

BURGAN BANK A.Ş.

**PUBLICLY ANNOUNCED UNCONSOLIDATED
FINANCIAL STATEMENTS AND RELATED
DISCLOSURES TOGETHER WITH INDEPENDENT
AUDIT REPORT AS OF 31 DECEMBER 2023**

Convenience Translation of the Independent Auditor's Report Originally Prepared and Issued in Turkish to English

To the Shareholders' of Burgan Bank A.Ş.

A) Audit of the Unconsolidated Financial Statements

Qualified Opinion

We have audited the unconsolidated financial statements of Burgan Bank A.Ş. ("the Bank") which comprise the unconsolidated balance sheet as at 31 December 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 year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, except for the effect of the matter described in the Basis For Qualified Opinion section of our report, the accompanying unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of Burgan Bank A.Ş. as at 31 December 2023, and its unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with the "Banking Regulation and Supervision Agency ("BRSA") Accounting and Reporting Legislation" which includes the "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, circulars and interpretations published by BRSA and requirements of Turkish Financial Reporting Standards ("TFRS") for the matters not regulated by the aforementioned legislations.

Basis for Qualified Opinion

As stated in Note 2.h.2.ii of Section Five, the accompanying unconsolidated financial statements as at 31 December 2023 include a general provision of total of TL 1,308,970 thousands, of which TL 654,529 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 provision is provided by the Bank management for the possible effects of the negative circumstances which may arise in economy or market conditions.

We conducted our audit in accordance with the “Regulation on Independent Audit of the Banks” (“BRSA Auditing Regulation”) published in the Official Gazette No.29314 dated 2 April 2015 by BRSA and Standards on Auditing which is a component of the Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority (“POA”) (“Standards on Auditing issued by POA”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. We declare that we are independent of the Bank in accordance with the Code of Ethics for Auditors issued by POA (Including Independence Standards) (“POA’s Code of Ethics”) and the ethical requirements in the regulations issued by POA that are relevant to audit of unconsolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with the POA’s Code of Ethics and regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section we have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment of loans measured at amortised cost

The details of accounting policies and significant estimate and assumptions for impairment of loans measured at amortised cost are presented in Section III, No: VIII of the unconsolidated financial statements.

Key audit matter	How the matter is addressed in our audit
<p>As of 31 December 2023, loans measured at amortised cost comprise 57% of the Bank’s total assets.</p> <p>The Bank recognizes its loans in accordance with the Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside (the “Regulation”) published on the Official Gazette No. 29750 dated 22 June 2016 and TFRS 9 Financial Instruments standard (“Standard”).</p> <p>The Bank applies the “expected credit loss model” in determining the impairment of financial assets in accordance with the Regulation and Standard. The model which contains significant assumptions and estimates is reviewed by the Bank’s management annually.</p> <p>The significant assumptions and estimates used in the model by Bank’s management are as follows:</p>	<p>Our audit procedures applied in this area are as follows:</p> <ul style="list-style-type: none"> • We tested the design, implementation and operating effectiveness of the controls on lending, collateralization, collection, follow-up, classification and impairment procedures are tested with the involvement of information risk management specialists. • We evaluated the adequacy of the subjective and objective criteria that is defined in the Bank’s impairment accounting policy compared with the Regulation and Standard. • We evaluated the model and methodology and the evaluation of the calculations were carried out with the control testing and detailed analysis by the involvement of specialist.

<ul style="list-style-type: none"> - significant increase in credit risk; - incorporating the forward-looking macroeconomic information in calculation of credit risk; and - design and implementation of expected credit loss model. <p>The determination of the impairment of loans measured at amortised cost depends on the (i) credit default status, (ii) the model based on the change in the credit risk at the first recognition date and (iii) the classification of the loans measured at amortised cost according to the model. Establishing an accurate classification is a significant process in terms of impairment calculation as the calculation of expected credit loss varies to the staging of the financial assets.</p> <p>The Bank calculates expected credit losses on both an individual and a collective basis. Individual provisions consider the estimated future performance of the business and the fair value of the collateral provided for credit transactions.</p> <p>The collective basis expected credit loss calculation is based on complex processes which are modelled by using current and past data sets and expectations. The completeness and accuracy of data sets in the model are also considered and the forward-looking expectations are reflected by macroeconomic models.</p> <p>Impairment on loans measured at amortised cost is determined as a key audit matter, due to the significance of the management estimates, assumptions, the level of judgements and its complex structure.</p>	<ul style="list-style-type: none"> • We performed loan reviews for selected loan samples which include a detailed examination of loan files and related information and testing their classification. In this context, the current status of the loan customer has been evaluated on prospective information and macroeconomic variables. • We tested entire population by evaluating the assumptions and estimates used in the expected credit loss calculations for loans subject to individual assessment. • We tested the accuracy and completeness of the data in the calculation models for the loans which are assessed on collective basis. The expected credit loss calculation was tested through recalculation. The models used for the calculation of the risk parameters were examined and the risk parameters were recalculated. • We assessed the macroeconomic models, that are used to reflect forward looking expectations and tested the effect of the risk parameters by recalculation method. • We evaluated the qualitative and quantitative assessments, which are used in determining the significant increase in credit risk. • We evaluated the sufficiency and adequacy of the unconsolidated financial statements' disclosures related to impairment provisions.
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Other matter

The unconsolidated financial statements of the Group as at and for the year ended 31 December 2022 was audited by another auditor who expressed a qualified opinion due to the general reserve provisions provided by the Group management on 15 February 2023.

Responsibilities of Management and Those Charged with Governance for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of these unconsolidated financial statements in accordance with the “BRSA Accounting and Reporting Legislation”, and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Bank’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Unconsolidated Financial Statements

Responsibilities of auditors in an audit are as follows:

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with BRSA Auditing Regulation and Standards on Auditing issued by POA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with BRSA Auditing Regulation and Standards on Auditing issued by POA we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our

auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B) Report on Other Legal and Regulatory Requirements

- 1) Pursuant to the fourth paragraph of Article 402 of the Turkish Commercial Code ("TCC") No. 6102; no significant matter has come to our attention that causes us to believe that the Bank's bookkeeping activities for the period 1 January - 31 December 2023 are not in compliance with TCC and provisions of the Bank's articles of association in relation to financial reporting.
- 2) Pursuant to the fourth paragraph of Article 402 of the TCC; the Board of Directors provided us the necessary explanations and required documents except for the annual report in connection with the audit.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Ebru Koçak, SMMM
Partner

13 February 2024
İstanbul, Turkey

**THE UNCONSOLIDATED FINANCIAL REPORT OF
BURGAN BANK A.Ş. AS OF 31 DECEMBER 2023**

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The unconsolidated period end 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 THE FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK**
- **Section Five** **EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS**
- **Section Six** **OTHER EXPLANATIONS**
- **Section Seven** **INDEPENDENT AUDIT REPORT**

The accompanying unconsolidated 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 audited.

13 February 2024

Emin Hakan EMİNSOY
Chairman of the
Board of Directors

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

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

Bahadır AKSU
Head of Accounting,
Tax, and Reporting Unit

Hasan KILIÇ
Head of the Audit Committee

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

Moustapha CHAMI
Member of the Audit Committee

Contact information of the personnel in charge of the addressing of questions about this financial report:

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BURGAN BANK A.Ş.
EXPLANATIONS AND NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2023

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

SECTION ONE

GENERAL INFORMATION ABOUT THE BANK

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

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

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

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

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

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

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

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

BURGAN BANK A.Ş.**EXPLANATIONS AND NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS****AS OF 31 DECEMBER 2023**

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

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

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

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

In accordance with the Decision of the Board of Directors of the Bank dated 21 June 2023 and numbered 2023/22, the required permission was obtained from Banking Regulation and Supervision Agency regarding increasing the capital amounting to TL 2,655,500,000 by TL 6,000,000,000 to TL 394,500,000, being within the limit of registered capital ceiling amounting to TL 3,050,000,000, and it was notified that there is no objection for consummation of transactions regarding the capital increase. In this context, the capital amount provided by the shareholders were transferred to the paid-in capital account and it is registered and announced in the Turkish Trade Registry Gazette dated 13 December 2023 and numbered 10978.

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

Founded in 1977, Burgan Bank K.P.S.C. as an affiliate of KIPCO Group (Kuwait Projects Company), one of the largest holding groups of the MENA region (Middle East and North Africa), 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.
EXPLANATIONS AND NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 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:

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

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

BURGAN BANK A.Ş.
EXPLANATIONS AND NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 DECEMBER 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
Al Rawabi United Holding K.S.C.C.	1,586,000	52.00%	52.00%	-
Burgan Bank K.P.S.C.	1,446,061	47.41%	47.41%	-

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

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

As of 31 December 2023, the Bank, whose headquarter located in Istanbul, has 29 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 31 December 2023, the Bank has 1,104 (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
- VI. Statement of cash flows
- VII. Statement of profit distribution

BURGAN BANK A.Ş.
UNCONSOLIDATED BALANCE SHEETS (STATEMENT OF FINANCIAL POSITION)
AS OF 31 DECEMBER 2023 AND 31 DECEMBER 2022
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

I. BALANCE SHEET	Note (Section Five)	Audited 31/12/2023			Audited 31/12/2022		
		TL	FC	Total	TL	FC	Total
ASSETS							
I. FINANCIAL ASSETS (Net)		9,997,858	9,999,608	19,997,466	6,065,545	8,502,614	14,568,159
I.1 Cash and Cash Equivalents		4,427,730	7,392,082	11,819,812	3,204,225	6,629,633	9,833,858
I.1.1 Cash and Central Bank	I-a	4,427,484	6,188,372	10,615,856	1,219,549	5,629,209	6,848,758
I.1.2 Banks	I-c	311	1,203,710	1,204,021	175,491	1,000,424	1,175,915
I.1.3 Receivables from Money Markets		-	-	-	1,809,256	-	1,809,256
I.1.4 Expected Credit Losses (-)		65	-	65	71	-	71
I.2 Financial Assets at Fair Value through Profit or Loss	I-b	751,410	64,784	816,194	478,669	124,703	603,372
I.2.1 Public Debt Securities		1,493	64,784	66,277	382,608	18,311	400,919
I.2.2 Subordinated Debt Instruments		-	-	-	-	-	-
I.2.3 Other Financial Assets		749,917	-	749,917	96,061	106,392	202,453
I.3 Financial Assets at Fair Value through Other Comprehensive Income	I-d	2,020,960	988,763	3,009,723	1,341,741	262,162	1,603,903
I.3.1 Public Debt Securities		2,013,286	988,763	3,002,049	1,334,067	262,162	1,596,229
I.3.2 Subordinated Debt Instruments		7,674	-	7,674	7,674	-	7,674
I.3.3 Other Financial Assets		-	-	-	-	-	-
I.4 Derivative Financial Assets	I-l	2,497,758	1,553,979	4,051,737	1,040,910	1,486,116	2,527,026
I.4.1 Derivative Financial Assets at Fair Value through Profit or Loss		1,071,826	438,866	1,510,692	120,285	366,402	486,687
I.4.2 Derivative Financial Assets at Fair Value through Other Comprehensive Income		1,425,932	1,115,113	2,541,045	920,625	1,119,714	2,040,339
II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)		31,628,316	23,095,095	54,723,411	23,015,062	17,101,530	40,116,592
2.1 Loans	I-e-f	25,726,667	20,516,689	46,243,356	20,267,866	16,514,042	36,781,908
2.2 Receivables from Leasing Transactions	I-k	-	-	-	-	-	-
2.3 Faktoring Receivables	I-e-f	12,889	-	12,889	-	-	-
2.4 Other Financial Assets Measured at Amortized Cost	I-g	6,432,367	3,232,867	9,665,234	3,679,178	1,701,528	5,380,706
2.4.1 Public Debt Securities		6,432,367	3,232,867	9,665,234	3,679,178	1,701,528	5,380,706
2.4.2 Other Financial Assets		-	-	-	-	-	-
2.5 Expected Credit Losses (-)	I-e-f	543,607	654,461	1,198,068	931,982	1,114,040	2,046,022
III. NON-CURRENTS ASSETS HELD FOR SALE AND FROM DISCONTINUED OPERATIONS (Net)	I-r	1,805,136	-	1,805,136	855,289	-	855,289
3.1 Held for Sale		1,805,136	-	1,805,136	855,289	-	855,289
3.2 Held from Discontinued Operations		-	-	-	-	-	-
IV. INVESTMENTS IN PARTNERSHIP		2,388,445	-	2,388,445	1,096,358	-	1,096,358
4.1 Associates (Net)	I-h	-	-	-	-	-	-
4.1.1 Associates Accounted by Using Equity Method		-	-	-	-	-	-
4.1.2 Non-Consolidated Associates		-	-	-	-	-	-
4.2 Subsidiaries (Net)	I-i	2,388,445	-	2,388,445	1,096,358	-	1,096,358
4.2.1 Non-Consolidated Financial Subsidiaries		2,388,445	-	2,388,445	1,096,358	-	1,096,358
4.2.2 Non-Consolidated Non-Financial Subsidiaries		-	-	-	-	-	-
4.3 Jointly Controlled Partnerships (Joint Ventures) (Net)	I-j	-	-	-	-	-	-
4.3.1 Jointly Controlled Partnerships Accounted by Using Equity Method		-	-	-	-	-	-
4.3.2 Non-Consolidated Jointly Controlled Partnerships		-	-	-	-	-	-
V. TANGIBLE ASSETS (Net)	I-m	455,412	-	455,412	207,119	-	207,119
VI. INTANGIBLE ASSETS (Net)	I-n	150,123	-	150,123	81,502	-	81,502
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		150,123	-	150,123	81,502	-	81,502
VII. INVESTMENT PROPERTIES (Net)		-	-	-	-	-	-
VIII. CURRENT TAX ASSETS		32,976	-	32,976	-	-	-
IX. DEFERRED TAX ASSETS	I-p	-	-	-	164,843	-	164,843
X. OTHER ASSETS (Net)	I-s	957,835	230,743	1,188,578	676,612	40,212	716,824
TOTAL ASSETS		47,116,101	33,325,446	80,441,547	32,162,330	25,644,356	57,806,686

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

BURGAN BANK A.Ş.
UNCONSOLIDATED BALANCE SHEETS (STATEMENT OF FINANCIAL POSITION)
AS OF 31 DECEMBER 2023 AND 31 DECEMBER 2022
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

I. BALANCE SHEET	Note (Section Five)	Audited 31/12/2023			Audited 31/12/2022		
LIABILITIES		TL	FC	Total	TL	FC	Total
I. DEPOSITS	II-a	25,508,650	15,170,115	40,678,765	25,415,468	14,632,452	40,047,920
II. LOANS RECEIVED	II-c	10,555	12,627,772	12,638,327	15,216	1,552,390	1,567,606
III. PAYABLES TO MONEY MARKET		1,693,523	2,734,906	4,428,429	731,388	600,907	1,332,295
IV. ISSUED SECURITIES (Net)	II-d	-	-	-	-	-	-
4.1 Bonds		-	-	-	-	-	-
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bills		-	-	-	-	-	-
V. FUNDS		-	-	-	-	-	-
5.1 Borrower Funds		-	-	-	-	-	-
5.2 Other		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	II-b	-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES	II-g	1,669,082	663,789	2,332,871	316,888	644,236	961,124
7.1 Derivative Financial Liabilities at Fair Value through Profit or Loss		975,647	424,525	1,400,172	94,204	461,330	555,534
7.2 Derivative Financial Liabilities at Fair Value through Other Comprehensive Income		693,435	239,264	932,699	222,684	182,906	405,590
VIII. FACTORING LIABILITIES		-	-	-	-	-	-
IX. LEASE LIABILITIES (Net)	II-f	93,936	-	93,936	81,251	-	81,251
X. PROVISIONS	II-h	1,092,244	600,969	1,693,213	215,775	676,933	892,708
10.1 Provision for Restructuring		-	-	-	-	-	-
10.2 Provision for Employee Benefits		323,297	-	323,297	189,517	-	189,517
10.3 Insurance Technical Reserves (Net)		-	-	-	-	-	-
10.4 Other Provisions		768,947	600,969	1,369,916	26,258	676,933	703,191
XI. CURRENT TAX PAYABLES	II-i	164,745	-	164,745	463,055	-	463,055
XII. DEFERRED TAX PAYABLES	II-i	453,518	-	453,518	-	-	-
XIII. PAYABLES RELATED TO NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	II-j	-	-	-	-	-	-
13.1 Held for Sale		-	-	-	-	-	-
13.2 Related to Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBT	II-k	-	5,943,105	5,943,105	-	3,771,359	3,771,359
14.1 Loans		-	5,943,105	5,943,105	-	3,771,359	3,771,359
14.2 Other Debt Instruments		-	-	-	-	-	-
XV. OTHER LIABILITIES	II-e	1,094,059	3,530,902	4,624,961	989,587	2,605,831	3,595,418
XVI. EQUITY	II-l	6,813,303	576,374	7,389,677	4,479,688	614,262	5,093,950
16.1 Paid-in Capital		3,050,000	-	3,050,000	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		45,044	-	45,044	12,624	-	12,624
16.4 Other Accumulated Comprehensive Income That Will be Reclassified in Profit or Loss		(88,058)	576,374	488,316	171,051	614,262	785,313
16.5 Profit Reserves		1,252,334	-	1,252,334	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		1,205,777	-	1,205,777	398,010	-	398,010
16.5.4 Other Profit Reserves		105	-	105	105	-	105
16.6 Profit or Loss		2,560,304	-	2,560,304	1,217,432	-	1,217,432
16.6.1 Prior Years' Profits or Losses		-	-	-	15,708	-	15,708
16.6.2 Current Period Net Profit or Loss		2,560,304	-	2,560,304	1,201,724	-	1,201,724
TOTAL LIABILITIES		38,593,615	41,847,932	80,441,547	32,708,316	25,098,370	57,806,686

