

# BURGAN BANK A.Ş

**PUBLICLY ANNOUNCED UNCONSOLIDATED 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 Interim Financial Information**

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

*Introduction*

We have reviewed the accompanying unconsolidated balance sheet of Burgan Bank A.Ş. ("the Bank") as at 30 September 2023 and the unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity, unconsolidated 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 Bank Management is responsible for the preparation and fair presentation of these unconsolidated 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 unconsolidated 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 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 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 unconsolidated interim financial information as at 30 September 2023 includes a general reserve of TL 1,391,411 thousands, of which TL 736,970 thousands was recognized as expense in the current period and TL 654,441 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 unconsolidated interim financial information does not present fairly, in all material respects, the unconsolidated financial position of Burgan Bank A.Ş. as at 30 September 2023, and its unconsolidated financial performance and its unconsolidated cash flows for the nine month period then ended in accordance with the BRSA Accounting and Reporting Legislation.

#### *Other Matter*

The unconsolidated 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 unconsolidated interim financial information is not consistent, in all material respects, with the reviewed unconsolidated 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 UNCONSOLIDATED NINE-MONTH INTERIM FINANCIAL REPORT OF  
BURGAN BANK A.Ş. AS OF 30 SEPTEMBER 2023**

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Telephone and Fax Numbers of the Bank : Phone : 0 212 371 37 37  
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The unconsolidated 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 BANK**
- **Section Two** **UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK**
- **Section Three** **EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD**
- **Section Four** **INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK**
- **Section Five** **EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS**
- **Section Six** **EXPLANATIONS ON LIMITED REVIEW REPORT**
- **Section Seven** **EXPLANATIONS ON INTERIM ACTIVITY REPORT**

The accompanying unconsolidated 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 EMİNSOY**  
Chairman of the  
Board of Directors



**Ali Murat DİNÇ**  
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



**Khaled F.A.O. ALZOLMAN**  
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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## **BURGAN BANK A.Ş.**

### **NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2023**

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

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#### **SECTION ONE**

##### **GENERAL INFORMATION ABOUT THE BANK**

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

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

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

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

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

Under the agreement regarding the sale of Eurobank Ergasias S.A.'s Turkey operations to Burgan Bank K.P.S.C. (formerly Burgan Bank S.A.K), 70% of the bank shares belonging to Eurobank EFG Holding (Luxemburg) S.A. and 29.26% of the shares belonging to Tekfen Holding A.Ş. are bought by Burgan Bank K.P.S.C. 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., and has been registered to the Turkish Trade Registry as of 25 January 2013.

**BURGAN BANK A.Ş.**

**NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2023**

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

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

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

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

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

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

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

<b><u>Title</u></b>	<b><u>Name</u></b>	<b><u>Responsibility</u></b>	<b><u>Education</u></b>
<b>Chairman of the Board of Directors:</b>	Emin Hakan Eminsoy	Chairman of Board of Directors	Undergraduate
<b>Board of Directors Members:</b>	Abdelkarim A. S. Kabariti	Deputy Chairman	Undergraduate
	Mehmet Alev Göçmez	Member	Graduate
	Khaled F.A.O. Alzouman	Member	Undergraduate
	Hasan Kılıç	Member	Undergraduate
	Fadhil M. GH. A. Abdullah	Member	Undergraduate
	Mohammad M. A. H. S. Almael	Member	Graduate
	Moustapha Chami	Member	Graduate
	Ali Murat Dinç	Member and General Manager	Graduate
<b>General Manager:</b>	Ali Murat Dinç	Member and General Manager	Graduate
<b>Deputy General Managers:</b>	Suat Kerem Sözügüzel	Corporate & Commercial Banking	Graduate
	Zeynep Bozkurt	Financial Affairs	Graduate
<b>Vice General Managers:</b>	Esra Aydın	Operations & Management Services	Graduate
	Cihan Vural	Internal Systems	Undergraduate
	Rasim Levent Ergin	Human Resources	Graduate
	Suat Kerem Sözügüzel	Corporate & Commercial Banking	Graduate
	Banu Ertürk	Loans and Legal Follow-up	Undergraduate
	Darço Akkaranfil	Information Technologies	Graduate
	Zeynep Bozkurt	Financial Affairs	Graduate
	Ayşen Aslı Koçer	Savings Management	Undergraduate
	Yener Yazlalı	Loans	Graduate
	Halil Özcan	Digital Banking	Undergraduate
	Tuba Onay Ergelen	Risk Management	Undergraduate
	Erdal Arda Türerer	Treasury, Capital Markets and Financial Institutions	Graduate
<b>Audit Committee:</b>	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 UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2023**

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

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

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

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

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

As of 30 September 2023, the 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 Bank has 1,084 (31 December 2022: 1,020) employees.

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

None.

## **SECTION TWO**

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

- I. Balance sheet (Statement of financial position)
- II. Off-balance sheet
- III. Statement of profit or loss
- IV. Statement of profit or loss and other comprehensive income
- V. Statement of changes in shareholders' equity
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**BURGAN BANK A.Ş.**  
**UNCONSOLIDATED BALANCE SHEETS (STATEMENT 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		
ASSETS		TL	FC	Total	TL	FC	Total
<b>I. FINANCIAL ASSETS (Net)</b>		<b>11,236,770</b>	<b>9,774,706</b>	<b>21,011,476</b>	<b>6,065,545</b>	<b>8,502,614</b>	<b>14,568,159</b>
<b>1.1 Cash and Cash Equivalents</b>		<b>4,103,957</b>	<b>6,651,678</b>	<b>10,755,635</b>	<b>3,204,225</b>	<b>6,629,633</b>	<b>9,833,858</b>
1.1.1 Cash and Balances at 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	342	372,829	373,171	175,491	1,000,424	1,175,915
1.1.3 Receivables from Money Markets		1,009,109	-	1,009,109	1,809,256	-	1,809,256
1.1.4 Expected Credit Losses (-)		61	-	61	71	-	71
<b>1.2 Financial Assets at Fair Value Through Profit or Loss</b>	<b>I-b</b>	<b>2,582,066</b>	<b>258,727</b>	<b>2,840,793</b>	<b>478,669</b>	<b>124,703</b>	<b>603,372</b>
1.2.1 Public Debt Securities		207	17,224	17,431	382,608	18,311	400,919
1.2.2 Subordinated Debt Instruments		-	-	-	-	-	-
1.2.3 Other Financial Assets		2,581,859	241,503	2,823,362	96,061	106,392	202,453
<b>1.3 Financial Assets at Fair Value through Other Comprehensive Income</b>	<b>I-d</b>	<b>2,179,218</b>	<b>790,217</b>	<b>2,969,435</b>	<b>1,341,741</b>	<b>262,162</b>	<b>1,603,903</b>
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 Subordinated Debt Instruments		7,674	-	7,674	7,674	-	7,674
1.3.3 Other Financial Assets		-	54,570	54,570	-	-	-
<b>1.4 Derivative Financial Assets</b>	<b>I-l</b>	<b>2,371,529</b>	<b>2,074,084</b>	<b>4,445,613</b>	<b>1,040,910</b>	<b>1,486,116</b>	<b>2,527,026</b>
1.4.1 Derivative Financial Assets at Fair Value Through Profit or Loss		752,283	550,654	1,302,937	120,285	366,402	486,687
1.4.2 Derivative Financial Assets at Fair Value Through Other Comprehensive Income		1,619,246	1,523,430	3,142,676	920,625	1,119,714	2,040,339
<b>II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)</b>		<b>21,565,504</b>	<b>22,192,083</b>	<b>43,757,587</b>	<b>23,015,062</b>	<b>17,101,530</b>	<b>40,116,592</b>
<b>2.1 Loans</b>	<b>I-e-f</b>	<b>17,478,951</b>	<b>19,912,172</b>	<b>37,391,123</b>	<b>20,267,866</b>	<b>16,514,042</b>	<b>36,781,908</b>
<b>2.2 Receivables from Leasing Transactions</b>	<b>I-k</b>	-	-	-	-	-	-
<b>2.3 Factoring Receivables</b>		-	-	-	-	-	-
<b>2.4 Other Financial Assets Measured at Amortized Cost</b>	<b>I-g</b>	<b>4,867,679</b>	<b>2,770,109</b>	<b>7,637,788</b>	<b>3,679,178</b>	<b>1,701,528</b>	<b>5,380,706</b>
2.4.1 Government Debt Securities		4,867,679	2,770,109	7,637,788	3,679,178	1,701,528	5,380,706
2.4.2 Other Financial Assets		-	-	-	-	-	-
<b>2.5 Expected Credit Losses (-)</b>	<b>I-e-f</b>	<b>781,126</b>	<b>490,198</b>	<b>1,271,324</b>	<b>931,982</b>	<b>1,114,040</b>	<b>2,046,022</b>
<b>III. NON-CURRENTS ASSETS OR DISPOSAL GROUPS HELD FOR SALE AND FROM DISCONTINUED OPERATIONS (Net)</b>	<b>I-o</b>	<b>1,713,578</b>	-	<b>1,713,578</b>	<b>855,289</b>	-	<b>855,289</b>
3.1 Held for Sale		1,713,578	-	1,713,578	855,289	-	855,289
3.2 Held from Discontinued Operations		-	-	-	-	-	-
<b>IV. PARTNERSHIP INVESTMENTS</b>		<b>2,313,255</b>	-	<b>2,313,255</b>	<b>1,096,358</b>	-	<b>1,096,358</b>
<b>4.1 Associates (Net)</b>	<b>I-h</b>	-	-	-	-	-	-
4.1.1 Associates Accounted by Using Equity Method		-	-	-	-	-	-
4.1.2 Non-Consolidated Associates		-	-	-	-	-	-
<b>4.2 Subsidiaries (Net)</b>	<b>I-i</b>	<b>2,313,255</b>	-	<b>2,313,255</b>	<b>1,096,358</b>	-	<b>1,096,358</b>
4.2.1 Non-Consolidated Financial Subsidiaries		2,313,255	-	2,313,255	1,096,358	-	1,096,358
4.2.2 Non-Consolidated Non-Financial Subsidiaries		-	-	-	-	-	-
<b>4.3 Jointly Controlled Partnerships (Joint Ventures) (Net)</b>	<b>I-j</b>	-	-	-	-	-	-
4.3.1 Jointly Controlled Partnerships Accounted by Using Equity Method		-	-	-	-	-	-
4.3.2 Non-Consolidated Jointly Controlled Partnerships		-	-	-	-	-	-
<b>V. TANGIBLE ASSETS (Net)</b>		<b>297,407</b>	-	<b>297,407</b>	<b>207,119</b>	-	<b>207,119</b>
<b>VI. INTANGIBLE ASSETS (Net)</b>		<b>105,046</b>	-	<b>105,046</b>	<b>81,502</b>	-	<b>81,502</b>
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		105,046	-	105,046	81,502	-	81,502
<b>VII. INVESTMENT PROPERTIES (Net)</b>		-	-	-	-	-	-
<b>VIII. CURRENT TAX ASSET</b>		-	-	-	-	-	-
<b>IX. DEFERRED TAX ASSET</b>	<b>I-n</b>	-	-	-	<b>164,843</b>	-	<b>164,843</b>
<b>X. OTHER ASSETS (Net)</b>	<b>I-p</b>	<b>1,280,831</b>	<b>163,017</b>	<b>1,443,848</b>	<b>676,612</b>	<b>40,212</b>	<b>716,824</b>
<b>TOTAL ASSETS</b>		<b>38,512,391</b>	<b>32,129,806</b>	<b>70,642,197</b>	<b>32,162,330</b>	<b>25,644,356</b>	<b>57,806,686</b>

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

**BURGAN BANK A.Ş.**  
**UNCONSOLIDATED BALANCE SHEET (STATEMENT 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
<b>I. DEPOSITS</b>	<b>II-a</b>	<b>21,238,249</b>	<b>14,649,423</b>	<b>35,887,672</b>	<b>25,415,468</b>	<b>14,632,452</b>	<b>40,047,920</b>
<b>II. LOANS RECEIVED</b>	<b>II-c</b>	<b>8,271</b>	<b>9,839,301</b>	<b>9,847,572</b>	<b>15,216</b>	<b>1,552,390</b>	<b>1,567,606</b>
<b>III. MONEY MARKET FUNDS</b>		<b>1,403,927</b>	<b>1,383,361</b>	<b>2,787,288</b>	<b>731,388</b>	<b>600,907</b>	<b>1,332,295</b>
<b>IV. MARKETABLE SECURITIES (Net)</b>	<b>II-d</b>	-	-	-	-	-	-
4.1 Bills		-	-	-	-	-	-
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	-	-	-	-	-
<b>V. FUNDS</b>		-	-	-	-	-	-
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
<b>VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>	<b>II-b</b>	-	-	-	-	-	-
<b>VII. DERIVATIVE FINANCIAL LIABILITIES</b>	<b>II-g</b>	<b>949,544</b>	<b>709,871</b>	<b>1,659,415</b>	<b>316,888</b>	<b>644,236</b>	<b>961,124</b>
7.1 Derivative Financial Liabilities at Fair Value Through Profit or Loss		639,960	455,900	1,095,860	94,204	461,330	555,534
7.2 Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		309,584	253,971	563,555	222,684	182,906	405,590
<b>VIII. FACTORING PAYABLES</b>		-	-	-	-	-	-
<b>IX. LEASE PAYABLES (Net)</b>	<b>II-f</b>	<b>82,635</b>	-	<b>82,635</b>	<b>81,251</b>	-	<b>81,251</b>
<b>X. PROVISIONS</b>	<b>II-h</b>	<b>1,048,731</b>	<b>611,252</b>	<b>1,659,983</b>	<b>215,775</b>	<b>676,933</b>	<b>892,708</b>
10.1 Provision for Restructuring		-	-	-	-	-	-
10.2 Reserves for Employee Benefits		209,703	-	209,703	189,517	-	189,517
10.3 Insurance Technical Reserves (Net)		-	-	-	-	-	-
10.4 Other Provisions		839,028	611,252	1,450,280	26,258	676,933	703,191
<b>XI. CURRENT TAX LIABILITIES</b>	<b>II-i</b>	<b>194,266</b>	-	<b>194,266</b>	<b>463,055</b>	-	<b>463,055</b>
<b>XII. DEFERRED TAX LIABILITIES</b>	<b>II-i</b>	<b>452,709</b>	-	<b>452,709</b>	-	-	-
<b>XIII. LIABILITIES RELATED TO NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)</b>	<b>II-j</b>	-	-	-	-	-	-
13.1 Held for Sale		-	-	-	-	-	-
13.2 Related to Discontinued Operations		-	-	-	-	-	-
<b>XIV. SUBORDINATED DEBT</b>	<b>II-k</b>	-	<b>5,526,835</b>	<b>5,526,835</b>	-	<b>3,771,359</b>	<b>3,771,359</b>
14.1 Loans		-	5,526,835	5,526,835	-	3,771,359	3,771,359
14.2 Other Debt Instruments		-	-	-	-	-	-
<b>XV. OTHER LIABILITIES</b>	<b>II-e</b>	<b>950,423</b>	<b>4,299,225</b>	<b>5,249,648</b>	<b>989,587</b>	<b>2,605,831</b>	<b>3,595,418</b>
<b>XVI. SHAREHOLDERS' EQUITY</b>	<b>II-l</b>	<b>6,572,372</b>	<b>721,802</b>	<b>7,294,174</b>	<b>4,479,688</b>	<b>614,262</b>	<b>5,093,950</b>
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 Equity Share Premiums		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		(6,321)	-	(6,321)	(6,321)	-	(6,321)
16.3 Other Accumulated Comprehensive Income That Will not be Reclassified in Profit or Loss		9,200	-	9,200	12,624	-	12,624
16.4 Other Accumulated Comprehensive Income That Will be Reclassified in 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 Statutory 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' Profit or Losses		-	-	-	15,708	-	15,708
16.6.2 Current Period Net Profit or Loss		2,002,375	-	2,002,375	1,201,724	-	1,201,724
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>32,901,127</b>	<b>37,741,070</b>	<b>70,642,197</b>	<b>32,708,316</b>	<b>25,098,370</b>	<b>57,806,686</b>

