
Not Quoted	33,302	30,402
Impairment Provision (-)	86,516	15,552
Total	2,995,063	1,626,631

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 SEPTEMBER 2023**

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

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

	30 September 2023		31 December 2022	
	Cash	Non-cash	Cash	Non-cash
Direct Loans Granted To Shareholders	-	19,907	-	17,225
Corporate Shareholders	-	19,907	-	17,225
Real Person Shareholders	-	-	-	-
Indirect Loans Granted To Shareholders	-	-	-	-
Loans Granted To Employees	4,297	-	3,293	-
Total	4,297	19,907	3,293	17,225

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

i.

		Loans Under Close Monitoring		
		Loans Not Subject to Restructuring	Restructured Loans	
Cash Loans	Standard Loans		Loans with Revised Contract Terms	Re-finance
Non-Specialized Loans	30,793,151	93,220	5,694,932	-
Loans given to enterprises	-	-	-	-
Export Loans	9,187,749	-	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	5,350,057	-	-	-
Consumer Loans	3,575,176	13,733	1,066	-
Credit Cards	-	-	-	-
Other (*)	12,680,169	79,487	5,693,866	-
Specialized Loans	-	-	-	-
Other Receivables (**)	3,565,842	44,250	1,708,040	-
Total	34,358,993	137,470	7,402,972	-

(*) 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 Month Expected Credit Losses	76,219	-
Significant Increase in Credit Risk	-	752,303

(*) 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	20,173,032	47,867	171,674
Medium and Long-Term Loans	14,185,961	89,603	7,231,298
TOTAL	34,358,993	137,470	7,402,972

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 SEPTEMBER 2023**

(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	792,490	2,780,643	3,573,133
Real estate loans	-	21,555	21,555
Automotive loans	87,551	1,700,239	1,787,790
Consumer loans	704,939	1,058,849	1,763,788
Other	-	-	-
Consumer Loans-FC Indexed	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	5,906	5,906
Real estate loans	-	5,906	5,906
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Individual Credit Cards-TL	-	-	-
With installments	-	-	-
Without installments	-	-	-
Individual Credit Cards-FC	-	-	-
With installments	-	-	-
Without installments	-	-	-
Personnel Loans-TL	804	3,493	4,297
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	804	3,493	4,297
Other	-	-	-
Personnel Loans-FC Indexed	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	-	-	-
With installments	-	-	-
Without installments	-	-	-
Personnel Credit Cards-FC	-	-	-
With installments	-	-	-
Without installments	-	-	-
Credit Deposit Account-TL (Real Person)	6,639	-	6,639
Credit Deposit Account-FC (Real Person)	-	-	-
Total	799,933	2,790,042	3,589,975

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

	Short-term	Medium and long-term	Total
Commercial Installments Loans-TL	-	437,247	437,247
Real estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	437,247	437,247
Other	-	-	-
Commercial Installments Loans-FC Indexed	-	79,368	79,368
Real estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	79,368	79,368
Other	-	-	-
Commercial Installments Loans-FC	91,841	12,683,540	12,775,381
Real estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	91,841	12,683,540	12,775,381
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	91,841	13,200,155	13,291,996

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

	30 September 2023	31 December 2022
Public	569,751	1,282,605
Private	41,329,684	38,187,596
Total	41,899,435	39,470,201

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

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

	30 September 2023	31 December 2022
Domestic Loans	41,870,154	39,419,787
Foreign Loans	29,281	50,414
Total	41,899,435	39,470,201

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

8. Loans given to associates and subsidiaries:

None (31 December 2022: None).

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 SEPTEMBER 2023**

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

	30 September 2023	31 December 2022
Loans with Limited Collectability	24,062	9,516
Loans with Doubtful Collectability	6,006	244,107
Uncollectible Loans	497,923	410,679
Total	527,991	664,302

(*) 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
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
30 September 2023			
Gross Amounts Before The Provisions	2	-	148,021
Restructured Loans	2	-	148,021
31 December 2022			
Gross Amounts Before The Provisions	114	159	179,170
Restructured Loans	114	159	179,170

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

	Group III	Group IV	Group V
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Ending Balance of Prior Period	25,581	413,818	1,947,149
Additions (+)	90,162	1,012	114,657
Transfers from Other Categories of Non-Performing Loans (+)	-	23,605	403,590
Transfers to Other Categories of Non-Performing Loans (-)	23,605	403,589	-
Collections (-)	12,629	15,915	913,110
Write-off (-)	-	-	1,153
Sold Portfolio (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Balance at the End of the Period	79,509	18,931	1,551,133
Specific Provision (-)	24,062	6,006	497,923
Net Balance on Balance Sheet	55,447	12,925	1,053,210

(*) It includes "Receivables from Leasing Transactions.

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 SEPTEMBER 2023**

(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 Loans with limited collectability	Group IV Loans with doubtful collectability	Group V Uncollectible loans
30 September 2023 (*)			
Period-End Balance	36,274	8,018	1,103,901
Provision Amount (-)	394	-	232,316
Net Balance on Balance Sheet	35,880	8,018	871,585
31 December 2022 (*)			
Period-End Balance	8,610	383,669	1,352,691
Provision Amount (-)	945	231,629	182,962
Net Balance on Balance Sheet	7,665	152,040	1,169,729

(*) Including "Receivables from Leasing Transactions".