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

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

II.	OFF-BALANCE SHEET	Note (Section Five)	Audited 31/12/2023			Audited 31/12/2022		
			TL	FC	Total	TL	FC	Total
A.	OFF-BALANCE SHEET COMMITMENTS (I+II+III)		44,864,757	89,285,441	134,150,198	30,815,195	72,883,805	103,699,000
I.	GUARANTEES AND WARRANTIES	III-a-2-3	8,431,713	6,236,042	14,667,755	5,307,122	4,801,663	10,108,785
1.1.	Letters of Guarantee		6,059,424	1,876,876	7,936,300	3,825,522	1,526,334	5,351,856
1.1.1.	Guarantees Subject to State Tender Law		20,225	1,241	21,466	11,621	789	12,410
1.1.2.	Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3.	Other Letters of Guarantee		6,039,199	1,875,635	7,914,834	3,813,901	1,525,545	5,339,446
1.2.	Bank Loans		75,030	27,242	102,272	35,400	13,267	48,667
1.2.1.	Import Letter of Acceptance		75,030	27,242	102,272	35,400	13,267	48,667
1.2.2.	Other Bank Acceptances		-	-	-	-	-	-
1.3.	Letters of Credit		166,509	3,627,573	3,794,082	40,000	2,537,801	2,577,801
1.3.1.	Documentary Letters of Credit		166,509	3,627,573	3,794,082	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		2,130,750	704,351	2,835,101	1,406,200	724,261	2,130,461
1.9.	Other Collaterals		-	-	-	-	-	-
II.	COMMITMENTS	III-a-1	772,296	575,825	1,348,121	615,729	609,013	1,224,742
2.1.	Irrevocable Commitments		772,296	575,825	1,348,121	615,729	609,013	1,224,742
2.1.1.	Asset Purchase Commitments		159,580	575,825	735,405	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		397,903	-	397,903	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		141,403	-	141,403	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		73,410	-	73,410	59,422	-	59,422
2.2.	Revocable Commitments		-	-	-	-	-	-
2.2.1.	Revocable Commitments for Loan Limits		-	-	-	-	-	-
2.2.2.	Other Revocable Commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS		35,660,748	82,473,574	118,134,322	24,892,344	67,473,129	92,365,473
3.1.	Hedging Derivative Financial Instruments		10,097,042	31,085,144	41,182,186	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		10,097,042	31,085,144	41,182,186	3,207,042	23,320,253	26,527,295
3.1.3.	Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2.	Trading Transactions		25,563,706	51,388,430	76,952,136	21,685,302	44,152,876	65,838,178
3.2.1.	Forward Foreign Currency Buy-Sell Transactions		874,284	903,651	1,777,935	958,200	1,101,744	2,059,944
3.2.1.1.	Forward Foreign Currency Transactions-Buy		874,284	50,157	924,441	958,200	86,278	1,044,478
3.2.1.2.	Forward Foreign Currency Transactions-Sell		-	853,494	853,494	-	1,015,466	1,015,466
3.2.2.	Swap Transactions Related to Foreign Currency and Interest Rates		23,119,642	45,105,816	68,225,458	8,625,231	29,490,149	38,115,380
3.2.2.1.	Foreign Currency Swap-Buy		6,849,120	24,575,434	31,424,554	3,531,549	12,653,916	16,185,465
3.2.2.2.	Foreign Currency Swap-Sell		15,870,522	15,808,758	31,679,280	4,593,682	11,588,471	16,182,153
3.2.2.3.	Interest Rate Swap-Buy		200,000	2,360,812	2,560,812	250,000	2,623,881	2,873,881
3.2.2.4.	Interest Rate Swap-Sell		200,000	2,360,812	2,560,812	250,000	2,623,881	2,873,881
3.2.3.	Foreign Currency, Interest Rate and Securities Options		-	3,871,728	3,871,728	11,613,515	13,093,525	24,707,040
3.2.3.1.	Foreign Currency Options-Buy		-	1,929,671	1,929,671	9,851,777	12,647,813	12,499,590
3.2.3.2.	Foreign Currency Options-Sell		-	1,942,057	1,942,057	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.	Futures Transactions		1,569,780	1,507,235	3,077,015	488,356	467,458	955,814
3.2.4.1.	Futures Transactions-Buy		1,172,958	385,640	1,558,598	488,356	-	488,356
3.2.4.2.	Futures Transactions-Sell		396,822	1,121,595	1,518,417	-	467,458	467,458
3.2.5.	Futures Interest Trading Transactions		-	-	-	-	-	-
3.2.5.1.	Futures Interest Transactions-Buy		-	-	-	-	-	-
3.2.5.2.	Futures Interest Transactions-Sell		-	-	-	-	-	-
3.2.6.	Other		-	-	-	-	-	-
B.	CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		168,211,880	484,218,224	652,430,104	154,442,397	302,991,431	457,433,828
IV.	ITEMS HELD IN CUSTODY		7,974,149	11,772,077	19,746,226	9,725,072	8,540,213	18,265,285
4.1.	Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2.	Investment Securities Held in Custody		1,434,779	11,636,109	13,070,888	5,129,758	8,189,953	13,319,711
4.3.	Cheques Received for Collection		4,340,209	109,771	4,449,980	3,144,098	56,264	3,200,362
4.4.	Commercial Notes Received for Collection		25,411	26,197	51,608	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		2,173,750	-	2,173,750	1,436,200	276,878	1,713,078
4.8.	Custodians		-	-	-	-	-	-
V.	PLEDGES RECEIVED		160,029,531	472,446,147	632,475,678	144,497,149	294,451,218	438,948,367
5.1.	Marketable Securities		893,581	-	893,581	1,365,501	-	1,365,501
5.2.	Guarantee Notes		31,306,099	84,482,296	115,788,395	25,904,515	52,650,268	78,554,783
5.3.	Commodity		8,566,884	2,633,834	11,200,718	2,757,975	1,912,416	4,670,391
5.4.	Warranty		-	-	-	-	-	-
5.5.	Immovable		113,914,927	373,215,380	487,130,307	109,413,251	227,376,544	336,789,795
5.6.	Other Pledged Items		5,348,040	12,114,637	17,462,677	5,055,907	12,511,990	17,567,897
5.7.	Pledged Items-Depository		-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		208,200	-	208,200	220,176	-	220,176
	TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		213,076,637	573,503,665	786,580,302	185,257,592	375,875,236	561,132,828

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

BURGAN BANK A.Ş.
UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE PERIODS ENDED 31 DECEMBER 2023 AND 31 DECEMBER 2022
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

III.	STATEMENT OF PROFIT OR LOSS	Note		
	INCOME AND EXPENSE ITEMS	(Section Five)	Audited 01/01/2023-31/12/2023	Audited 01/01/2022-31/12/2022
I.	INTEREST INCOME	IV-a	11,980,433	6,295,116
1.1	Interest Received from Loans		5,677,820	4,217,644
1.2	Interest Received from Reserve Deposits		325	11,002
1.3	Interest Received from Banks		95,072	36,789
1.4	Interest Received from Money Market Transactions		177,806	124,587
1.5	Interest Received from Securities		2,547,474	754,823
1.5.1	Financial Assets at Fair Value through Profit or Loss		17,325	15,221
1.5.2	Financial Assets at Fair Value through Other Comprehensive Income		592,452	255,509
1.5.3	Financial Assets Measured at Amortized Cost		1,937,697	484,093
1.6	Finance Lease Interest Income		-	-
1.7	Other Interest Income	IV-I	3,481,936	1,150,271
II.	INTEREST EXPENSES (-)	IV-b	10,953,879	4,703,636
2.1	Interest on Deposits		6,132,130	2,751,933
2.2	Interests Given to Used Loans		858,353	271,133
2.3	Interest on Money Market Transactions		292,671	92,393
2.4	Interest on Securities Issued		-	-
2.5	Finance Lease Interest Expenses		15,894	13,262
2.6	Other Interest Expenses	IV-I	3,654,831	1,574,915
III.	NET INTEREST INCOME/EXPENSE (I - II)		1,026,554	1,591,480
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSES		797,607	310,984
4.1	Fees and Commissions Received		896,377	361,844
4.1.1	Non-Cash Loans		135,068	48,803
4.1.2	Other		761,309	313,041
4.2	Fees and Commissions Paid (-)		98,770	50,860
4.2.1	Non-Cash Loans (-)		100	45
4.2.2	Other (-)	IV-k	98,670	50,815
V.	DIVIDEND INCOME	IV-c	32	24
VI.	TRADING PROFIT/LOSS (Net)	IV-d	1,589,588	333,808
6.1	Profit/Losses from Capital Market Transactions		657,833	144,739
6.2	Profit/Losses from Derivative Financial Transactions		(298,116)	(108,093)
6.3	Foreign Exchange Profit/Losses		1,229,871	297,162
VII.	OTHER OPERATING INCOME	IV-e	273,616	213,948
VIII.	GROSS PROFIT FROM OPERATING ACTIVITIES (III+IV+V+VI+VII)		3,687,397	2,450,244
IX.	ALLOWANCES FOR EXPECTED CREDIT LOSSES (-)	IV-f	(1,098,678)	(331,264)
X.	OTHER PROVISION EXPENSES (-)	IV-f	338,581	462,701
XI.	PERSONNEL EXPENSES (-)		1,199,737	544,249
XII.	OTHER OPERATING EXPENSES (-)	IV-g	976,074	437,876
XIII.	NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		2,271,683	1,336,682
XIV.	SURPLUS WRITTEN AS GAIN AFTER MERGER		-	-
XV.	PROFIT/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES		965,707	314,504
XVI.	NET MONETARY POSITION GAIN/LOSS		-	-
XVII.	PROFIT/LOSS BEFORE TAXES FROM CONTINUING OPERATIONS (XIII+...+XVI)	IV-h	3,237,390	1,651,186
XVIII.	PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	IV-i	(677,086)	(449,462)
18.1	Current Tax Provision		15,447	756,083
18.2	Expense Effect of Deferred Tax (+)		739,032	187,387
18.3	Income Effect of Deferred Tax (-)		77,393	494,008
XIX.	NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	IV-j	2,560,304	1,201,724
XX.	INCOME FROM DISCONTINUED OPERATIONS		-	-
20.1	Income from Assets Held For Sale		-	-
20.2	Profit from Sale of Associates, Subsidiaries and Joint Ventures		-	-
20.3	Other Income from Discontinued Operations		-	-
XXI.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
21.1	Expenses on Assets Held for Sale		-	-
21.2	Losses from Sale of Associates, Subsidiaries and Joint Ventures		-	-
21.3	Other Expenses from Discontinued Operations		-	-
XXII.	PROFIT/LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (XX-XXI)		-	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-
23.1	Current Tax Provision		-	-
23.2	Expense Effect of Deferred Tax (+)		-	-
23.3	Income Effect of Deferred Tax (-)		-	-
XXIV.	NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)		-	-
XXV.	NET PROFIT/LOSS FOR THE PERIOD (XIX+XXIV)	IV-k	2,560,304	1,201,724
	Profit / (Loss) per share (1,000 nominal in TL full)		9.571	5.135

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

BURGAN BANK A.Ş.**UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIODS ENDED 31 DECEMBER 2023 AND 31 DECEMBER 2022**

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

IV. STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	Audited	Audited
	01/01/2023-31/12/2023	01/01/2022-31/12/2022
I. PROFIT/LOSS FOR THE PERIOD	2,560,304	1,201,724
II. OTHER COMPREHENSIVE INCOME	(264,577)	640,398
2.1 Items not to be Reclassified to Profit or Loss	32,420	(11,598)
2.1.1 Revaluation Increase/Decrease of Tangible Assets	67,750	22,945
2.1.2 Revaluation Increase/Decrease of Intangible Assets	-	-
2.1.3 Defined Benefit Plans Remeasurement Gains/Loss	(23,726)	(41,648)
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	(11,604)	7,105
2.2 Items to be Reclassified to Profit or Loss	(296,997)	651,996
2.2.1 Foreign Currency Translation Differences	-	-
2.2.2 Gains/Losses on Valuation or Reclassification Arising from Financial Assets at Fair Value Through Other Comprehensive Income	(231,940)	151,474
2.2.3 Gains/Losses Arising on Cash Flow Hedges	(117,149)	728,090
2.2.4 Gains/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	52,092	(227,568)
III. TOTAL COMPREHENSIVE INCOME (I+II)	2,295,727	1,842,122

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 31 DECEMBER 2023

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY						Other Comprehensive Income or Expenses not to be Reclassified to Profit or Loss			Other Comprehensive Income or Expenses to be Reclassified to Profit or Loss						
Audited CURRENT PERIOD 31.12.2023	Note (Section Five)	Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves	1	2	3	4	5	6	Profit Reserves	Prior Period Profit / (Loss)	Current Period Net Income or Loss	Total Shareholders' Equity
I. Prior Period End Balance	II-I	2,655,500	-	-	(6,321)	53,305	(40,681)	-	-	64,663	720,650	429,402	1,217,432	-	5,093,950
II. Corrections according to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Corrections of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Amendments in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New Balance (I+II)		2,655,500	-	-	(6,321)	53,305	(40,681)	-	-	64,663	720,650	429,402	1,217,432	-	5,093,950
IV. Total Comprehensive Income		-	-	-	-	46,413	(13,993)	-	-	(166,669)	(130,328)	-	-	2,560,304	2,295,727
V. Capital Increase in Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase in Internal Resources		394,500	-	-	-	-	-	-	-	-	-	(394,500)	-	-	-
VII. Paid-in Capital Inflation Adjustment Difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt Instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Gain/Loss Related to Other Changes		-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	1,217,432	(1,217,432)	-	-
11.1 Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	1,217,432	(1,217,432)	-	-
11.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (III+IV+.....+X+XI)		3,050,000	-	-	(6,321)	99,718	(54,674)	-	-	(102,006)	590,322	1,252,334	-	2,560,304	7,389,677

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

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

BURGAN BANK A.Ş.
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIODS ENDED 31 DECEMBER 2022

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY						Other Comprehensive Income or Expenses not to be Reclassified to Profit or Loss			Other Comprehensive Income or Expenses to be Reclassified to Profit or Loss						
Audited PRIOR PERIOD 31.12.2022	Note (Section Five)	Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves	1	2	3	4	5	6	Profit Reserves	Prior Period Profit / (Loss)	Current Period Net Income or Loss	Total Shareholders' Equity
I. Prior Period End Balance	II-I	1,890,000	-	-	(2,532)	34,176	(9,954)	-	-	(52,206)	185,523	124,587	304,815	-	2,474,409
II. Corrections according to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Corrections of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Amendments in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New Balance (I+II)		1,890,000	-	-	(2,532)	34,176	(9,954)	-	-	(52,206)	185,523	124,587	304,815	-	2,474,409
IV. Total Comprehensive Income		-	-	-	-	19,129	(30,727)	-	-	116,869	535,127	-	-	1,201,724	1,842,122
V. Capital Increase in Cash		765,500	-	-	-	-	-	-	-	-	-	-	-	-	765,500
VI. Capital Increase in Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Paid-in Capital Inflation Adjustment Difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt Instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase / Decrease Related to Other Changes		-	-	-	(3,789)	-	-	-	-	-	-	-	15,708	-	11,919
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	304,815	(304,815)	-	-
11.1 Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	304,815	(304,815)	-	-
11.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (III+IV+.....+X+XI)		2,655,500	-	-	(6,321)	53,305	(40,681)	-	-	64,663	720,650	429,402	15,708	1,201,724	5,093,950

1. Tangible assets revaluations increases / decreases,

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

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

4. Foreign currency translation differences,

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

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

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

BURGAN BANK A.Ş.
UNCONSOLIDATED STATEMENT OF CASH FLOWS
AS OF 31 DECEMBER 2023 AND 31 DECEMBER 2022
(Amounts expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

VI. STATEMENT OF CASH FLOWS	Note (Section Five)	Audited 31/12/2023	Audited 31/12/2022
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit Before Changes in Assets and Liabilities in the Field of Activity of Banking		(838,902)	1,701,203
1.1.1 Interest Received		10,738,014	5,807,008
1.1.2 Interest Paid		(10,357,807)	(4,356,274)
1.1.3 Dividend Received		32	24
1.1.4 Fees and Commissions Received		789,743	279,609
1.1.5 Other Income		-	-
1.1.6 Collections from Previously Written-off Loans and Other Receivables		794,345	539,747
1.1.7 Payments to Personnel and Service Suppliers		(1,199,737)	(544,249)
1.1.8 Taxes Paid		(129,212)	(43,408)
1.1.9 Other	VI-b	(1,474,280)	18,746
1.2 Change in Assets and Liabilities Subject to Banking Activities		5,813,330	3,881,285
1.2.1 Net (Increase) Decrease in Financial Assets at Fair Value Through Profit/Loss		(221,439)	(456,111)
1.2.2 Net (Increase) Decrease in Due from Banks and Other Financial Institutions		259,538	(221,651)
1.2.3 Net (Increase) Decrease in Loans		(10,049,936)	(10,721,594)
1.2.4 Net (Increase) Decrease in Other Assets		(711,249)	(1,468,944)
1.2.5 Net Increase (Decrease) in Bank Deposits		(151,562)	(321,070)
1.2.6 Net Increase (Decrease) in Other Deposits		465,112	15,734,084
1.2.7 Net Increase (Decrease) in Financial Liabilities at Fair Value Through Profit or Loss		-	(311,356)
1.2.8 Net Increase (Decrease) in Funds Borrowed		12,963,690	(1,830,459)
1.2.9 Net Increase (Decrease) in Payables Due		-	-
1.2.10 Net Increase (Decrease) in Other Liabilities	VI-b	3,259,176	3,478,386
I. Net Cash Provided from Banking Operations		4,974,428	5,582,488
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net Cash Flow Provided from Investing Activities		(3,098,420)	(3,857,166)
2.1 Acquired Affiliates, Subsidiaries and Joint Ventures (Joint Partnerships)		(350,000)	-
2.2 Sold Affiliates, Subsidiaries and Joint Ventures (Joint Partnerships)		-	-
2.3 Purchased Securities and Real Estate		(142,035)	(105,899)
2.4 Sold Securities and Real Estates		266,843	684,650
2.5 Financial Assets at Fair Value Through Other Comprehensive Income		(1,710,337)	(2,080,323)
2.6 Financial Assets Disposed at Fair Value Through Other Comprehensive Income		604,058	1,316,055
2.7 Financial Assets Purchased at Amortized Cost		(2,178,641)	(3,975,531)
2.8 Financial Assets Sold Measured at Amortized Cost		502,604	303,882
2.9 Other		(90,912)	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash Generated from Financing Activities		(64,892)	726,176
3.1 Cash Obtained from Funds Borrowed and Securities Issued		-	-
3.2 Cash Used for Repayment Of Funds Borrowed and Securities Issued		-	-
3.3 Issued Capital Instruments		-	765,500
3.4 Dividends Paid		-	-
3.5 Payments for Finance Leases		(64,892)	(39,324)
3.6 Other		-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents	VI-b	434,382	226,446
V. Net Increase / (Decrease) in Cash and Cash Equivalents (I+II+III+IV)		2,245,498	2,677,944
VI. Cash and Cash Equivalents at Beginning of the Period	VI-a	5,771,649	3,093,705
VII. Cash and Cash Equivalents at End of the Period	VI-a	8,017,147	5,771,649

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

BURGAN BANK A.Ş.**UNCONSOLIDATED PROFIT DISTRIBUTION STATEMENT AS OF 31 DECEMBER 2023**

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

VII. STATEMENT OF PROFIT DISTRIBUTION	31/12/2023(*)	31/12/2022(**)
I. DISTRIBUTION OF PROFIT FOR THE PERIOD		
1.1. PROFIT FOR THE PERIOD	3,237,390	1,651,186
1.2. TAX AND LEGAL DUTIES PAYABLE (-)	677,086	449,462
1.2.1. Corporate Tax (Income Tax)	15,447	756,083
1.2.2. Income Withholding Tax	-	-
1.2.3. Other Tax and Legal Liabilities (***)	661,639	(306,621)
A. NET PROFIT FOR THE YEAR (1.1-1.2) (****)	2,560,304	1,201,724
1.3. PRIOR PERIODS' LOSS (-)	-	-
1.4. FIRST LEGAL RESERVES (-)	-	-
1.5. OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5)]	-	1,201,724
1.6. FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1. To Owners of Ordinary Shares	-	-
1.6.2. To Owners of Privileged Shares	-	-
1.6.3. To Preferred Shares	-	-
1.6.4. To Profit Sharing Bonds	-	-
1.6.5. To Holders of Profit and Loss Sharing Certificates	-	-
1.7. DIVIDENDS TO PERSONNEL (-)	-	-
1.8. DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9. SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1. To Owners of Ordinary Shares	-	-
1.9.2. To Owners of Privileged Shares	-	-
1.9.3. To Owners of Preferred Shares	-	-
1.9.4. To Profit Sharing Bonds	-	-
1.9.5. To Holders of Profit and Loss Sharing Certificates	-	-
1.10. SECOND LEGAL RESERVES (-)	-	-
1.11. STATUTORY RESERVES (-)	-	-
1.12. EXTRAORDINARY RESERVES	-	1,201,724
1.13. OTHER RESERVES	-	-
1.14. SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES		
2.1. APPROPRIATED RESERVES	-	-
2.2. SECOND LEGAL RESERVES (-)	-	-
2.3. DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1. To Owners of Ordinary Shares	-	-
2.3.2. To Owners of Privileged Shares	-	-
2.3.3. To Owners of Preferred Shares	-	-
2.3.4. To Profit Sharing Bonds	-	-
2.3.5. To Holders of Profit and Loss Sharing Certificates	-	-
2.4. SHARE TO PERSONNEL (-)	-	-
2.5. SHARE TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE		
3.1. TO OWNERS OF ORDINARY SHARES	-	-
3.2. TO OWNERS OF ORDINARY SHARES (%)	-	-
3.3. TO OWNERS OF PRIVILEGED SHARES	-	-
3.4. TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV. DIVIDEND PER SHARE		
4.1. TO OWNERS OF ORDINARY SHARES	-	-
4.2. TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3. TO OWNERS OF PRIVILEGED SHARES	-	-
4.4. TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(*)As of the preparation date of the financial statements, the General Assembly meeting of the Bank has not been held yet.