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

**BURGAN BANK A.Ş.****UNCONSOLIDATED OFF-BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)****AS OF 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
<b>A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)</b>		<b>44,948,822</b>	<b>88,364,891</b>	<b>133,313,713</b>	<b>30,815,195</b>	<b>72,883,805</b>	<b>103,699,000</b>
<b>I. GUARANTEES AND WARRANTIES</b>	<b>III-a-2-3</b>	<b>8,188,504</b>	<b>6,793,519</b>	<b>14,982,023</b>	<b>5,307,122</b>	<b>4,801,663</b>	<b>10,108,785</b>
1.1. Letters of Guarantee		6,164,069	1,813,434	7,977,503	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		6,148,377	1,812,279	7,960,656	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		-	-	-	-	-	-
<b>II. COMMITMENTS</b>	<b>III-a-1</b>	<b>713,931</b>	<b>1,880,437</b>	<b>2,594,368</b>	<b>615,729</b>	<b>609,013</b>	<b>1,224,742</b>
2.1. Irrevocable Commitments		713,931	1,880,437	2,594,368	615,729	609,013	1,224,742
2.1.1. Asset Purchase 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		321,302	-	321,302	272,366	-	272,366
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		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>		<b>36,046,387</b>	<b>79,690,935</b>	<b>115,737,322</b>	<b>24,892,344</b>	<b>67,473,129</b>	<b>92,365,473</b>
3.1. Hedging Derivative Financial Instruments		4,807,042	28,928,544	33,735,586	3,207,042	23,320,253	26,527,295
3.1.1. Transactions for Fair Value Hedge		-	-	-	-	-	-
3.1.2. Transactions for Cash Flow Hedge		4,807,042	28,928,544	33,735,586	3,207,042	23,320,253	26,527,295
3.1.3. Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2. Trading Derivative Financial Instruments		31,239,345	50,762,391	82,001,736	21,685,302	44,152,876	65,838,178
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		27,026,053	43,239,434	70,265,487	8,625,231	29,490,149	38,115,380
3.2.2.1. Foreign Currency Swap-Buy		7,933,328	22,417,580	30,350,908	3,531,549	12,653,916	16,185,465
3.2.2.2. Foreign Currency Swap-Sell		15,892,725	14,550,554	30,443,279	4,593,682	11,588,471	16,182,153
3.2.2.3. Interest Rate Swap-Buy		1,600,000	3,135,650	4,735,650	250,000	2,623,881	2,873,881
3.2.2.4. Interest Rate Swap-Sell		1,600,000	3,135,650	4,735,650	250,000	2,623,881	2,873,881
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>B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)</b>		<b>165,562,582</b>	<b>459,024,491</b>	<b>624,587,073</b>	<b>154,442,397</b>	<b>302,991,431</b>	<b>457,433,828</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>7,051,846</b>	<b>9,557,105</b>	<b>16,608,951</b>	<b>9,725,072</b>	<b>8,540,213</b>	<b>18,265,285</b>
4.1. Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2. Investment Securities Held in Custody		1,811,966	9,446,956	11,258,922	5,129,758	8,189,953	13,319,711
4.3. Cheques Received for Collection		3,376,508	84,867	3,461,375	3,144,098	56,264	3,200,362
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		1,850,475	-	1,850,475	1,436,200	276,878	1,713,078
4.8. Custodians		-	-	-	-	-	-
<b>V. PLEDGES RECEIVED</b>		<b>158,274,560</b>	<b>449,467,386</b>	<b>607,741,946</b>	<b>144,497,149</b>	<b>294,451,218</b>	<b>438,948,367</b>
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	52,650,268	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		116,291,309	356,416,834	472,708,143	109,413,251	227,376,544	336,789,795
5.6. Other Pledged Items		5,685,548	13,706,700	19,392,248	5,055,907	12,511,990	17,567,897
5.7. Pledged Items-Depository		-	-	-	-	-	-
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>236,176</b>	<b>-</b>	<b>236,176</b>	<b>220,176</b>	<b>-</b>	<b>220,176</b>
<b>TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)</b>		<b>210,511,404</b>	<b>547,389,382</b>	<b>757,900,786</b>	<b>185,257,592</b>	<b>375,875,236</b>	<b>561,132,828</b>

**BURGAN BANK A.Ş.**  
**UNCONSOLIDATED 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	Note	Reviewed	Reviewed	Reviewed	Reviewed
	INCOME AND EXPENSE ITEMS	(Section Five)	01/01/2023-30/09/2023	01/01/2022-30/09/2022	01/07/2023-30/09/2023	01/07/2022-30/09/2022
<b>I.</b>	<b>INTEREST INCOME</b>	<b>IV-a</b>	<b>6,627,416</b>	<b>4,233,142</b>	<b>3,006,062</b>	<b>1,857,238</b>
1.1	Interest on Loans		3,151,312	2,974,802	1,375,138	1,274,085
1.2	Interest Received from Reserve Deposits		268	11,002	195	51
1.3	Interest Received from Banks		58,790	22,274	26,347	11,058
1.4	Interest Received from Money Market Transactions		163,002	77,817	28,324	34,699
1.5	Interest Received from Marketable Securities Portfolio		1,395,322	417,765	693,589	201,111
1.5.1	Financial Assets at Fair Value Through Profit or Loss		13,407	3,029	3,624	796
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		-	-	-	-
1.7	Other Interest Income	IV-k	1,858,722	729,482	882,469	336,234
<b>II.</b>	<b>INTEREST EXPENSES (-)</b>	<b>IV-b</b>	<b>6,330,804</b>	<b>3,139,200</b>	<b>2,726,714</b>	<b>1,328,206</b>
2.1	Interest on Deposits		3,822,940	1,721,783	1,501,899	816,277
2.2	Interest on Funds Borrowed		556,954	187,640	258,116	74,170
2.3	Interest on Money Market Transactions		114,264	64,496	74,857	36,575
2.4	Interest on Securities Issued		-	-	-	-
2.5	Finance Lease Interest Expenses		11,802	9,712	3,751	3,528
2.6	Other Interest Expenses	IV-k	1,824,844	1,155,569	888,091	397,656
<b>III.</b>	<b>NET INTEREST INCOME/EXPENSE (I - II)</b>		<b>296,612</b>	<b>1,093,942</b>	<b>279,348</b>	<b>529,032</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME/EXPENSES</b>		<b>719,209</b>	<b>97,104</b>	<b>301,334</b>	<b>65,192</b>
4.1	Fees and Commissions Received		790,272	133,700	326,033	79,740
4.1.1	Non-Cash Loans		95,643	32,576	39,016	12,239
4.1.2	Other	IV-k	694,629	101,124	287,017	67,501
4.2	Fees and Commissions Paid (-)		71,063	36,596	24,699	14,548
4.2.1	Non-Cash Loans (-)		46	35	25	12
4.2.2	Other (-)	IV-k	71,017	36,561	24,674	14,536
<b>V.</b>	<b>DIVIDEND INCOME</b>		<b>-</b>	<b>24</b>	<b>-</b>	<b>-</b>
<b>VI.</b>	<b>TRADING PROFIT/LOSS (Net)</b>	<b>IV-c</b>	<b>1,177,458</b>	<b>238,734</b>	<b>366,281</b>	<b>60,635</b>
6.1	Profit/Losses from Capital Market Transactions		407,218	96,986	147,795	64,511
6.2	Profit/Losses from Derivative Financial Transactions		(279,820)	(92,171)	23,013	(85,549)
6.3	Foreign Exchange Profit/Losses		1,050,060	233,919	195,473	81,673
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	<b>IV-d</b>	<b>212,222</b>	<b>149,031</b>	<b>63,159</b>	<b>44,969</b>
<b>VIII.</b>	<b>GROSS PROFIT FROM OPERATING ACTIVITIES (III+IV+V+VI+VII)</b>		<b>2,405,501</b>	<b>1,578,835</b>	<b>1,010,122</b>	<b>699,828</b>
<b>IX.</b>	<b>ALLOWANCES FOR EXPECTED CREDIT LOSSES (-)</b>	<b>IV-e</b>	<b>(1,161,444)</b>	<b>(176,933)</b>	<b>(196,182)</b>	<b>(132,836)</b>
<b>X.</b>	<b>OTHER PROVISION EXPENSES (-)</b>	<b>IV-e</b>	<b>463,845</b>	<b>58,697</b>	<b>(20,221)</b>	<b>55,744</b>
<b>XI.</b>	<b>PERSONNEL EXPENSES (-)</b>		<b>803,510</b>	<b>353,776</b>	<b>351,652</b>	<b>151,153</b>
<b>XII.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	<b>IV-f</b>	<b>612,004</b>	<b>293,873</b>	<b>196,315</b>	<b>117,158</b>
<b>XIII.</b>	<b>NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)</b>		<b>1,687,586</b>	<b>1,049,422</b>	<b>678,558</b>	<b>508,609</b>
<b>XIV.</b>	<b>SURPLUS WRITTEN AS GAIN AFTER MERGER</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XV.</b>	<b>PROFIT/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES</b>		<b>839,714</b>	<b>234,299</b>	<b>260,586</b>	<b>79,752</b>
<b>XVI.</b>	<b>NET MONETARY POSITION GAIN/LOSS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XVII.</b>	<b>PROFIT/LOSS BEFORE TAXES FROM CONTINUING OPERATIONS (XIII+...+XVI)</b>	<b>IV-g</b>	<b>2,527,300</b>	<b>1,283,721</b>	<b>939,144</b>	<b>588,361</b>
<b>XVIII.</b>	<b>PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)</b>	<b>IV-h</b>	<b>(524,925)</b>	<b>(277,936)</b>	<b>(161,756)</b>	<b>(143,434)</b>
18.1	Current Tax Provision		47,763	388,746	47,763	155,313
18.2	Expense Effect of Deferred Tax (+)		693,670	169,782	18,900	(350)
18.3	Income Effect of Deferred Tax (-)		216,508	280,592	(95,093)	11,529
<b>XIX.</b>	<b>NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)</b>	<b>IV-i</b>	<b>2,002,375</b>	<b>1,005,785</b>	<b>777,388</b>	<b>444,927</b>
<b>XX.</b>	<b>INCOME FROM DISCONTINUED OPERATIONS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
20.1	Income from Assets Held for Sale		-	-	-	-
20.2	Profit from Sale of Associates, Subsidiaries and Joint Ventures		-	-	-	-
20.3	Other Income from Discontinued Operations		-	-	-	-
<b>XXI.</b>	<b>EXPENSES FROM DISCONTINUED OPERATIONS (-)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
21.1	Expenses on Assets Held for Sale		-	-	-	-
21.2	Losses from Sale of Associates, Subsidiaries and Joint Ventures		-	-	-	-
21.3	Other Expenses from Discontinued Operations		-	-	-	-
<b>XXII.</b>	<b>PROFIT/LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (±) (XX-XXI)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XXIII.</b>	<b>TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
23.1	Current Tax Provision		-	-	-	-
23.2	Expense Effect of Deferred Tax (+)		-	-	-	-
23.3	Income Effect of Deferred Tax (-)		-	-	-	-
<b>XXIV.</b>	<b>NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XXV.</b>	<b>NET PROFIT/LOSS FOR THE PERIOD (XIX+XXIV)</b>	<b>IV-j</b>	<b>2,002,375</b>	<b>1,005,785</b>	<b>777,388</b>	<b>444,927</b>
	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.****UNCONSOLIDATED 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 01/01/2023-30/09/2023	Reviewed 01/01/2022-30/09/2022
<b>I. PROFIT/LOSS FOR THE PERIOD</b>	2,002,375	1,005,785
<b>II. OTHER COMPREHENSIVE INCOME</b>	197,849	607,553
<b>2.1 Items not to be Reclassified to Profit or Loss</b>	(3,424)	(439)
2.1.1 Revaluation Increase/Decrease of Tangible Assets	-	-
2.1.2 Revaluation Increase/Decrease of Intangible Assets	-	-
2.1.3 Defined Benefit Plans Remeasurement Gains/Loss	77	-
2.1.4 Other Comprehensive Income not to be Reclassified to Profit or Loss	-	-
2.1.5 Tax Related to Other Comprehensive Income not to be Reclassified to Profit or Loss	(3,501)	(439)
<b>2.2 Items to be Reclassified to Profit or Loss</b>	201,273	607,992
2.2.1 Foreign Currency Translation Differences	-	-
2.2.2 Gains or Losses on Valuation or Reclassification Arising From Financial Assets at Fair Value Through Other Comprehensive Income	(61,278)	89,939
2.2.3 Gains/Losses Arising on Cash Flow Hedges	423,869	730,852
2.2.4 Gains or Losses Arising on Net Investment Hedges	-	-
2.2.5 Other Comprehensive Income to be Reclassified to Profit or Loss	-	-
2.2.6 Tax Related to Other Comprehensive Income to be Reclassified to Profit or Loss	(161,318)	(212,799)
<b>III. TOTAL COMPREHENSIVE INCOME (I+II)</b>	2,200,224	1,613,338

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

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

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

<b>V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY</b>						<b>Other Comprehensive Income and Expenses not to be Reclassified to Profit or Loss</b>			<b>Other Comprehensive Income and Expenses to be Reclassified to Profit or Loss</b>						
Reviewed CURRENT PERIOD 30.09.2023	Note (Section Five)	Paid-in Capital	Share Issued Premiums	Share Cancellation Profit	Other Capital Rserve	1	2	3	4	5	6	Profit Reserves	Prior Period Profit / (Loss)	Net Profit or Loss for the Period	Total Shareholders' Equity
<b>I. Balances at Beginning of Period</b>	<b>II-I</b>	2,655,500	-	-	(6,321)	53,305	(40,681)	-	-	64,663	720,650	429,402	1,217,432	-	5,093,950
<b>II. Corrections according to TAS 8</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Corrections of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Amendments in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. New Balance (I+II)</b>		2,655,500	-	-	(6,321)	53,305	(40,681)	-	-	64,663	720,650	429,402	1,217,432	-	5,093,950
<b>IV. Total Comprehensive Income</b>		-	-	-	-	(6,093)	2,669	-	-	(47,205)	248,478	-	-	2,002,375	2,200,224
<b>V. Capital Increase in Cash</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI. Capital Increase in Internal Resources</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII. Adjustment to Share Capital</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII. Convertible Bonds</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX. Subordinated Debt Instruments</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X. Gain or Loss related to Other Changes</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XI. Profit Distribution</b>		-	-	-	-	-	-	-	-	-	-	1,217,432	(1,217,432)	-	-
11.1 Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	1,217,432	(1,217,432)	-	-
11.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Period End Balance (III+IV+.....+X+XI)</b>		2,655,500	-	-	(6,321)	47,212	(38,012)	-	-	17,458	969,128	1,646,834	-	2,002,375	7,294,174

1. Non-current assets revaluations increases / decreases.

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

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

4. Foreign currency translation differences.

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

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

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



**BURGAN BANK A.Ş.****UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

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

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

1. Non-current assets revaluations increases / decreases,

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

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

4. Foreign currency translation differences,

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

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

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

**BURGAN BANK A.Ş.****UNCONSOLIDATED STATEMENT OF CASH FLOWS AS OF 30 SEPTEMBER 2023  
AND 30 SEPTEMBER 2022**

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

<b>VI. STATEMENT OF CASH FLOWS</b>	<b>Reviewed 30/09/2023</b>	<b>Reviewed 30/09/2022</b>
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>		
<b>1.1 Operating Profit Before Changes in Assets and Liabilities in the Field of Activity of Banking</b>	<b>(2,807,589)</b>	<b>1,092,621</b>
1.1.1 Interest Received	6,078,099	3,740,875
1.1.2 Interest Paid	(6,016,239)	(2,914,057)
1.1.3 Dividend Received	-	24
1.1.4 Fees and Commissions Received	780,443	109,693
1.1.5 Other Income	-	-
1.1.6 Collections from Previously Written-off Loans and Other Receivables	509,766	322,681
1.1.7 Payments to Personnel and Service Suppliers	(803,510)	(353,776)
1.1.8 Taxes Paid	(49,546)	(27,218)
1.1.9 Other	(3,306,602)	214,399
<b>1.2 Changes in Operating Assets and Liabilities in Banking Activities</b>	<b>4,992,343</b>	<b>4,515,787</b>
1.2.1 Net (Increase) Decrease in Financial Assets at Fair Value Through Profit or Loss	(2,249,630)	(29,343)
1.2.2 Net (Increase) Decrease in Banks	1,333,926	(939,710)
1.2.3 Net (Increase) Decrease in Loans	(1,451,086)	(6,770,830)
1.2.4 Net (Increase) Decrease in Other Assets	(1,036,932)	(1,219,511)
1.2.5 Net Increase (Decrease) in Bank Deposits	523,422	(158,355)
1.2.6 Net Increase (Decrease) in Other Deposits	(4,845,278)	11,368,673
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	9,882,485	(1,025,355)
1.2.9 Net Increase (Decrease) in Overdue Payables	-	-
1.2.10 Net Increase (Decrease) in Other Liabilities	2,835,436	3,497,053
<b>I. Net Cash Flow Provided from Banking Operations</b>	<b>2,184,754</b>	<b>5,608,408</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>II. Net Cash Flow Provided from Investing Activities</b>	<b>(206,835)</b>	<b>(1,873,309)</b>
2.1 Cash Paid for Acquisition of Investments, Associates and Subsidiaries (Joint Partnerships)	(350,000)	-
2.2 Cash Obtained from Disposal of Investments, Associates and Subsidiaries (Joint Partnerships)	-	-
2.3 Purchases of Property and Equipment	(39,068)	-
2.4 Disposals of Property and Equipment	445,128	442,401
2.5 Financial Assets at Fair Value Through Other Comprehensive Income	(176,744)	(1,422,401)
2.6 Financial Assets at Fair Value Through Other Comprehensive Income	340,798	875,472
2.7 Purchased Financial Assets at Amortised Cost	(890,750)	(2,072,663)
2.8 Sold Financial Assets at Amortised Cost	502,604	303,882
2.9 Other	(38,803)	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
<b>III. Net Cash Provided from Financing Activities</b>	<b>(44,908)</b>	<b>737,678</b>
3.1 Cash Obtained from Funds Borrowed and Securities Issued	-	-
3.2 Cash Outflow for Repayment of Funds Borrowed and Securities Issued	-	-
3.3 Issued Capital Instruments	-	765,500
3.4 Dividends Payments	-	-
3.5 Payments for Leases	(44,908)	(27,822)
3.6 Other	-	-
<b>IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents</b>	<b>322,702</b>	<b>269,188</b>
<b>V. Net Increase / (Decrease) in Cash and Cash Equivalents (I+II+III+IV)</b>	<b>2,255,713</b>	<b>4,741,965</b>
<b>VI. Cash and Cash Equivalents at the Beginning of the Period</b>	<b>5,771,649</b>	<b>3,093,705</b>
<b>VII. Cash and Cash Equivalents at the End of the Period</b>	<b>8,027,362</b>	<b>7,835,670</b>

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 financial statements and related notes and explanations in accordance with the Turkish Accounting Standards and Regulation on the Principles and Procedures numbered 5411 Regarding Banks' Accounting Application and Keeping Documents:**

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

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

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

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.