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

	Group III Loans with limited collectability	Group IV Loans with doubtful collectability	Group V Uncollectible loans
30 September 2023			
Current Period (Net)	55,447	12,925	1,053,210
Loans Given to Real Persons and Legal Persons (Gross)	42,249	1,924	1,309,217
Provision Amount (-)	23,276	950	488,518
Loans Given to Real Persons and Legal Persons (Net)	18,973	974	820,699
Banks (Gross)			
Provision Amount (-)			
Banks (Net)	-	-	-
Other Loans (Gross)	37,260	17,007	241,916
Provision Amount (-)	786	5,056	9,405
Other Loans (Net)	36,474	11,951	232,511
Prior Period (Net)	16,065	169,711	1,536,470
Loans Given to Real Persons and Legal Persons (Gross)	832	322,320	1,371,602
Provision Amount (-)	508	210,510	310,652
Loans Given to Real Persons and Legal Persons (Net)	324	111,810	1,060,950
Banks (Gross)	-	-	-
Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	24,749	91,498	575,547
Provision Amount (-)	9,008	33,597	100,027
Other Loans (Net)	15,741	57,901	475,520

(*) 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 first reporting period (interim or year-end reporting period) following their classification in the group.

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

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

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

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

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

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

As of 30 September 2023, the Group has written-off its loans amounting to TL 1,153 (31 December 2022: TL 109,248).

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
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Current Period (Net)	1,342	120	29,115
Interest Accruals and Valuation Differences	1,342	125	52,590
Provision Amount (-)	-	5	23,475
Prior Period (Net)	6	2,549	69,481
Interest Accruals and Valuation Differences	12	5,880	89,605
Provision Amount (-)	6	3,331	20,124

g. Information on financial assets measured at amortized cost:

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

	30 September 2023		31 December 2022	
	TL	FC	TL	FC
Bonds	-	-	-	-
Bonds and Similar Securities	1,028,564	1,834,687	653,244	928,756
Other	-	-	-	-
Total	1,028,564	1,834,687	653,244	928,756

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

	30 September 2023		31 December 2022	
	TL	FC	TL	FC
Bonds	-	-	-	-
Bonds and Similar Securities	3,444,799	935,422	951,373	696,637
Other	-	-	-	-
Total	3,444,799	935,422	951,373	696,637

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

	30 September 2023	31 December 2022
Government Bond	7,706,614	5,380,706
Treasury Bond	-	-
Other Public Debt Securities	-	-
Total	7,706,614	5,380,706

4. Information on financial assets measured at amortized cost:

	30 September 2023	31 December 2022
Debt Securities	7,706,614	5,380,706
Publicly-Traded	7,706,614	5,380,706
Not Publicly-Traded	-	-
Provision for Impairment (-)	-	-
Total	7,706,614	5,380,706

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EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (continued):**I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (continued):****g. Information on financial assets measured at amortized cost (continued):****5. Movement of financial assets measured at amortized cost within the period:**

	30 September 2023	31 December 2022
Balance at the Beginning of the Period	5,380,706	1,023,468
Exchange Differences in Monetary Assets	779,080	469,886
Purchases During the Year	959,576	3,975,531
Disposal Through Sale and Redemption	(502,604)	(303,882)
Provision for Impairment (-)	1,089,856	215,703
End of Period Total	7,706,614	5,380,706

h. Information on associates (Net):

None. (31 December 2022: 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 2022: None).

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

None (31 December 2022: 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 Share 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	11,618,943	1,801,267	2,929,828	1,447,556	-	742,627	212,549	-
2	1,503,025	512,071	12,899	214,417	12,068	97,087	21,750	-

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EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (continued):**I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (continued):****i. Information on subsidiaries (Net) (continued):****6. Movements of consolidated subsidiaries:**

	30 September 2023	31 December 2022
Balance at the Beginning of the Period	1,096,358	669,736
Movements During the Period	1,216,897	426,622
Purchases	350,000	-
Bonus Shares Obtained	-	-
Dividends from Current Year Income	839,714	314,504
Sales	-	-
Revaluation Increase/Decrease (*)	27,183	112,118
Impairment Provision	-	-
Balance at the end of the Period	2,313,255	1,096,358
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 September 2023	31 December 2022
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	1,801,184	958,525
Finance Companies	-	-
Other Financial Subsidiaries	512,071	137,833
Total	2,313,255	1,096,358

(*) Includes the data before consolidation procedures.

8. Subsidiaries quoted on stock exchange:

None (31 December 2022: None).

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

None (31 December 2022: None).

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

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

	30 September 2023		31 December 2022	
	Gross	Net	Gross	Net
Less than 1 year	2,705,533	2,138,866	2,200,033	1,872,830
1-4 Years	2,861,109	2,238,536	1,998,654	1,593,711
More than 4 years	1,475,577	1,236,913	1,484,610	1,295,350
Total	7,042,219	5,614,315	5,683,297	4,761,891

l. Information on derivative financial assets:

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

	30 September 2023		31 December 2022	
	TL	FC	TL	FC
Forward Transactions	8,992	3,590	24,365	2,809
Swap Transactions	649,789	169,116	83,933	62,476
Futures Transactions	1,939	-	1,472	-
Options	-	7,112	574	78,612
Other	-	-	-	-
Total	660,720	179,818	110,344	143,897

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

	30 September 2023		31 December 2022	
	TL	FC	TL	FC
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	1,584,052	1,802,653	904,940	1,332,382
Foreign Net Investment Hedge	-	-	-	-
Total	1,584,052	1,802,653	904,940	1,332,382

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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 resale and discontinued operations (continued):**

The total amount of the Group's assets held for sale is TL 1,713,578 (31 December 2022: TL 855,289) and it has no discontinued operations.