(**)It contains the information on the "Dividend Distribution Statement" approved at the Bank's Ordinary General Assembly held on 31 December 2023.

(***)Since the income amounts related to deferred tax assets cannot be considered as cash or internal resources and therefore the part of the period profit arising from the mentioned assets is not subject to profit distribution and capital increase, The Company's deferred tax income, which will not be subject to distribution for the accounting period ending on 31 December 2023, is TL 661,639 (31 December 2022: Deferred tax expense TL 306,621).

(****)TL 965,707 of the net profit for the period consists of TAS 27 adjustments. (31 December 2022: TL 314,504)

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.

According to the Financial Reporting Standard for High Inflationary Economies (TMS 29), entities whose functional currency is the currency of a high inflationary economy report their financial statements in terms of the purchasing power of the currency at the end of the reporting period. TMS 29 identifies characteristics that may indicate an economy as high inflationary. Furthermore, according to TMS 29, all entities reporting in the currency of a high inflationary economy are required to apply this Standard from the same date. Therefore, to ensure consistency in application nationwide, it is expected that all entities will commence applying TMS 29 simultaneously, following an announcement by the Public Oversight, Accounting, and Auditing Standards Authority as stated in TMS 29.

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023**

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

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

- 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:**

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

As of 31 December 2023, the USD exchange rate used in the conversion of foreign currency transactions into Turkish currency and their reflection in the financial statements is TL 29,4382 and the Euro exchange rate is TL 32,5739.

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023**

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

EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD (Continued):**III. EXPLANATIONS ON CONSOLIDATED SUBSIDIARIES:**

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

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

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 31 December 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.

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

V. EXPLANATIONS ON INTEREST INCOME AND EXPENSES:

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

VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSES:

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 or Loss", "Financial Assets at Fair Value Through Other Comprehensive Income" or "Financial Assets Measured at Amortized Cost". Such financial assets are recognized or derecognized according to TFRS 9 Financial Instruments Part 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.

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

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EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD (Continued):**VII. EXPLANATIONS ON FINANCIAL ASSETS (Continued):**

The Bank determines the estimated inflation rate accordingly. The estimated inflation rate, taking into account the expectations of the Central Bank of the Republic of Turkey and the Bank, is updated as deemed necessary throughout the year.

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.

The bank includes forward-looking macroeconomic information in the calculation of expected credit losses, particularly in estimating default probabilities. In this context, default rate estimations for future periods are based on Turkey's annual real Gross Domestic Product (GDP) growth rate. Forecasts for macroeconomic variables are determined according to three different scenarios: adverse, baseline, and favorable. Expected credit losses generated in the respective scenarios are aggregated using weighted averages to reach final values.

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 rules above, the Bank has also set aside 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 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. Various circumstances and conditions could extend the completion period of the sale more than one year. If such delay arises from any events and conditions beyond the control of the entity and if there is sufficient evidence that the entity has an ongoing disposal plan for these assets, such assets (or else group of assets) are continued to be classified as assets held for sale.

The Bank has no discontinued operations.

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

As at 31 December 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 TANGIBLE ASSETS:

Tangible assets 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, tangible assets 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 tangible assets 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 tangible assets for less than an accounting period at the balance sheet date is calculated in proportion to the period the item remained in tangible assets.

When the carrying amount of an asset is greater than its estimated "Net realizable value", it is written down to its "Net realizable value" and the provision for the diminution in value is associated with expense accounts.

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

Expenditures for the repair and renewal of tangible assets 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 tangible 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 tangible assets 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 impairment" is recognised. Liabilities arising from the leasing transactions are included in "Financial Lease Payables" on the balance sheet. Interest and foreign exchange expenses regarding lease transactions are charged to the income statement. The Group carries out financial leasing operations as a "Lessor" via Burgan Finansal Kiralama A.Ş. which is its subsidiary and included to consolidation.

With the "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 Tangible 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.

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

XIV. EXPLANATIONS ON LEASING TRANSACTIONS (Continued):

Existence of right-to-use:

The right to 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 COMMITMENTS:**

Allocated for loans and other receivables provisions other than expected loss provisions and contingent liabilities "Provisions, Contingent Liabilities and Related to Contingent Assets, Turkey Accounting Standard ("TAS 37") is recognized as appropriate.

Provisions are accounted when there is a legal or structural obligation existing as of the balance sheet date and arising from the past. It is probable that the resources that provide economic benefits to perform the obligation and a reliable estimate can be made about the amount of the liability. In accordance with the "Periodicity Principle", provision is made for liabilities that arise as a result of events in the previous periods in which these liabilities occurred. In cases where the amount not able be measured reliably enough and there is no possibility of outflow of resources from the Bank to fulfill the liability, the liability is considered "Contingent" and explained in the notes.

XVI. EXPLANATIONS ON CONTINGENT ASSETS:

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

XVII. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS:

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

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

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

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

Many clauses of Corporate Tax Law No.5520 which are valid starting from 1 January 2006, was taken into effect after being published in the Official Gazette dated 21 June 2006 No. 26205. According to the New Tax Law, the general corporate tax rate in Turkey is payable at the rate of 25% and the rate of payments on corporate profits for companies within the scope of Law No. 6361, electronic payment and currencies, authorized foreign exchange institutions, asset management companies, capital markets, insurance and reinsurance companies and rate of payments based on corporate earnings of separation is 30%.

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.

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

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

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

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

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

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

XVIII. EXPLANATIONS ON TAXATION (Continued):

a. Current Tax (Continued):

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

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

According to the Amendment Notification to the General Communiqué (Serial No: 537) on the Tax Procedure Law, published in the Official Gazette numbered 32073 dated 14 January 2023, the procedures and principles regarding the revaluation of real estate and depreciable economic assets have been revised. Accordingly, the Bank has revalued its real estate and depreciable economic assets in its balance sheet until 30 September 2023, provided that it meets the conditions specified in Temporary Article 32 of the Tax Procedure Law and Article 298/ç of the Tax Procedure Code. As of 31 December 2023, due to the inflation adjustment of the financial statements, the real estate and depreciable economic assets were not revalued. Corporate income tax is calculated taking into account the depreciation allocated based on the values revalued until 30 September 2023, for real estate and depreciable economic assets.

The Law No. 7440, published in the Official Gazette numbered 32130 on 12 March 2023, regarding the Restructuring of Some Receivables and Amendments to Some Laws, stipulates that corporate income taxpayers, by showing in their corporate income tax returns for the year 2022, the exceptions and deductions made from corporate income according to Law No. 5520 and other regulations, are subject to an additional tax of 10% on the discounted corporate income tax base under Article 32/A of the same Law, without being associated with the period income. Additionally, an additional tax of 5% is calculated on the exempt income specified in the first paragraph (a) of Article 5 of Law No. 5520, earned from abroad and proven to bear a tax burden of at least 15%. The first installment of this tax is payable within the payment period of corporate income tax, and the second installment is payable within the fourth month following this period.

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023**

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

EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD (Continued):**XVIII. EXPLANATIONS ON TAXATION (Continued):****b. Deferred Tax:**

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

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

Due to the fact that the change in the corporate tax rate that entered into force on 15 July 2023, will be taken into account in the taxation of corporate earnings for the periods valid from 1 January 2023, starting from 1 October 2023 under TAS 12, deferred tax has been calculated at the rate of 30% for assets and liabilities

According to the temporary article 33 of the Tax Procedure Law, in the financial statements dated 31 December 2023, the tax effects resulting from the inflation reduction of corporate tax are included in the deferred tax programming as of 31 December 2023.

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".

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023**

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EXPLANATIONS ON ACCOUNTING POLICIES FOR THE RELEVANT PERIOD (Continued):**XXII. EXPLANATIONS ON GOVERNMENT GRANTS:**

As of 31 December 2023, the Bank does not have any government grants or aids (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.

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.

	31 December 2023	31 December 2022
Net Income/(Loss) to be Appropriated to Ordinary Shareholders	2,560,304	1,201,724
Weighted Average Number of Issued Ordinary Shares (Thousand)	267,495,479	234,046,293
Earnings/(Losses) Per Ordinary Shares (Disclosed as 1,000 nominal in full TL)	9.571	5.135

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 within the scope of "TAS 24". Transactions regarding related parties are presented in Note V. of Section Five.

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023**

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

None.

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 31 December 2023, the Bank's total capital has been calculated as TL 13,176,220 (31 December 2022: TL 8,490,494) and the capital adequacy ratio is 22.36% (31 December 2022: 21.00%).

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

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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:**

	Current Period 31 December 2023	1/1/2014 Amounts Related to Treatment Before (*)	Prior Period 31 December 2022	1/1/2014 Amounts Related to Treatment Before (*)
COMMON EQUITY TIER 1 CAPITAL				
Paid-in capital following all debts in terms of claim in liquidation of the Bank	3,050,000		2,655,500	
Share issue premiums	-		-	
Legal reserves	1,246,013		423,081	
Gains recognized in equity as per Turkish Accounting Standards (TAS)	706,515		851,551	
Profit	2,560,304		1,217,432	
Current Period Profit	2,560,304		1,201,724	
Prior Period Profit	-		15,708	
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognised within profit for the period	-		-	
Common Equity Tier 1 Capital Before Deductions	7,562,832		5,147,564	
Deductions from Common Equity Tier 1 Capital				
Common Equity as per the (i) clause of Provisional Article 9 of the Regulation on the Equity of Banks	-		-	
Portion of the current and prior periods' losses which cannot be covered through reserves and losses reflected in equity in accordance with TAS	199,527		44,941	
Improvement costs for operating leasing	14,916		10,806	
Goodwill (net of related tax liability)	-		-	
Other intangibles other than mortgage-servicing rights (net of related tax liability)	143,355	143,355	80,568	80,568
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-		-	
Differences are not recognized at the fair value of assets and liabilities subject to hedge of cash flow risk	590,322		720,650	
Communiqué Related to Principles of the amount credit risk calculated with the Internal Ratings Based Approach, total expected loss amount exceeds the total provision	-		-	
Gains arising from securitization transactions	-		-	
Unrealized gains and losses due to changes in own credit risk on fair valued liabilities	-		-	
Defined-benefit pension fund net assets	-		-	
Direct and indirect investments of the Bank in its own Common Equity	-		-	
Shares obtained contrary to the 4th clause of the 56th Article of the Law	-		-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank	-		-	
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-		-	
Portion of mortgage servicing rights exceeding 10% of the Common Equity	-		-	
Portion of deferred tax assets based on temporary differences exceeding 10% of the Common Equity	-		-	
Amount exceeding 15% of the common equity as per the 2nd clause of the Provisional Article 2 of the Regulation on the Equity of Banks	-		-	
Excess amount arising from the net long positions of investments in common equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital	-		-	
Excess amount arising from mortgage servicing rights	-		-	
Excess amount arising from deferred tax assets based on temporary differences	-		-	
Other items to be defined by the BRSA	-		-	
Deductions to be made from common equity due to insufficient Additional Tier I Capital or Tier II Capital	-		-	
Total Deductions From Common Equity Tier 1 Capital	948,120		856,965	
Total Common Equity Tier 1 Capital	6,614,712		4,290,599	

(*) 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 UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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 31 December 2023	1/1/2014 Amounts Related to Treatment Before (*)	Prior Period 31 December 2022	1/1/2014 Amounts Related to Treatment Before (*)
ADDITIONAL TIER I CAPITAL				
Preferred Stock not Included in Common Equity and the Related Share Premiums	-	-	-	-
Debt instruments and premiums approved by BRSA	1,471,910	-	934,915	-
Debt instruments and premiums approved by BRSA (Temporary Article 4)	-	-	-	-
Additional Tier I Capital before Deductions	1,471,910	-	934,915	-
Deductions from Additional Tier I Capital	-	-	-	-
Direct and indirect investments of the Bank in its own Additional Tier I Capital	-	-	-	-
Investments of Bank to Banks that invest in Bank's additional equity and components of equity issued by financial institutions with compatible with Article 7.	-	-	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital	-	-	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital	-	-	-	-
Other items to be defined by the BRSA	-	-	-	-
Transition from the Core Capital to Continue to deduce Components	-	-	-	-
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier I 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 I capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-	-	-
Deductions to be made from common equity in the case that adequate Additional Tier I Capital or Tier II Capital is not available (-)	-	-	-	-
Total Deductions From Additional Tier I Capital	-	-	-	-
Total Additional Tier I Capital	1,471,910	-	934,915	-
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	8,086,622	-	5,225,514	-
TIER II CAPITAL	-	-	-	-
Debt instruments and share issue premiums deemed suitable by the BRSA	4,415,730	-	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)	673,868	-	460,253	-
Tier II Capital Before Deductions	5,089,598	-	3,264,998	-
Deductions From Tier II Capital	-	-	-	-
Direct and indirect investments of the Bank on its own Tier II Capital (-)	-	-	-	-
Investments of Bank to Banks that invest on Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8.	-	-	18	-
Portion of the total of net long positions of investments made in equity items of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or less of the issued common share capital exceeding 10% of Common Equity of the Bank (-)	-	-	-	-
Portion of the total of net long positions of investments made in Additional Tier I Capital item of banks and financial institutions outside the scope of consolidation where the Bank owns 10% or more of the issued common share capital exceeding 10% of Common Equity of the Bank	-	-	-	-
Other items to be defined by the BRSA (-)	-	-	-	-
Total Deductions from Tier II Capital	-	-	18	-
Total Tier II Capital	5,089,598	-	3,264,980	-
Total Capital (The sum of Tier I Capital and Tier II Capital)	13,176,220	-	8,490,494	-
Deductions from Total Capital	-	-	-	-
Deductions from Capital Loans granted contrary to the 50th and 51th Article of the Law	-	-	-	-
Net Book Values of Movables and Immovables Exceeding the Limit Defined in the Article 57, Clause 1 of the Banking Law and the Assets Acquired against Overdue Receivables and Held for Sale but Retained more than Five Years	-	-	-	-
Other items to be defined by the BRSA	-	-	-	-
In transition from Total Core Capital and Supplementary Capital (the capital) to Continue to Download Components	-	-	-	-
The Sum of net long positions of investments (the portion which exceeds the 10% of Banks Common Equity) in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own 10% or less of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-	-	-
The Sum of net long positions of investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-	-	-
The Sum of net long positions of investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity, mortgage servicing rights, deferred tax assets arising from temporary differences which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds	-	-	-	-

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

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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 31 December 2023	1/1/2014 Amounts Related to Treatment Before (*)	Prior Period 31 December 2022	1/1/2014 Amounts Related to Treatment Before (*)
EQUITY				
Total EQUITY (Sum of Tier I and Tier II capital)	13,176,220		8,490,494	
Total Risk Weighted Amounts	58,920,251		40,423,060	
CAPITAL ADEQUACY RATIOS				
Core Capital Adequacy Ratio (%)	11,23		10,61	
Tier I Capital Adequacy Ratio (%)	13,72		12,93	
Capital Adequacy Ratio (%)	22,36		21,00	
BUFFERS				
Total additional core capital requirement ratio (a+b+c)	2,541		2,525	
a. Capital conservation buffer requirement (%)	2,500		2,500	
b. Bank specific counter-cyclical capital buffer ratio (%)	0,041		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	6,73		6,11	
Amounts below the Excess Limits as per the Deduction Principles				
Portion of the total of net long positions of investments in equity items of unconsolidated banks and financial institutions where the bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I capital	-		-	
Portion of the total of investments in equity items of unconsolidated banks and financial institutions where the bank owns more than 10% 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	403,733		444,045	
Limits Related to Provisions Considered in Tier II Calculation				
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	916,921		1,543,820	
Up to 1.25% of total risk-weighted amount of general reserves for receivables where the standard approach used	673,868		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	-		-	
Debt instruments subjected to Article 4 (to be implemented between 1 January 2018 and 1 January 2022)	-		-	
Upper limit for additional Tier I Capital subjected to temporary Article 4	-		-	
Amounts excess the Limits of Additional Tier I Capital subjected to temporary Article 4	-		-	
Upper limit for Additional Tier II Capital subjected to temporary Article 4	-		-	
Amounts excess the Limits of Additional Tier II Capital subjected to temporary Article 4	-		-	

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

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

Information on instruments related to equity calculation:		
Issuer – Loan grantor	Burgan Bank K.P.S.C.	Burgan Bank K.P.S.C.
Unique Identifier of the Debt Instrument	-	-
Governing Legislation of the Debt Instrument	BRSA	BRSA
Regulatory Treatment in Equity Calculation	Tier II Capital	Tier I Capital
Assessment whether it is subject to being taken into consideration as 10% decreased as of 1/1/2015	No	No
Validity status in a consolidated or unconsolidated basis or in a consolidated and unconsolidated basis	Unconsolidated – Consolidated	Unconsolidated - Consolidated
Debt instrument type	Subordinated loan	Subordinated loan
Amount recognized in equity calculation (As of most recent reporting date – Thousands TL)	4,415,730	1,471,910
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	SOFR+4.25	-
Existence of a restriction which can stop dividend payments	-	-
Being fully discretionary, partially discretionary or mandatory	-	-
Existence of an interest rate increase or other incentive to call	-	-
Being noncumulative or cumulative	Noncumulative	Noncumulative
Being convertible or non-convertible to stock	None	None
If convertible to a stock, conversion trigger(s)	-	-
If convertible to a stock, fully or partially	-	-
If convertible to a stock, conversion rate	-	-
If convertible to a stock, mandatory or optional conversion	-	-
If convertible to a stock, specify instrument type convertible into	-	-
If convertible to a stock, issuer of debt instrument it converts into	-	-
Value reduction feature	None	-
If it has a value reduction feature, write-down trigger(s)	-	If unsustainability occurs, a decrease in value can be realized.
If it has a value reduction feature, 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.

BURGAN BANK A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK:

II. EXPLANATIONS ON CREDIT RISK

Credit risk represents the potential financial loss that the Bank may incur as a result of defaults or non-fulfillment of the loan agreements obligations of counterparties.

In order to control and mitigate credit risk, the Parent Bank takes into consideration the payment capacity of the debtors, the confirmation of the fact that primary and secondary payment sources exist, the fact that provisions allocated for loans can cover expected credit losses, the fact that firms responsible for the valuation of collaterals are operating in accordance with competition rules, the fact that sectoral, geographical and regional concentration is avoided, the fact that the customer portfolio and loans provided are not diversified and credit risk is not common, the fact that information from all sources possible to evaluate or quantify the risks taken on a transaction or customer basis are collected the fact that the payment capacity of loans are monitored.

Credit rankings of borrowers that are present at loans and other accounts receivable accounts are monitored in accordance with the relevant legislation at regular intervals. Account status documents obtained for the issued credits are audited to make sure that the documents are meeting the requirements of the relevant legislation given that the cash transactions are exempted from this rule. As a result of regular monitoring of credit worthiness, credit limits have been changed when necessary. Loans and other receivables are collateralized considering the credit worthiness.

With respect to credit risk, debtor and debtor groups are subject to risk limitations envisaged in the Banking Law. There is no risk limitation in terms of geographical region while the sectoral concentration has been limited. Credit limits allocated are subject to revision at least once a year. The credit worthiness of the borrowers classified as "loans and other receivables under close monitoring" are revised at least twice a year due to Procedures and Principles regarding the regulation on determination of loans and other receivables. The loan limit is controlled by the main banking system and exceeding the specified limits is prohibited. When a revision becomes due, limits for which the loan worthiness has not been reviewed are suspended.

The Bank's loan policy approved by the Board of Directors is reviewed a regular basis. In order to maintain the credit risk under control, there are additional limitations in the scope of Bank credit policies apart from the Banking Law limitations. As defined in the document of credit policy, authorization of credit extension has been delegated to Branches, the Headquarters and the Credit Committee. Constraints on the use of these delegations;

- Collaterals, accepted as guarantees of loans issued, are clearly stated at credit policy.
- The Bank does not provide loans for arms manufacturers and traders, religious organizations, gambling companies, media companies, political organizations, sport clubs and companies operating in nuclear industry. Exceptions could be evaluated by the Head Office.
- Loans issued to the companies founded within last two years, real estate development companies and financial institutions as well as the investment projects , cash loan guarantees or refinancing loans are evaluated by headquarters and authorized upper management.
- Derivative products' limits cannot be allocated in Branch authorization. Foreign currency loans and counter party / external guarantees cannot be issued by branches.