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

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

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

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

Since the POA did not make any new announcement, while preparing the financial statements as of 30 September 2023, no inflation adjustment was made according to 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. **Information on accounting policies and changes in financial statements:**

None.

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

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

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

As of 30 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.

**III. INFORMATION ON CONSOLIDATED PARTNERSHIPS:**

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

The Bank has no joint ventures as of 30 September 2023 and 31 December 2022.

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

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

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

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

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

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

As of 30 September 2023, the Bank applies cash flow hedge accounting through cross and interest currency swaps to protect against changes in interest rates of FC deposits which have average maturities of up to 3 months. The Bank implements effectiveness tests at the balance sheet dates for hedge accounting, the effective parts are accounted as defined in 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.

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

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**EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD (continued):****VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSE:**

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

**VII. EXPLANATIONS ON FINANCIAL ASSETS:**

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

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

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

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

**EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD (continued):****VII. EXPLANATIONS ON FINANCIAL ASSETS (continued):****b. Financial assets at fair value through other comprehensive income:**

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

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

Equity securities, which are classified as financial assets at fair value through other comprehensive income, that have a quoted market price in an active market and/or whose fair values can be reliably measured are carried at their fair value. Equity securities that do not have a quoted market price in an active market and/or whose fair values cannot be reliably measured are carried at cost, less provision for impairment. In case of disposal of the equity investment, the accumulated total gain or loss is followed in the "Other Accumulated Comprehensive Income or Expense that cannot be reclassified to Profit or Loss".

During initial recognition, an entity can make an irrevocable decision, by choosing to record the changes of the fair value of the investment in an equity instrument that is not held for trading purposes in other comprehensive income. If this choice is made, the dividends from the investment are taken into the financial statements as profit or loss.

**c. Financial assets measured at amortized cost:**

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

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**EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD (continued):****VII. EXPLANATIONS ON FINANCIAL ASSETS (continued):****c. Financial assets measured at amortized cost (continued):**

In addition, the Bank's equity securities portfolio includes financial assets at fair value through other comprehensive income and government bonds indexed to consumer prices (CPI), which are classified as financial assets measured at amortized cost. The securities in question are valued and accounted for according to the effective interest method, based on the real coupon rates and the index calculated by taking into account the reference inflation index and the estimated inflation rate at the date of issuance. As stated in the Undersecretariat of Treasury's CPI-Indexed Bonds Investor Guide, the reference indices used in the calculation of the actual coupon payment amounts of these securities are created according to the CPI of two months ago. The bank determines the estimated inflation rate accordingly. The inflation rate which is estimated by taking account T.R Central Bank and Bank expectations, is updated within the year when deemed necessary.

**d. Loans:**

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

The Bank's loans are recorded under the "Measured at Amortized Cost" account.

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

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

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

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



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

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

The basic parameters used in the calculations of provision are described below:

**Probability of Default (PD):** PD refers to the likelihood that a loan will default within a specified time horizon. Based on TFRS 9, two different PDs are considered in calculations:

- **12-month PD:** The probability of default occurring within the next 12 months following the balance sheet date.
- **Lifetime PD:** The probability of default occurring over the remaining life of the loan.

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

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

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

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

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

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

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

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

**Stage 1:**

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

**Stage 2:**

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

**Stage 3:**

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

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

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

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

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**EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD (continued):****IX. EXPLANATIONS ON OFFSETTING FINANCIAL ASSETS:**

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

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

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

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

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

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

The Bank has no discontinued operations.

**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 Bank 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 method. The useful life of the asset is determined by assessing the expected useful life of the asset, technical, technological and other kinds of obsolescence and all required maintenance expenses necessary to utilize the economic benefit of the asset and differs from 3 years to 15 years.

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

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

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

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

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

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

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

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

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

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**EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD (continued):****XIV. EXPLANATIONS ON LEASING TRANSACTIONS:**

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

Leased assets are included in the property and equipment and depreciation is charged on a straight-line basis over the useful life of the asset. If there is any diminution in value of the leased asset, a "Provision for value decrease" is recognised. Liabilities arising from the leasing transactions are included in "Financial Lease Payables" on the balance sheet. Interest and foreign exchange expenses regarding lease transactions are charged to the income statement.

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

The Bank has applied the changes in accounting policies due to the initial implementation of the "TFRS 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.

**TFRS 16 "Leases" Standard****The Bank – lessee:**

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

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**EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD (continued):****XIV. EXPLANATIONS ON LEASING TRANSACTIONS (continued):****Right-of-use asset:**

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

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

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

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

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

**Lease obligation:**

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

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

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

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

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

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**EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD (continued):****XV. EXPLANATIONS ON PROVISIONS AND CONTINGENT LIABILITIES:**

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

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

**XVI. EXPLANATIONS ON CONTINGENT ASSETS:**

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

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

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

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

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

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

Many clauses of Corporate Tax Law No.5520 which are valid starting from 1 January 2006, was taken into effect after being published in the Official Gazette dated 21 June 2006 No. 26205. 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. In addition, pursuant to the regulation introduced by the Law No. 7456 published on 15 July, 2023, the rate in question was increased to 30% to be applied to the cumulative bases included in the declarations that must be submitted as of 1 October 2023; The corporate tax rate will be applied as 30% in future periods, starting from the advance tax return to be submitted for the period 1 January 2023 - 30 September 2023.

There is no withholding tax on dividends paid to non-limited taxpayer institutions that generate income through a workplace or permanent representative in Turkey and to institutions resident in Turkey. Dividend payments made to individuals and institutions other than these are subject to 10% withholding tax. Addition of profit to capital is not considered profit distribution and withholding tax is not applied.

The pursuant to the Presidential Decree published in Official Gazette on 7 July 2023 numbered 7343, 0% withholding tax is applied on the amounts considered as distributed dividends in relation to their own shares acquired by full-time taxpayer capital companies whose shares are traded in Borsa Istanbul. This change will be valid for shares acquired as of 7 July, 2023. Apart from these, a 15% withholding will be applied on the amounts considered as distributed dividends regarding the shares acquired by full taxpayer capital companies as of 7 July 2023.

Corporations calculate provisional tax based on their quarterly financial profits and declare and pay it until the evening of the 17th day of the second month following that period. The provisional tax paid during the year belongs to that year and is deducted from the Corporate Tax to be calculated on the Corporate Tax return to be submitted in the following year. Despite the deduction, if the amount of advance tax paid remains, this amount can be refunded in cash or can be offset against other financial debts to the state.



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

75% of the profits arising from the sales of participation shares and real estate held for at least two years before 5 December 2017, and 50% of the profits arising from the sales of real estate held for the same period after 5 December 2017, as stipulated in the Corporate Tax Law. It is exempt from tax, provided that it is added to the capital in a way or kept in equity for 5 years. According to Turkish tax legislation, financial losses shown on the declaration can be deducted from the period corporate income for a period not exceeding 5 years. However financial losses can not be offsetted from last year's profits. However, with Law No. 7456 published on 15 July 2023, this exception has been abolished for real estate to be acquired after the publication date of the decision; If real estate acquired before this date is sold after the effective date of the decision, 25% of the real estate sales gain will be exempt from corporate tax.

According to the Tax Procedure Law No. 7352 and the Law on the Amendment of the Corporate Tax Law published in the Official Gazette dated 29 January 2022 and numbered 31734, the application of inflation adjustment in the Tax Procedure Law financial statements 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. In accordance with the relevant legislation, the resulting value increase amounts are shown in a special fund account under shareholders' equity.

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

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

Since the change in the Corporate Tax rate, which came 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, deferred tax assets and liabilities within the scope of TAS 12 have been calculated according to a 30% tax rate.

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

**XIX. ADDITIONAL EXPLANATIONS ON BORROWINGS:**

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

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

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

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

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

**XXII. EXPLANATIONS ON GOVERNMENT GRANTS:**

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

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

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

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

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

**EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD (continued):****XXIV. EXPLANATIONS ON EARNINGS PER SHARE:**

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

	30 September 2023	30 September 2022
Net Income/(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
<b>Earnings/(Losses) Per Ordinary Shares (Disclosed as 1,000 nominal in full TL)</b>	<b>7.540</b>	<b>4.501</b>

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

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

**XXV. EXPLANATIONS ON RELATED PARTIES:**

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

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

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

**XXVII. EXPLANATIONS ON SEGMENT REPORTING:**

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

**XXVIII. RECLASSIFICATIONS:**

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

**SECTION FOUR**

**INFORMATION RELATED TO THE FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK**

**I. EXPLANATIONS ON EQUITY:**

Total capital and Capital adequacy ratio have been calculated in accordance with the "Regulation on Equity of Banks" and "Regulation on Measurement and Assessment of Capital Adequacy of Banks". As of 30 September 2023, the Bank's total capital has been calculated as TL 12,177,847 (31 December 2022: TL 8,490,494) and the Capital adequacy ratio is 23.81% (31 December 2022: 21.00%).

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.

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

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK (continued):****I. EXPLANATIONS ON EQUITY (continued):****a. Information about equity items:**

	Current Period 30 September 2023	Amounts Related to Treatment Before 1/1/2014 <sup>(*)</sup>	Prior Period 31 December 2022	Amounts Related to Treatment Before 1/1/2014 <sup>(*)</sup>
<b>COMMON EQUITY TIER 1 CAPITAL</b>				
Paid-in capital following all debts in terms of claim in liquidation of the Bank	2,655,500		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	
Net Profit for the period	2,002,375		1,201,724	
Prior Years' Profit	-		15,708	
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognized within profit for the period	-		-	
<b>Common Equity Tier 1 Capital Before Deductions</b>	<b>7,350,532</b>		<b>5,147,564</b>	
<b>Deductions from Common Equity Tier 1 Capital</b>				
Common Equity as per the (i) clause of Provisional Article 9 of the Regulation on the Equity of Banks	-		-	
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	94,107		44,941	
Improvement costs for operating leasing	9,178		10,806	
Goodwill net of related tax liability	-		-	
Other intangibles other than mortgage-servicing rights net of related tax liability	100,876	100,876	80,568	80,568
Deferred tax assets that rely on future profitability excluding those arising from temporary differences net of related tax liability	-		-	
Differences that are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	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	-		-	
<b>Total Deductions From Common Equity Tier 1 Capital</b>	<b>1,173,289</b>		<b>856,965</b>	
<b>Total Common Equity Tier 1 Capital</b>	<b>6,177,243</b>		<b>4,290,599</b>	

<sup>(\*)</sup> 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 FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK (continued):****I. EXPLANATIONS ON EQUITY (continued):****a. Information about equity items (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 (*)
<b>ADDITIONAL TIER I CAPITAL</b>				
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-	-	-
Debt instruments and premiums approved by BRSA	1,368,835	-	934,915	-
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-	-	-
<b>Additional Tier I Capital before Deductions</b>	<b>1,368,835</b>	-	<b>934,915</b>	-
<b>Deductions from Additional Tier I Capital</b>	-	-	-	-
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7	-	-	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-	-	-
Other items to be defined by the BRSA	-	-	-	-
<b>Transition from the Core Capital to Continue to deduct Components</b>	-	-	-	-
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-	-	-
<b>Total deductions From Additional Tier I Capital</b>	-	-	-	-
<b>Total Additional Tier I Capital</b>	<b>1,368,835</b>	-	<b>934,915</b>	-
<b>Total Tier I Capital (Tier I Capital+Common Equity+Additional Tier I Capital)</b>	<b>7,546,078</b>	-	<b>5,225,514</b>	-
<b>TIER II CAPITAL</b>	-	-	-	-
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)	525,264	-	460,253	-
<b>Tier II Capital Before Deductions</b>	<b>4,631,769</b>	-	<b>3,264,998</b>	-
<b>Deductions From Tier II Capital</b>	-	-	-	-
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	-	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-	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 (-)	-	-	-	-
<b>Total Deductions from Tier II Capital</b>	-	-	18	-
<b>Total Tier II Capital</b>	<b>4,631,769</b>	-	<b>3,264,980</b>	-
<b>Total Capital (The sum of Tier I Capital and Tier II Capital)</b>	<b>12,177,847</b>	-	<b>8,490,494</b>	-
<b>Deductions from Total Capital</b>	-	-	-	-
Deductions from Capital Loans granted contrary to the 50th and 51st Article of the Law	-	-	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	-	-	-
Other items to be defined by the BRSA	-	-	-	-
<b>In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components</b>	-	-	-	-
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first and second sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-	-	-

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

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

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

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK (continued):****I. EXPLANATIONS ON EQUITY (continued):****a. Information about equity items (continued):**

	Current Period 30 September 2023	Amounts Related to Treatment Before 1/1/2014 <sup>(*)</sup>	Prior Period 31 December 2022	Amounts Related to Treatment Before 1/1/2014 <sup>(*)</sup>
<b>EQUITY</b>				
<b>Total EQUITY (Sum of Tier I and Tier II capital)</b>	<b>12,177,847</b>		<b>8,490,494</b>	
Total Risk Weighted Amounts	51,157,299		40,423,060	
<b>CAPITAL ADEQUACY RATIOS</b>				
Core Capital Adequacy Ratio (%)	12.07		10.61	
Tier I Capital Adequacy Ratio (%)	14.75		12.93	
Capital Adequacy Ratio (%)	23.81		21.00	
<b>BUFFERS</b>				
Total additional core capital requirement ratio (a+b+c)	2.538		2.525	
a. Capital conservation buffer requirement (%)	2.500		2.500	
b. Bank specific counter-cyclical capital buffer ratio (%)	0.038		0.025	
c. Systematic significant bank buffer ratio (%)	-		-	
The ratio of the Additional Common Equity Tier I to be calculated in accordance with the first paragraph of Article 4 of the Regulation on Capital Conservation and Countercyclical Capital Buffers to the amount of risk-weighted assets	7.57		6.11	
<b>Amounts below the Excess Limits as per the Deduction Principles</b>				
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-		-	
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-		-	
Amount arising from the rights to provide mortgage services	-		-	
Amount arising from deferred tax assets based on temporary differences	359,370		444,045	
<b>Limits Related to Provisions Considered in Tier II Calculation</b>				
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	774,510		1,543,820	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	525,264		460,253	
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-		-	
Excess amount of total provision amount to %0.6 of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	-		-	
<b>Debt instruments subjected to Article 4 (to be implemented between 1 January 2018 and 1 January 2022)</b>				
Upper limit for additional Tier I Capital subjected to temporary Article 4	-		-	
Amounts excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-		-	
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-		-	
Amounts excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-		-	

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

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**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK  
(continued):****I. EXPLANATIONS ON EQUITY (continued):****b. Information on instruments related to equity calculation:**

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



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

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

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

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

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

		Risk Weighted Amounts		Minimum Capital Liability
		Current Period	Prior Period	Current Period
		30 September 2023	31 December 2022	30 September 2023
1	Credit risk (excluding counterparty credit risk) (CCR)	39.158.874	35.816.475	3.132.710
2	Standardized approach (SA)	39.158.874	35.816.475	3.132.710
3	Internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	2.862.256	1.003.756	228.980
5	Standardized approach for counterparty credit risk (SACCR)	2.862.256	1.003.756	228.980
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	6.564.393	2.064.396	525.151
17	Standardized approach (SA)	6.564.393	2.064.396	525.151
18	Internal model approaches (IMM)	-	-	-
19	Operational risk	2.571.776	1.538.433	205.742
20	Basic indicator approach	2.571.776	1.538.433	205.742
21	Standard approach	-	-	-
22	Advanced measurement approach	-	-	-
23	The amount of the discount threshold under the equity (subject to a 250% risk weight)	-	-	-
24	Floor adjustments	-	-	-
25	<b>Total (1+4+7+8+9+10+11+12+16+19+23+24)</b>	<b>51.157.299</b>	<b>40.423.060</b>	<b>4.092.583</b>

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

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

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

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

A series of limits for the tenure of daily and forward foreign exchange positions are designated as approved the Board of Directors. The Bank has a short-term conservative foreign currency position management policy.