	30 September 2023	31 December 2022
Prior Period		
Cost	855,576	1,039,357
Accumulated Depreciation (-)	287	345
Net Book Value	855,289	1,039,012
Current Period		
Net Book Value at Beginning of the Period	855,289	1,039,012
Additions	1,080,798	401,871
Disposals (-), net	222,509	585,594
Impairment (-)	-	-
Depreciation (-)	-	-
Cost at the End of the Period	1,713,854	855,576
Accumulated Depreciation at the End of the Period (-)	276	287
Closing Net Book Value	1,713,578	855,289

n. Information on other assets:

Other assets amount to TL 1,979,386 (31 December 2022: TL 919,974) and do not exceed 10% of the total assets excluding off-balance sheet commitments.

**EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(continued):****II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES:****a. Information on deposits:****1. Information on maturity structure of deposits:****i. 30 September 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	305,192	-	2,147,346	4,173,091	7,560,627	495,223	328,322	-	15,009,801
Foreign Currency Deposits	2,882,123	-	1,720,976	7,883,058	708,043	62,247	141,652	-	13,398,099
Residents in Turkey	2,617,022	-	1,716,446	7,754,736	690,024	61,127	72,436	-	12,911,791
Residents Abroad	265,101	-	4,530	128,322	18,019	1,120	69,216	-	486,308
Public Sector Deposits	193,913	-	-	-	-	-	-	-	193,913
Commercial Deposits	1,681,909	-	279,166	2,801,208	468,959	145,462	55,996	-	5,432,700
Other Institutions Deposits	44,753	-	239	3,931	-	-	-	-	48,923
Precious Metal Deposits	458,593	-	-	-	-	-	-	-	458,593
Bank Deposits	34,764	-	336,737	328,724	-	-	-	-	700,225
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	21	-	-	-	-	-	-	-	21
Foreign Banks	34,743	-	336,737	328,724	-	-	-	-	700,204
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	5,601,247	-	4,484,464	15,190,012	8,737,629	702,932	525,970	-	35,242,254

ii. 31 December 2022:

	Demand	With 7 days notifications	Up to 1 month	1-3 months	3-6 months	6 months -1 year	1 year and over	Accum. Deposit	Total
Saving Deposits	240,703	-	2,624,904	3,767,701	8,253,428	263,797	248,090	-	15,398,623
Foreign Currency Deposits	2,088,774	-	2,773,911	8,613,829	408,851	103,033	143,369	-	14,131,767
Residents in Turkey	1,954,486	-	2,753,121	8,474,444	393,400	101,525	77,591	-	13,754,567
Residents Abroad	134,288	-	20,790	139,385	15,451	1,508	65,778	-	377,200
Public Sector Deposits	137,629	-	-	-	-	-	-	-	137,629
Commercial Deposits	1,509,400	-	431,066	5,311,521	1,467,027	591,001	185,458	-	9,495,473
Other Institutions Deposits	81,666	-	4,015	42,792	-	-	8	-	128,481
Precious Metal Deposits	244,772	-	-	-	-	-	-	-	244,772
Bank Deposits	37,211	-	-	139,592	-	-	-	-	176,803
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	13	-	-	-	-	-	-	-	13
Foreign Banks	37,198	-	-	139,592	-	-	-	-	176,790
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	4,340,155	-	5,833,896	17,875,435	10,129,306	957,831	576,925	-	39,713,548

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (continued):**II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (continued):****a. Information on deposits (continued):****2. Information on saving deposits insurance:****i. Information on saving deposits under the guarantee of the saving deposits insurance fund and exceeding the limit of deposit insurance fund:**

	Under the guarantee of deposit insurance		Exceeding limit of the deposit insurance	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Saving Deposits				
Savings Deposit	5,589,551	3,458,581	9,420,250	11,940,042
Foreign Currency Savings Deposit	1,658,114	1,119,003	8,855,579	7,866,101
Other Deposits in the Form of Savings Deposits	141,728	56,354	316,865	188,418
Foreign Branches' Deposits Under Foreign Authorities' Insurance	-	-	-	-
Off-shore Banking Regions' Deposits Under Foreign Authorities' Insurance	-	-	-	-
Total	7,389,393	4,633,938	18,592,694	19,994,561

(*) 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 308,892 which are covered by the insurance, are not included in the note above.

(**) Deposit amount subject to insurance is TL 400 (31 December 2022: TL 200).

ii. There are no deposits covered under foreign authorities' insurance since the Parent Bank is incorporated in Turkey.**3. Saving deposits of real persons which are not under the guarantee of saving deposit insurance fund:**

	30 September 2023	31 December 2022
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	63,675	32,248
Deposits and Other Accounts of Property Assets Value due to Crime which is in the Scope of Article 282 of Numbered 5237 "TCK" Dated 26 September 2004	-	-
Deposits in Banks Incorporated in Turkey Exclusively for Off-shore Banking Operations	-	-
Total	63,675	32,248

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

None (31 December 2022: None).