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023**

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

**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued):****II. EXPLANATIONS ON CREDIT RISK (Continued):**

The loans that are overdue more than 90 days as of the end of the reporting date or the loans in which the Bank has decided that the debtor has lost its credibility are classified as impaired receivables and specific provision is allocated for these loans within TFRS 9. According to the "Communiqué on Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves," stage II loans and 90 day-delayed loans are considered as non-performing loan and general provision is allocated within TFRS 9.

Total amount of exposures after offsetting transactions before applying credit risk mitigations and the average exposure amounts that are classified under different risk groups and types for the relevant period:

31 December 2023		
Risk Group	Amount	Average
Contingent and Non-Contingent Receivables from Central Governments or Central Banks	20,439,178	16,431,204
Contingent and Non-Contingent Receivables from Regional or Local Governments	278,562	174,520
Contingent and Non-Contingent Receivables from Administrative Units and Non-Commercial Enterprises	-	-
Contingent and Non-Contingent Receivables from Multilateral Development Banks	4,413	45,182
Contingent and Non-Contingent Receivables from International Organizations	-	-
Contingent and Unconditional Receivables from Banks and Intermediary Institutions	9,815,084	7,723,475
Contingent and Non-Contingent Corporate Receivables	38,943,738	31,346,564
Contingent and Non-Contingent Retail Receivables	4,843,764	4,019,397
Contingent and Non-Contingent Real Estate Mortgage-Secured Receivables	7,492,903	6,925,973
Past Due Loans	592,593	906,154
Higher Risk Categories Decided by the Board	-	-
Secured by Mortgages	-	-
Securitization Positions	-	-
Short-Term Claims and Short-Term Corporate Claims on Banks and Intermediary Institutions	-	-
Undertakings for Collective Investments in Mutual Funds	-	-
Other Receivables	5,985,844	5,060,029
Total	88,396,079	72,632,498

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023**

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

**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued):****II. EXPLANATIONS ON CREDIT RISK (Continued):**

31 December 2022 Risk Group	Amount	Average
Contingent and Non-Contingent Receivables from Central Governments or Central Banks	12,776,405	10,434,027
Contingent and Non-Contingent Receivables from Regional or Local Governments	168,758	184,745
Contingent and Non-Contingent Receivables from Administrative Units and Non-Commercial Enterprises	-	-
Contingent and Non-Contingent Receivables from Multilateral Development Banks	61,755	70,857
Contingent and Non-Contingent Receivables from International Organizations	-	-
Contingent and Unconditional Receivables from Banks and Intermediary Institutions	6,260,881	4,669,129
Contingent and Non-Contingent Corporate Receivables	30,976,349	26,208,898
Contingent and Non-Contingent Retail Receivables	2,176,604	829,372
Contingent and Non-Contingent Real Estate Mortgage-Secured Receivables	5,509,154	5,500,932
Past Due Loans	1,173,081	1,148,159
Higher Risk Categories Decided by the Board	-	-
Secured by Mortgages	-	-
Securitization Positions	-	-
Short-Term Claims and Short-Term Corporate Claims on Banks and Intermediary Institutions	-	-
Undertakings for Collective Investments in Mutual Funds	-	-
Other Receivables	2,900,247	2,706,986
Total	62,003,234	51,753,105

The Bank's derivative transactions are mainly composed of foreign exchange and interest rate swaps money and foreign exchange options and forward transactions. The credit risks of these products are managed by deducting them from the company's credit limit, which is specified only for these types of transactions, in proportion to the term of the transaction. Market risk is managed by the Treasury, Capital market and Financial Institutions Group.

Indemnified non-cash credits are subjected to the same risk weight as the credits which are past due date.

The Bank does not perform any kind of banking activity abroad.

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023**

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

**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued):****II. EXPLANATIONS ON CREDIT RISK (Continued):**

In the current period, the share of the Bank's receivables due to cash loans extended to its top 100 and top 200 customers are 73%, 82% (31 December 2022: 76%, 83%) within the total cash loan portfolio.

In the current period, the share of the Bank's receivables due to non-cash loans extended to its top 100 and top 200 customers are 48%, 66% (31 December 2022: 39% and 65%) within the total non-cash loans portfolio.

In the current period, the share of the Bank's receivables due to the total of cash and non cash loans extended to its top 100 and top 200 customers are 68%, 80% (31 December 2022: 71%, 82%) within cash loans in balance sheet and non-cash loans in off-balance sheet.

The Bank's allocated expected credit losses for loans amounts to TL 916,921 (31 December 2022: TL 1,543,819).

a. Information on types of loans and specific provisions:

31 December 2023	Corporate	Consumer	Credit Cards	Factoring Receivables	Total
Standard Loans	34,194,688	4,049,412	-	12,889	38,256,989
Loans Under Close Monitoring	7,058,320	50,519	-	-	7,108,839
Non-Performing Loans	874,783	15,624	10	-	890,417
Specific Provision (-)	288,968	8,845	10	-	297,823
Total	41,838,823	4,106,710	-	12,889	45,958,422

31 December 2022	Corporate	Consumer	Credit Cards	Factoring Receivables	Total
Standard Loans	26,964,905	1,821,170	-	-	28,786,075
Loans Under Close Monitoring	6,290,796	10,283	-	-	6,301,079
Non-Performing Loans	1,679,221	15,522	11	-	1,694,754
Specific Provision (-)	515,576	6,086	8	-	521,670
Total	34,419,346	1,840,889	3	-	36,260,238

b. Information on overdue loans and other receivables:

31 December 2023	Corporate	Consumer	Credit Cards	Factoring Receivables	Total
Past due 0-30 days	6,886,536	215,623	-	-	7,102,159
Past due 30-60 days	169,677	37,050	-	-	206,727
Past due 60-90 days	2,281	13,320	-	-	15,601
Total	7,058,494	265,993	-	-	7,324,487

31 December 2022	Corporate	Consumer	Credit Cards	Factoring Receivables	Total
Past due 0-30 days	6,254,151	59,306	-	-	6,313,457
Past due 30-60 days	2,373	7,986	-	-	10,359
Past due 60-90 days	34,272	1,864	-	-	36,136
Total	6,290,796	69,156	-	-	6,359,952

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023**

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

**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued):****II. EXPLANATIONS ON CREDIT RISK (Continued):****c. Information on debt securities, treasury bills and other bills:**

31 December 2023		Financial Assets at Fair Value through Other Comprehensive Income (Net)	Other Financial Assets Measured at Amortized Cost (Net)	Total
Moody's Rating	Financial Assets at Fair Value through P/L (Net)			
B3(*)	66,277	3,002,049	9,665,187	12,733,513
Total	66,277	3,002,049	9,665,187	12,733,513

31 December 2022		Financial Assets at Fair Value through Other Comprehensive Income (Net)	Other Financial Assets Measured at Amortized Cost (Net)	Total
Moody's Rating	Financial Assets at Fair Value through P/L (Net)			
B2(*)	400,919	1,596,229	5,380,663	7,377,811
Total	400,919	1,596,229	5,380,663	7,377,811

d. Information on rating concentration:

The Bank evaluates its credit risk based on an internal rating system and the portfolio is classified from least probability of default to highest. The information about the concentration of cash and non cash loans which are classified with the rating system is presented below.

	31 December 2023	31 December 2022
Above average (%)	46.60	37.93
Average (%)	46.35	50.78
Below average (%)	7.05	11.29
Not rated (%)	0.00	0.00

e. Fair value of collaterals (loans and advances to customers):

31 December 2023	Corporate Loans	Consumer Loans	Credit Cards	Factoring Receivables	Total
Loans Under Close Monitoring	1,800,763	30,831	-	-	1,831,594
Non-Performing Loans	17,006	1,876	-	-	18,882
Total	1,817,769	32,707	-	-	1,850,476

31 December 2022	Corporate Loans	Consumer Loans	Credit Cards	Factoring Receivables	Total
Loans Under Close Monitoring	1,810,875	6,106	-	-	1,816,981
Non-Performing Loans	41,978	1,024	-	-	43,002
Total	1,852,853	7,130	-	-	1,859,983

Type of collaterals	31 December 2023	31 December 2022
Real-estate mortgage	1,510,583	1,465,038
Pledge	173,689	146,771
Cash and cash equivalents	166,204	248,174
Total	1,850,476	1,859,983

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued):**II. EXPLANATIONS ON CREDIT RISK (Continued):****f. Profil of Significant Risks in Key Regions:**

	Risk Categories (*)																	Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	
31 December 2023																		
Domestic	20,757,363	238,975	-	-	-	3,727,861	34,964,149	4,524,989	7,200,496	579,647	-	-	-	-	-	-	5,985,844	77,979,324
EU Countries	-	-	-	-	-	118,029	9,717	3	80	378	-	-	-	-	-	-	-	128,207
OECD Countries (**)	-	-	-	4,413	-	3,661,944	-	3	-	-	-	-	-	-	-	-	-	3,666,360
Off-Shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	-	-	70,913	-	-	-	-	-	-	-	-	-	-	-	70,913
Other Countries	-	-	-	-	-	2,183,434	2,898	2	213	-	-	-	-	-	-	-	-	2,186,547
Associates, Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Assets/Liabilities (***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	20,757,363	238,975	-	4,413	-	9,762,181	34,976,764	4,524,997	7,200,789	580,025	-	-	-	-	-	-	5,985,844	84,031,351

1. Contingent and non-contingent exposures to central governments or central banks
2. Contingent and non-contingent exposures to regional governments or local authorities
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4. Contingent and non-contingent exposures to multilateral development banks
5. Contingent and non-contingent exposures to international organisations
6. Contingent and non-contingent exposures to banks and brokerage houses
7. Contingent and non-contingent exposures to corporates
8. Contingent and non-contingent retail exposures
9. Contingent and non-contingent exposures secured by real estate property
10. Past due receivables
11. Receivables defined in high risk category by BRSA
12. Exposures in the form of bonds secured by mortgages
13. Securitization positions
14. Short term exposures to banks, brokerage houses and corporates
15. Exposures in the form of collective investment undertakings
16. Stock exchange
17. Other receivables

(*) Includes exposure categories in the Communiqué on Measurement and Assessment of Capital Adequacy of Banks.

(**) Includes OECD countries other than EU countries, USA and Canada.

(***) Assets and liabilities that cannot be segmented on a consistent basis.

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued):**II. EXPLANATIONS ON CREDIT RISK (Continued):****f. Profile of Significant Risks in Key Regions (Continued):**

	Risk Categories (*)																	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	Total
31 December 2022																		
Domestic	13,488,208	89,252	-	-	-	3,853,539	27,726,786	2,015,205	5,454,565	1,140,145	-	-	-	-	-	-	2,900,247	56,667,947
EU Countries	-	-	-	-	-	252,677	36,397	3	-	11	-	-	-	-	-	-	-	289,088
OECD Countries (**)	-	-	-	61,755	-	1,735,112	340	2	-	-	-	-	-	-	-	-	-	1,797,209
Off-Shore Banking Regions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
USA, Canada	-	-	-	-	-	51,283	-	-	-	-	-	-	-	-	-	-	-	51,283
Other Countries	-	-	-	-	-	64,818	9,182	2	582	-	-	-	-	-	-	-	-	74,584
Associates, Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Assets/Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	13,488,208	89,252	-	61,755	-	5,957,429	27,772,705	2,015,212	5,455,147	1,140,156	-	-	-	-	-	-	2,900,247	58,880,111

1. Contingent and non-contingent exposures to central governments or central banks
2. Contingent and non-contingent exposures to regional governments or local authorities
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4. Contingent and non-contingent exposures to multilateral development banks
5. Contingent and non-contingent exposures to international organisations
6. Contingent and non-contingent exposures to banks and brokerage houses
7. Contingent and non-contingent exposures to corporates
8. Contingent and non-contingent retail exposures
9. Contingent and non-contingent exposures secured by real estate property
10. Past due receivables
11. Receivables defined in high risk category by BRSA
12. Exposures in the form of bonds secured by mortgages
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14. Short term exposures to banks, brokerage houses and corporates
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(*) Includes exposure categories in the Communiqué on Measurement and Assessment of Capital Adequacy of Banks.

(**) Includes OECD countries other than EU countries, USA and Canada.

(***) Assets and liabilities that cannot be segmented on a consistent basis.

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

INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued):**II. EXPLANATIONS ON CREDIT RISK (Continued):****g. Miscellaneous Information by Major Sectors and Counterparty Type:**

31 December 2023	Risk Categories (*)																	TL	FC	Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17			
Agriculture	-	-	-	-	-	-	6,768	2,052	8,532	-	-	-	-	-	-	-	-	17,352	-	17,352
Farming and Stockbreeding	-	-	-	-	-	-	6,740	2,023	-	-	-	-	-	-	-	-	-	8,763	-	8,763
Forestry	-	-	-	-	-	-	-	29	-	-	-	-	-	-	-	-	-	29	-	29
Fishery	-	-	-	-	-	-	28	-	8,532	-	-	-	-	-	-	-	-	8,560	-	8,560
Manufacturing	-	-	-	-	-	-	2,348,426	45,340	133,827	513	-	-	-	-	-	-	-	1,937,612	590,494	2,528,106
Mining and Quarrying	-	-	-	-	-	-	10,777	-	-	-	-	-	-	-	-	-	-	10,777	-	10,777
Production	-	-	-	-	-	-	1,802,476	45,302	133,827	513	-	-	-	-	-	-	-	1,551,171	430,947	1,982,118
Electricity, Gas, Water	-	-	-	-	-	-	535,173	38	-	-	-	-	-	-	-	-	-	375,664	159,547	535,211
Construction	-	-	-	-	-	-	313,994	14,240	1,130,312	30	-	-	-	-	-	-	-	347,397	1,111,179	1,458,576
Services	-	115,361	-	4,413	-	9,762,181	32,231,974	374,786	5,908,614	572,535	-	-	-	-	-	-	-	31,936,199	17,033,665	48,969,864
Wholesale and Retail Trade	-	115,361	-	4,413	-	39,587	29,999,563	361,126	4,866,883	571,186	-	-	-	-	-	-	-	25,172,365	10,785,754	35,958,119
Hotel, Food and Beverage services	-	-	-	-	-	-	140,395	-	953,107	255	-	-	-	-	-	-	-	733	1,093,024	1,093,757
Transportation and Telecom	-	-	-	-	-	-	104,623	8,479	88,624	-	-	-	-	-	-	-	-	85,205	116,521	201,726
Financial Institutions	-	-	-	-	-	9,722,594	1,834,235	-	-	-	-	-	-	-	-	-	-	6,522,478	5,034,351	11,556,829
Real Estate and Rental Services	-	-	-	-	-	-	153,136	5,181	-	1,092	-	-	-	-	-	-	-	155,394	4,015	159,409
Self-employment Services	-	-	-	-	-	-	-	-	-	2	-	-	-	-	-	-	-	2	-	2
Educational Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	22	-	-	-	-	-	-	-	-	-	-	22	-	22
Other	20,757,363	123,614	-	-	-	-	75,602	4,088,579	19,504	6,947	-	-	-	-	-	-	5,985,844	24,124,513	6,932,940	31,057,453
Total	20,757,363	238,975	-	4,413	-	9,762,181	34,976,764	4,524,997	7,200,789	580,025	-	-	-	-	-	-	5,985,844	58,363,073	25,668,278	84,031,351

1. Contingent and non-contingent exposures to central governments or central banks
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9. Contingent and non-contingent exposures secured by real estate property
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16. Stock exchange
17. Other receivables

(*) Includes exposure categories in the Communiqué on Measurement and Assessment of Capital Adequacy of Bank.

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INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK (Continued):**II. EXPLANATIONS ON CREDIT RISK (Continued):****g. Miscellaneous Information by Major Sectors and Counterparty Type (Continued):**

31 December 2022	Risk Categories (*)																	TL	FC	Total
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17			
Agriculture	-	-	-	-	-	-	898,843	7,095	902	391	-	-	-	-	-	-	-	797,035	110,196	907,231
Farming and Stockbreeding	-	-	-	-	-	-	744,129	7,095	-	391	-	-	-	-	-	-	-	664,203	87,412	751,615
Forestry	-	-	-	-	-	-	154,686	-	-	-	-	-	-	-	-	-	-	131,902	22,784	154,686
Fishery	-	-	-	-	-	-	28	-	902	-	-	-	-	-	-	-	-	930	-	930
Manufacturing	-	-	-	-	-	-	10,674,782	72,270	456,208	213,064	-	-	-	-	-	-	-	5,999,203	5,417,121	11,416,324
Mining and Quarrying	-	-	-	-	-	-	52,788	4,210	10,252	54	-	-	-	-	-	-	-	62,645	4,659	67,304
Production	-	-	-	-	-	-	8,033,703	68,041	263,761	210,838	-	-	-	-	-	-	-	5,189,265	3,387,078	8,576,343
Electricity, Gas, Water	-	-	-	-	-	-	2,588,291	19	182,195	2,172	-	-	-	-	-	-	-	747,293	2,025,384	2,772,677
Construction	-	-	-	-	-	-	1,581,389	32,385	113,902	579,759	-	-	-	-	-	-	-	2,129,679	177,756	2,307,435
Services	-	-	-	61,755	-	5,957,429	14,350,484	102,038	4,853,309	314,799	-	-	-	-	-	-	-	14,919,466	10,720,348	25,639,814
Wholesale and Retail Trade	-	-	-	-	-	-	4,455,798	83,160	2,728,341	190,297	-	-	-	-	-	-	-	4,120,890	3,336,706	7,457,596
Hotel, Food and Beverage services	-	-	-	-	-	-	1,190,959	20	1,983,279	108,018	-	-	-	-	-	-	-	285,044	2,997,232	3,282,276
Transportation and Telecom	-	-	-	-	-	-	562,679	6,044	73,082	2,125	-	-	-	-	-	-	-	316,947	326,983	643,930
Financial Institutions	-	-	-	61,755	-	5,957,429	6,929,958	6,890	67,918	-	-	-	-	-	-	-	-	9,283,771	3,740,179	13,023,950
Real Estate and Rental Services	-	-	-	-	-	-	956,175	5,868	82	12,330	-	-	-	-	-	-	-	655,208	319,247	974,455
Self-employment Services	-	-	-	-	-	-	10,148	12	559	1	-	-	-	-	-	-	-	10,720	-	10,720
Educational Services	-	-	-	-	-	-	95	-	-	1,963	-	-	-	-	-	-	-	2,058	-	2,058
Health and Social Services	-	-	-	-	-	-	244,672	44	48	65	-	-	-	-	-	-	-	244,828	1	244,829
Other	13,488,208	89,252	-	-	-	-	267,207	1,801,424	30,826	32,143	-	-	-	-	-	-	-	2,900,247	12,737,792	5,871,515
Total	13,488,208	89,252	-	61,755	-	5,957,429	27,772,705	2,015,212	5,455,147	1,140,156	-	-	-	-	-	-	-	2,900,247	36,583,175	22,296,936

1. Contingent and non-contingent exposures to central governments or central banks
2. Contingent and non-contingent exposures to regional governments or local authorities
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(*) Includes exposure categories in the Communiqué on Measurement and Assessment of Capital Adequacy of Bank.