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

	EUR		USD	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
<b>Currency Buying Rate</b>	TL 29.0305	TL 19.9349	TL 27.3767	TL 18.6983
1st Day's Currency Buying Rate	TL 29.0305	TL 19.9349	TL 27.3767	TL 18.6983
2nd Day's Currency Buying Rate	TL 28.8083	TL 19.8816	TL 27.3752	TL 18.6966
3rd Day's Currency Buying Rate	TL 28.7853	TL 19.8946	TL 27.2640	TL 18.6964
4th Day's Currency Buying Rate	TL 28.8183	TL 19.9087	TL 27.2108	TL 18.6813
5th Day's Currency Buying Rate	TL 28.9027	TL 19.8324	TL 27.1751	TL 18.6649

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

	EUR		USD	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
Arithmetic average - 30 days	TL 29.0305	TL 19.7480	TL 27.3767	TL 18.6404

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

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

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK  
(continued):****III. EXPLANATIONS ON CURRENCY RISK (continued):****Information on currency risk of the Bank:**

	<b>EUR</b>	<b>USD</b>	<b>Other FC</b>	<b>Total</b>
<b>30 September 2023</b>				
<b>Assets</b>				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	1,663,652	4,281,269	333,928	6,278,849
Banks	47,024	63,443	262,362	372,829
Financial Assets at Fair Value Through Profit or Loss <sup>(1)</sup>	24,941	429,868	-	454,809
Interbank Money Market Placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	220,243	569,974	-	790,217
Loans <sup>(2)</sup>	12,883,569	6,617,772	-	19,501,341
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 <sup>(1)</sup>	104,070	976,900	-	1,080,970
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets <sup>(4)</sup>	48,777	109,299	25	158,101
<b>Total Assets</b>	<b>15,600,749</b>	<b>15,210,161</b>	<b>596,315</b>	<b>31,407,225</b>
<b>Liabilities</b>				
Bank Deposits	1,202	698,688	-	699,890
Foreign Currency Deposits	3,370,725	9,439,901	1,138,907	13,949,533
Funds From Interbank Money Market	-	1,383,361	-	1,383,361
Funds Borrowed From Other Financial Institutions	6,620,045	8,746,091	-	15,366,136
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	1,038,641	3,057,055	2,395	4,098,091
Hedging Derivative Financial Liabilities <sup>(3)</sup>	45,755	87,591	-	133,346
Other Liabilities <sup>(4)</sup>	85,541	316,040	30,148	431,729
<b>Total Liabilities</b>	<b>11,161,909</b>	<b>23,728,727</b>	<b>1,171,450</b>	<b>36,062,086</b>
<b>Net On-balance Sheet Position</b>	<b>4,438,840</b>	<b>(8,518,566)</b>	<b>(575,135)</b>	<b>(4,654,861)</b>
<b>Net Off-balance Sheet Position</b>	<b>(4,348,312)</b>	<b>9,284,704</b>	<b>581,947</b>	<b>5,518,339</b>
Financial Derivative Assets	5,701,219	26,026,879	581,947	32,310,045
Financial Derivative Liabilities	10,049,531	16,742,175	-	26,791,706
<b>Non-Cash Loans <sup>(5)</sup></b>	<b>1,257,515</b>	<b>5,431,203</b>	<b>104,801</b>	<b>6,793,519</b>
<b>31 December 2022</b>				
Total Assets	15,182,362	10,941,503	337,268	26,461,133
Total Liabilities	5,172,186	17,824,207	591,584	23,587,977
<b>Net On-balance Sheet Position</b>	<b>10,010,176</b>	<b>(6,882,704)</b>	<b>(254,316)</b>	<b>2,873,156</b>
<b>Net Off-balance Sheet Position</b>	<b>(9,803,277)</b>	<b>7,620,318</b>	<b>61,055</b>	<b>(2,121,904)</b>
Financial Derivative Assets	3,137,938	20,397,100	976,010	24,511,048
Financial Derivative Liabilities	12,941,215	12,776,782	914,955	26,632,952
<b>Non-Cash Loans <sup>(6)</sup></b>	<b>1,695,328</b>	<b>3,030,385</b>	<b>75,950</b>	<b>4,801,663</b>

<sup>(1)</sup> TL 797,032 (31 December 2022: TL 459,476) derivative financial instruments income accruals are not included.<sup>(2)</sup> Foreign currency indexed loans amounting to TL 79,367 (31 December 2022: TL 165,571) are included in the table above, TL 490,198 (31 December 2022: TL 1,114,040) "Expected Loss Provisions" are included in the table.<sup>(3)</sup> TL 380,233 (31 December 2022: TL 238,260) "derivative financial instruments expense accruals" are not included in the table.<sup>(4)</sup> Prepaid Expenses amounting to TL 4,916 in Other Assets are not included in the table. Other liabilities include TL 721,802 (31 December 2022: TL 614,262) "Securities Valuation Differences" and "Hedging Funds", TL 574,911 (31 December 2022: TL 654,441) "General reserve" are not included in the table. TL 2,038 "Provisions for Non-cash Loans First and Second Stage Expected Losses" are included in the table.<sup>(5)</sup> Non-cash loans are not included in the total of "Net Off-Balance Sheet Position".<sup>(6)</sup> 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.

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK (continued):****IV. EXPLANATIONS ON INTEREST RATE RISK:**

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

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

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

30 September 2023	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
<b>Assets <sup>(1)</sup></b>							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	2,771,316	-	-	-	-	6,602,100	9,373,416
Banks	-	-	-	-	-	373,110	373,110
Financial Assets at Fair Value Through Profit or Loss <sup>(2)</sup>	1,613,104	1,547,532	1,194,141	318,469	31,301	2,581,859	7,286,406
Interbank Money Market Placements	1,009,109	-	-	-	-	-	1,009,109
Financial Assets at Fair Value Through Other Comprehensive Income	-	-	765,842	1,128,792	1,067,126	7,675	2,969,435
Loans Given <sup>(3)</sup>	14,412,019	7,471,054	6,693,916	4,633,091	2,069,078	840,647	36,119,805
Financial Assets Measured at Amortized Cost <sup>(4)</sup>	-	-	704,797	4,711,874	2,221,111	-	7,637,782
Other Assets <sup>(5)</sup>	-	-	-	-	-	5,873,134	5,873,134
<b>Total Assets</b>	<b>19,805,548</b>	<b>9,018,586</b>	<b>9,358,696</b>	<b>10,792,226</b>	<b>5,388,616</b>	<b>16,278,525</b>	<b>70,642,197</b>
<b>Liabilities</b>							
Bank Deposits	665,461	-	-	-	-	34,764	700,225
Other Deposits	20,219,535	8,410,733	897,899	11,473	-	5,647,807	35,187,447
Payables to Interbank Money Market	1,410,382	-	631,956	744,950	-	-	2,787,288
Miscellaneous Payables <sup>(6)</sup>	-	-	-	-	-	4,643,549	4,643,549
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	1,062,703	5,507,761	7,435,108	-	-	1,368,835	15,374,407
Other Liabilities <sup>(6)(7)</sup>	556,183	454,548	601,512	82,552	4,276	10,250,210	11,949,281
<b>Total Liabilities</b>	<b>23,914,264</b>	<b>14,373,042</b>	<b>9,566,475</b>	<b>838,975</b>	<b>4,276</b>	<b>21,945,165</b>	<b>70,642,197</b>
<b>Balance Sheet Long Position</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,953,251</b>	<b>5,384,340</b>	<b>-</b>	<b>15,337,591</b>
<b>Balance Sheet Short Position</b>	<b>(4,108,716)</b>	<b>(5,354,456)</b>	<b>(207,779)</b>	<b>-</b>	<b>-</b>	<b>(5,666,640)</b>	<b>(15,337,591)</b>
Off-balance Sheet Long Position	-	-	-	3,683,238	155,567	-	3,838,805
Off-balance Sheet Short Position	(322,364)	(1,641,768)	(257,594)	-	-	-	(2,221,726)
<b>Total Position</b>	<b>(4,431,080)</b>	<b>(6,996,224)</b>	<b>(465,373)</b>	<b>13,636,489</b>	<b>5,539,907</b>	<b>(5,666,640)</b>	<b>1,617,079</b>

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

<sup>(2)</sup> Financial Assets at Fair Value Through Profit or Loss includes derivative financial assets amounting to TL 4,445,613 classified to a related re-pricing periods.

<sup>(3)</sup> Loans Given item includes TL 1,271,318 Expected Loss Provisions.

<sup>(4)</sup> Financial Assets Measured at Amortized Cost item includes Expected Loss Provisions of TL 6.

<sup>(5)</sup> Other Assets item consists of TL 1,713,578 Assets Held For Sale From Discontinued Operations, TL 2,313,255 Partnership Investments, TL 297,407 Tangible Assets, TL 105,046 Intangible Assets, TL 1,443,848 Other Assets.

<sup>(6)</sup> Other Liabilities item includes derivative financial liabilities amounting to TL 1,659,415 classified to a related re-pricing periods. Other Liabilities and Miscellaneous Payables consist of TL 1,659,415 Financial Derivative Liabilities, TL 82,635 Lease Liabilities, TL 1,659,983 Provisions, TL 194,266 Current Tax Liability, TL 452,709 Deferred Tax Liability, TL 5,249,648 Other Liabilities and TL 7,294,174 Shareholder's Equity.

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

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

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

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

31 December 2022	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
<b>Assets <sup>(1)</sup></b>							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	1,133,913	-	-	-	-	5,714,845	6,848,758
Banks <sup>(1)</sup>	760,486	-	-	-	-	415,358	1,175,844
Financial Assets at Fair Value Through Profit or Loss <sup>(2)</sup>	1,284,753	1,026,338	485,371	107,911	129,960	96,065	3,130,398
Interbank Money Market Placements	1,449,254	310,048	49,954	-	-	-	1,809,256
Financial Assets at Fair Value Through Other Comprehensive Income	59,213	929,794	161,091	163,061	283,070	7,674	1,603,903
Loans Given <sup>(3)</sup>	16,473,305	6,834,608	6,651,794	2,227,917	1,375,221	1,173,084	34,735,929
Financial Assets Measured at Amortized Cost <sup>(4)</sup>	104,501	2,113,477	578,665	1,366,328	1,217,692	-	5,380,663
Other Assets <sup>(5)</sup>	-	-	-	-	-	3,121,935	3,121,935
<b>Total Assets</b>	<b>21,265,425</b>	<b>11,214,265</b>	<b>7,926,875</b>	<b>3,865,217</b>	<b>3,005,943</b>	<b>10,528,961</b>	<b>57,806,686</b>
<b>Liabilities</b>							
Bank Deposits	139,592	-	-	-	-	37,211	176,803
Other Deposits	24,384,354	10,232,437	864,553	26,323	-	4,363,450	39,871,117
Payables to Interbank Money Market	732,983	-	-	599,312	-	-	1,332,295
Miscellaneous Payables	-	-	-	-	-	3,246,885	3,246,885
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	447,205	3,308,064	648,781	-	-	934,915	5,338,965
Other Liabilities <sup>(6)(7)</sup>	203,941	168,246	158,276	511,644	265	6,798,249	7,840,621
<b>Total Liabilities</b>	<b>25,908,078</b>	<b>13,708,747</b>	<b>1,671,610</b>	<b>1,137,279</b>	<b>265</b>	<b>15,380,707</b>	<b>57,806,686</b>
<b>Balance Sheet Long Position</b>	<b>-</b>	<b>-</b>	<b>6,255,265</b>	<b>2,727,938</b>	<b>3,005,678</b>	<b>-</b>	<b>11,988,881</b>
<b>Balance Sheet Short Position</b>	<b>(4,642,653)</b>	<b>(2,494,482)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,851,746)</b>	<b>(11,988,881)</b>
Off-balance Sheet Long Position	-	-	531,479	1,772,945	134,665	-	2,439,089
Off-balance Sheet Short Position	(374,159)	(1,244,362)	-	-	-	-	(1,618,521)
<b>Total Position</b>	<b>(5,016,812)</b>	<b>(3,738,844)</b>	<b>6,786,744</b>	<b>4,500,883</b>	<b>3,140,343</b>	<b>(4,851,746)</b>	<b>820,568</b>

<sup>(1)</sup> Assets are shown with their net values in their related period by deducting allowances for expected credit losses.<sup>(2)</sup> Financial Assets at Fair Value Through Profit or Loss includes derivative financial assets amounting to TL 2,527,026 classified to a related re-pricing periods.<sup>(3)</sup> Loans Given item includes TL 2,045,979 Expected Loss Provisions.<sup>(4)</sup> Financial Assets Measured at Amortized Cost item includes Expected Loss Provisions of TL 43.<sup>(5)</sup> Other Assets item consists of TL 855,289 Assets Held For Sale From Discontinued Operations, TL 1,096,358 Partnership Investments, TL 207,119 Tangible Assets, TL 81,502 Intangible Assets, TL 164,843 Deferred Tax Asset, TL 716,824 Other Assets.<sup>(6)</sup> Other Liabilities item includes derivative financial liabilities amounting to TL 961,124 classified to a related re-pricing periods. Other Liabilities and Miscellaneous Payables consist of TL 961,124 Financial Derivate Liabilities, TL 81,251 Lease Liabilities, TL 892,708 Provisions, TL 463,055 Current Tax Liability, TL 3,595,418 Other Liabilities and TL 5,093,950 Shareholder's Equity.<sup>(7)</sup> Shareholders' Equity is presented in the Non-Interest Bearing column.

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

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

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK (continued):****IV. EXPLANATIONS ON INTEREST RATE RISK (continued):****b. Average interest rates for monetary financial instruments:**

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

<b>30 September 2023</b>	<b>EUR</b>	<b>USD</b>	<b>Yen</b>	<b>TL</b>
<b>Assets</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	-	-	-	-
Banks	-	-	-	-
Financial Assets at Fair Value Through Profit/Loss	4.71	5.16	-	9.79
Interbank Money Market Placements	-	-	-	34.88
Financial Assets at Fair Value Through Other Comprehensive Income	4.75	7.46	-	36.39
Loans Given	7.56	11.23	-	30.32
Financial Assets Measured at Amortized Cost	3.89	8.60	-	47.15
<b>Liabilities</b>				
Bank Deposits (*)	-	5.33	-	-
Other Deposits (*)	1.63	3.21	-	28.25
Payables to Interbank Money Market	-	6.14	-	26.77
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	7.15	7.33	-	24.40

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

<b>31 December 2022</b>	<b>EUR</b>	<b>USD</b>	<b>Yen</b>	<b>TL</b>
<b>Assets</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	-	-	-	-
Banks	1.86	4.04	-	9.69
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	6.45	8.87	-	16.91
Financial Assets Measured at Amortized Cost	3.88	8.56	-	43.46
<b>Liabilities</b>				
Bank Deposits (*)	3.42	-	-	-
Other Deposits (*)	1.25	1.99	-	19.13
Payables to Interbank Money Market	-	4.42	-	7.65
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	-	6.03	-	19.74

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

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK (continued):****IV. EXPLANATIONS ON INTEREST RATE RISK (continued):****c. Interest rate risk resulting from banking accounts:**

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

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

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

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

	<b>Applied Shock (+/- x basis point)</b>	<b>Earnings/ Losses</b>	<b>Earnings/ Equities-Losses/ Equities</b>
1. TL	+500 bp	(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%
<b>Total (For Negative Shocks)</b>		<b>207,990</b>	<b>1.7%</b>
<b>Total (For Positive Shocks)</b>		<b>(172,570)</b>	<b>(1.4%)</b>

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

None.



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

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

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

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

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

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

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

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

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

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

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

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

Market Risk Department reports results of scenarios related to liquidity risk to Board of Directors, Risk Coordination Committee, Risk Committee and ALCO through making monthly calculations based on stress scenarios. These stress tests identify negative market conditions and potential fund outflows which occur in funding resources in a liquidity crisis. The purpose of stress test is to inform related committees and Board of Directors regarding liquidity outflows and derogation which can occur in the liquidity ratios of the Bank. Required actions are taken by ALCO if there are similar situations mentioned in stress scenarios, The Market Risk Unit conducts stress tests more frequently during periods of high volatility and shares the results with the relevant managements.