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (continued):**II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (continued):****c. Information on funds borrowed:**

1. Information on banks and other financial institutions:

	30 September 2023		31 December 2022	
	TL	FC	TL	FC
Central Bank of Turkey Borrowings	-	-	-	-
From Domestic Banks and Institutions	71,260	224,771	819,207	-
From Foreign Banks, Institutions and Funds	-	17,186,000	-	6,638,570
Total	71,260	17,410,771	819,207	6,638,570

2. Information on maturity structure of funds borrowed:

	30 September 2023		31 December 2022	
	TL	FC	TL	FC
Short-term	71,260	15,282,083	813,509	740,545
Medium and Long-term	-	2,128,688	5,698	5,898,025
Total	71,260	17,410,771	819,207	6,638,570

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

The Group's main funding sources are deposits and funds borrowed. As of 30 September 2023, deposits and borrowings from Group's risk group comprise 0.9% (31 December 2022: 0.9%) of total deposits. Besides this, borrowings from Group's risk group comprise 84.7% (31 December 2022: 78.9%) of subordinated and other borrowings.

d. Information on marketable securities issued:

None (31 December 2022: None).

e. Information on other liabilities:

Other foreign liabilities amounting to TL 6,097,913 (31 December 2022: TL 3,935,970) 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 September 2023		31 December 2022	
	Gross	Net	Gross	Net
Less than 1 year	3,518	3,058	5,048	3,697
Between 1-4 years	65,143	54,502	65,800	55,503
More than 4 years	46,991	33,982	33,909	23,846
Total	115,652	91,542	104,757	83,046

g. Information on derivative financial liabilities:

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

Trading Derivative Financial Liabilities	30 September 2023		31 December 2022	
	TL	FC	TL	FC
Forward Transactions	4,759	3,861	4,816	4,861
Swap Transactions	470,648	142,967	55,264	61,099
Futures Transactions	5,995	-	-	-
Options	-	6,639	-	173,750
Other	-	-	-	-
Total	481,402	153,467	60,080	239,710

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

	30 September 2023		31 December 2022	
	TL	FC	TL	FC
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	111,534	29,378	134,288	20,429
Foreign Net Investment Hedge	-	-	-	-
Total	111,534	29,378	134,288	20,429

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (continued):**II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (continued):****h. Information on provisions:****1. Information on reserve for employment termination benefits:**

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

The payment amount that is one month's salary for each working year is restricted to employment termination ceiling. Employment termination benefits are not funded as there is no funding requirement,

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

	30 September 2023	31 December 2022
Discount rate (%)	1.00	1.00
Salary increase rate (%)	9.22	9.22
Average remaining work period (Year)	12.60	12.60

Movement of reserve for employment termination benefits during the period:

	30 September 2023	31 December 2022
Prior period end balance	78,934	30,425
Service cost	12,285	6,088
Interest cost	5,436	5,593
Reductions and payments	(20,864)	344
Actuarial loss/gain	-	41,648
Benefits paid (-)	10,830	5,164
Balance at the End of Period	64,961	78,934

In addition, as of 30 September 2023, the Group has accounted for vacation rights provision and personnel bonus provision amounting to TL 175,761 (31 December 2022: TL 130,890).

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EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (continued):**II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (continued):****h. Information on provisions (continued):****2. Other Provisions:****i. Information on provisions related with foreign currency difference of foreign indexed loans:**

The provisions related to foreign currency differences of foreign indexed loans calculated as of the balance sheet date have been netted-off from the loan amount in the financial statements, and there is no the provision related to foreign currency differences of foreign indexed loans (31 December 2022: None).

ii. Information on other provisions:

The Bank set aside general reserves under other provisions amounting to TL 1,816,973 (31 December 2022: TL 694,311), TL 46,773 (31 December 2022: TL 35,356) provisions for non-cash loans and commitments that are not converted to cash and not indemnified, TL 6,407 (31 December 2022: TL 6,889) for lawsuit cases, TL 5,974 (31 December 2022: TL 7,219). other provision.

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

As of 30 September 2023, corporate tax provision is TL 325,939 (31 December 2022: TL 370,096).

2. Information on taxes payable:

	30 September 2023	31 December 2022
Corporate Tax Payable	325,939	370,096
Taxation of Marketable Securities	23,730	31,652
Property Tax	1,035	104
Banking Insurance Transaction Tax	22,424	27,024
Foreign Exchange Transaction Tax	976	1,119
Value Added Tax Payable	2,599	3,547
Other	24,398	13,557
Total	401,101	447,099

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (continued):**II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (continued):****i. Information on taxes payable (continued):****3. Information on premium payables:**

	30 September 2023	31 December 2022
Social Security Premiums-Employee	16,062	8,316
Social Security Premiums-Employer	22,271	9,869
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	979	569
Unemployment Insurance-Employer	1,959	1,128
Other	2,768	966
Total	44,039	20,848

4. Explanations on deferred tax asset/liability:

As of 30 September 2023, the Group has net deferred tax asset after netting off the deferred tax asset amounting to TL 512,134 (31 December 2022: TL 606,837) and deferred tax liability amounting to TL 1,364,812 (31 December 2022: TL 601,986) calculated in accordance with TAS 12 on the company basis and there is no net deferred tax asset.(31 December 2022: TL 164,843 net deferred tax asset). TL 852,678 net deferred tax liability is reflected in its financial statements (31 December 2022: TL 159,992).

As of 30 September 2023 and 31 December 2022, the details of accumulated temporary differences and deferred tax assets and liabilities are as follows:

	Accumulated Temporary Differences		Deferred tax assets/liabilities	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Carried Financial Loss	-	63,029	-	15,757
Provision for Legal Cases	12,380	14,109	3,715	3,527
Expected Loss Provisions	844,458	1,792,322	253,337	448,081
Employee Benefits Provision	240,797	103,981	72,239	25,996
Unearned Revenue	47,964	26,445	14,389	6,611
Other (*)	628,783	427,456	168,454	106,865
Deferred Tax Assets	1,774,382	2,427,342	512,134	606,837
Difference Between Book Value and Tax Base of Tangible and Intangible Assets	1,087,228	449,330	316,343	104,724
Valuation Differences of Derivative Instruments	3,476,074	1,959,555	1,042,822	489,889
Other	18,824	29,490	5,647	7,373
Deferred Tax Liabilities	4,582,126	2,438,375	1,364,812	601,986
Deferred Tax Assets/(Liabilities) (Net)			(852,678)	4,851

(*)Within the scope of the provisions of the Tax Procedure Law Provisional Article 32 and the Repeated Article 298/ç, it includes revaluation of immovable property and economic assets subject to amortisation.