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023**

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**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued):****II. EXPLANATIONS ON CREDIT RISK (Continued):****h. Analysis of Maturity-Bearing Exposures According to Remaining Maturities:**

31 December 2023	Term To Maturity				
Risk Classifications	1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year
Contingent and Non-Contingent Receivables from Central Governments or Central Banks	3,190	136,153	-	238,447	11,073,279
Contingent and Non-Contingent Receivables from Regional or Local Governments	-	1,689	16,826	112,447	108,014
Contingent and Non-Contingent Receivables from Administrative Units and Non-Commercial Enterprises	-	-	-	-	-
Contingent and Non-Contingent Receivables from Multilateral Development Banks	-	-	-	-	4,413
Contingent and Non-Contingent Receivables from International Organizations	-	-	-	-	-
Contingent and Unconditional Receivables from Banks and Intermediary Institutions	4,564,233	1,922,307	705,507	484,738	1,821,904
Contingent and Non-Contingent Corporate Receivables	7,794,996	5,368,549	8,649,989	2,456,796	10,706,433
Contingent and Non-Contingent Retail Receivables	73,865	173,209	483,545	1,121,971	2,672,405
Contingent and Non-Contingent Real Estate Mortgage-Secured Receivables	59,163	654,764	258,549	381,508	5,846,805
Past Due Loans	-	-	-	-	-
Higher Risk Categories Decided by the Board	-	-	-	-	-
Secured by Mortgages	-	-	-	-	-
Securitization Positions	-	-	-	-	-
Short-Term Claims and Short-Term Corporate Claims on Banks and Intermediary Institutions	-	-	-	-	-
Undertakings for Collective Investments in Mutual Funds	-	-	-	-	-
Other Receivables	-	-	-	-	-
Total	12,495,447	8,256,671	10,114,416	4,795,907	32,233,253

31 December 2022	Term To Maturity				
Risk Classifications	1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year
Contingent and Non-Contingent Receivables from Central Governments or Central Banks	604,935	50,356	253,696	329,104	6,763,667
Contingent and Non-Contingent Receivables from Regional or Local Governments	-	-	-	-	89,252
Contingent and Non-Contingent Receivables from Administrative Units and Non-Commercial Enterprises	-	-	-	-	-
Contingent and Non-Contingent Receivables from Multilateral Development Banks	-	-	-	-	61,755
Contingent and Non-Contingent Receivables from International Organizations	-	-	-	-	-
Contingent and Unconditional Receivables from Banks and Intermediary Institutions	1,946,195	1,001,303	384,325	356,865	1,915,781
Contingent and Non-Contingent Corporate Receivables	8,643,288	6,583,568	3,552,791	2,724,272	6,147,964
Contingent and Non-Contingent Retail Receivables	34,854	84,836	134,773	597,000	1,163,750
Contingent and Non-Contingent Real Estate Mortgage-Secured Receivables	154,367	259,886	88,766	183,097	4,769,032
Past Due Loans	-	-	-	-	-
Higher Risk Categories Decided by the Board	-	-	-	-	-
Secured by Mortgages	-	-	-	-	-
Securitization Positions	-	-	-	-	-
Short-Term Claims and Short-Term Corporate Claims on Banks and Intermediary Institutions	-	-	-	-	-
Undertakings for Collective Investments in Mutual Funds	-	-	-	-	-
Other Receivables	-	-	-	-	-
Total	11,383,639	7,979,949	4,414,351	4,190,338	20,911,201

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**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued):****II. EXPLANATIONS ON CREDIT RISK (Continued):****i. Information about the Risk Exposure Categories**

In the standard approach calculations, the Bank uses Fitch Credit Rating Institution ratings when determining the risk weights of risk classes in accordance with the "Communiqué on Measurement and Assessment of Capital Adequacy of Banks".

Fitch Credit Rating Institution ratings are taken into consideration when evaluating the entire class of receivables from central governments or central banks and receivable portfolios from financial institutions. Fitch Ratings are not taken into consideration for other risk classes.

The Fitch Rating assigned to a debtor is valid for all of the debtor's assets, no exception is made for a specific category of assets.

A Credit Rating Institution which is not included in the institution's mapping table is not taken into consideration in the credit risk amount calculation process.

j. Risk Amounts by Risk Weight:

31 December 2023										
Risk Weights	0%	20%	35%	50%	75%	100%	150%	200%	500%	Deductions From Equity
1.Exposures before Credit Risk Mitigation	20,906,970	2,349,148	147,668	12,161,413	667,491	29,924,496	3,280,039	4,719,680	1,558	-
2. Exposures after Credit Risks Mitigation (*)	21,480,999	2,414,127	118,229	12,131,302	650,201	29,405,620	3,271,070	4,719,680	1,558	-

(*) The bank mitigates the credit risk using the simple financial collateral methods.

31 December 2022										Deductions From Equity
Risk Weights	0%	20%	35%	50%	75%	100%	150%	200%	500%	
1.Exposures before Credit Risk Mitigation	12,388,222	6,488,603	104,280	7,909,728	246,460	25,261,946	1,685,002	1,732,134	-	18
2. Exposures after Credit Risks Mitigation (*)	13,481,732	6,588,193	98,974	7,798,922	230,058	24,412,258	1,677,110	1,732,133	-	18

(*) The Bank mitigates the credit risk using the simple financial collateral methods.

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**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued):****II. EXPLANATIONS ON CREDIT RISK (Continued):****k. Informations in Terms of Major Sectors and Type of Counterparties:**

31 December 2023	Loans		Provisions	
Major Sectors / Counterparties	Significant Increase of Credit Risk (Stage 2)	Default (Stage 3)	Expected Credit Loss Provision (TFRS 9-Stage 2)	Expected Credit Loss Provision (TFRS 9-Stage 3)
Agriculture	-	8	-	8
Farming and Stockbreeding	-	8	-	8
Forestry	-	-	-	-
Fishery	-	-	-	-
Manufacturing	133,239	1,451	-	938
Mining and Quarrying	-	107	-	107
Production	133,239	1,344	-	831
Electricity, Gas and Water	-	-	-	-
Construction	-	147	-	115
Services	6,925,082	857,474	838,540	284,939
Wholesale and Retail Trade	6,521,226	855,425	747,680	284,239
Accommodation and Dining	369,872	259	77,211	4
Transportation and Telecom	33,984	142	13,649	142
Financial Institutions	-	-	-	-
Real Estate and Rental Services	-	1,640	-	548
Professional Services	-	7	-	5
Educational Services	-	1	-	1
Health and Social Services	-	-	-	-
Other	50,518	31,337	517	11,823
Total	7,108,839	890,417	839,057	297,823

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**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued):****II. EXPLANATIONS ON CREDIT RISK (Continued):****k. Informations in Terms of Major Sectors and Type of Counterparties (Continued):**

31 December 2022	Loans		Provisions	
Major Sectors / Counterparties	Significant Increase of Credit Risk (Stage 2)	Default (Stage 3)	Expected Credit Loss Provision (TFRS 9-Stage 2)	Expected Credit Loss Provision (TFRS 9-Stage 3)
Agriculture	-	1,003	-	612
Farming and Stockbreeding	-	996	-	605
Forestry	-	1	-	1
Fishery	-	6	-	6
Manufacturing	858,126	308,168	90,359	95,104
Mining and Quarrying	-	650	-	596
Production	858,126	293,077	90,359	82,239
Electricity, Gas and Water	-	14,441	-	12,269
Construction	85,114	716,173	17,181	136,414
Services	5,293,591	588,339	1,348,527	273,540
Wholesale and Retail Trade	3,181,665	247,469	662,374	57,172
Accommodation and Dining	1,998,351	317,798	670,882	209,780
Transportation and Telecom	32,891	3,055	13,649	930
Financial Institutions	-	11	-	11
Real Estate and Rental Services	80,609	15,417	1,621	3,087
Professional Services	-	5	-	4
Educational Services	75	4,498	1	2,535
Health and Social Services	-	86	-	21
Other	64,248	81,071	23,869	16,000
Total	6,301,079	1,694,754	1,479,936	521,670

l. Information about Value Adjustment and Change in Provisions:

31 December 2023(*)	Opening Balance	Provision for Period	Write off from Asset	Other Adjustments (**)	Closing Balance
1. Specific Provisions	542,155	76,907	(318,736)	35,185	335,511
2. General Provisions	1,543,820	-	(889,012)	262,113	916,921
TOTAL	2,085,975	76,907	(1,207,748)	297,298	1,252,432

(*) Special and general provisions for non-cash loans classified as non-performing loans are included in the opening and closing balances.

(**) Other adjustments column includes the exchange differences of the foreign currency provisions.

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**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued):****II. EXPLANATIONS ON CREDIT RISK (Continued):****I. Information about Value Adjustment and Change in Provisions (Continued):**

31 December 2022	Opening Balance	Provision for Period	Write off from Asset (*)	Other Adjustments (**)	Closing Balance
1. Specific Provisions	747,635	273,023	(483,656)	5,153	542,155
2. General Provisions	1,364,423	458,646	(579,277)	300,028	1,543,820
TOTAL	2,112,058	731,669	(1,062,933)	305,181	2,085,975

(*) Special and general provisions for non-cash loans classified as non-performing loans are included in the opening and closing balances.

(**) Other adjustments column includes the exchange differences of the foreign currency provisions.

m. Risks Included in Cyclical Capital Buffer Calculation:

None.

III. EXPLANATIONS ON RISK MANAGEMENT:**Risk Management Approach and Risk Weighted Amounts****a. Risk Management Approach of the Bank:****1. The way risk profile of the Bank is determined by business model and its interaction and risk appetite:**

The Bank prepares its business strategy including medium and long term growth objectives and makes an annual revision through reviewing. The Bank reviews its business strategy annually in a periodic manner and aforementioned business strategies are reviewed ad hoc and more frequently and can be revised if it is required by economic developments and market conditions. Risk appetite of the Bank is designated in full compliance with its business strategy and main risks, which shall be taken due to main components of main activity area and business strategy of the Bank, comprise main inputs of risk appetite determined by Board of Directors.

2. Risk management structure: Responsibilities assigned within the body of the Bank:

Board of Directors is responsible for developing a risk appetite in compliance with business strategy of the Bank and establishing a risk management system in line with risk appetite. Board of Directors carries out activities such as definition, monitoring, reporting of the risk and developing risk mitigating measures through Audit Committee, Board of Directors Risk Committee, Risk Coordination Committee, Assets and Liabilities Committee (ALCO) and Risk Management Group, Internal Control Department, Directorate of Supervisory Board and Compliance Departments.

Audit Committee controls whether provisions included in legislation related risk management and intra-group and implementation procedures approved by the Board of Directors are applied or not and makes recommendations to board of directors regarding measures which should be taken. It also evaluates whether there are method, instrument and implementations procedures required for identification, measurement, monitoring and controlling of Group's risks or not.

**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued):****III. EXPLANATIONS ON RISK MANAGEMENT (Continued):****2. Risk management structure: Responsibilities assigned within the body of the Bank (Continued):**

Board Risk Committee is responsible for the development of risk management systems in line with business strategy and risk appetite of the Bank, presentation of amendment recommendations related to risk management policies to Board of Directors and establishment of required method, instrument and implementation procedures in order to ensure identification, measurement, monitoring and reporting of risks by non-executive independent departments.

ALCO is responsible to monitor and manage structural asset-liability non-compliance of the Bank together with the monitoring and controlling of liquidity and exchange risks through holding meetings on a weekly basis.

Risk Management Group, which carries out its activities independent from executive functions, consist of Credit Risk and Modelling Unit, Market Risk Unit and Operational Risk Unit which operate under the Credit and Market Risk Unit. Credit Risk and Modelling Unit is responsible for defining, measuring, monitoring and reporting of outputs with respect to risks exposed by the Bank and its partners which are subject to consolidation and sharing of solution recommendations for risk mitigation with related departments. Credit risk appetite limits, which are approved by Board of Directors, are monitored in specific periods and results are reported to Board of Directors and senior management. The unit gives support to credit risk analysis through stress tests, reverse stress tests and scenario analysis. The department is also responsible for monitoring the results of internal rating systems and TFRS 9 models, conducting validation and calibration works.

Market Risk Unit is responsible for defining, measuring, monitoring and reporting of outputs with respect to risks exposed by the Bank and its partners which are subject to consolidation. The Unit is also responsible to monitor and report limits specified related to treasury risk parameters and liquidity risk. Limit-risk follow-up regarding counterparty credit risk, stress tests and scenario analysis are also under the responsibility of the unit in question.

Operational Risk Unit carries out definition, measurement, assessment, controlling, mitigation, monitoring and reporting activities of operational risks. Internal Audit is responsible for the evaluation of operational risk management framework with its all aspects in an independent manner. The aforementioned evaluation includes both activities of business units and also activities of Operational Risk Management.

Internal Control Center carries out activities at secondary control level in order to monitor and report risks and develop measures reducing risks with executive departments. Directorate of Supervisory Board carries out required intra-company audits in order to reduce risks exposed by the Bank to a minimum level.

Compliance Department carries out the function to monitor legislative amendments and validity and effective date of regulations and timely informing of related parties with respect to aforementioned issues. Regulations, which are directly or indirectly related to risks exposed by Bank are shared with both executive and non-executive departments such as Risk Management Group.

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

III. EXPLANATIONS ON RISK MANAGEMENT (Continued):

3. Channels which are used to extend and apply risk culture in the Bank:

Risk Management application is developed on Intranet platform for the purpose of increasing awareness of employees in order to extend risk culture within the body of the Bank. Through this application, trainings and documents increasing awareness are shared with employees. Online trainings, related to risk management developed in order to raise awareness of employees, are shared with employees via remote training platform. Risk point of views of employees are supported through in-class trainings, if required.

Information on risk position of the Bank, expected and unexpected loss estimations, impacts of negative conditions on balance sheet of the Bank and realization levels of risk appetite limits determined by Board of Directors is shared with Board of Directors, related committees and senior management by Risk Management Group through reports issued. If there exists an overflow on the risk appetite limits, related departments are informed in order to ensure taking of pre-determined measures and results are monitored by Risk Management Group.

4. Main components and scope of Risk measurement systems:

Rating is used for corporate and commercial customers while score card and decision tree is used for retail loans in the Bank in order to measure loan risk. Internal rating systems are designated in the framework of business strategy, risk appetite, regulations of authorities with respect to rating systems and internal policies and their performances are periodically monitored by Risk Management Group and results are reported to Board of Directors and senior management. On the other hand, validations and calibrations of rating models are executed/coordinated by Credit Risk and Modelling Unit. The Bank has information systems enabling reporting according to sector, segment, branch, exchange rate, maturity, internal rating grade and risk class of credit portfolio. Risk appetite limits determined in the Loan Risk Policy are monitored on a monthly basis and conclusions reported to Board of Directors and senior management.

The Bank determines internal limits which are revised in the framework of business model, strategy and risk appetite of the Bank reviewed at least on an annual basis for exchange rate, interest, counterparty and liquidity risk which may be exposed. All limits are approved by Board of Directors and monitored in an effective manner by Board of Directors with early warning levels.

Basic Indicator Approach is used in order to determine capital requirement required for operational risk in accordance with legislations of BRSA. The Bank records operational risk events in the operational risk database and performs self-evaluation studies in order to raise awareness in operational risks, determine current operational risks and reduce possible negative impacts of such risks to minimum.

**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued):****III. EXPLANATIONS ON RISK MANAGEMENT (Continued):****5. Disclosures on risk reporting processes provided to Board of Directors and senior management:**

Risk Management Group reports results of analysis related to risks such as credit, liquidity and operational to Board of Directors, Audit Committee, Board Risk Committee, Risk Coordination Committee, ALCO and senior management. Reporting is made to Risk Coordination Committee and Board of Directors on a monthly basis while it is made to Audit Committee and Board of Directors Risk Committee on a quarterly basis.

Results of concentration and credit risk stress test based on sector, segment, maturity, collateral, currency, internal rating and credit risk stress test and TFRS 9 calculation results; structural interest rate risk sourcing from banking accounts, details related to derivatives, liquidity analysis, stress tests made related to counterparty credit risk, deposit concentration, realizations related to risk appetite limits of market and liquidity; historical developments of operational risks based on loss categories and their distribution based on Bank and subsidiaries are included in aforementioned reports.

6. Disclosures on stress test:

The Bank makes stress tests for risk categories of credit, market, liquidity and operational risk both in scope of Internal Capital Adequacy Assessment Process (ICAAP) and also as periodical internal and results are shared with Board of Directors, senior management and audit authority, if required.

The Bank considers scenarios announced by BRSA and pre-determined negative and extremely negative scenarios for stress tests made in scope of ICAAP. Scenarios are determined through taking macro-economic variables, business strategy and risk appetite of the Bank and negative past conditions into account. In scope of ICAAP, both particular and also total stress tests are made based on significant risk types.

Internal periodic stress tests are made in the framework of scenarios determined internally in accordance with portfolio, business strategy, risk appetite and retrospective estimations of the Bank. The Bank prepares its internal periodic stress tests through benefiting from sensitivity analysis, stress test, reverse stress test and scenarios analysis instruments. Credit risk stress tests include scenarios such as depreciation of Turkish Lira, increase in overdue receivables and decrease in real estate values. On the other hand, reverse stress tests towards risk appetite limits through scenario analysis related to concentration index are periodically made. Scenario analyzes are carried out regarding the impact of fluctuations in macroeconomic indicators on the expected loss provision, and the results are shared with the senior management.

Impact of each shocks on profitability and capital is measured in stress tests made in scope of Market Risk. Risk factors, for which a shock is applied, are exchange rates, interests and prices of shares. Foreign exchange position gain/loss sourcing from sudden exchange and interest movements, banking activities, impact of Interbank transactions and Commercial Funding on capital, bond, derivative and share portfolio gain/loss are calculated in stress tests.

Impact of exchange, volatility and interest rate shocks on derivative portfolio specific for customer is reviewed in scope of Counterparty Credit Risk stress tests and results are discussed in related committees.

In scope of operational risk tests, loss estimation is made through statistical methods via taking historical loss data into account and its effect on capital requirement is reviewed.

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

III. EXPLANATIONS ON RISK MANAGEMENT (Continued):

7. Risk management, hedging and mitigation strategies and process of the group sourcing from its business model and Monitoring processes of continuing effects of protection and mitigation

The Bank includes collaterals in Communique on Credit Risk Mitigation Techniques to credit risk mitigation with respect to capital requirements calculations and those collaterals are used in calculations over their consideration rates in the aforementioned communique. The operational conditions mentioned in the Communique should be met in order to be able to include collaterals in credit risk mitigation.

Determination of actions towards mitigation through assessing risks exposed in current processes, key risk indicators and loss events, use of support services and pre-evaluation studies of implementation procedures and policies of new products are carried out in order to mitigate risk which are exposed or shall be exposed in operational risk management. Insurances towards risk mitigation are made. Risk mitigation exposed due to a disruption is aimed to be reduced through Business Continuity Plan approved by Board of Directors ensuring the continuity of operations in reasonable periods. In this scope, Business Continuity Plan is periodically tested and required updates are made.

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**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued):****III. EXPLANATIONS ON RISK MANAGEMENT (Continued):****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. The following tables, which must be submitted quarterly in accordance with the relevant communiqué, were not presented on 31 December 2023 since the standard approach was used in the Bank's capital adequacy calculation.

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

In accordance with the Board Decision dated 28 April 2022 and numbered 10188, a 200% risk weight has been applied to commercial TL cash loans to be extended as of 1 May 2022 (excluding loans exempted as per the decision).

With the Board Decision of 23 June 2022 and numbered 10248, a 500% risk weight has been applied to commercial cash loans in TL and FC that will be extended to non-residents, excluding banks and financial institutions, after the date of the said Decision. In addition, some regulations have been introduced regarding the use of credit by companies subject to independent auditing. In this context, if companies fail to notify the bank of their documents in accordance with the board's decision or give information contrary to the statement, new cash trade loans in TL should not be extended to the relevant companies and a 500% risk weight should be applied to all cash trade loans extended on or after 30 June 2022.