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

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

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

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK (continued):****VI. EXPLANATIONS ON LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO (continued):****Liquidity Coverage Ratio:**

30 September 2023		Unweighted Amounts <sup>(*)</sup>		Weighted Amounts <sup>(*)</sup>	
		TL+FC	FC	TL+FC	FC
<b>HIGH QUALITY LIQUID ASSETS</b>					
<b>1</b>	<b>High quality liquid assets</b>			<b>15,145,558</b>	<b>7,283,559</b>
<b>CASH OUTFLOWS</b>					
<b>2</b>	<b>Real person deposits and retail deposits</b>	<b>28,881,741</b>	<b>14,452,595</b>	<b>2,680,748</b>	<b>1,445,260</b>
3	Stable deposits	4,148,510	-	207,425	-
4	Less stable deposits	24,733,231	14,452,595	2,473,323	1,445,260
<b>Unsecured debts excluding real person deposits and retail deposits</b>					
<b>5</b>	<b>Operational deposits</b>	<b>8,838,351</b>	<b>5,886,218</b>	<b>5,853,613</b>	<b>4,020,697</b>
6	Operational deposits	1,821,362	1,153,346	455,341	288,337
7	Non-operational deposits	3,776,363	2,188,192	2,157,646	1,187,680
8	Other unsecured funding	3,240,626	2,544,680	3,240,626	2,544,680
<b>9</b>	<b>Secured funding</b>			-	-
<b>10</b>	<b>Other cash outflows</b>	<b>2,402,489</b>	<b>2,487,266</b>	<b>2,402,490</b>	<b>2,487,264</b>
11	Derivative and collateral liabilities	2,402,489	2,487,266	2,402,490	2,487,264
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
<b>14</b>	<b>Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments</b>	-	-	-	-
<b>15</b>	<b>Other irrevocable or conditionally revocable commitments</b>	<b>14,757,664</b>	<b>6,961,413</b>	<b>2,365,045</b>	<b>1,017,248</b>
<b>16</b>	<b>TOTAL CASH OUTFLOWS</b>			<b>13,301,896</b>	<b>8,970,469</b>
<b>CASH INFLOWS</b>					
17	Secured receivables	-	-	-	-
18	Unsecured receivables	6,763,260	1,634,111	4,991,016	1,266,100
19	Other cash inflows	211,648	803,017	211,648	803,017
<b>20</b>	<b>TOTAL CASH INFLOWS</b>	<b>6,974,908</b>	<b>2,437,128</b>	<b>5,202,664</b>	<b>2,069,117</b>
				<b>Upper Limit Applied Values</b>	
<b>21</b>	<b>TOTAL HIGH QUALITY LIQUID ASSETS</b>			<b>15,145,558</b>	<b>7,283,559</b>
<b>22</b>	<b>TOTAL NET CASH OUTFLOWS</b>			<b>8,099,232</b>	<b>6,901,352</b>
<b>23</b>	<b>LIQUIDITY COVERAGE RATIO (%)</b>			<b>187.00</b>	<b>105.54</b>

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

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**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK  
(continued):****VI. EXPLANATIONS ON LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE  
RATIO (continued):**

31 December 2022		Unweighted Amounts (*)		Weighted Amounts (*)	
		TL+FC	FC	TL+FC	FC
<b>HIGH QUALITY LIQUID ASSETS</b>					
<b>1</b>	<b>High quality liquid assets</b>			<b>12,336,522</b>	<b>7,545,228</b>
<b>CASH OUTFLOWS</b>					
<b>2</b>	<b>Real person deposits and retail deposits</b>	<b>28,762,456</b>	<b>15,987,160</b>	<b>2,774,622</b>	<b>1,598,716</b>
3	Stable deposits	2,032,473	-	101,624	-
4	Less stable deposits	26,729,983	15,987,160	2,672,998	1,598,716
<b>5</b>	<b>Unsecured debts excluding real person deposits and retail deposits</b>	<b>10,024,681</b>	<b>6,670,724</b>	<b>5,389,610</b>	<b>3,392,212</b>
6	Operational deposits	3,340,012	2,408,999	835,003	602,250
7	Non-operational deposits	5,017,053	3,374,191	2,886,991	1,902,428
8	Other unsecured funding	1,667,616	887,534	1,667,616	887,534
<b>9</b>	<b>Secured funding</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>10</b>	<b>Other cash outflows</b>	<b>1,841,022</b>	<b>1,841,587</b>	<b>1,841,022</b>	<b>1,841,587</b>
11	Derivative and collateral liabilities	1,841,022	1,841,587	1,841,022	1,841,587
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
<b>14</b>	<b>Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>15</b>	<b>Other irrevocable or conditionally revocable commitments</b>	<b>9,382,119</b>	<b>4,805,207</b>	<b>1,557,050</b>	<b>839,855</b>
<b>16</b>	<b>TOTAL CASH OUTFLOWS</b>			<b>11,562,304</b>	<b>7,672,370</b>
<b>CASH INFLOWS</b>					
17	Secured receivables	-	-	-	-
18	Unsecured receivables	6,263,257	1,899,348	4,834,470	1,671,381
19	Other cash inflows	27,778	1,451,465	27,778	1,451,465
<b>20</b>	<b>TOTAL CASH INFLOWS</b>	<b>6,291,035</b>	<b>3,350,813</b>	<b>4,862,248</b>	<b>3,122,846</b>
		<b>Upper Limit Applied Values</b>			
<b>21</b>	<b>TOTAL HIGH QUALITY LIQUID ASSETS</b>			<b>12,336,522</b>	<b>7,545,228</b>
<b>22</b>	<b>TOTAL NET CASH OUTFLOWS</b>			<b>6,700,056</b>	<b>4,549,524</b>
<b>23</b>	<b>LIQUIDITY COVERAGE RATIO (%)</b>			<b>184.13</b>	<b>165.85</b>

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

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK (continued):****VI. EXPLANATIONS ON LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO (continued):**

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

High quality liquid assets of the Bank consist of accounts in Central Bank of the Republic of Turkey, at a ratio of 47% and securities issued by Undersecretariat of Treasury at a ratio of 39%. The fund resources are distributed among deposits of individuals and retail, corporate deposits and due to bank debts at ratios of 21%, 32% and 16%, respectively.

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

Absolute value of net warrant flows realized as of 30 days periods for each transaction and liability are calculated provided that changes in fair values of derivative transactions and other liabilities can form a margin liability in accordance with "Regulation on Calculation of Liquidity Coverage Ratio of Banks" entered into force through publishing in Official Gazette dated 21 March 2014 and numbered 28948. The biggest absolute value, which is calculated in the last 24 months, is taken into consideration as cash outflow. Calculations for derivative transactions and other liabilities, having a flow history shorter than 24 months, are performed from the date in which the transaction is triggered. Information related to the aforementioned cash outflow occurred on 30 September 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. Liquidity coverage rates must be at least 80% for foreign currency assets and liabilities and at least 100% in total assets and liabilities for the period 30 September 2023. Dates and values of lowest and highest foreign currency and total unconsolidated liquidity coverage rates calculated weekly related to the last quarter and average rates are explained in the table below:

Current Period	Maximum (%)		Minimum (%)	
	FC	FC+TL	FC	FC + TL
Weekly Arithmetic Average (%)	130.68	237.50	91.19	153.74
Week	01.09.2023	7.07.2023	25.08.2023	18.08.2023

Prior Period	Maximum (%)		Minimum (%)	
	FC	FC+TL	FC	FC + TL
Weekly Arithmetic Average (%)	264.02	302.45	107.82	136.13
Week	2.11.2022	28.12.2022	28.12.2022	23.11.2022

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

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK (continued):****VI. EXPLANATIONS ON LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO (continued):****Breakdown of assets and liabilities according to their outstanding maturities:**

<b>30 September 2023</b>	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-12 Months</b>	<b>1-5 years</b>	<b>5 Years and Over</b>	<b>Undistributable <sup>(6)</sup></b>	<b>Total</b>
<b>Assets <sup>(1)</sup></b>								
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	320,468	-	-	-	-	-	52,642	373,110
Financial Assets at Fair Value Through Profit or Loss <sup>(2)</sup>	-	429,497	929,479	595,946	2,090,115	659,511	2,581,858	7,286,406
Interbank Money Market Placements	-	1,009,109	-	-	-	-	-	1,009,109
Financial Assets at Fair Value Through Other Comprehensive Income	-	-	-	599,881	1,775,777	586,102	7,675	2,969,435
Loans Given <sup>(3)</sup>	-	7,382,194	8,273,441	6,780,700	9,664,326	3,178,497	840,647	36,119,805
Financial Assets Measured at Amortized Cost <sup>(4)</sup>	-	-	-	1,187,162	2,710,540	3,740,080	-	7,637,782
Other Assets <sup>(5) (6)</sup>	-	83,455	-	85,991	-	-	5,703,688	5,873,134
<b>Total Assets</b>	<b>4,363,674</b>	<b>14,234,465</b>	<b>9,202,920</b>	<b>9,249,680</b>	<b>16,240,758</b>	<b>8,164,190</b>	<b>9,186,510</b>	<b>70,642,197</b>
<b>Liabilities</b>								
Bank Deposits	34,764	665,461	-	-	-	-	-	700,225
Other Deposits	5,647,807	20,219,535	8,410,733	897,899	11,473	-	-	35,187,447
Funds Borrowed From Other Financial Institutions	-	1,062,704	1,349,762	7,435,108	1,368,833	4,158,000	-	15,374,407
Payables to Interbank Money Market	-	1,410,382	-	631,956	744,950	-	-	2,787,288
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables <sup>(7)</sup>	-	84,433	-	-	-	-	4,559,116	4,643,549
Other Liabilities <sup>(7) (8)</sup>	-	718,893	354,625	558,180	961,232	4,277	9,352,074	11,949,281
<b>Total Liabilities</b>	<b>5,682,571</b>	<b>24,161,408</b>	<b>10,115,120</b>	<b>9,523,143</b>	<b>3,086,488</b>	<b>4,162,277</b>	<b>13,911,190</b>	<b>70,642,197</b>
<b>Liquidity Gap</b>	<b>(1,318,897)</b>	<b>(9,926,943)</b>	<b>(912,200)</b>	<b>(273,463)</b>	<b>13,154,270</b>	<b>4,001,913</b>	<b>(4,724,680)</b>	<b>-</b>
<b>Net Off-balance sheet Position</b>	<b>-</b>	<b>43,695</b>	<b>557,083</b>	<b>503,991</b>	<b>1,677,686</b>	<b>430,737</b>	<b>-</b>	<b>3,213,192</b>
Receivables from Financial Derivative Assets	-	15,268,959	17,555,003	7,985,731	4,965,509	2,645,765	-	48,420,967
Payables to Financial Derivative Liabilities	-	(15,225,264)	(16,997,920)	(7,481,740)	(3,287,823)	(2,215,028)	-	(45,207,775)
<b>Non-cash Loans</b>	<b>-</b>	<b>7,244,362</b>	<b>2,472,240</b>	<b>4,503,508</b>	<b>730,403</b>	<b>31,510</b>	<b>-</b>	<b>14,982,023</b>
<b>31 December 2022</b>								
<b>Total Assets</b>	<b>2,937,264</b>	<b>15,658,031</b>	<b>9,312,649</b>	<b>7,883,257</b>	<b>10,687,964</b>	<b>7,335,577</b>	<b>3,991,944</b>	<b>57,806,686</b>
<b>Total Liabilities</b>	<b>4,400,661</b>	<b>26,140,945</b>	<b>10,816,192</b>	<b>1,592,841</b>	<b>2,669,495</b>	<b>2,836,709</b>	<b>9,349,843</b>	<b>57,806,686</b>
<b>Liquidity Gap</b>	<b>(1,463,397)</b>	<b>(10,482,914)</b>	<b>(1,503,543)</b>	<b>6,290,416</b>	<b>8,018,469</b>	<b>4,498,868</b>	<b>(5,357,899)</b>	<b>-</b>
<b>Net Off-balance sheet Position</b>	<b>-</b>	<b>23,240</b>	<b>(17,176)</b>	<b>354,548</b>	<b>1,078,719</b>	<b>345,709</b>	<b>-</b>	<b>1,785,040</b>
Financial Derivative Assets	-	11,284,159	9,327,727	2,770,074	7,477,411	2,489,308	-	33,348,679
Financial Derivative Liabilities	-	(11,260,919)	(9,344,903)	(2,415,526)	(6,398,692)	(2,143,599)	-	(31,563,639)
<b>Non-cash Loans</b>	<b>-</b>	<b>7,565,675</b>	<b>614,230</b>	<b>1,624,567</b>	<b>301,857</b>	<b>2,456</b>	<b>-</b>	<b>10,108,785</b>

<sup>(1)</sup> Assets are shown with their net values in their related period by deducting allowances for expected credit losses.<sup>(2)</sup> Financial Assets at Fair Value Through Profit or Loss includes derivative financial assets amounting to TL 5,545,793 classified to a related maturity period.<sup>(3)</sup> Loans Given item include TL 1,271,318 Expected Loss Provisions.<sup>(4)</sup> Financial Assets Measured at Amortized Cost item includes Expected Loss Provisions of TL 6.<sup>(5)</sup> Other Assets item consists of TL 1,713,578 Assets Held For Sale From Discontinued Operations, TL 2,313,255 Partnership Investment, TL 297,407 Tangible Assets, TL 105,046 Intangible Assets, TL 1,443,848 Other Assets.<sup>(6)</sup> Active accounts that make up the balance sheet, accounts such as fixed assets, associates and subsidiaries and goods are shown in the "Unallocated" column in "Other Assets".<sup>(7)</sup> Other liabilities include derivative financial liabilities amounting to TL 1,659,415 classified to a related maturity period. Other Liabilities and Miscellaneous Payables consist of TL 1,659,415 Financial Derivative Liabilities, TL 82,635 Lease Liabilities, TL 1,659,983 Provisions, TL 194,266 Current Tax Liability, TL 452,709 Deferred Tax Liability, TL 5,249,648 Other Liabilities and TL 7,294,174 Shareholder's Equity.<sup>(8)</sup> Shareholders' equity is presented under the "Other liabilities" item in the "Undistributable" column.

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

As of 30 September 2023, leverage ratio of the Bank calculated from the arithmetic average of the three months is 8.33% (31 December 2022: 7.39%). This ratio is above the minimum required. 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 <sup>(*)</sup>	31 December 2022 <sup>(*)</sup>
<b>Balance sheet assets</b>		
Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	66,267,731	56,136,587
(Assets deducted from Core capital)	93,391	72,455
Total risk amount of balance sheet assets	66,174,340	56,064,132
<b>Derivative financial assets and credit derivatives</b>		
Cost of replenishment for derivative financial assets and credit derivatives	3,711,225	1,222,490
Potential credit risk amount of derivative financial assets and credit derivatives	375,060	357,646
Total risk amount of derivative financial assets and credit derivatives	4,086,285	1,580,136
<b>Financing transactions secured by marketable security or commodity</b>		
Risk amount of financing transactions secured by marketable security or commodity (excluding Balance sheet)	-	-
Risk amount arising from intermediary transactions	-	-
Total risk amount of financing transactions secured by marketable security or commodity	-	-
<b>Off-balance sheet transactions</b>		
Gross nominal amount of off-balance sheet transactions	17,780,991	12,440,463
(Correction amount due to multiplication with credit conversion rates)	-	-
Total risk of off-balance sheet transactions	17,780,991	12,440,463
<b>Capital and total risk</b>		
Core capital	7,324,402	5,173,452
Total risk amount	88,041,616	70,084,731
<b>Leverage ratio</b>		
Leverage ratio	8.33%	7.39%

<sup>(\*)</sup> Average amounts for three months.

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

As of 30 September 2023, The Bank applies cash flow hedge accounting using interest swaps to hedge its FC deposits with an average maturity up to 3 months against interest rate fluctuations. The Bank implements effectiveness tests at the balance sheet dates for hedge accounting; the effective parts are accounted as defined in TFRS 9, in financial statements under equity "Hedging Funds", whereas the amount concerning ineffective parts is associated with the statement of profit or loss.

As of the balance sheet date derivative financial assets of which carrying amount is TL 3,142,676 (31 December 2022: TL 2,040,339) and derivative financial payables of which carrying amount is TL 563,555 (31 December 2022: 405,590 TL), 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 <sup>(*)</sup>	Ineffective Part Accounted in the Statement of Profit or Loss (Net)
			Assets	Liabilities		
Cross Currency Swap	Floating rate up to 3 month maturity FC deposits	Cash flow risk of changes in market interest rates	2,468,679	357,741	599,130	-
Interest Rate Swap	Floating rate up to 3 month maturity FC deposits	Cash flow risk of changes in market interest rates	673,997	205,814	369,998	-

<sup>(\*)</sup> Includes TAS 27 impacts and describes after tax amounts.

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

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



**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK (continued):****IX. EXPLANATION ON THE ACTIVITIES CARRIED OUT ON BEHALF AND ACCOUNT OF OTHER PARTIES:**

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

**X. EXPLANATIONS ON OPERATING SEGMENTS:**

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

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

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

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

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

The prior period information is presented as of 31 December 2022 for balance sheet and 30 September 2022 for income statement items.