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 SEPTEMBER 2023**

(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 September 2023	31 December 2022
Balance as of 1 January	4,851	10,976
Current year deferred tax income/(expense), net	(692,710)	198,630
Deferred tax recognized in equity, net	(164,819)	(204,755)
Period end balance	(852,678)	4,851

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

None (31 December 2022: None).

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 SEPTEMBER 2023**

(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	LIBOR+4.25
Burgan Bank K,P,S,C, (Main Shareholder)	USD 50,000,000	22 February 2021	Indefinite	-

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

	30 September 2023		31 December 2022	
	TL	FC	TL	FC
Domestic Banks	-	-	-	-
Other Domestic Institutions	-	-	-	-
Foreign Banks	-	5,526,835	-	3,771,359
Other Foreign Institutions	-	-	-	-
Total	-	5,526,835	-	3,771,359

	30 September 2023		31 December 2022	
	TL	FC	TL	FC
Debt Instruments Subject to Common Equity	-	1,368,835	-	934,915
Subordinated Loans	-	1,368,835	-	934,915
Subordinated Debt Instruments	-	-	-	-
Debt Instruments Subject to Tier 2 Equity	-	4,158,000	-	2,836,444
Subordinated Loans	-	4,158,000	-	2,836,444
Subordinated Debt Instruments	-	-	-	-
Total	-	5,526,835	-	3,771,359

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EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (continued):**II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (continued):****I. Information on shareholders' equity:**

1. Presentation of paid-in capital:

	30 September 2023	31 December 2022
Common Stock	2,655,500	2,655,500
Preferred Stock	-	-

2. Paid-in capital amount, explanation as to whether the registered share capital system is applied and if so, amount of registered share capital ceiling:

Capital System	Paid-in Capital	Ceiling
Registered Capital	2,655,500	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.

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 September 2023		31 December 2022	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	35,804	(18,346)	77,596	(12,933)
Foreign Currency Translation Difference	-	-	-	-
Total	35,804	(18,346)	77,596	(12,933)

9. Information on tangible assets revaluation reserve:

	30 September 2023		31 December 2022	
	TL	FC	TL	FC
Movables	-	-	-	-
Immovables	47,212	-	53,305	-
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 31 March 2023; TL 1,217,432 including the effects of TAS 27 Standard, which is the profit of 2022, was transferred to legal and extraordinary reserves.

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 SEPTEMBER 2023**

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

**EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(continued):****III. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED OFF-BALANCE SHEET
ACCOUNTS:****a. Information on off-balance sheet commitments:****1. The amount and type of irrevocable commitments:**

	30 September 2023	31 December 2022
Forward foreign exchange commitments	1,989,747	794,013
Time deposit buy-sell commitments	221,302	-
Forward securities purchase-sale commitments	82,016	-
Guaranteed loan allocation commitment	146,321	172,366
Payment commitment for check sheets	54,982	98,941
Blocked checks issued to customers	-	59,422
Total	2,494,368	1,124,742

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

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

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

	30 September 2023	31 December 2022
Letter of guarantees	8,265,078	5,351,856
Letter of credits	4,384,399	2,577,801
Other guarantees	2,485,502	2,130,461
Bank acceptance loans	134,619	48,667
Total	15,269,598	10,108,785

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

	30 September 2023		31 December 2022	
	TL	FC	TL	FC
Irrevocable Letters Of Guarantee	3,523,912	960,381	2,239,592	1,037,250
Other Letters Of Guarantee	2,868,377	404,468	1,381,257	308,224
Letters Of Guarantee Given In Advance	22,299	168,873	71,911	122,300
Revocable Letters Of Guarantee	28,165	208,297	119,286	11,414
Guarantees Given To Customs	11,649	68,657	13,476	47,146
Total	6,454,402	1,810,676	3,825,522	1,526,334

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 SEPTEMBER 2023**

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

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 September 2023	31 December 2022
Non-cash loans given against cash loans	2,970,118	1,953,742
With original maturity of 1 year or less than 1 year	-	-
With original maturity of more than 1 year	2,970,118	1,953,742
Other non-cash loans	12,299,480	8,155,043
Total	15,269,598	10,108,785

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	6,441,439	1,678,269	6,590	103,059
Bill of Exchange and Acceptances	82,450	52,169	-	-
Letters of Credit	-	4,240,040	111,510	32,849
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	1,830,475	655,027	-	-
Total	8,354,364	6,625,505	118,100	135,908

(*) In addition to the non-cash loans stated in the table above, the Bank has a non-cash loan amounting to TL 35,721 which is classified as total non-performing loans. As of 30 September 2023, the Bank has made a provision of TL 33,229 for these loans.

b. Information on contingent assets and contingent liabilities:

As of 30 September 2023, the total amount of lawsuit cases against the Group is TL 11,468 (31 December 2022: TL 10,750) and the Group sets aside a provision of TL 6,407 (31 December 2022: TL 6,889) regarding these risks.

c. Brief information on the Banks' rating given by International Rating Institutions:**FITCH (22 September 2023)**

Outlook	Fixed
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 SEPTEMBER 2023**

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

1. Information on interest income on loans :

	30 September 2023		30 September 2022	
	TL	FC	TL	FC
Interest Income on Loans (*)				
Short-term Loans	1,350,560	395,488	2,028,372	89,771
Medium/Long-term Loans	630,113	660,755	317,764	461,992
Interest on Non-performing Loans	94,790	-	76,814	-
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	2,075,463	1,056,243	2,422,950	551,763