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

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**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued):****III. EXPLANATIONS ON RISK MANAGEMENT (Continued):****Overview of Risk Weighted Amounts (Continued):**

		Risk Weighted Amounts		Minimum
		Current Period	Prior Period	Capital Liability
		31 December 2023	31 December 2022	Current Period
		31 December 2023	31 December 2022	31 December 2023
1	Credit risk (excluding counterparty credit risk) (CCR)	50,836,882	35,816,475	4,066,951
2	Standardized approach (SA)	50,836,882	35,816,475	4,066,951
3	Internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	3,072,561	1,003,756	245,805
5	Standardized approach for counterparty credit risk (SACCR)	3,072,561	1,003,756	245,805
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	2,439,032	2,064,396	195,123
17	Standardized approach (SA)	2,439,032	2,064,396	195,123
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	Total (1+4+7+8+9+10+11+12+16+19+23+24)	58,920,251	40,423,060	4,713,621

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**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued):****III. EXPLANATIONS ON RISK MANAGEMENT (Continued):****c. Relations between Financial Tables and Risk Amounts****1. Differences and Matchmaking Between Accounting Consolidation and Legal Consolidation**

31 December 2023	Carrying values of items in accordance with TAS					
	(*) Valued amount according to TAS within legal consolidation	Subject to credit risk	Subject to counterparty credit risk	Subject to the Securitisation framework	Subject to market risk	Not subject to capital requirements or subject to deduction from capital
Assets						
Cash and the central bank (net)	10,615,856	8,274,256	-	-	-	-
Financial assets at fair value through profit or loss (net)	2,326,886	-	1,510,692	-	39,537	-
Financial assets classified at fair value through profit or loss (net)	-	-	-	-	-	-
Banks (net)	1,203,956	749,816	-	-	-	-
Money market receivables (net)	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income (net)	3,009,723	3,009,723	1,314,677	-	-	-
Loans and receivables (net)	45,045,288	38,079,851	-	-	-	-
Factoring receivables (net)	12,889	12,889	-	-	-	-
Other financial assets measured at amortized cost (net)	9,665,234	9,665,234	4,701,879	-	-	-
Associates (net)	-	-	-	-	-	-
Subsidiaries (net)	2,388,445	2,388,445	-	-	-	-
Joint ventures (net)	-	-	-	-	-	-
Lease receivables (net)	-	-	-	-	-	-
Derivative financial assets held for hedging (net)	2,541,045	-	2,541,045	-	-	-
Tangible assets (net)	455,412	440,496	-	-	-	14,916
Intangible assets (net)	150,123	-	-	-	-	150,123
Investment properties (net)	-	-	-	-	-	-
Tax asset (net)	32,976	32,976	-	-	-	-
Assets held for resale and related to discontinued operations (net)	1,805,136	1,805,136	-	-	-	-
Other assets (net)	1,188,578	1,125,025	-	-	-	-
Total assets	80,441,547	65,583,847	10,068,293	-	39,537	165,039
Liabilities						
Deposits	40,678,765	-	-	-	-	40,678,765
Derivative financial liabilities held for trading	1,400,172	-	1,395,232	-	34,806	4,940
Funds borrowed	12,638,327	-	-	-	-	12,638,327
Payables to money markets	4,428,429	-	4,318,429	-	-	110,000
Marketable securities issued	-	-	-	-	-	-
Funds	-	-	-	-	-	-
Miscellaneous payables	3,870,545	-	-	-	-	3,870,545
Other foreign sources	754,416	-	-	-	-	754,416
Factoring payables	-	-	-	-	-	-
Lease payables	93,936	-	-	-	-	93,936
Derivative financial liabilities held for hedging	932,699	-	-	-	-	932,699
Provisions	1,693,213	-	-	-	-	1,693,213
Tax liability	618,263	-	-	-	-	618,263
Liabilities for tangible assets held for sale and related to discontinued operations (net)	-	-	-	-	-	-
Subordinated loans	5,943,105	-	-	-	-	5,943,105
Shareholder's equity	7,389,677	-	-	-	-	7,389,677
Total liabilities	80,441,547	-	5,713,661	-	34,806	74,727,886

(*) On the table above, amounts of allocated TFRS 9 loss provisions in the current period are presented by netting in the related balance sheet entries.

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**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued):****III. EXPLANATIONS ON RISK MANAGEMENT (Continued):****c. Relations between Financial Tables and Risk Amounts (Continued):****1. Differences and Matchmaking Between Accounting Consolidation and Legal Consolidation
(Continued):**

31 December 2022	Carrying values of items in accordance with TAS					Not subject to capital requirements or subject to deduction from capital
	(*) Valued amount according to TAS within legal consolidation	Subject to credit risk	Subject to counterparty credit risk	Subject to the Securitisation framework	Subject to market risk	
Assets						
Cash and the central bank (net)	6,848,758	5,304,573	-	-	-	-
Financial assets at fair value through profit or loss (net)	1,090,059	-	486,687	-	180,825	18
Financial assets classified at fair value through profit or loss (net)	-	-	-	-	-	-
Banks (net)	1,175,844	900,240	-	-	-	-
Money market receivables (net)	1,809,256	1,484,073	1,809,256	-	-	-
Financial assets at fair value through other comprehensive income (net)	1,603,903	1,603,903	7,814	-	-	-
Loans and receivables (net)	34,735,886	32,026,040	-	-	-	-
Factoring receivables (net)	-	-	-	-	-	-
Other financial assets measured at amortized cost (net)	5,380,706	5,380,706	1,582,000	-	-	-
Associates (net)	-	-	-	-	-	-
Subsidiaries (net)	1,096,358	1,096,358	-	-	-	-
Joint ventures (net)	-	-	-	-	-	-
Lease receivables (net)	-	-	-	-	-	-
Derivative financial assets held for hedging (net)	2,040,339	-	2,040,339	-	-	-
Tangible assets (net)	207,119	196,313	-	-	-	10,806
Intangible assets (net)	81,502	-	-	-	-	81,502
Investment properties (net)	-	-	-	-	-	-
Tax asset (net)	164,843	164,843	-	-	-	-
Assets held for resale and related to discontinued operations (net)	855,289	855,289	-	-	-	-
Other assets (net)	716,824	711,196	-	-	-	-
Total assets	57,806,686	49,723,534	5,926,096	-	180,825	92,326
Liabilities						
Deposits	40,047,920	-	-	-	-	40,047,920
Derivative financial liabilities held for trading	555,534	-	381,784	-	257,086	173,750
Funds borrowed	1,567,606	-	-	-	-	1,567,606
Payables to money markets	1,332,295	-	1,332,295	-	-	-
Marketable securities issued	-	-	-	-	-	-
Funds	-	-	-	-	-	-
Miscellaneous payables	3,246,885	-	-	-	-	3,246,885
Other foreign sources	348,533	-	-	-	-	348,533
Factoring payables	-	-	-	-	-	-
Lease payables	81,251	-	-	-	-	81,251
Derivative financial liabilities held for hedging	405,590	-	-	-	-	405,590
Provisions	892,708	-	-	-	-	892,708
Tax liability	463,055	-	-	-	-	463,055
Liabilities for tangible assets held for sale and related to discontinued operations (net)	-	-	-	-	-	-
Subordinated loans	3,771,359	-	-	-	-	3,771,359
Shareholder's equity	5,093,950	-	-	-	-	5,093,950
Total liabilities	57,806,686	-	1,714,079	-	257,086	56,092,607

(*) On the table above, amounts of allocated TFRS 9 loss provisions in the current period are presented by netting in the related balance sheet entries.

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**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued):****III. EXPLANATIONS ON RISK MANAGEMENT (Continued):****2. Main Sources of Differences between Amounts valued in accordance with TAS and Risk Exposures**

	31 December 2023	Total	Subject to credit risk	Subject to securitisation	Subject to counterparty credit risk	Subject to market risk
1	Asset carrying value amount under scope of regulatory consolidation (as in template B1)	75,691,677	65,583,847	-	10,068,293	39,537
2	Liabilities carrying value amount under regulatory scope of consolidation (as in template B1)	(5,748,467)	-	-	(5,713,661)	(34,806)
3	Total net amount under regulatory scope of consolidation	69,943,210	65,583,847	-	4,354,632	4,731
4	Off-Balance sheet amounts	12,939,346	12,939,346	-	-	-
5	Differences in valuations	-	-	-	-	-
6	Differences due to different netting rules (other than those already included in row 2)	-	-	-	-	-
7	Differences due to consideration of provisions	-	-	-	-	-
8	Differences resulted from the BRSA's applications	5,836,503	5,508,156	-	(2,105,953)	2,434,300
9	Differences Due to Risk Reduction	-	-	-	-	-
10	Risk amounts	88,719,060	84,031,349	-	2,248,679	2,439,032

	31 December 2022	Total	Subject to credit risk	Subject to securitisation	Subject to counterparty credit risk	Subject to market risk
1	Asset carrying value amount under scope of regulatory consolidation (as in template B1)	55,830,455	49,723,534	-	5,926,096	180,825
2	Liabilities carrying value amount under regulatory scope of consolidation (as in template B1)	(1,971,165)	-	-	(1,714,079)	(257,086)
3	Total net amount under regulatory scope of consolidation	53,859,290	49,723,534	-	4,212,017	(76,261)
4	Off-Balance sheet amounts	9,215,965	9,215,965	-	-	-
5	Differences in valuations	-	-	-	-	-
6	Differences due to different netting rules (other than those already included in row 2)	-	-	-	-	-
7	Differences due to consideration of provisions	-	-	-	-	-
8	Differences resulted from the BRSA's applications	(2,130,748)	(3,123,123)	-	(1,148,282)	2,140,657
9	Differences Due to Risk Reduction	-	-	-	-	-
10	Risk amounts	60,944,507	55,816,376	-	3,063,735	2,064,396

3. Disclosures on Differences between Amounts valued in accordance with TAS and Risk Exposures

There exist no difference between accounting and legal consolidation scopes of the Bank.

Significant differences between amounts valued in accordance with TAS and Risk exposures source from securities and derivatives. Securities mentioned in repo transaction in financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income are designated in Money Markets Debts item. For derivative transactions, the Bank has foreign exchange swap and interest swap products which are monitored under trading accounts and made for structural interest rate risk and liquidity risk management. Therefore, those products should not be considered in scope of market risk although they are monitored under trading accounts in accordance with TAS.

Valuation methodologies, including disclosure on using of market value and model value methodologies, performs valuation of financial assets of the Bank tracked under trading accounts on a daily basis. Market prices, obtained from independent data providers, are kept in treasury system and valuations are made systemically.

**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued):****III. EXPLANATIONS ON RISK MANAGEMENT (Continued):**

Market values of products such as forward exchange, foreign exchange swaps and interest swaps traded in over the counter markets are calculated based on discounting of cash flows over market interest rates. Globally accepted valuation methodologies are used for option products.

The Bank uses weighted average prices for securities trades in BIST for Turkish Lira securities portfolio while it uses prices in nature of indicator announced by Central Bank for securities not traded on BIST. Market average prices, obtained from independent data providers, are used for foreign currency securities.

Description of independent price approval processes: The Bank obtains market prices, which shall be used in valuation, from independent data providers and manages through checkpoints established independent from risk generating unit/departments. Valuation prices are created by collecting data in the treasury system for risk factors (such as interest rate, exchange rate, volatility, bond prices) at a predetermined time each day. The aforementioned data is formed following an inquiry executed by Information Technologies without the interruption of any users. Prices, which shall be used in valuations, are controlled by Market Risk Department on a daily basis.

Besides, Market Risk Department controls and documents yield curves methodologically, valuation methods and accuracy of fair value calculations periodically.

Processes for valuations adjustments or differences: The Bank does not make valuation adjustment since financial assets recognized at fair value are traded on an active market.

d. Credit Risk Disclosures**1. General Qualitative Information on Credit Risk:****i. Conversion of Bank's business model to components of credit risk profile:**

The Bank has forward-looking measurement and forecast instruments which are sensitive to risk and including appropriate information technology applications and management information systems in order to take expected or unexpected losses into account in all types of risk under both normal and also negative market conditions. The conversion of business model to components in risk profile is digitized through aforementioned instruments. The Bank especially uses stress test and scenario analysis in order to measure effects of negative conditions on bank's portfolio and business strategy and risk appetite of the Bank is considered while determining parameters for respective analysis

ii. Criteria and approaches used in determining the credit risk policy and credit risk limits:

The Bank determines its short, medium and long term credit strategy in line with its business strategy and risk appetite and implement operations according to the criteria detailed in credit policies and credit risk policies in order to minimize expected and unexpected losses to be incurred due to load activities. The loan policies determine the procedures for the Bank's lending, monitoring, collection, administrative and legal follow-up processes, based on the principle of prudence and applicability. In other respect, with the credit risk policy, the general framework of the credit risk operations demanded by the legal authorities and/or performed effectively manage the credit risk internally is drawn. Therefore, the Credit Risk Policy, which sets the highest level framework of the Bank's credit risk operations, and the credit risk appetite limits detailed in this document are determined on the basis of legal requirements, the Bank's business strategy, credit strategy, risk appetite and credit policies are reviewed at least once a year and if necessary are being updated.

**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued):****III. EXPLANATIONS ON RISK MANAGEMENT (Continued):****ii. Criteria and approaches used in determining the credit risk policy and credit risk limits
(Continued):**

While determining the credit risk appetite limits, the economic conjuncture, the Bank's business strategy, risk appetite and retroactive portfolio realizations are taken into considerations. In other respect, methods such as stress test and reverse stress test are used in the process of determining limit levels.

iii. Structure and organization of credit risk management and control function

All of the process related to direct or indirect credit allocation, extension, monitoring and operation of the Bank in favour of individuals or legal entities are reviewed in scope of credit risk management. In this context, first level of controls are detailed in credit policies and procedures. Internal rating systems are benefited as well as credit allocation processes in order to measure creditability of customers.

Credit risk studies in scope of capital adequacy are carried out by Credit Risk and Modelling Unit within the body of Risk Management Group in the framework of Credit Risk Policy. Credit Risk Policy includes activities related to credit risk management, credit risk management organization, related parties and their responsibilities and duties, main principles, implementations, limits and reporting determine in credit risk management.

Duties and responsibilities of Risk Management Group Credit Risk and Modelling Unit with respect to credit risk management are as follows:

- To make principal amount calculations subject to legal credit risk in the framework of determined rules by related regulations of BRSA and to monitor up-to-dateness of application used in this scope,
- To report results of analysis related to risk definition, measurement, analysis, monitoring and portfolio subject to in/off balance sheet credit risks to senior management in scope of Credit Risk Policy approved by Board of Directors and related application principles,
- To support development of rating/score card models for corporate, commercial and retail credits, to monitor their performances and to participate/coordinate their validation and calibration studies,
- To perform credit risk stress test, reverse stress test and scenario analysis determined through related regulations of BRSA and approved by Board of Directors and to share respective results with Risk Coordination Committee, senior management, Audit Committee, Board of Directors Risk Committee and Board of Directors,
- To make probability of default (PD), loss given default (LGD) and residual risk calculations based on internal rating models and share opinion and recommendations for the establishment of infrastructure for aforementioned calculations,
- To analyse credits portfolio through applying stress test, reverse stress test and scenario analysis, if required, for credit risk management,
- To monitor, report risk appetite limits determined in Credit Risk Policy periodically and share opinion and recommendations in revision of risk appetite limits,
- To share recommendations developed for stress test and scenario analysis in order to be presented to Board of Directors, with Risk Coordination Committee and Risk Committee.
- To monitor the performance of TFRS 9 models, to perform and/or to coordinate model revision, validation and calibration works.

**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued):****III. EXPLANATIONS ON RISK MANAGEMENT (Continued):****iv. Relation between credit risk management, risk control, legal compliance and internal audit functions**

Three lines control mechanism is established in order manage credit risk and to reduce expected and unexpected losses to a minimum level at the Bank. The first line of controls are performed by executive units and include controls in entering into credit relation with customers having high level of creditability, credit allocation, crediting, repayment and monitoring phases. The second line of controls include activities performed by Risk Management Group and Internal Control Department and consist of definition, measurement, monitoring, reporting of risks and development of measures which shall reduce credit risk with executive departments. The third line of controls are performed by Supervisory Board. Directorate of Supervisory Board carries out required intra-company audits in order to reduce risks exposed by the Bank to a minimum level.

Compliance Department carries out the function to monitor legislative amendments and validity and effective date of regulations and timely informing of related parties with respect to aforementioned issues. Regulations, which are directly or indirectly related to risks exposed by Bank are shared with both executive and non-executive departments such as Risk Management Group.

Internal Audit function is executed by Directorate of Supervisory Board at the Bank. In this context, evaluations with respect to credit risk are carried out by Directorate of Supervisory Board through taking risks exposed by the Bank and related controls into account in the framework of annual audit plans. Assurance is provided on effectiveness and sufficiency of internal control and risk management strategies related to credit risk activity field executed towards strategies and objectives of the Bank through credit risk management in scope of headquarters unit and process audits and branch audits including preferred of Directorate of Supervisory Board.

Managers of Risk Management Group, Internal Control Department, Compliance Department and Directorate of Supervisory Board inform members of Committee through holding Risk Coordination Committee on a monthly basis and Audit Committee and Board of Directors Risk Committee meetings held on quarterly basis. Issues determined in the framework of second and third lines of controls are examined in meetings for credit risk management and risk mitigation measures are reviewed. Those departments report to Board of Directors through Audit Committee and Board of Directors Risk Committee.

v. Scope and main content of reporting to senior management and board members regarding credit risk management function and exposure to credit risk

Credit risk exposed by the Bank is monitored periodically by Risk Management Group Credit Risk and Modelling Unit and results are shared with senior managers of ALCO, credit marketing and allocation on a weekly basis, with Board of Directors and Risk Coordination Committee on a monthly basis and with Board of Directors Risk Committee on a quarterly basis. The scope and main content of aforementioned reports consist of sector, segment, risk classes, internal rating grades, collateral concentration of credit portfolio; close monitoring and legal proceedings portfolios, ageing analysis, probability of default estimations calculated based on rating and scoring systems, foreign currency and maturity concentrations, capital adequacy, periodical comparisons and result of stress test and scenarios analysis.

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**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued):****III. EXPLANATIONS ON RISK MANAGEMENT (Continued):****2. Credit Quality of Assets**

	31 December 2023	The gross amount evaluated in accordance with TAS in the financial statements prepared according to legal consolidation		Provisions/ depreciation and impairment	Net value
		Defaulted exposures	Non-defaulted exposures		
1	Loans	890,417	45,365,828	1,198,021	45,058,224
2	Debt instruments	-	13,578,126	94,697	13,483,429
3	Off-balance sheet receivables	42,932	15,237,539	48,438	15,232,033
4	Total	933,349	74,181,493	1,341,156	73,773,686

	31 December 2022	The gross amount evaluated in accordance with TAS in the financial statements prepared according to legal consolidation		Provisions/ depreciation and impairment	Net value
		Temerrüt etmiş	Temerrüt etmemiş		
1	Loans	1,694,754	35,087,154	2,045,979	34,735,929
2	Debt instruments	-	7,598,187	17,923	7,580,264
3	Off-balance sheet receivables	35,367	10,504,147	35,356	10,504,158
4	Total	1,730,121	53,189,488	2,099,258	52,820,351

3. Changes in Stock of Defaulted Loans and Debt Securities**31 December 2023**

1	Defaulted loans and debt securities at the end of the previous reporting period	1,730,121
2	Loans and debt securities that have defaulted since the last reporting period	184,260
3	Returned to non-defaulted status	-
4	Amounts written off (-)	193,612
5	Other changes	(787,420)
6	Defaulted loans and debt securities at the end of the reporting period (1+2-3-4±5)	933,349

31 December 2022

1	Defaulted loans and debt securities at the end of the previous reporting period	1,964,669
2	Loans and debt securities that have defaulted since the last reporting period	409,587
3	Returned to non-defaulted status	-
4	Amounts written off (-)	92,344
5	Other changes	(551,791)
6	Defaulted loans and debt securities at the end of the reporting period (1+2-3-4±5)	1,730,121

4. Additional Disclosures Related to Credit Quality of Assets:

- i. Scope and descriptions of “overdue” receivables and “provisioned” receivables which are used for accounting and differences between descriptions of “overdue” and “provisioned”, if available:

Receivables having a delay of more than 90 days are defined as “overdue receivables”. There is no difference between “overdue receivable” and “provisioned” definitions since provisions are allocated for the whole overdue receivables.

- ii. Part of overdue receivables (more than 90 days) which are not evaluated as “provisioned” and reasons for this application:

None.