	<b>Retail Banking</b>	<b>Digital Banking</b>	<b>Corporate and Commercial Banking</b>	<b>Treasury and Asset Liability Management</b>	<b>Other and Undistributed</b>	<b>Total Operations of the Bank</b>
<b>30 September 2023</b>						
Net Interest Income	456,326	246,676	457,453	(863,843)	-	296,612
Net Fees and Commissions	1,360	(4,411)	722,260	-	-	719,209
Trading Profit/Loss	55,622	3,467	191,926	926,443	-	1,177,458
Other Operating Income	981	10,730	200,511	-	-	212,222
<b>Operating Income</b>	<b>514,289</b>	<b>256,462</b>	<b>1,572,150</b>	<b>62,600</b>	-	<b>2,405,501</b>
<b>Operating and Provision Expenses (-)</b>	<b>(212,942)</b>	<b>(152,319)</b>	<b>300,273</b>	<b>(107,605)</b>	<b>(545,322)</b>	<b>(717,915)</b>
<b>Net Operating Income</b>	<b>301,347</b>	<b>104,143</b>	<b>1,872,423</b>	<b>(45,005)</b>	<b>(545,322)</b>	<b>1,687,586</b>
Dividend Income	-	-	-	-	-	-
Profit/Loss from Subsidiaries Based on Equity Method	-	-	-	-	839,714	839,714
<b>Profit/Loss Before Tax</b>	<b>301,347</b>	<b>104,143</b>	<b>1,872,423</b>	<b>(45,005)</b>	<b>294,392</b>	<b>2,527,300</b>
Tax Provisions (-)	(90,404)	(31,244)	(676,055)	13,502	259,276	(524,925)
<b>Net Profit/Loss</b>	<b>210,943</b>	<b>72,899</b>	<b>1,196,368</b>	<b>(31,503)</b>	<b>553,668</b>	<b>2,002,375</b>
Segment Assets	3,077,238	4,495,141	33,658,304	23,538,380	-	64,769,063
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-	2,313,255	2,313,255
Unallocated Assets	-	-	-	-	3,559,879	3,559,879
<b>Total Assets</b>	<b>3,077,238</b>	<b>4,495,141</b>	<b>33,658,304</b>	<b>23,538,380</b>	<b>5,873,134</b>	<b>70,642,197</b>
Segments Liabilities	20,435,664	6,517,460	7,460,836	20,521,333	8,412,730	63,348,023
Unallocated Liabilities	-	-	-	-	7,294,174	7,294,174
<b>Total Liabilities</b>	<b>20,435,664</b>	<b>6,517,460</b>	<b>7,460,836</b>	<b>20,521,333</b>	<b>15,706,904</b>	<b>70,642,197</b>

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

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

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK  
(continued):****X. EXPLANATIONS ON OPERATING SEGMENTS (continued):**

	<b>Retail Banking</b>	<b>Digital Banking</b>	<b>Corporate and Commercial Banking</b>	<b>Treasury and Asset Liability Management</b>	<b>Other and Undistributed</b>	<b>Total Operations of the Bank</b>
<b>30 September 2022</b>						
Net Interest Income	281,280	(50,053)	848,226	14,489	-	1,093,942
Net Fees and Commissions	384	795	95,925	-	-	97,104
Trading Profit/Loss	40,430	362	12,521	185,421	-	238,734
Other Operating Income	589	1,220	147,222	-	-	149,031
<b>Operating Income</b>	<b>322,683</b>	<b>(47,676)</b>	<b>1,103,894</b>	<b>199,910</b>	<b>-</b>	<b>1,578,811</b>
<b>Operating and Provision Expenses (-)</b>	<b>(96,815)</b>	<b>(54,176)</b>	<b>(86,973)</b>	<b>(60,384)</b>	<b>(231,065)</b>	<b>(529,413)</b>
<b>Net Operating Income</b>	<b>225,868</b>	<b>(101,852)</b>	<b>1,016,921</b>	<b>139,526</b>	<b>(231,065)</b>	<b>1,049,398</b>
Dividend Income	-	-	-	-	24	24
Profit/Loss from Subsidiaries Based on Equity Method	-	-	-	-	234,299	234,299
<b>Profit/Loss Before Tax</b>	<b>225,868</b>	<b>(101,852)</b>	<b>1,016,921</b>	<b>139,526</b>	<b>3,258</b>	<b>1,283,721</b>
Tax Provisions (-)	(56,467)	25,463	(254,230)	(34,882)	42,180	(277,936)
<b>Net Profit/Loss</b>	<b>169,401</b>	<b>(76,389)</b>	<b>762,691</b>	<b>104,644</b>	<b>45,438</b>	<b>1,005,785</b>
Segment Assets	3,110,052	2,409,090	34,465,184	14,700,425	-	54,684,751
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-	1,096,358	1,096,358
Unallocated Assets	-	-	-	-	2,025,577	2,025,577
<b>Total Assets</b>	<b>3,110,052</b>	<b>2,409,090</b>	<b>34,465,184</b>	<b>14,700,425</b>	<b>3,121,935</b>	<b>57,806,686</b>
Segments Liabilities	23,208,234	4,894,988	11,846,328	7,809,186	4,954,000	52,712,736
Unallocated Liabilities	-	-	-	-	5,093,950	5,093,950
<b>Total Liabilities</b>	<b>23,208,234</b>	<b>4,894,988</b>	<b>11,846,328</b>	<b>7,809,186</b>	<b>10,047,950</b>	<b>57,806,686</b>

## SECTION FIVE

## EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS

## I. EXPLANATIONS AND NOTES RELATED TO ASSETS

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

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

	30 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
<b>Total</b>	<b>3,094,567</b>	<b>6,278,849</b>	<b>1,219,549</b>	<b>5,629,209</b>

## 2. Information on the account of the CBRT:

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

## 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: in the range of 3% to 8% ); 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: in the range of 5% to 26%). 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.

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

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

As of 30 September 2023, there are no assets given as collateral/blocked to financial assets at fair value through profit or loss (31 December 2022: TL 290,057).

2. Financial assets at fair value through profit / 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
<b>Banks</b>				
Domestic	342	-	175,491	760,462
Foreign	-	372,829	-	239,962
Headquarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>342</b>	<b>372,829</b>	<b>175,491</b>	<b>1,000,424</b>

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	-	-
<b>Total</b>	<b>372,829</b>	<b>239,962</b>	<b>-</b>	<b>-</b>

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

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

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (continued):****II. EXPLANATIONS AND NOTES RELATED TO ASSETS (continued):****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).

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	7,674	7,674
Quoted on Stock Exchange	-	-
Not Quoted	7,674	7,674
Impairment Provision (-)	86,516	15,552
<b>Total</b>	<b>2,969,435</b>	<b>1,603,903</b>

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

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

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

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

	30 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	-
<b>Total</b>	<b>4,297</b>	<b>19,907</b>	<b>3,293</b>	<b>17,225</b>

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

i.

Cash Loans	Standard Loans	Loans Under Close Monitoring		
		Loans Not Subject to Restructuring	Restructured Loans	
			Loans with Revised Contract Terms	Re-finance
Non-Specialized Loans	30,249,581	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	12,136,599	79,487	5,693,866	-
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Total</b>	<b>30,249,581</b>	<b>93,220</b>	<b>5,694,932</b>	<b>-</b>

ii.

	Standard Loans	Loans Under Close Monitoring
<b>General provisions</b>	<b>59,796</b>	<b>698,778</b>
12 Month Expected Credit Losses	59,796	-
Significant Increase in Credit Risk	-	698,778

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

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (continued):****I. EXPLANATIONS AND NOTES RELATED TO ASSETS (continued):****e. Explanations on loans (continued):****3. Information on consumer loans, individual credit cards, personnel loans and personnel credit cards:**

	Short-term	Medium and Long-term	Total
<b>Consumer Loans-TL</b>	<b>792,489</b>	<b>2,780,644</b>	<b>3,573,133</b>
Real estate loans	-	21,555	21,555
Automotive loans	87,551	1,700,239	1,787,790
Consumer loans	704,938	1,058,850	1,763,788
Other	-	-	-
<b>Consumer Loans-FC Indexed</b>	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Consumer Loans-FC</b>	-	<b>5,906</b>	<b>5,906</b>
Real estate loans	-	5,906	5,906
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Individual Credit Cards-TL</b>	-	-	-
With installments	-	-	-
Without installments	-	-	-
<b>Individual Credit Cards-FC</b>	-	-	-
With installments	-	-	-
Without installments	-	-	-
<b>Personnel Loans-TL</b>	<b>804</b>	<b>3,493</b>	<b>4,297</b>
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	804	3,493	4,297
Other	-	-	-
<b>Personnel Loans-FC Indexed</b>	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Personnel Loans-FC</b>	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
<b>Personnel Credit Cards-TL</b>	-	-	-
With installments	-	-	-
Without installments	-	-	-
<b>Personnel Credit Cards-FC</b>	-	-	-
With installments	-	-	-
Without installments	-	-	-
<b>Credit Deposit Account-TL (Real Person)</b>	<b>6,639</b>	-	<b>6,639</b>
<b>Credit Deposit Account-FC (Real Person)</b>	-	-	-
<b>Total</b>	<b>799,932</b>	<b>2,790,043</b>	<b>3,589,975</b>

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

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (continued):****I. EXPLANATIONS AND NOTES RELATED TO ASSETS (continued):****e. Explanations on loans (continued):****4. Information on commercial installment loans and corporate credit cards:**

	Short-Term	Medium and Long-Term	Total
<b>Commercial Installments Loans-TL</b>		437,247	437,247
Real estate Loans		-	-
Automotive Loans		-	-
Consumer Loans		437,247	437,247
Other		-	-
<b>Commercial Installments Loans-FC Indexed</b>		79,368	79,368
Real estate Loans		-	-
Automotive Loans		-	-
Consumer Loans		79,368	79,368
Other		-	-
<b>Commercial Installments Loans-FC</b>	91,841	12,683,540	12,775,381
Real estate Loans		-	-
Automotive Loans		-	-
Consumer Loans	91,841	12,683,540	12,775,381
Other		-	-
<b>Corporate Credit Cards-TL</b>		-	-
With installments		-	-
Without installments		-	-
<b>Corporate Credit Cards-FC</b>		-	-
With installments		-	-
Without installments		-	-
<b>Credit Deposit Account-TL (Legal Person)</b>		-	-
<b>Credit Deposit Account-FC (Legal Person)</b>		-	-
<b>Total</b>	<b>91,841</b>	<b>13,200,155</b>	<b>13,291,996</b>

**5. Loans according to types of borrowers:**

	30 September 2023	31 December 2022
Public	569,751	1,282,605
Private	35,467,982	33,804,549
<b>Total</b>	<b>36,037,733</b>	<b>35,087,154</b>

**6. Distribution of domestic and foreign loans:**

	30 September 2023	31 December 2022
Domestic Loans	36,008,452	35,036,740
Foreign Loans	29,281	50,414
<b>Total</b>	<b>36,037,733</b>	<b>35,087,154</b>

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

	30 September 2023	31 December 2022
Direct loans given to associates and subsidiaries	-	-
Indirect loans given to associates and subsidiaries	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



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

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

## e. Explanations on loans (continued):

## 8. Specific provisions provided against loans:

	30 September 2023	31 December 2022
Allocated for Limited Collection Loans	23,276	508
Allocated for Doubtful Loans	950	210,510
Allocated for Loss Loans	488,518	310,652
<b>Total</b>	<b>512,744</b>	<b>521,670</b>

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

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

	Group III Loans with limited collectability	Group IV Loans with doubtful collectability	Group V Uncollectible loans
<b>30 September 2023</b>			
Gross amounts before the Provisions	2	-	148,021
Restructured Loans	2	-	148,021
<b>31 December 2022</b>			
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 Loans with limited collectability	Group IV Loans with doubtful collectability	Group V Uncollectible loans
<b>Prior Period End Balance</b>	<b>832</b>	<b>322,320</b>	<b>1,371,602</b>
Additions (+)	53,886	1,012	114,657
Transfers from Other Categories of Non-performing Loans (+)	-	1,578	316,095
Transfers to Other Categories of Non-performing Loans (-)	1,578	316,095	-
Collections (-)	10,891	6,891	491,984
Write-offs (-)	-	-	1,153
Sold Portfolio (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
<b>Balance at the End of the Period</b>	<b>42,249</b>	<b>1,924</b>	<b>1,309,217</b>
<b>Specific Provision (-)</b>	<b>23,276</b>	<b>950</b>	<b>488,518</b>
<b>Net Balance on Balance Sheet</b>	<b>18,973</b>	<b>974</b>	<b>820,699</b>

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

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

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

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

	<b>Group III</b> <b>Loans with limited collectability</b>	<b>Group IV</b> <b>Loans with doubtful collectability</b>	<b>Group V</b> <b>Uncollectible loans</b>
<b>30 September 2023</b>			
Period-End Balance	-	-	880,585
Specific Provision (-)	-	-	224,518
<b>Net Balance on balance sheet</b>	-	-	<b>656,067</b>
<b>31 December 2022</b>			
Period-End Balance	-	296,284	812,166
Specific Provision (-)	-	198,075	85,865
<b>Net Balance on balance sheet</b>	-	<b>98,209</b>	<b>726,301</b>

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

	<b>Group III</b> <b>Loans with limited collectability</b>	<b>Group IV</b> <b>Loans with doubtful collectability</b>	<b>Group V</b> <b>Uncollectible loans</b>
<b>30 September 2023</b>			
<b>Current Period (Net)</b>	<b>18,973</b>	<b>974</b>	<b>820,699</b>
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)	-	-	-
Provision Amount (-)	-	-	-
Other Loans (Net)	-	-	-
<b>Prior Period (Net)</b>	<b>324</b>	<b>111,810</b>	<b>1,060,950</b>
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)	-	-	-
Provision Amount (-)	-	-	-
Other Loans (Net)	-	-	-

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

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

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

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

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

11. Explanations of the write-off policy:

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

- Classified under Fifth Group-Uncollectible Loans,
- Part of the borrower's default for the lifetime expected credit losses or if there are no reasonable expectations for the recover of loans allocated in specific provision,
- From the first reporting period (interim or year-end reporting period) following their classification in the group,

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

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

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

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

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

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

As of 30 September 2023, the Bank has written-off its loans amounting to TL 1,153 (31 December 2022: TL 92,344).

## EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (continued):

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

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

	Group III Loans with limited collectability	Group IV Loans with doubtful collectability	Group V Uncollectible loans
<b>Current Period (Net)</b>	<b>1,342</b>	<b>120</b>	<b>29,115</b>
Interest Accruals and Rediscounts and Valuation Differences	1,342	125	52,590
Provision Amount (-)	-	5	23,475
<b>Prior Period (Net)</b>	<b>6</b>	<b>2,549</b>	<b>69,481</b>
Interest Accruals and Rediscounts 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	650,159	928,756
Other	-	-	-	-
<b>Total</b>	<b>1,028,564</b>	<b>1,834,687</b>	<b>650,159</b>	<b>928,756</b>

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	951,239	696,637
Other	-	-	-	-
<b>Total</b>	<b>3,444,799</b>	<b>935,422</b>	<b>951,239</b>	<b>696,637</b>

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

	30 September 2023	31 December 2022
Government Bond	7,637,788	5,380,706
Treasury Bond	-	-
Other Public Debt Securities	-	-
<b>Total</b>	<b>7,637,788</b>	<b>5,380,706</b>

4. Information on financial assets measured at amortized cost:

	30 September 2023	31 December 2022
Debt Securities	7,637,788	5,380,706
Publicly-traded	7,637,788	5,380,706
Not Publicly-traded	-	-
Provision for Impairment (-)	-	-
<b>Total</b>	<b>7,637,788</b>	<b>5,380,706</b>

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

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

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

	30 September 2023	31 December 2022
Opening balance	5,380,706	1,023,468
Foreign exchange differences in monetary assets	779,080	469,886
Purchases during the year	890,750	3,975,531
Disposals through Sales and Redemptions	(502,604)	(303,882)
Value decrease equivalent (-)	1,089,856	215,703
Period end balance	7,637,788	5,380,706

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

None (31 December 2022: None).

**i. Information on subsidiaries (Net):****1. Information on unconsolidated subsidiaries:**

None (31 December 2022: None).

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

None (31 December 2022: None).

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

	Title	Address (City/ Country)	Bank's share percentage, if different voting percentage (%)	Bank 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

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

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/ Loss	Fair value
1	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 UNCONSOLIDATED FINANCIAL STATEMENTS (continued):****II. EXPLANATIONS AND NOTES RELATED TO ASSETS (continued):****i. Information on subsidiaries (Net) (continued):**

## 5. Movement schedules of consolidated subsidiaries:

	30 September 2023	31 December 2022
<b>Balance at the beginning of the Period</b>	<b>1,096,358</b>	<b>669,736</b>
<b>Movements during the Period</b>	<b>1,216,897</b>	<b>426,622</b>
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	-	-
<b>Balance at the end of the Period</b>	<b>2,313,255</b>	<b>1,096,358</b>
<b>Capital Commitments</b>	-	-
<b>Share Percentage at the end of the Period (%)</b>	<b>99.99%</b>	<b>99.99%</b>

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

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

<b>Subsidiaries</b>	<b>30 September 2023</b>	<b>31 December 2022</b>
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	1,801,184	958,525
Finance Companies	-	-
Other Financial Subsidiaries	512,071	137,833
<b>Total</b>	<b>2,313,255</b>	<b>1,096,358</b>

## 7. Subsidiaries quoted on stock exchange:

None (31 December 2022: None).

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

None (31 December 2022: None).

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

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 UNCONSOLIDATED FINANCIAL STATEMENTS (continued):****I. EXPLANATIONS AND NOTES RELATED TO ASSETS (continued):****1. Information on derivative financial assets:****1. Information on derivative financial assets at fair value through profit or loss:**

	30 September 2023		31 December 2022	
	TL	FC	TL	FC
Forward Transactions	8,992	3,590	24,365	2,809
Swap Transactions	741,352	539,952	93,874	284,981
Futures Transactions	1,939	-	1,472	-
Options	-	7,112	574	78,612
Other	-	-	-	-
<b>Total</b>	<b>752,283</b>	<b>550,654</b>	<b>120,285</b>	<b>366,402</b>

**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	1,619,246	1,523,430	920,625	1,119,714
Foreign Net Investment Hedge	-	-	-	-
<b>Total</b>	<b>1,619,246</b>	<b>1,523,430</b>	<b>920,625</b>	<b>1,119,714</b>

**m. Information on investment property:**

None (31 December 2022: None).

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

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (continued):****I. EXPLANATIONS AND NOTES RELATED TO ASSETS (continued):****n. Information on deferred tax asset:**

As of 30 September 2023, Bank has netted-off the calculated deferred tax asset of TL 456,320 (31 December 2022: TL 546,601) and deferred tax liability amounting to TL 909,029 (31 December 2022: TL 381,758) in accordance with TAS 12 and has recorded a net deferred tax liabilities of (TL 452,709) (31 December 2022: TL 164,843 net deferred tax assets) in the financial statements.