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

2. Information on interest income on banks:

	30 September 2023		30 September 2022	
	TL	FC	TL	FC
From the CBRT	-	453	215	450
From Domestic Banks	343,329	4,884	28,351	2,939
From Foreign Banks	-	13,287	-	8,517
Headquarters and Branches Abroad	-	-	-	-
Total	343,329	18,624	28,566	11,906

3. Information on marketable securities:

	30 September 2023		30 September 2022	
	TL	FC	TL	FC
Financial Assets Measured at Fair Value Through Profit/Loss	4,252	9,166	773	2,267
Financial Assets Measured at Fair Value Through Other Comprehensive Income	283,480	28,864	175,328	8,912
Financial Assets Measured at Amortized Cost	935,826	133,745	153,596	76,900
Total	1,223,558	171,775	329,697	88,079

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

None (30 September 2022: None).

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 SEPTEMBER 2023**

(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 September 2023		30 September 2022	
	TL	FC	TL	FC
Banks	90,396	932,129	47,231	337,803
The CBRT	-	-	-	-
Domestic Banks	90,396	-	47,231	67
Foreign Banks	-	932,129	-	337,736
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	-	-	1,382
Total (*)	90,396	932,129	47,231	339,185

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

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

None (30 September 2022: None).

3. Information on interest expense on issued securities:

None (30 September 2022: TL 4,424).

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

Current Period	Demand Deposit	Time Deposit						Total	Prior Period Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and More	Accum. Deposit		
TL									
Bank Deposits	6	4,852	-	-	-	-	-	4,858	942
Savings Deposits	-	519,434	924,417	1,136,426	49,792	48,631	-	2,678,700	923,516
Public Deposits	-	6	-	-	-	-	-	6	14
Commercial Deposits	28	94,877	194,416	86,566	20,188	14,611	-	410,686	341,908
Other Deposits	-	628	476,109	63	-	1	-	476,801	135,409
7 Day Notice Deposits	-	-	-	-	-	-	-	-	-
Total	34	619,797	1,594,942	1,223,055	69,980	63,243	-	3,571,051	1,401,789
FC									
Foreign Currency Account	-	8,159	84,110	81,738	2,068	4,070	-	180,145	302,949
Bank Deposits	-	9,351	-	-	-	-	-	9,351	4,184
7 Day Notice Deposits	-	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Total	-	17,510	84,110	81,738	2,068	4,070	-	189,496	307,133
Grand Total	34	637,307	1,679,052	1,304,793	72,048	67,313	-	3,760,547	1,708,922

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 SEPTEMBER 2023**

(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 September 2023	30 September 2022
Income	63,239,974	50,288,267
Capital Market Transactions	446,788	116,246
Derivative Financial Transactions	1,359,534	757,717
Foreign Exchange Gains	61,433,652	49,414,304
Loss (-)	62,119,185	50,088,284
Capital Market Transactions	27,513	16,281
Derivative Financial Transactions	1,634,598	839,192
Foreign Exchange Losses	60,457,074	49,232,811
Net Income/Loss	1,120,789	199,983

d. Information on other operating income:

For the period ended 30 September 2022 and 30 September 2023 the Group's other operating income includes the adjustment account for previous years' expenses and other operating income.

e. Expected loss provisions and other provision expenses:

	30 September 2023	30 September 2022
Expected Credit Loss	(1,393,101)	(225,514)
12 Month Expected Credit Loss (Stage 1)	(143,895)	(12,135)
Significant Increase in Credit Risk (Stage 2)	(75,947)	(273,658)
Non-performing Loans (Stage 3)	(1,173,259)	60,279
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 (*)	799,255	58,697
Total	(593,846)	(166,817)

(*) As of 30 September 2023, it includes of General Reserves for Possible Risks amounting to TL 798,386 (30 September 2022: TL 55,556).

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 SEPTEMBER 2023**

(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 September 2023	30 September 2022
Provision for Employment Termination Benefits (*)	18,038	15,189
Provision for Bank Social Aid Pension Fund Deficit	-	-
Impairment Expenses of Tangible Assets	-	-
Amortization Expenses of Tangible Assets	65,011	37,935
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expense	-	-
Amortization Expenses of Intangible Assets	16,594	9,942
Impairment Expenses of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held For Resale	-	-
Amortization Expenses of Assets Held for Resale	-	-
Impairment Expenses of Non-current Assets Related to Discontinued Activities Held for Sale	-	-
Other Operating Expenses	614,650	263,331
Leasing Expenses Related to TFRS 16 Exceptions	9,211	3,776
Maintenance Expenses	5,326	20,667
Advertising Expenses	41,974	11,920
Other Expense	558,139	226,968
Loss on Sales of Assets	52,570	3
Other	12,873	33,861
Total	779,736	360,261

(*) As of 30 September 2023, there is no "Employee Vacation Fee Provision Expense" amount (30 September 2022: TL 3,126).

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

The Group has no discontinued operations, The Group's profit before tax from continuing operations is TL 3,011,495 (30 September 2022: TL 1,359,956 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, the explanations below represent the provision for taxes of continuing operations:

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

As of 30 September 2023, the Group has current tax charge amounting to TL 316,410 and deferred tax charge amounting to TL 692,710. As of 30 September 2022 the Group has current tax charge amounting to (TL 395,197) and deferred tax charge amounting to TL 41,026.

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

The Group has TL 216,508 deferred tax income from temporary differences. The deferred tax charge due to the closing of temporary differences amounts to TL 909,218 netting off to TL 692,710 deferred tax charge.