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**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued):****III. EXPLANATIONS ON RISK MANAGEMENT (Continued):****iii. Descriptions of methods used while determining provision amounts:**

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 31 December 2017, 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.

iv. Descriptions of restructured receivables:

Loans and other receivables can be restructured, through providing additional loan, if required, or linked to a repayment schedule in order to provide collection of receivable of the bank and provide liquidity capacity to debtor if the non-fulfillment of liabilities related to credits and other receivables is sourcing from temporary liquidity deficiency.

v. Breakdown of receivables according to geographical regions, sector and residual maturity:

Separation of receivables according to geographical area (Cash and non-cash loans and non-performing loans):

		31 December 2023	31 December 2022
1	Domestic	59,526,633	44,332,115
2	European Union Countries	148,132	387,819
3	OECD Countries (*)	7,211	98,220
4	Off-shore Banking Regions	-	-
5	USA, Canada	-	5,376
6	Other Countries	44,004	21,184
7	Associates, Subsidiaries and Jointly Controlled Entities	-	-
8	Unallocated Assets / Liabilities	-	-
9	Total	59,725,980	44,844,714

(*) Includes OECD countries other than EU countries, USA and Canada.

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023**

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**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued):****III. EXPLANATIONS ON RISK MANAGEMENT (Continued):**

Breakdown of receivables by sector (Cash and non-cash loans and non-performing loans):

	31 December 2023	31 December 2022
1 Agriculture	24,006	1,080,742
2 Farming and Stockbreeding	15,474	917,171
3 Forestry	-	162,669
4 Fishery	8,532	902
5 Manufacturing	3,462,063	15,179,202
6 Mining and Quarrying	10,792	76,211
7 Production	2,562,413	11,312,446
8 Electricity, Gas and Water	888,858	3,790,545
9 Construction	2,242,897	2,592,788
10 Services	49,371,470	23,562,371
11 Wholesale and Retail Trade	43,826,863	8,695,216
12 Accommodation and Dining	1,782,780	3,618,812
13 Transportation and Telecom	271,377	788,058
14 Financial Institutions	3,320,210	9,087,577
15 Real Estate and Rental Services	170,238	1,110,882
16 Professional Services	2	10,677
17 Educational Services	-	2,037
18 Health and Social Services	-	249,112
19 Other	4,625,544	2,429,611
20 Total	59,725,980	44,844,714

Separation of receivables according to remaining maturity (Cash and non-cash loans and non-performing loans):

	1 Month	1-3 Month	3-12 Month	1-5 Year	5 Years and Over	Undistributable	Total
31 December 2023							
Cash and Non-cash Loans	14,923,911	9,115,636	17,970,395	13,709,891	3,413,552	592,595	59,725,980
31 December 2022							
Cash and Non-cash Loans	16,109,995	9,050,669	8,346,430	7,171,800	2,992,736	1,173,084	44,844,714

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**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued):****III. EXPLANATIONS ON RISK MANAGEMENT (Continued):**

- vi. Amounts of receivables provisioned based on the basis of geographical regions and sectors (according to the definition used by the bank in accounting terms) and amount written-off from assets through related provisions:

Geographical and sectoral breakdowns of impaired and overdue receivables and provisions made for those receivables and value adjustments are in the below table and all amounts included are domestic.

		31 December 2023		31 December 2022	
		Non-Performing Loan	Specific Provision	Non-Performing Loan	Specific Provision
1	Agriculture	8	8	1,003	612
2	Farming and Stockbreeding	8	8	996	605
3	Forestry	-	-	1	1
4	Fishery	-	-	6	6
5	Manufacturing	1,451	938	308,168	95,104
6	Mining and Quarrying	107	107	650	596
7	Production	1,344	831	293,077	82,239
8	Electricity, Gas and Water	-	-	14,441	12,269
9	Construction	145	115	716,173	136,414
10	Services	857,475	284,939	588,339	273,540
11	Wholesale and Retail Trade	855,426	284,239	247,469	57,172
12	Accommodation and Dining	259	4	317,798	209,780
13	Transportation and Telecom	142	142	3,055	930
14	Financial Institutions	-	-	11	11
15	Real Estate and Rental Ser.	1,640	548	15,417	3,087
16	Professional Services	7	5	5	4
17	Educational Services	1	1	4,498	2,535
18	Health and Social Services	-	-	86	21
19	Other	31,338	11,823	81,071	16,000
20	Total	890,417	297,823	1,694,754	521,670

The total provision amount of non-performing loans written off from assets and written off in 2023 is TL 193,612 and their sectoral breakdown is as follows: (2022: TL 92,344)

	Written-off (Accounts)	Written-off (Assets)
Agriculture	-	-
Farming and Stockbreeding	-	-
Forestry	-	-
Fishery	-	-
Manufacturing	-	-
Mining and Quarrying	-	-
Production	-	-
Electricity, Gas and Water	-	-
Construction	192,039	592
Services	-	-
Wholesale and Retail Trade	-	-
Accommodation and Dining	-	-
Transportation and Telecom	-	-
Financial Institutions	-	-
Real Estate and Rental Services	-	-
Professional Services	-	-
Educational Services	-	-
Health and Social Services	-	-
Other	-	981
Total	192,039	1,573

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

III. EXPLANATIONS ON RISK MANAGEMENT (Continued):

vii. Aging analysis for overdue receivables:

Aging analysis for overdue receivables are included in Section IV, II.b.

viii. Breakdown of restructured receivables based on being provisioned or not:

Special and general provisions are set aside for restructured receivables within the scope of the "Regulation on the Procedures and Principles Regarding the Classification of Loans and Provisions to be Set aside for These" and TFRS 9, and there is no case of no provision.

e. Credit Risk Mitigation

1. Qualitative Requirements to be Disclosed to the Public Regarding Credit Risk Mitigation Techniques:

Collaterals obtained as guarantees of credits are secondary repayment sources of credits. Therefore, it should be considered that market values of assets and commitments, obtained as collaterals, are measureable and whether they have a second hand market or not. Collaterals accepted by Banks are listed in Corporate Credit Policy and its annexes.

Collaterals, which should be received as a guarantee for each credits and loan to value ratio with respect to those collaterals are determined during the allocation of credits. Related approval authority is authorized to determine a laon to value ratio for each customer and credit. If assets traded on markets having higher level of volatility are received as collaterals, a prudential loan to value rate is determined through considering maturity of the credit and price volatility of the asset.

Short term fluctuations in fair value of assets are not considered in evaluation of collaterals. Regular reviews of collaterals such as property and cheque whose change of value and translation to cash ability can not be monitored simultaneously are made. Market value of properties received as collateral are reviewed in accordance with rules determined by BRSA and internal rules determined in related policies.

Insuring of collaterals against possible losses is preferred, when possible.

In collateralized credit transactions, additional collateral should be received in case of the revaluation of the collateral shows that there is a significant decrease on the collateral and actual loan to value ratio is under the contractual loan to value ratio.

Establishment of type of collateral guarantor in a versatility preventing concentration on collateral providers and geography, is one of the main principles.

The Bank considers collaterals in its calculations for principal amount subject to credit risk in accordance with rules mentioned in Communique on Measurement and Evaluation of Bank's Capital Adequacy and its annexes and Communique on Risk Mitigation Techniques.

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**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued):****III. EXPLANATIONS ON RISK MANAGEMENT (Continued):****2. Credit Risk Mitigation Techniques**

		Exposures unsecured: amount valued in accordance with TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
	31 December 2023							
1	Loans	44,064,053	994,171	540,995	-	-	-	-
2	Debt securities	13,483,429	-	-	-	-	-	-
3	Total	57,547,482	994,171	540,995	-	-	-	-
4	Of which defaulted	876,118	14,299	14,299	-	-	-	-

		Exposures unsecured: amount valued in accordance with TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
	31 December 2022							
1	Loans	28,431,964	6,303,965	4,482,873	-	-	-	-
2	Debt securities	7,580,264	-	-	-	-	-	-
3	Total	36,012,228	6,303,965	4,482,873	-	-	-	-
4	Of which defaulted	1,655,491	39,263	39,263	-	-	-	-

f. Credit Risk If the Standard Approach is Used**1. Qualitative Disclosures which shall be made related to Rating Grades used in the calculation of Credit Risk with Standard Approach by Banks****Credit Risk If the Standard Approach is Used:**

Fitch Grades are used in credit risk standard approach calculations for the determined receivable classifications by the Bank.

Grades of Fitch Credit Rating are taken into consideration for claims on sovereign and claims on banks and other financial institutions.

The CRA rating assigned to a debtor is taken into account for all assets of the debtor, no difference is made for any asset category.

CRA, which is not included in twinning table of the institution, is not used.

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**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued):****III. EXPLANATIONS ON RISK MANAGEMENT (Continued):****2. Standardised Approach – Credit Risk Exposure and Credit Risk Mitigation Effects**

31 December 2023		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	Risk categories	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk weighted amount	Risk weighted amount density
1	Receivables from central governments or central banks	20,431,809	-	20,749,994	-	-	-
2	Receivables from regional governments or local authorities	278,562	-	238,975	-	119,488	50.0%
3	Receivables from administrative units and non-commercial enterprises	-	-	-	-	-	-
4	Receivables from multilateral development banks	-	4,413	-	4,413	-	-
5	Receivables from international organizations	-	-	-	-	-	-
6	Receivables from banks and institutions	972,873	1,119,921	1,125,467	1,017,811	802,229	37.4%
7	Receivables from corporates	22,132,300	10,857,046	25,616,483	7,147,991	33,493,932	102.2%
8	Retail exposures	3,924,712	600,285	4,243,479	281,517	5,964,048	131.8%
9	Receivables secured by residential property	131,935	15,753	114,973	6,794	41,404	34.0%
10	Receivables secured by commercial real estate	6,768,488	341,928	6,962,931	116,091	4,363,415	61.6%
11	Past-due loans	592,594	-	580,023	-	537,272	92.6%
12	Higher-risk categories by the Agency Board	-	-	-	-	-	-
13	Mortgage-backed securities	-	-	-	-	-	-
14	Short-term receivables from banks and intermediary institutions and short-term corporate receivables	-	-	-	-	-	-
15	Investments in the nature of collective investment enterprise	-	-	-	-	-	-
16	Other Receivables	5,985,844	-	5,985,844	-	5,515,094	92.1%
17	Investments in equities	-	-	-	-	-	-
18	Total	61,219,117	12,939,346	65,618,169	8,574,617	50,836,882	68.5%

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**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued):****III. EXPLANATIONS ON RISK MANAGEMENT (Continued):****2. Standardised Approach – Credit Risk Exposure and Credit Risk Mitigation Effects
(Continued):**

	31 December 2022	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	Risk weighted amount	Risk weighted amount density
	Risk categories						
1	Receivables from central governments or central banks	12,057,686	-	12,444,307	-	-	-
2	Receivables from regional governments or local authorities	168,758	-	89,252	-	44,625	50.0%
3	Receivables from administrative units and non-commercial enterprises	-	-	-	-	-	-
4	Receivables from multilateral development banks	-	61,755	-	61,755	-	-
5	Receivables from international organizations	-	-	-	-	-	-
6	Receivables from banks and institutions	3,259,598	979,089	3,339,102	921,314	1,424,882	33.4%
7	Receivables from corporates	19,734,295	7,798,915	22,543,589	4,909,100	24,215,765	88.2%
8	Retail exposures	1,884,608	289,190	1,884,613	127,793	2,747,913	136.5%
9	Receivables secured by residential property	97,609	15,783	97,622	6,807	34,902	33.4%
10	Receivables secured by commercial real estate	5,324,529	71,233	5,304,387	46,330	3,552,993	66.4%
11	Past-due loans	1,173,081	-	1,140,157	-	1,163,929	102.1%
12	Higher-risk categories by the Agency Board	-	-	-	-	-	-
13	Mortgage-backed securities	-	-	-	-	-	-
14	Short-term receivables from banks and intermediary institutions and short-term corporate receivables	-	-	-	-	-	-
15	Investments in the nature of collective investment enterprise	-	-	-	-	-	-
16	Other Receivables	2,900,247	-	3,103,252	-	2,631,466	90.7%
17	Investments in equities	-	-	-	-	-	-
18	Total	46,600,411	9,215,965	49,946,281	6,073,099	35,816,475	64.2%

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**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued):****III. EXPLANATIONS ON RISK MANAGEMENT (Continued):****3. Receivables According to Risk Classes and Risk Weights**

31 December 2023												Total credit risk exposure amount (after CCF and CRM)
	Risk Classes/Risk Weight	0%	10%	20%	Guaranteed by 35% Real Estate Fund	50%	75%	100%	150%	200%	500%	
1	Receivables from central governments or central banks	20,749,994	-	-	-	-	-	-	-	-	-	20,749,994
2	Receivables from regional governments or local authorities	-	-	-	-	238,975	-	-	-	-	-	238,975
3	Receivables from public sector entities	-	-	-	-	-	-	-	-	-	-	-
4	Receivables from multilateral development banks	4,413	-	-	-	-	-	-	-	-	-	4,413
5	Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-
6	Receivables from banks and institutions	-	-	-	-	2,124,416	-	18,862	-	-	-	2,143,278
7	Corporates receivables	214,152	-	2,407,171	-	4,271,824	-	21,149,075	1,014	4,719,680	1,558	32,764,474
8	Retail receivables	15,627	-	2,267	-	1,248	650,201	616,319	3,239,334	-	-	4,524,996
9	Receivables secured by residential property	3,505	-	11	118,229	-	-	22	-	-	-	121,767
10	Receivables secured by commercial real estate	22,559	-	4,678	-	5,378,611	-	1,673,174	-	-	-	7,079,022
11	Past-due loans	-	-	-	-	116,228	-	433,073	30,722	-	-	580,023
12	Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	-	-	-	-
13	Mortgage-backed securities	-	-	-	-	-	-	-	-	-	-	-
14	Short-term receivables from banks and intermediary institutions and short-term corporate receivables	-	-	-	-	-	-	-	-	-	-	-
15	Investments in the nature of collective investment enterprise	-	-	-	-	-	-	-	-	-	-	-
16	Investments in equities	-	-	-	-	-	-	-	-	-	-	-
17	Other Receivables	470,749	-	-	-	-	-	5,515,095	-	-	-	5,985,844
18	Total	21,480,999	-	2,414,127	118,229	12,131,302	650,201	29,405,620	3,271,070	4,719,680	1,558	74,192,786

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**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued):****III. EXPLANATIONS ON RISK MANAGEMENT (Continued):****3. Receivables According to Risk Classes and Risk Weights (Continued):**

31 December 2022					Guaranteed by 35% Real Estate Fund						Total credit risk exposure amount (after CCF and CRM)
	Risk Classes/Risk Weight	0%	10%	20%		50%	75%	100%	150%	200%	
1	Receivables from central governments or central banks	12,444,307	-	-	-	-	-	-	-	-	12,444,307
2	Receivables from regional governments or local authorities	-	-	-	-	89,252	-	-	-	-	89,252
3	Receivables from public sector entities	-	-	-	-	-	-	-	-	-	-
4	Receivables from multilateral development banks	61,755	-	-	-	-	-	-	-	-	61,755
5	Receivables from international organizations	-	-	-	-	-	-	-	-	-	-
6	Receivables from banks and institutions	-	-	2,367,006	-	1,883,857	-	9,553	-	-	4,260,416
7	Corporates receivables	427,569	-	4,205,103	-	2,355,448	-	18,731,803	633	1,732,133	27,452,689
8	Retail receivables	9,327	-	8,997	-	6,565	230,058	131,802	1,625,657	-	2,012,406
9	Receivables secured by residential property	5,119	-	187	98,974	-	-	-	149	-	104,429
10	Receivables secured by commercial real estate	61,870	-	6,900	-	3,460,670	-	1,821,278	-	-	5,350,718
11	Past-due loans	-	-	-	-	3,130	-	1,086,357	50,671	-	1,140,158
12	Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	-	-	-
13	Mortgage-backed securities	-	-	-	-	-	-	-	-	-	-
14	Short-term receivables from banks and intermediary institutions and short-term corporate receivables	-	-	-	-	-	-	-	-	-	-
15	Investments in the nature of collective investment enterprise	-	-	-	-	-	-	-	-	-	-
16	Investments in equities	-	-	-	-	-	-	-	-	-	-
17	Other Receivables	471,785	-	-	-	-	-	2,631,465	-	-	3,103,250
18	Total	13,481,732	-	6,588,193	98,974	7,798,922	230,058	24,412,258	1,677,110	1,732,133	56,019,380

g. Disclosures Regarding Counterparty Credit Risk**1. Qualitative Disclosures on Counterparty Credit Risk****i. Objectives and policies of risk management with respect to CCR,**

Counterparty credit risk (CCR) states default risk of counterparty, which is a party to a transaction imposing an obligation to both parties, going into default before the final payment included in cash flow of the transaction in question. Derivative financial instruments, repo and reverse repo transactions, securities and commodities lending transactions, transactions having long clearing process and margin trading transactions are considered in the aforementioned scope. The Bank ensures timely and accurate briefing for senior management and related departments and assignment of appropriate staff for measurement and monitoring for the purpose of an effective counterparty credit risk management. Senior Management is responsible for understanding significance and level of counterparty credit risk taken by the Bank.

The Bank allocates limits approved on the basis of customer and approved in different level of authorization in order to manage counterparty credit risk. Those limits are determined in a way including risk, which shall be taken, instrument and maturity information and periodically reviewed.

**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued):****III. EXPLANATIONS ON RISK MANAGEMENT (Continued):****g. Disclosures Regarding Counterparty Credit Risk (Continued):****1. Qualitative Disclosures on Counterparty Credit Risk (Continued):****i. Objectives and policies of risk management with respect to CCR, (Continued):**

Activities, job definitions and responsibilities related to management, measurement, monitoring and reporting of counterparty credit risk are determined through policies and procedures. Counterparty credit risks can be simultaneously controlled on treasury system and early warning limit excess mechanisms are triggered if the use of limits are over 80%.

The Bank uses mark-to-market approach in order to measure counterparty credit risk and therefore, determines coefficients (add-on) used in order to add current market value through multiplying nominal amount of transaction for the purpose of establishing the risk exposed by counterparty until the maturity. Aforementioned coefficients are calculated based on market data obtained from independent data providers and it is principal that aforementioned coefficients should be lower than coefficients determined in Part 3 of Annex -2 of Communique on Measurement and Evaluation of Bank's Capital Adequacy prepared by BRSA and coefficients used in legal capital calculations. Market Risk Department reviews add-on coefficients with updated market data periodically reserving its right to update add-on coefficients more frequently if the volatility increases.

Besides, senior management is periodically supported with stress tests for business lines, Treasury and Credit Allocation decision making processes. With monthly meetings, the business lines, Treasury, Credit Allocation, Monitoring and Risk Management teams evaluate the stress test results.

ii. Operational limit allocation method determined in scope of calculated internal capital for CCR and central counterparty risk,

The Bank assigns limits mentioned in transactions causing counterparty credit risk and central counterparty credit risk in accordance with principles determined in credit policies. It is principal to select customers having a high creditability and sufficient collateral conditions. Therefore, compliance of off-balance sheet transactions subject to CCR to in-balance sheet position of the customer in addition to creditability and collateral conditions of the customer, should be especially considered while allocating limits of the customer subject to such risks. Exchange rate and maturity compliance of in/off balance sheet transactions of the Customer and the customer having a foreign currency income reducing foreign currency risk to a minimum level are other important components which are considered while allocating aforementioned limits. The Bank should be careful in not allocating high level of leverage and/or long term off balance sheet transaction limits.

The Bank performs its treasury limit allocation in line with its Financial Institutions Credit Allocation and Borrowing Policy for those whose counterparty is a financial institution.

Daily Exchange Limit, Total Lending Limits, Issuer limit, Limit before Exchange and Total nominal limit are allocated for financial institutions.

A limit before exchange is allocated for customers apart from financial institutions.

On a solo basis, the Bank continues to be exposed to Central Counterparty risk due to the forward transactions carried out by Takasbank.