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
Provision for Lawsuit Cases	12,095	13,395	3,629	3,349
Expected Loss Provisions	774,510	1,649,662	232,353	412,416
Employee Benefits Provision	209,703	83,674	62,911	20,919
Unearned Revenue	47,964	26,445	14,389	6,611
Other <sup>(*)</sup>	544,061	413,224	143,038	103,306
<b>Deferred Tax Assets</b>	<b>1,588,333</b>	<b>2,186,400</b>	<b>456,320</b>	<b>546,601</b>
Difference Between Book Value and Tax Base of Tangible and Intangible Assets	252,083	69,092	65,786	9,658
Valuation Differences of Derivative Instruments	2,810,810	1,488,401	843,243	372,100
<b>Deferred Tax Liabilities</b>	<b>3,062,893</b>	<b>1,557,493</b>	<b>909,029</b>	<b>381,758</b>
<b>Deferred Tax Assets/(Liabilities) (Net)</b>			<b>(452,709)</b>	<b>164,843</b>

<sup>(\*)</sup> 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.

The deferred tax asset/liability movement is as follows:

	30 September 2023	31 December 2022
<b>Balance as of 1 January</b>	<b>164,843</b>	<b>24,389</b>
Current year deferred tax income/(expense), net	(477,162)	306,621
Deferred tax recognized in equity, net <sup>(*)</sup>	(140,390)	(166,167)
<b>Period end balance</b>	<b>(452,709)</b>	<b>164,843</b>

<sup>(\*)</sup> In accordance with TAS 27 Equity Method, effect of deferred tax recognized as TL (24,429).



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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (continued):****I. EXPLANATIONS AND NOTES RELATED TO ASSETS (continued)****o. Information on assets held for resale and discontinued operations:**

The Bank has assets held for resale amounting to TL 1,713,578 (31 December 2022: TL 855,289) and has no discontinued operations.

<b>Prior Period</b>	<b>30 September 2023</b>	<b>31 December 2022</b>
Cost	855,576	1,039,347
Accumulated Depreciation (-)	287	345
<b>Net Book Value</b>	<b>855,289</b>	<b>1,039,002</b>
<b>Current Period</b>		
Net book value at beginning of the period	855,289	1,039,002
Additions	1,080,798	401,871
Disposals (-), net	222,509	585,584
Impairment (-)	-	-
Depreciation (-)	-	-
Cost at the End of the Period	1,713,854	855,576
Accumulated Depreciation at the End of the Period (-)	276	287
<b>Closing Net Book Value</b>	<b>1,713,578</b>	<b>855,289</b>

**p. Information on other assets:**

Other assets amount to TL 1,443,848 (31 December 2022: TL 716,824) and do not exceed 10% of the total assets excluding off-balance sheet commitments.

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

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (continued):****II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES****a. Information on deposits:****1. Information on maturity structure of deposits:****i. 30 September 2023:**

	<b>Demand</b>	<b>With 7 days notifications</b>	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-6 months</b>	<b>6 months - 1 year</b>	<b>1 year and over</b>	<b>Accum. Deposit</b>	<b>Total</b>
Saving Deposits	305,192	-	2,147,346	4,173,091	7,560,627	495,223	328,322	-	15,009,801
Foreign Currency Deposits	2,915,071	-	1,780,867	7,883,058	708,045	62,247	141,652	-	13,490,940
Residents in Turkey	2,649,970	-	1,776,337	7,754,736	690,026	61,127	72,436	-	13,004,632
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	1,730,285	-	373,571	3,211,006	468,957	145,462	55,996	-	5,985,277
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	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>5,682,571</b>	<b>-</b>	<b>4,638,760</b>	<b>15,599,810</b>	<b>8,737,629</b>	<b>702,932</b>	<b>525,970</b>	<b>-</b>	<b>35,887,672</b>

**ii. 31 December 2022:**

	<b>Demand</b>	<b>With 7 days notifications</b>	<b>Up to 1 month</b>	<b>1-3 months</b>	<b>3-6 months</b>	<b>6 months - 1 year</b>	<b>1 year and over</b>	<b>Accum. Deposit</b>	<b>Total</b>
Saving Deposits	240,703	-	2,624,904	3,767,701	8,253,428	263,797	248,090	-	15,398,623
Foreign Currency Deposits	2,127,134	-	2,814,972	8,613,829	408,851	103,033	143,369	-	14,211,188
Residents in Turkey	1,992,846	-	2,794,182	8,474,444	393,400	101,525	77,591	-	13,833,988
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	1,531,546	-	433,668	5,541,724	1,467,027	591,001	185,458	-	9,750,424
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	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>4,400,661</b>	<b>-</b>	<b>5,877,559</b>	<b>18,105,638</b>	<b>10,129,306</b>	<b>957,831</b>	<b>576,925</b>	<b>-</b>	<b>40,047,920</b>

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

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

<b>Saving Deposits</b>	<b>Under the guarantee of deposit insurance</b>		<b>Exceeding limit of the deposit insurance</b>	
	<b>30 September 2023</b>	<b>31 December 2022</b>	<b>30 September 2023</b>	<b>31 December 2022</b>
Saving Deposits	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	-	-	-	-
<b>Total</b>	<b>7,389,393</b>	<b>4,633,938</b>	<b>18,592,694</b>	<b>19,994,561</b>

(\*) 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 Bank is incorporated in Turkey.****3. Saving deposits of real persons which are not under the guarantee of saving deposit insurance fund:**

	<b>30 September 2023</b>	<b>31 December 2022</b>
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 2021 2004	-	-
Deposits in Banks Incorporated in Turkey Exclusively for Off-shore Banking Operations	-	-
<b>Total</b>	<b>63,675</b>	<b>32,248</b>

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

None (31 December 2022: None).

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**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (continued):****II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (continued):****c. Information on borrowings:**

## 1. Information on banks and other financial institutions:

	30 September 2023		31 December 2022	
	TL	FC	TL	FC
Central Bank of Turkey Borrowings	-	-	-	-
From Domestic Banks and Institutions	8,271	-	15,216	-
From Foreign Banks, Institutions and Funds	-	9,839,301	-	1,552,390
<b>Total</b>	<b>8,271</b>	<b>9,839,301</b>	<b>15,216</b>	<b>1,552,390</b>

## 2. Information on maturity structure of borrowings:

	30 September 2023		31 December 2022	
	TL	FC	TL	FC
Short-term	8,271	8,279,932	15,216	152,195
Medium and Long-term	-	1,559,369	-	1,400,195
<b>Total</b>	<b>8,271</b>	<b>9,839,301</b>	<b>15,216</b>	<b>1,552,390</b>

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

The Bank's main funding sources are deposits and borrowings, As of 30 September 2023, deposits and borrowings from Bank's risk group comprise 2.69% (31 December 2022: 1.77%) of total deposits. Besides this, Borrowings from Bank's risk group comprise 79.01% (31 December 2022: 70.64%) 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 5,249,648 (31 December 2022: TL 3,595,418) do not exceed 10% of the total of the balance sheet excluding off-balance sheet commitments.

**f. Information on lease payables:**

	30 September 2023		31 December 2022	
	Gross	Net	Gross	Net
Less Than 1 Year	1,112	1,046	4,160	3,119
Between 1-4 Years	63,338	52,798	64,467	54,572
More Than 4 Years	41,800	28,791	33,901	23,560
<b>Total</b>	<b>106,250</b>	<b>82,635</b>	<b>102,528</b>	<b>81,251</b>

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**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (continued):****II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (continued):****g. Information on derivative financial liabilities:**

1. 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	629,206	445,400	89,388	282,719
Futures Transactions	5,995	-	-	-
Options	-	6,639	-	173,750
Other	-	-	-	-
<b>Total</b>	<b>639,960</b>	<b>455,900</b>	<b>94,204</b>	<b>461,330</b>

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	309,584	253,971	222,684	182,906
Foreign Net Investment Hedge	-	-	-	-
<b>Total</b>	<b>309,584</b>	<b>253,971</b>	<b>222,684</b>	<b>182,906</b>

**h. Information on provisions:**

1. Information on reserve for employment termination benefits:

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

The compensation to be paid is one month's salary for each year of service and this amount is limited by the severance pay ceiling. Employment termination benefits are not funded, as there is no funding requirement.

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

	30 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

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**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (continued):****II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (continued):****h. Information on provisions (continued):**

Movement of reserve for employment termination benefits during the period:

	30 September 2023	31 December 2022
Prior period balance	75,431	28,777
Service cost	7,929	4,056
Interest cost	5,436	5,593
Reductions and payments	(20,864)	344
Actuarial loss/gain	-	41,648
Benefits paid (-)	9,380	4,987
<b>Balance at the end of the period</b>	<b>58,552</b>	<b>75,431</b>

In addition, as of 30 September 2023, the Bank has accounted for vacation rights provision and personnel bonus provision amounting to TL 151,151 (31 December 2022: TL 114,086).

**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 reserves under other provisions amounting to TL 1,391,411 (31 December 2022: TL 654,441) for general reserve, TL 46,773 (31 December 2022: TL 35,356) for provisions for non-cash loans and commitments that are not converted to cash and not indemnified, TL 6,122 (31 December 2022: TL 6,175) for lawsuits and other provisions amounting to TL 5,974 (31 December 2022: TL 7,219).

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

As of 30 September 2023, there is a corporate tax provision of TL 79,856 (31 December 2022: TL 367,052).

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

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**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (continued):****II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (continued):****i. Information on taxes payable (continued):****2. Information on taxes payable:**

	30 September 2023	31 December 2022
Corporate Tax Payable	79,856	367,052
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	2,057	3,402
Other	24,067	13,441
<b>Total</b>	<b>154,145</b>	<b>443,794</b>

**3. Information on premium payables:**

	30 September 2023	31 December 2022
Social Security Premiums-Employee	15,573	8,033
Social Security Premiums-Employer	21,356	9,419
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	952	550
Unemployment Insurance-Employer	1,905	1,091
Other	335	168
<b>Total</b>	<b>40,121</b>	<b>19,261</b>

**i. Information on taxes payable (continued):****4. Explanations on deferred tax asset/liability:**

As of 30 September 2023, the Bank has netted-off the calculated deferred tax asset of TL 456,320 (31 December 2022: TL 546,601) and deferred tax liability of TL 909,029 (31 December 2022: TL 381,758) in accordance with TAS 12 and has recorded a net deferred tax liabilities of TL 452,709 (31 December 2022: TL 164,843 net deferred tax asset) in the financial statements.

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

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (continued):****II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (continued):****j. Information on payables for assets held for resale and discontinued operations:**

None (31 December 2022: None).

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

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

Issuing Institution	Amount	Opening Date	Maturity Date	Interest Rate (%)
Burgan Bank K.P.S.C. (Main Shareholder)	USD 150,000,000	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	-	-	-	-
<b>Total</b>	-	<b>5,526,835</b>	-	<b>3,771,359</b>

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



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

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

## 1. Presentation of paid-in capital:

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

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

Capital System	Paid-in Capital	Ceiling
Registered Capital	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 indications of income, profitability and liquidity of the Parent Bank and the uncertainties on these indicators:

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

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

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

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (continued):****II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES (continued):****I. Information on shareholders' equity (continued):****8. Information on marketable securities valuation 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	-	-	-	-
<b>Total</b>	<b>35,804</b>	<b>(18,346)</b>	<b>77,596</b>	<b>(12,933)</b>

**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 UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 30 SEPTEMBER 2023**

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

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

	<b>30 September 2023</b>	<b>31 December 2022</b>
Foreign currency buy/sell commitments	1,989,747	794,013
Loan limit commitments	54,982	-
Deposits buy-sell commitments	321,302	272,366
Commitments for cheques	146,321	98,941
Securities buy-sell commitments	-	-
Foreign currency buy-sell commitments	82,016	59,422
<b>Total</b>	<b>2,594,368</b>	<b>1,224,742</b>

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

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

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

	<b>30 September 2023</b>	<b>31 December 2022</b>
Letters of guarantee	7,977,503	5,351,856
Letters of credit	4,384,399	2,577,801
Bank acceptance loans	134,619	48,667
Other guarantees	2,485,502	2,130,461
<b>Total</b>	<b>14,982,023</b>	<b>10,108,785</b>

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

	<b>30 September 2023</b>		<b>31 December 2022</b>	
	<b>TL</b>	<b>FC</b>	<b>TL</b>	<b>FC</b>
Irrevocable letters of guarantee	3,523,912	960,381	2,239,592	1,037,250
Revocable letters of guarantee	28,165	208,297	119,286	11,414
Letters of guarantee given in advance	22,299	168,873	71,911	122,300
Guarantees given to customs	11,649	68,657	13,476	47,146
Other letters of guarantee	2,578,044	407,226	1,381,257	308,224
<b>Total</b>	<b>6,164,069</b>	<b>1,813,434</b>	<b>3,825,522</b>	<b>1,526,334</b>

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

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

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

	30 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	12,011,905	8,155,043
<b>Total</b>	<b>14,982,023</b>	<b>10,108,785</b>

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

Current Period <sup>(*)</sup>	Group I		Group II	
	TL	FC	TL	FC
Letters of Guarantee	6,151,106	1,681,027	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	-	-
<b>Total</b>	<b>8,064,031</b>	<b>6,628,263</b>	<b>118,100</b>	<b>135,908</b>

<sup>(\*)</sup> In addition to the non-cash loans stated in the table above, the Bank has non-cash loans 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.

Prior Period <sup>(*)</sup>	Group I		Group II	
	TL	FC	TL	FC
Letters of Guarantee	3,809,016	1,422,132	9,763	81,509
Bill of Exchange and Acceptances	35,400	13,267	-	-
Letters of Credit	-	2,411,377	40,000	126,424
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	1,406,200	724,261	-	-
<b>Total</b>	<b>5,250,616</b>	<b>4,571,037</b>	<b>49,763</b>	<b>207,933</b>

<sup>(\*)</sup> In addition to the non-cash loans stated in the table above, the Bank has non-cash loans amounting to TL 29,436, which is classified as total non-performing loans. As of 31 December 2022, the Bank has made a provision of TL 18,530 for these loans.

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

As of 30 September 2023, the total amount of the lawsuits brought against the Bank is TL 10,463 (31 December 2022: TL 10,036), and a provision of TL 6,122 (31 December 2022: TL 6,175) has been made in the financial statements of 30 September 2023 regarding the contingent matters.

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

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

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

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS  
(continued):****IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT:****a. Information on interest income:**

## 1. Information on interest income on loans:

	30 September 2023		30 September 2022	
	TL	FC	TL	FC
<b>Interest Income on Loans (*)</b>				
Short-term Loans	1,370,167	395,488	2,028,461	89,771
Medium/Long-term Loans	630,112	660,755	317,764	461,992
Interest on Loans Under Follow-up	94,790	-	76,814	-
Premiums Received from Resource Utilisation Support Fund	-	-	-	-
<b>Total</b>	<b>2,095,069</b>	<b>1,056,243</b>	<b>2,423,039</b>	<b>551,763</b>

(\*) 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	41,145	3,905	12,386	706
From Foreign Banks	-	13,287	-	8,517
Headquarters and Branches Abroad	-	-	-	-
<b>Total</b>	<b>41,145</b>	<b>17,645</b>	<b>12,601</b>	<b>9,673</b>

## 3. Information on interest income on marketable securities:

	30 September 2023		30 September 2022	
	TL	FC	TL	FC
Financial Assets Measured at Fair Value through Profit/Loss	4,241	9,166	762	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
<b>Total</b>	<b>1,223,547</b>	<b>171,775</b>	<b>329,686</b>	<b>88,079</b>

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

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (continued):****IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT (continued):****a. Information on interest income (continued):**

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

	30 September 2023	30 September 2022
Interest Received From Investments in Associates and Subsidiaries	19,606	89

**b. Information on interest expense:**

## 1. Information on interest expense on borrowings:

	30 September 2023		30 September 2022	
	TL	FC	TL	FC
<b>Banks</b>	<b>1,328</b>	<b>555,626</b>	<b>1,117</b>	<b>185,141</b>
The CBRT	-	-	-	-
Domestic Banks	1,328	-	1,117	67
Foreign Banks	-	555,626	-	185,074
Headquarters and Branches Abroad	-	-	-	-
<b>Other Institutions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,382</b>
<b>Total (*)</b>	<b>1,328</b>	<b>555,626</b>	<b>1,117</b>	<b>186,523</b>

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

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

	30 September 2023	30 September 2022
Interest Paid to Investment in Associates and Subsidiaries	62,472	12,861

## 3. Interest expense on issued marketable securities:

None (30 September 2022: None).