As of 30 September 2022 the Group has TL 213,436 deferred tax income from temporary differences and has TL 67,156 deferred tax income from the carried financial loss. The deferred tax charge due to the closing of temporary differences amounts to TL 239,566 netting off to TL 41,026 deferred tax charge.

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

As of 30 September 2023, the Group has deferred tax charge amounting to TL 692,710 (30 September 2022: 26,130 deferred tax charge) arising from temporary differences, however, the Group has TL 29,297 deferred tax charge as a result of carried financial loss (30 September 2022: TL 67,156 deferred tax income).

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

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

j. Information on current period net profit and loss:

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

None.

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

None.

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 7,537,457 (30 September 2022: TL 4,531,490) and TL 1,923,766 (30 September 2022: TL 734,562) of the related amount is classified as "Other Interest Income" in the income statement.

	30 September 2023	30 September 2022
Other Interest Income		
Interest Income Related To Derivative Transactions	1,188,789	486,194
Other	734,977	248,368
Total	1,923,766	734,562

2. In the current period, the Group's interest expense amounts to TL 6,465,290 (30 September 2022: TL 3,260,956) and TL 1,484,609 (30 September 2022: TL 1,077,655) of the related amount is classified as "Other Interest Expense" in the income statement.

	30 September 2023	30 September 2022
Other Interest Income		
Interest Income Related To Derivative Transactions	1,154,911	867,056
Other	329,698	210,599
Total	1,484,609	1,077,655

3. In the current period, the Group's fee and commissions received amounts to TL 853,667 (30 September 2022: TL 148,285) and TL 761,301 (30 September 2022: TL 115,754) of the related amount is classified under "Other" in the income statement.

	30 September 2023	30 September 2022
Other Fee and Commissions Received		
Early Closing Commissions	82,301	6,484
Commissions on Investment Fund Services	13,096	11,859
Insurance Commissions	17,581	4,896
Commissions on Futures Options Exchange Brokerage	4,743	3,105
Commissions from Correspondent Banks	3,458	1,850
Credit Card and POS Transaction Commission	1,279	486
Transfer Commissions	805	365
Common Point Commissions	191	149
Other ^(*)	637,847	86,560
Total	761,301	115,754

(*) Include TL 363,648 credit extension commission.

4. In the current period, Group's fees and commissions expense amounts to TL 96,925 (30 September 2022: TL 41,510) and TL 91,971 (30 September 2022: TL 40,340) of the related amount is classified under "Other" account in the income statement.

	30 September 2023	30 September 2022
Other Fee and Commissions Given		
Card Transaction Commission	10,880	5,308
Commissions Granted to Correspondent Banks	5,275	2,803
EFT Commissions	2,342	1,173
Common Point Commissions	2,837	919
Transfer Commissions	285	107
Other	70,352	30,030
Total	91,971	40,340

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 SEPTEMBER 2023**

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

30 September 2023	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	
Group's Risk Group	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	-	17,225	828	87
Balance at the End of the Period	-	-	-	19,907	1,468	87
Interest and Commission Income Received	-	-	-	3	125	1

31 December 2022	Associates, Subsidiaries and Joint Ventures		Direct And Indirect Shareholders Of The Group		Other Real and Legal Persons That Have Been Included in the Risk Group	
Group's Risk Group	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	24,341	-	24,860	677	-
Balance at the End of the Period	-	22,378	-	17,225	828	87
Interest and Commission Income Received	-	-	-	10	117	1

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

Group's Risk Group	Associates, Subsidiaries and Joint Ventures		Direct And Indirect Shareholders of the Group		Other Real and Legal Persons That Have Been Included in the Risk Group	
Deposit	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Beginning of the Period	-	-	332,312	106,907	40,543	23,864
End of the Period	-	-	242,891	332,312	75,440	40,543
Interest Expense on Deposits	-	-	4,511	4,372	4,415	1,581

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	
Repurchase Transactions	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Interest Expense on Repurchase Transactions	-	-	-	-	4	2

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

- a. The volume of transactions relating to the Group's risk group, outstanding loan and deposit transactions and income and expenses of the period:
3. Information on forward and option agreements and other similar agreement with the Group's risk group:

Bank's Risk Group	Investments in Associates, Subsidiaries And Joint Ventures		Direct And Indirect Shareholders of the Group		Other Real and Legal Persons That Have Been Included in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Fair Value Through Profit or Loss Transactions						
Beginning of the Period	-	-	1,745,925	-	-	-
End of the Period	-	-	4,087,702	1,745,925	-	-
Total Profit/Loss	-	-	(62,114)	(18,350)	-	-
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 (%)
Funds Borrowed and Subordinated Debt Instruments	19,493,578	84.72
Deposit	318,331	0.90
Banks and Other Financial Institutions	27,811	1.34
Non-cash Loans	19,994	0.13
Loans	1,468	0.00

As of 30 September 2023, the Group has no interest income from deposits given to banks included in the risk group (30 September 2022: TL 22), The Group has interest expense amounting to TL 832,148 (30 September 2022: TL 252,018) 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 immovable and other assets, purchase-sale of service, agent agreements, financial lease agreements, transfer of the information gained as a result of research and development, license agreements, financing (including loans and cash or in kind capital), guarantees, collaterals and management contracts:

In accordance with the limits in Banking Law, cash and non-cash loans are allocated to the Parent Bank's risk group and the amount composes 0.07% (31 December 2022: 0.07%) of the Group's total cash and non-cash loans.

As of 30 September 2023, there are no purchase-sales transactions on any assets except real estate with the risk group consisting the Parent Bank.

As of 30 September 2023, 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 87,951 (30 September 2022: TL 51,119) 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:

Burgan Bank K.P.S.C., the main shareholder with a 99.41% share, has obtained the necessary approvals from the Banking Regulation and Supervision Agency for the transfer of its shares representing 52% of the Bank's capital to Al Rawabi United Holding K.S.C.C. Kuwait Projects Company K.S.C.P., the current majority shareholder of Burgan Bank K.P.S.C., holds 99.99% of the shares in Al Rawabi United Holding Company K.S.C.C.

Upon completion of the share transfer process, there will be no change in the ultimate shareholder of Burgan Bank A.Ş. Burgan Bank K.P.S.C., currently the main shareholder of the Bank, will continue to maintain effective control over the Bank, and therefore, will continue to consolidate Burgan Bank A.Ş. in its financial results.

The share transfer process will not have any impact on our banking activities and customers.

SECTION SIX

EXPLANATIONS ON LIMITED REVIEW REPORT

I. EXPLANATIONS ON LIMITED REVIEW REPORT:

The consolidated financial statements as of 30 September 2023 and for the period then ended have been reviewed by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş., and the auditor’s limited review report dated 13 November 2023 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 monetary policies of developed countries in the world approach the end of the contraction period, global economic activity is gradually slowing down and inflation rates are gradually decreasing.

The resilience of the economies of the countries against the tightening financial conditions is becoming different. It is observed that growth in the Eurozone economies, which are one of Turkey's most important trading partners, is weak and the problems in the real estate sector caused putting pressure on the Chinese economy. Along with following a downward trend, it is estimated that global inflation will continue to be high next year and global interest rates will remain high. On the other hand, the geopolitical risks that have been increasing in our region recently are being closely monitored, and it is estimated that they will have significant effects on the world and the Turkish economy if it get worse.

In this challenging global conjuncture, we are adopting the economic policy steps that our country has recently taken towards normalization and we care about the establishment of financial stability. With the contractionary monetary policy implemented since June, the policy interest rate has risen rapidly and funding costs have settled on a high base; and the contractionary stance is expected to continue in the last quarter of the year. The current determined stance will ensure financial and price stability, paving the way for the improvement and development of the investment environment.

The consolidated balance sheet size of our bank dated 30 September 2023 is TL 79,703,384, sum of deposits TL 35,242,254 and sum of net cash loans TL 42,192,495. In the current period, Burgan Bank has maintained its support to its customers uninterruptedly. The net profit of our bank in the third quarter of 2023 is TL 2,002,375 and our equity has been realized as TL 7,294,174. Our capital adequacy ratio is 21.40%. In addition to deepening our existing customers in 14 provinces in which we operate, we will continue to serve with new customer acquisitions, keeping customer satisfaction in the foreground.

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

Ali Murat DİNÇ
Member of Board of Directors and General Manager

Emin Hakan EMİNSOY
Chairman of Board of Directors

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	18.06.2021	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	Human Resources	01.11.2012	Graduate	17
Suat Kerem Sözügüzel	Corporate & Commercial Banking	01.04.2014	Graduate	17
Banu Ertürk	Loan Follow-up and Legal Procedures	01.08.2020	Undergraduate	22
Darço Akkaranfil	Information Technologies	14.09.2020	Graduate	15
Zeynep Bozkurt	Financial Affairs	15.01.2021	Graduate	13
Ayşen Aslı Koçer	Deposit Management	01.07.2021	Undergraduate	24
Yener Yazlalı	Loans	02.08.2021	Graduate	18
Halil Özcan	Digital Banking	21.02.2022	Undergraduate	14
Tuba Onay Ergelen	Risk Management	01.03.2022	Undergraduate	23
Erdal Arda Türerer	Treasury, Capital Markets and Financial Institutions	01.03.2022	Graduate	25

Assignments:

There are no appointments in the last nine months.

Resignations:

There are no resignations in the last nine 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 Chairman of the Audit Committee while Khaled F. A. O. Alzouman and Moustapha Chami have been members of the Audit Committee.

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

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

BURGAN BANK A.Ş.**NOTES TO THE CONSOLIDATED STATEMENTS AS OF 30 SEPTEMBER 2023**

(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:**

	30.09.2023	31.12.2022	Change (%)
Total Assets	79,703,384	63,747,990	25.0
Loans, Lease Receivables and Factoring Receivables (Net)	42,192,495	39,525,479	6.7
Securities	13,542,553	7,610,776	77.9
Deposits	35,242,254	39,713,548	(11.3)
Debts Having Loan Characteristics	26,787,053	12,885,431	107.9
Equity	7,294,174	5,093,950	43.2
Guarantee and Suretyship	15,269,598	10,108,785	51.1
Capital Adequacy Ratio	21.40%	19.09%	2.3

	(01/01/2023 - 30/09/2023)	(01/01/2022 - 30/09/2022)	(01/07/2023 - 30/09/2023)	(01/07/2022 - 30/09/2022)
Net Profit/(Loss) for the Period	2,002,375	1,005,785	777,388	444,927

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 31 branches, including 7 retail, 1 corporate and 23 mixed banking branches, internet banking applications, call center and 1,221 employees.

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

Million TL	Burgan Bank	Sector (*)	Share of our Bank (%)
Cash Loans	34,708	8,517,429	0.41
Customer Deposits	34,645	9,956,251	0.35
Branch Number	31	10,984	0.28
Personnel Number	1,084	208,504	0.52

(*) Reference is prepared based on BRSA Data of 30 September 2023 and discount and accrual are not added to balance sheet items.