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

		Time Deposit							
	Demand Deposit	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year	Accum, Deposit	Total	Prior Period Total
Current Period									
Turkish Currency									
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	156,789	194,416	86,566	20,188	14,611	-	472,598	353,628
Other Deposits	-	628	476,109	63	-	1	-	476,801	135,409
7 Day Notice Deposits	-	-	-	-	-	-	-	-	-
Total	34	681,709	1,594,942	1,223,055	69,980	63,243	-	3,632,963	1,413,509
Foreign Currency									
Foreign Currency Account	-	8,640	84,110	81,738	2,068	4,070	-	180,626	304,090
Bank Deposits	-	9,351	-	-	-	-	-	9,351	4,184
7 Day Notice Deposits	-	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Total	-	17,991	84,110	81,738	2,068	4,070	-	189,977	308,274
Grand Total	34	699,700	1,679,052	1,304,793	72,048	67,313	-	3,822,940	1,721,783

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

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (continued):****IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT (continued):****c. Information on trading loss/income (Net):**

	30 September 2023	30 September 2022
<b>Income</b>	<b>63,219,894</b>	<b>50,277,552</b>
Capital Market Transactions	434,731	116,246
Derivative Financial Transactions	1,354,778	747,021
Foreign Exchange Gains	61,430,385	49,414,285
<b>Loss (-)</b>	<b>62,042,436</b>	<b>50,038,818</b>
Capital Market Transactions	27,513	19,260
Derivative Financial Transactions	1,634,598	839,192
Foreign Exchange Losses	60,380,325	49,180,366
<b>Net Income/Loss</b>	<b>1,177,458</b>	<b>238,734</b>

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

For the period ended 30 September 2023 and 30 September 2022, other operating income includes adjustments to previous years' expenses and other operating income.

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

	30 September 2023	30 September 2022
<b>Expected Credit Loss</b>	<b>(1,161,444)</b>	<b>(176,933)</b>
12 Month Expected Credit Loss (Stage 1)	(148,127)	(15,535)
Significant Increase in Credit Risk (Stage 2)	962	(220,086)
Non-performing Loans (Stage 3)	(1,014,279)	58,688
<b>Marketable Securities Impairment Expense</b>	<b>-</b>	<b>-</b>
Financial Assets at Fair Value through Profit or Loss	-	-
Financial Assets at Fair Value through Other Comprehensive Income	-	-
<b>Investments in Associates, Subsidiaries and Joint Ventures Value Decrease</b>	<b>-</b>	<b>-</b>
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
<b>Other (*)</b>	<b>463,845</b>	<b>58,697</b>
<b>Total</b>	<b>(697,599)</b>	<b>(118,236)</b>

(\*) As of 30 September 2023, there is general reserve expense for possible risks amounting to TL 462,976 (30 September 2022: TL 55,556).

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

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (continued):****IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT (continued):****f. Information related to other operating expenses:**

	30 September 2023	30 September 2022
Reserve For Employment Termination Benefits (*)	13,365	13,311
Bank Social Aid Pension Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Amortization Expenses of Fixed Assets	55,846	31,570
Impairment Expenses of Intangible Assets	-	-
Amortization Expenses of Intangible Assets	15,259	8,926
Impairment Expenses of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held For Resale	-	-
Amortization Expenses of Assets Held for Resale	-	-
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	474,964	212,846
Leasing expenses related to TFRS 16 exceptions	8,269	2,557
Maintenance Expenses	3,491	1,258
Advertising Expenses	39,846	11,864
Other Expense	423,358	197,167
Loss on Sales of Assets	52,570	3
Other	-	27,217
<b>Total</b>	<b>612,004</b>	<b>293,873</b>

(\*) As of 30 September 2023, there is no "Employee Vacation Fee Provision Expense" (30 September 2022: TL 2,538).

(\*) As of 30 September 2023, "Other Expenses" consist of IT Software and Hardware Maintenance Support amounting to TL 77,320, Savings Deposit Insurance Fund amounting to TL 45,365, banking and insurance transaction tax amounting to TL 32,996, Online Information amounting to TL 19,893, Review, Research, Translation and Consultation amounting to TL 16,465, Aid to Foundations Benefiting the Public Interest amounting to TL 15,607, Financial Operating Fees amounting to TL 14,051, Security Service Expenses amounting to TL 13,988, Litigation and Court Expenses amounting to TL 13,603 and Other Expenses amounting to TL 174,070.

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

The Bank has no discontinued operations. The Bank's net in profit before taxes from continuing operations is TL 2,527,300 (30 September 2022: TL 1,283,721).

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

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

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

As of 30 September 2023, the Bank has TL (47,763) current tax expense and TL (477,162) deferred tax expense. As of 30 September 2022, the Bank has TL (388,746) current tax expense and TL 110,810 deferred tax income.

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

The Bank has TL 216,508 deferred tax income from temporary differences. The Bank has no tax income arising from financial loss carried from previous periods. The Bank also has deferred tax expense from closed temporary differences amounting to TL (693,670), net deferred tax expense TL (477,162).



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

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

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**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (continued):****IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT (continued):****h. Information on provision for taxes from discontinued or continuing operations (continued):**

As of 30 September 2022, The Bank has TL 280,592 deferred tax income from temporary differences. The Bank has no tax income arising from financial loss carried from previous periods. The Bank also has deferred tax expense from closed temporary differences amounting to TL 169,782, net deferred tax income TL 110,810.

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

As of 30 September 2023, the Bank has TL (477,162) deferred tax expense arising from temporary differences (30 September 2022: TL 110,810 deferred tax income).

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

It has not been prepared in accordance with Article 25 of the Communiqué on Financial Statements and Related Disclosures and Footnotes to be Announced to the Public by Banks.

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

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

None.

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

None.

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

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (continued):****IV. EXPLANATIONS AND NOTES RELATED TO INCOME STATEMENT (continued):****k. Information on other income and expenses:**

1. In the current period, the Bank's interest income amounts to TL 6,627,416 (30 September 2022: TL 4,233,142) and TL 1,858,722 (30 September 2022: TL 729,482) of this amount is classified as "Other Interest Income" in the income statement.

	30 September 2023	30 September 2022
<b>Other Interest Income</b>		
Interest Income Related to Derivative Transactions	1,853,102	724,850
Other	5,620	4,632
<b>Total</b>	<b>1,858,722</b>	<b>729,482</b>

2. In the current period, the Bank's interest expense amounts to TL 6,330,804 (30 September 2022: TL 3,139,200), TL 1,824,844 (30 September 2022: TL 1,155,569) of this amount is classified as "Other Interest Expense" in the income statement.

	30 September 2023	30 September 2022
<b>Other Interest Expenses</b>		
Interest Expense Related to Derivative Transactions	1,682,815	1,105,712
Other	142,029	49,857
<b>Total</b>	<b>1,824,844</b>	<b>1,155,569</b>

3. In the current period, the Bank's fee and commission income amounts to TL 790,272 (30 September 2022: TL 133,700) and TL 694,629 (30 September 2022: TL 101,124) the related amount is classified under "Other" account in the income statement.

	30 September 2023	30 September 2022
<b>Other Fee and Commissions Received</b>		
Commissions on Investment Fund Services	82,301	6,484
Early Closing Commissions	13,096	11,859
Insurance Commissions	17,581	4,896
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 (*)	575,918	75,035
<b>Total</b>	<b>694,629</b>	<b>101,124</b>

(\*) TL 363,648 includes loans extension commissions.

4. In the current period, Bank's fee and commission expense amounts to TL 71,063 (30 September 2022: TL 36,596) and TL 71,017 (30 September 2022: TL 36,561) of the related amount is classified under "Other" account.

	30 September 2023	30 September 2022
<b>Other Fee and Commissions Given</b>		
Card Transaction Commission	10,880	5,308
Commissions Granted to Correspondent Banks	5,275	2,803
Common Point Commissions	2,837	919
EFT Commissions	2,317	1,180
Transfer Commissions	285	107
Other	49,423	26,244
<b>Total</b>	<b>71,017</b>	<b>36,561</b>

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

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (continued):****V. EXPLANATIONS AND NOTES RELATED TO BANK'S RISK GROUP:****a. The volume of transactions relating to the Bank's risk group, outstanding loan and deposit transactions and profit and loss of the period:**

1. Prior period financial information is presented as at 31 December 2022 for balance sheet and 30 September 2022 income statement items.

30 September 2023	Investments in Associates, Subsidiaries and Joint Ventures		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons that have been Included in the Risk Group	
Banks' Risk Group	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
<b>Loans and Other Receivables</b>						
Balance at the Beginning of the Period	20,825	15,466	-	17,225	828	87
Balance at the End of the Period	-	13,181	-	19,907	1,468	87
<b>Interest and Commission Income Received</b>	<b>19,606</b>	<b>3,277</b>	<b>-</b>	<b>3</b>	<b>125</b>	<b>1</b>

31 December 2022	Investments in Associates, Subsidiaries and Joint Ventures		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons that have been Included in the Risk Group	
Banks' Risk Group	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
<b>Loans and Other Receivables</b>						
Balance at the Beginning of the Period	-	24,341	-	24,860	677	-
Balance at the End of the Period	20,825	15,466	-	17,225	828	87
<b>Interest and Commission Income Received</b>	<b>89</b>	<b>45</b>	<b>-</b>	<b>10</b>	<b>117</b>	<b>1</b>

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

Banks' Risk Group	Investments in Associates, Subsidiaries and Joint Ventures		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons that have been Included in the Risk Group	
Deposit	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Beginning of the Period	334,371	271,488	332,312	106,907	40,543	23,864
End of the Period	645,418	334,371	242,891	332,312	75,440	40,543
<b>Interest Expense on Deposits</b>	<b>62,472</b>	<b>12,861</b>	<b>4,511</b>	<b>4,372</b>	<b>4,415</b>	<b>1,581</b>

Banks' Risk Group	Investments in Associates, Subsidiaries and Joint Ventures		Direct and Indirect Shareholders of the Bank		Other Real and Legal Persons that have been Included in the Risk Group	
Repurchase Transactions	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
<b>Interest Expense on Repurchase Transactions</b>	<b>79</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>2</b>

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

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (continued):****V. EXPLANATIONS AND NOTES RELATED TO BANK'S RISK GROUP (continued):****a. The volume of transactions relating to the Bank's risk group, outstanding loan and deposit transactions and profit and loss of the period (continued):****3. Information on forward and option agreements and other similar agreement with the Bank's risk group:**

<b>Banks' Risk Group</b>	<b>Investments in Associates, Subsidiaries and Joint Ventures</b>		<b>Direct and Indirect Shareholders of the Bank</b>		<b>Other Real and Legal Persons that have been Included in the Risk Group</b>	
	<b>Current Period</b>	<b>Prior Period</b>	<b>Current Period</b>	<b>Prior Period</b>	<b>Current Period</b>	<b>Prior Period</b>
<b>Transactions at Fair Value through Profit or Loss</b>						
Beginning of the Period (*)	1,450,982	3,790,764	1,745,925	-	-	-
End of the Period (*)	877,158	1,450,982	4,087,702	1,745,925	-	-
<b>Total Profit/Loss</b>	<b>(388,522)</b>	<b>290,031</b>	<b>(62,114)</b>	<b>(18,350)</b>	-	-
<b>Transactions for Hedging Purposes</b>						
Beginning of the Period	3,659,119	1,014,049	-	-	-	-
End of the Period	4,694,860	3,659,119	-	-	-	-
<b>Total Profit/Loss</b>	<b>(638,062)</b>	<b>(585,882)</b>	-	-	-	-

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

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

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

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

	<b>Total Risk Group</b>	<b>Share in Financial Statements (%)</b>
Borrowings and Subordinated Debt Instruments	12,146,879	79.01
Deposit	963,749	2.69
Non-cash loans	27,811	7.45
Banks and Other Institutions	33,175	0.22
Loans	1,468	0.00

As of 30 September 2023, the Bank has no realized interest income from deposits given to banks included in the risk group (30 September 2022: TL 22 ). The Bank has realized interest expense amounting to TL 456,772 (30 September 2022: TL 116,503) on loans borrowed from the banks in the Bank's risk group.

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

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

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**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (continued):****V. EXPLANATIONS AND NOTES RELATED TO BANK'S RISK GROUP (continued):****b. With respect to the Bank's risk group (continued):**

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

According to the Joint Expense Sharing Agreement with the Bank and its subsidiaries; the Bank has received TL 1,494 (30 September 2022: TL 784) from Burgan Finansal Kiralama A.Ş. , TL 1,423 (30 September 2022: TL 435) other operation income from Burgan Yatırım Menkul Değerler A.Ş.

In accordance with the limits in Banking Law, cash and non-cash loans are allocated to the Bank's risk group and the amount composes 0.07% (31 December 2022: 0.12%) of the Bank's total cash and non-cash loans.

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

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

The definition of key management of the Bank includes Members of the Board of Directors, General Manager and Assistant General Managers. The total of benefits provided to senior executives in the current period is TL 69,339 (30 September 2022: TL 43,398) and consists of annual gross wages and other payments and other benefits including road, meal allowances, health and life insurance and car expenses.

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

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 THE LIMITED REVIEW REPORT**

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

The unconsolidated financial statements as of 30 September 2023 have been reviewed by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and the auditor’s review report dated 13 November 2023 has been presented prior to the unconsolidated 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 advanced economies around the world approach the end of contractionary period in their monetary policies, global economic activity is gradually slowing down, and inflation rates are receding. While the resilience of national economies varies in the face of contractionary financial conditions, it is observed that growth in the Eurozone economies, which are among Turkey's most significant trading partners, is weak, and challenges in the real estate sector are putting pressure on the Chinese economy. Despite a downward trend, global inflation is expected to remain historically high next year, and global interest rates are predicted to stay elevated. On the other hand, the increasing geopolitical risks in our region are closely monitored, and it is assessed that their escalation could have significant impacts on the world and Turkish economies.

In this challenging global economic 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 balance sheet size of our bank as of 30 September 2023 is TL 70,642,197 and the total deposit is TL 35,887,672. In the current period Burgan Bank has maintained its support to its customers uninterruptedly and net cash loans has been realized as TL 36,119,805. The net profit of our bank in the third quarter of 2023 is TL 2,002,375 and our equity has reached TL 7,294,174. Our capital adequacy ratio is 23.81%, 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

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

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

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

<u>Name</u>	<u>Duty</u>	<u>Date of Assignment</u>	<u>Educational Background</u>	<u>Banking and Managership Experience (Year)</u>
<b><i>Chairman and Members of Board of Directors:</i></b>				
Emin Hakan Eminsoy	Chairman	07.08.2019	Undergraduate	34
Abdelkarim A, S, Kabariti	Deputy Chairman	04.11.2021	Undergraduate	32
Mehmet Alev Göçmez	Member	23.01.2013	Graduate	33
Khaled F,A,O, Alzouman	Member	13.06.2019	Undergraduate	31
Hasan Kılıç	Member	10.06.2021	Undergraduate	32
Fadhil M, GH, A, Abdullah	Member	03.12.2021	Undergraduate	32
Mohammad M, A, H, S, Almael	Member	03.12.2021	Graduate	22
Moustapha Chami	Member	15.06.2022	Graduate	19
Ali Murat Dinç	Member and General Manager	03.02.2014	Graduate	21
<b><i>General Manager:</i></b>				
Ali Murat Dinç	Member and General Manager	03.02.2014	Graduate	21
<b><i>Deputy General Manager:</i></b>				
Suat Kerem Sözügüzel	Corporate & Commercial Banking	01.04.2014	Graduate	17
Zeynep Bozkurt	Financial Affairs	15.01.2021	Graduate	13
<b><i>Vice General Manager:</i></b>				
Esra Aydın	Operation & Management Services	01.08.2007	Graduate	16
Cihan Vural	Internal Systems	03.11.2008	Undergraduate	13
Rasim Levent Ergin	Human Resources	01.11.2012	Graduate	17
Suat Kerem Sözügüzel	Corporate & Commercial Banking	01.04.2014	Graduate	17
Banu Ertürk	Loan Follow-up and Legal Procedures	01.08.2020	Undergraduate	22
Darço Akkaranfil	Information Technologies	14.09.2020	Graduate	15
Zeynep Bozkurt	Financial Affairs	15.01.2021	Graduate	13
Ayşen Aslı Koçer	Savings Management	01.07.2021	Undergraduate	24
Yener Yazlalı	Loans	02.08.2021	Graduate	18
Halil Özcan	Digital Banking	21.02.2022	Undergraduate	14
Tuba Onay Ergelen	Risk Management	01.03.2022	Undergraduate	23
Erdal Arda Türerer	Treasury, Capital Markets and Financial Institutions	01.03.2022	Graduate	25

***Assignments:***

There are no assignments 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.



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

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

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

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

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

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

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

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

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

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

**V. SIGNIFICANT EVENTS AND TRANSACTIONS WITHIN THE PERIOD:**

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

**BURGAN BANK A.Ş.****NOTES TO THE UNCONSOLIDATED FINANCIAL 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	70,642,197	57,806,686	22.20
Loans (Net)	36,119,805	34,735,929	3.98
Securities (Net)	13,440,336	7,580,264	77.31
Deposits	35,887,672	40,047,920	(10.39)
Debts Having Loan Characteristics	18,161,695	6,671,260	172.24
Shareholder's Equity	7,294,174	5,093,950	43.19
Guarantee and Suretyship	14,982,023	10,108,785	48.21
Capital Adequacy Ratio	%23.81	%21.00	0.03

	(01/01/2023 - 30/09/2023)	(01/01/2022 - 30/09/2022)	(01/07/2023 - 30/09/2023)	(01/07/2022 - 30/09/2022)
Current Period Net Profit/(Loss)	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 1,084 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	30,049	8,517,429	0.35
Customer Deposits	29,788	9,956,251	0.30
Branch Number	31	10,984	0.28
Personnel Number	1,084	208,504	0.52

(\*) The source is BRSA data dated 30 September 2023, and rediscount and accrual amounts are not included in the balance sheet items.