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**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued):****III. EXPLANATIONS ON RISK MANAGEMENT (Continued):**

There is a minimal CCP risk exposure due to the future transactions carried out by the Bank in Takasbank market.

iii. Policies towards determination of Guarantee and other risk mitigations and CCR including central counterparty risk,

International Swaps and Derivatives Association (ISDA), Credit Support Annex (CSA) and/or Global Master Repurchase Agreement (GMRA), which have international validity, are concluded in counterparty credit risk management with respect to financial institutions and collateral management process is operated on a daily basis.

Collateralization principles and procedures within the framework of credit policies applied at Bank for companies apart from financial institutions and individuals.

iv. Rules with respect to Counter-trend risk,

The Bank uses results of counterparty stress test performed periodically related to counter-trend risk and evaluates impact of deterioration in macro-economic conditions on credit risk of the customer.

v. Amount of additional collateralization, which have to be provided by the Bank if there exist a decline in credit rating grade,

There exists no additional collateral amount, which have to be provided by the Bank if there exists a decline in credit rating grade.

2. Assessment of Counterparty Credit Risk According to the Methods of Measurement

		Revaluation cost	Potential credit risk exposure	EEPE	Alpha used for computing regulatory EAD	Exposure after credit risk mitigation	Risk weighted amounts
	31 December 2023						
1	Standard Approach-CCR (for derivatives)				1.4	7,589,884	1,538,060
2	Internal Model Approach - (for derivative financial instruments, repo transactions, marketable securities or commodity lending or borrowing transactions, transactions with long swap periods and overdraft securities transactions)				-	-	-
3	Simplified Standardised Approach for Credit Risk Mitigation - (for repo transactions, marketable securities or commodity lending or borrowing transactions, transactions with long swap periods and overdraft securities transactions)				-	2,248,679	895,170
4	Comprehensive Method for Credit Risk Mitigation - (for repo transactions, marketable securities or commodity lending or borrowing transactions, transactions with long swap periods and overdraft securities transactions)					-	-
5	Value at risk for repo transactions, marketable securities or commodity lending or borrowing transactions, transactions with long swap periods and overdraft securities transactions					-	-
6	Total						

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**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued):****III. EXPLANATIONS ON RISK MANAGEMENT (Continued):****2. Assessment of Counterparty Credit Risk According to the Methods of Measurement (Continued):**

		Revaluation cost	Potential credit risk exposure	EEPE	Alpha used for computing regulatory EAD	Exposure after credit risk mitigation	Risk weighted amounts
	31 December 2022						
1	Standard Approach-CCR (for derivatives)				1.4	2,745,198	525,195
2	Internal Model Approach - (for derivative financial instruments, repo transactions, marketable securities or commodity lending or borrowing transactions, transactions with long swap periods and overdraft securities transactions)				-	-	-
3	Simplified Standardised Approach for Credit Risk Mitigation - (for repo transactions, marketable securities or commodity lending or borrowing transactions, transactions with long swap periods and overdraft securities transactions)					115,532	52,707
4	Comprehensive Method for Credit Risk Mitigation - (for repo transactions, marketable securities or commodity lending or borrowing transactions, transactions with long swap periods and overdraft securities transactions)						
5	Value at risk for repo transactions, marketable securities or commodity lending or borrowing transactions, transactions with long swap periods and overdraft securities transactions						
6	Total						

3. Capital Requirement for Credit Valuation Adjustments

		Risk amount (After credit risk mitigation techniques)	Risk weighted amounts
	31 December 2023		
	Total portfolio value with comprehensive approach CVA capital adequacy		
1	(i) Value at risk component (including 3*multiplier)		
2	(ii) Stressed Value at Risk (including 3*multiplier)		
3	All portfolios subject to Standardised CVA capital obligation	7,589,884	639,331
4	Total amount of CVA capital adequacy	7,589,884	639,331

		Risk amount (After credit risk mitigation techniques)	Risk weighted amounts
	31 December 2022		
	Total portfolio value with comprehensive approach CVA capital adequacy		
1	(i) Value at risk component (including 3*multiplier)		
2	(ii) Stressed Value at Risk (including 3*multiplier)		
3	All portfolios subject to Standardised CVA capital obligation	2,745,198	425,854
4	Total amount of CVA capital adequacy	2,745,198	425,854

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**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued):****III. EXPLANATIONS ON RISK MANAGEMENT (Continued):****4. Standard Approach - Counterparty Credit Risk by Risk Classes and Risk Weights**

31 December 2023									
Risk weights	0%	10%	20%	50%	75%	100%	150%	Other	Total credit risk
Risk Classes									
Central governments and central banks receivables	4,089,389	-	-	-	-	-	-	-	4,089,389
Local governments and municipalities receivables	-	-	-	-	-	-	-	-	-
Administrative and non commercial receivables	-	-	-	-	-	-	-	-	-
Multilateral Development Bank receivables	-	-	-	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-	-	-	-
Banks and Intermediary Institutions receivables	-	-	722,479	2,778,951	-	4,074	10	-	3,505,514
Corporate receivables	-	-	1,482,957	324,249	-	436,454	-	-	2,243,660
Retail receivables	-	-	-	-	-	-	-	-	-
Mortgage receivables	-	-	-	-	-	-	-	-	-
Past-due loans	-	-	-	-	-	-	-	-	-
Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	-	-
Mortgage- backed securities	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Receivables from banks and intermediary institutions with short-term credit ratings and corporate receivables	-	-	-	-	-	-	-	-	-
Investments in nature of collective investment enterprise	-	-	-	-	-	-	-	-	-
Investments in equities	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total	4,089,389	-	2,205,436	3,103,200	-	440,528	10	-	9,838,563

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**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued):****III. EXPLANATIONS ON RISK MANAGEMENT (Continued):****4. Standard Approach - Counterparty Credit Risk by Risk Classes and Risk Weights (Continued):**

31 December 2022									
Risk weights	0%	10%	20%	50%	75%	100%	150%	Other	Total credit risk
Risk Classes									
Central governments and central banks receivables	1,350,997	-	-	-	-	-	-	-	1,350,997
Local governments and municipalities receivables	-	-	-	-	-	-	-	-	-
Administrative and non commercial receivables	-	-	-	-	-	-	-	-	-
Multilateral Development Bank receivables	-	-	-	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-	-	-	-
Banks and Intermediary Institutions receivables	-	-	622,521	801,382	-	-	-	-	1,423,903
Corporate receivables	-	-	14,381	43,236	-	28,213	-	-	85,830
Retail receivables	-	-	-	-	-	-	-	-	-
Mortgage receivables	-	-	-	-	-	-	-	-	-
Past-due loans	-	-	-	-	-	-	-	-	-
Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	-	-
Mortgage- backed securities	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Receivables from banks and intermediary institutions with short-term credit ratings and corporate receivables	-	-	-	-	-	-	-	-	-
Investments in nature of collective investment enterprise	-	-	-	-	-	-	-	-	-
Investments in equities	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total	1,350,997	-	636,902	844,618	-	28,213	-	-	2,860,730

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023**

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

**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued):****III. EXPLANATIONS ON RISK MANAGEMENT (Continued):****5. Collaterals Used for Counterparty Credit Risk**

31 December 2023	Collaterals for derivatives transactions				Collaterals or other transactions	
	Collaterals taken		Collaterals given		Collaterals taken	Collaterals given
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash - Local Currency	-	-	-	-	1,583,523	-
Cash - Foreign Currency	-	-	-	-	2,493,478	-
Government Bonds-Domestic	-	-	-	-	-	-
Government Bonds-Other	-	-	-	-	-	-
Public Institution Bonds	-	-	-	-	-	-
Corporate Bonds	-	-	-	-	-	-
Share Certificate	-	-	-	-	-	-
Other Guarantees	-	-	-	-	-	-
Total	-	-	-	-	4,077,001	-

31 December 2022	Collaterals for derivatives transactions				Collaterals or other transactions	
	Collaterals taken		Collaterals given		Collaterals taken	Collaterals given
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash - Local Currency	-	-	-	-	979,665	-
Cash - Foreign Currency	-	-	-	-	598,251	-
Government Bonds-Domestic	-	-	-	-	-	-
Government Bonds-Other	-	-	-	-	-	-
Public Institution Bonds	-	-	-	-	-	-
Corporate Bonds	-	-	-	-	-	-
Share Certificate	-	-	-	-	-	-
Other Guarantees	-	-	-	-	-	-
Total	-	-	-	-	1,577,916	-

6. Credit Derivatives:

None.

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023**

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**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued):****III. EXPLANATIONS ON RISK MANAGEMENT (Continued):****7. Risk to Central Counterparty:**

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

		RiskAmount	
31 December 2023		After CRA	RAT
1	Total risks arising from transactions to qualified CCP		3,132
2	Regarding risks arising from transactions in CCP (excluding initial margin and guarantee fund amount)	-	
3	(i) OTC derivative financial instruments	15,660	3,132
4	(ii) Other derivative financial instruments	-	-
5	(iii) Repo-reverse repo transactions, overdraft transactions, and lending or borrowing securities or commodities	-	-
6	(iv) Netting groups to which cross product netting is applied	-	-
7	Reserved initial margin	-	
8	Unreserved initial margin	-	-
9	Paid guarantee fund amount	-	-
10	Unpaid guarantee fund commitment	-	-
11	Total risks arising from transactions to non-qualified CCPs		-
12	Regarding risks arising from transactions in CCP (excluding initial margin and guarantee fund amount)	-	-
13	(i) OTC derivative financial instruments	-	-
14	(ii) Other derivative financial instruments	-	-
15	(iii) Repo-reverse repo transactions, overdraft transactions, and lending or borrowing securities or commodities	-	-
16	(iv) Netting groups to which cross product netting is applied	-	-
17	Reserved initial margin	-	
18	Unreserved initial margin	-	-
19	Paid guarantee fund amount	-	-
20	Unpaid guarantee fund commitment	-	-

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023**

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**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued):****III. EXPLANATIONS ON RISK MANAGEMENT (Continued):****7. Risk to Central Counterparty (Continued):**

		RiskAmount	
31 December 2022		After CRA	RAT
1	Total risks arising from transactions to qualified CCP		1,232
2	Regarding risks arising from transactions in CCP (excluding initial margin and guarantee fund amount)	-	-
3	(i) OTC derivative financial instruments	6,158	1,232
4	(ii) Other derivative financial instruments	-	-
5	(iii) Repo-reverse repo transactions, overdraft transactions, and lending or borrowing securities or commodities	-	-
6	(iv) Netting groups to which cross product netting is applied	-	-
7	Reserved initial margin	-	
8	Unreserved initial margin	-	-
9	Paid guarantee fund amount	-	-
10	Unpaid guarantee fund commitment	-	-
11	Total risks arising from transactions to non-qualified CCPs		-
12	Regarding risks arising from transactions in CCP (excluding initial margin and guarantee fund amount)	-	-
13	(i) OTC derivative financial instruments	-	-
14	(ii) Other derivative financial instruments	-	-
15	(iii) Repo-reverse repo transactions, overdraft transactions, and lending or borrowing securities or commodities	-	-
16	(iv) Netting groups to which cross product netting is applied	-	-
17	Reserved initial margin	-	
18	Unreserved initial margin	-	-
19	Paid guarantee fund amount	-	-
20	Unpaid guarantee fund commitment	-	-

h. Securitization Disclosures:

None.

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

III. EXPLANATIONS ON RISK MANAGEMENT (Continued):

j. Disclosures on Market Risk

1. Qualitative Information which Shall be Disclosed to Public Related to Market Risk

- i. The Bank defines market risk as the potential financial loss which may occur as a result of fluctuations in capital markets. The aforementioned loss can occur due to fluctuations on share prices, interest rates, commodity prices and exchange rate.

The purpose of controlling and observance on market risk is to control and monitor impacts of markets risks on gain and economic value. In a more detail expression, the purpose of market risk control and audit is to protect Bank from unexpected market losses and to establish transparent, objective and consistent market risk information which shall form a basis for decision making process.

Market Risk is managed by Treasury, Capital Markets and Financial Institutions. The Bank limits the market risk which shall be exposed for different risk factors in the framework of risk appetite. The framework of the limit and tracking method is determined with Treasury Risk Parameters document approved by Board of Directors and limits are reviewed at least on an annual basis.

- ii. Management of market risk is under responsibility of Treasury, Capital Markets and Financial Markets, which generate risk at primary level. Second line controls are provided through independent risk management and internal control functions. Treasury Internal Control Department is established under Market Risk Department and Directorate of Internal Control Department which operates independent of risk generating departments/units in the framework of authorizations and frameworks described at the Bank.

Third line of controls are made through audits of treasury processes and market risk management made periodically by Directorate of Supervisory Board. The audits in question reviews compliance of market risk management to BRSA regulations related to market risk and policy and procedures of Group and Bank, monitoring of limit usages and reporting related to limit excesses and market risk.

- iii. The Bank uses Historical Simulation Method as internal method for market risk. one sided 99% confidence level, historical data belonging to working days in past two years and 10 days of holding period are taken into consideration in the calculation. The Bank also calculates stressed value at risk on a daily basis.

Treasury Risk Parameters are monitored by Market Risk Unit during the day and at the end of day and use of limits and related other analysis are reported to ALCO, Risk Committee, Audit Committee, Risk Coordination Committee and Board of Directors.

Early warning levels for limit usage are determined and the way, which shall be applied in case of an early warning or final limit excess, is stated clearly in Treasury Risk Parameters.

Risk parameters include different type of limits such as foreign currency position limit, nominal, maturity, foreign exchange breakdowns related to bond portfolio, value at risk limits, limits related to interest rate (DV01), option vega limits and loss limits determined for trading portfolio.

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**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued):****III. EXPLANATIONS ON RISK MANAGEMENT (Continued):****iv. Market risk under Standardised Approach**

	31 December 2023	RAT
	Outright (cash) products	
1	Interest rate risk (general and specific)	177,792
2	Equity risk (general and specific)	1,499,830
3	Foreign exchange risk	761,385
4	Commodity risk	-
	Options	
5	Simplified approach	-
6	Delta-plus method	25
7	Scenario approach	-
8	Securitisation	-
9	Total	2,439,032

	31 December 2022	RAT
	Outright (cash) products	
1	Interest rate risk (general and specific)	253,275
2	Equity risk (general and specific)	192,123
3	Foreign exchange risk	1,618,564
4	Commodity risk	-
	Options	
5	Simplified approach	-
6	Delta-plus method	434
7	Scenario approach	-
8	Securitisation	-
9	Total	2,064,396

IV. EXPLANATIONS ON OPERATIONAL RISK:

The amount subject to operational risk is calculated once a year by using the "Basic Indicator Method" in the "Regulation on Measurement and Evaluation of Capital Adequacy of Banks" published in the Official Gazette dated 28 June 2012 and numbered 28337. The operational risk capital requirement dated 31 December 2023 was calculated using the year 2020, 2021, 2022 revenue.

Annual gross income is calculated through deducting profit/loss sourcing from sales of securities whose accounts are tracked in fair value through other comprehensive income and measured at amortized cost, and extraordinary income, activity expenses made in return for support service and amounts compensated from insurance from total of net amount of interest revenues and non-interest revenues.

	2 Prior Period Value	1 Prior Period Value	Current Period value	Number of Total / Positive RPM years	Rate (%)	Total
Current Period						
Gross Income	709,520	946,084	2,459,238	1,371,614	15	205,742
Amount subject to operational risk (Total*12.5)	-	-	-	-	-	2,571,776
Prior Period						
Gross Income	805,889	709,520	946,084	820,498	15	123,075
Amount subject to operational risk (Total*12.5)	-	-	-	-	-	1,538,433

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023**

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

**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued):****V. EXPLANATIONS ON CURRENCY RISK:**

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

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

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

	EUR		USD	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Currency Buying Rate	TL 32.5739	TL 19.9349	TL 29.4382	TL 18.6983
1st Day's Currency Buying Rate	TL 32.5739	TL 19.9349	TL 29.4382	TL 18.6983
2nd Day's Currency Buying Rate	TL 32.6937	TL 19.8816	TL 29.3973	TL 18.6966
3rd Day's Currency Buying Rate	TL 32.4186	TL 19.8946	TL 29.3374	TL 18.6964
4th Day's Currency Buying Rate	TL 32.2421	TL 19.9087	TL 29.2647	TL 18.6813
5th Day's Currency Buying Rate	TL 32.1766	TL 19.8324	TL 29.2108	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	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Arithmetic average - 30 days	TL 31.7509	TL 19.7480	TL 29.0619	TL 18.6404

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023**

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

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

	EUR	USD	Other FC	Total
31 December 2023				
Assets				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	2,165,286	3,638,167	384,919	6,188,372
Banks	52,594	916,157	234,959	1,203,710
Financial Assets at Fair Value Through Profit or Loss ⁽¹⁾	35,399	172,398	1,358	209,155
Interbank Money Market Placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	264,418	724,345	-	988,763
Loans ⁽²⁾	13,866,828	6,081,550	2	19,948,380
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Financial Assets Measured at Amortized Cost	689,327	2,543,540	-	3,232,867
Hedging Derivative Financial Assets ⁽¹⁾	85,984	785,952	-	871,936
Tangible Assets	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets ⁽⁴⁾	71,484	153,973	-	225,457
Total Assets	17,231,320	15,016,082	621,238	32,868,640
Liabilities				
Bank Deposits	1,424	23,365	-	24,789
Foreign Currency Deposits	4,023,462	9,698,992	1,422,872	15,145,326
Funds From Interbank Money Market	635,168	2,099,738	-	2,734,906
Funds Borrowed From Other Financial Institutions	7,510,288	11,060,589	-	18,570,877
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	903,674	2,340,979	238	3,244,891
Hedging Derivative Financial Liabilities ⁽³⁾	38,056	80,138	-	118,194
Other Liabilities ⁽⁴⁾	94,360	336,676	34,491	465,527
Total Liabilities	13,206,432	25,640,477	1,457,601	40,304,510
Net On-balance Sheet Position	4,024,888	(10,624,395)	(836,363)	(7,435,870)
Net Off-balance Sheet Position	(3,839,281)	11,033,505	879,384	8,073,608
Financial Derivative Assets	7,050,433	26,211,648	1,050,889	34,312,970
Financial Derivative Liabilities	10,889,714	15,178,143	171,505	26,239,362
Non-Cash Loans ⁽⁵⁾	1,301,062	4,821,679	113,301	6,236,042
31 December 2022				
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
Net On-balance Sheet Position	10,010,176	(6,882,704)	(254,316)	2,873,156
Net Off-balance Sheet Position	(9,803,277)	7,620,318	61,055	(2,121,904)
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
Non-Cash Loans ⁽⁵⁾	1,695,328	3,030,385	75,950	4,801,663

(1) TL 537,672 (31 December 2022: TL 459,476) derivative financial instruments income accruals are not included.

(2) Foreign currency indexed loans amounting to TL 86,152 (31 December 2022: TL 165,571) are included in the table above. TL 654,461 (31 December 2022: TL 1,114,040) "Expected Loss Provisions" are not included in the table.

(3) TL 403,230 (31 December 2022: TL 238,260) "Prepaid Expenses" are not included in the table.

(4) Among Other Assets TL 5,286 of Prepaid Expenses are not included in the table. Within Other Liabilities, TL 576,374 (31 December 2022: TL 614,262) of "Securities Valuation Differences" and "Hedging Reserves," as well as TL 561,681 (31 December 2022: TL 654,441) of "General Reserves," are not included in the table. Additionally, TL 2,137 of provisions for "Non-Cash Loans Expected Credit Losses Stages One and Two" are included in the table.

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

(6) As of 10 December 2022, with Decision Number 32039, an amendment was made to the "Regulation on the Calculation and Application of the Foreign Currency Net Open Position to Equity Standard Ratio by Banks on a Consolidated and Non-Consolidated Basis". Starting from January 9, 2023, in the calculation of foreign currency net open positions, delta equivalents are taken into account by multiplying the nominal value of the currency option with its delta value.

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**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK
(Continued):****V. EXPLANATIONS ON CURRENCY RISK (Continued):****Currency risk sensitivity analysis:**

If foreign currency appreciated/depreciated against TL at a ratio of 10% and all other variables remain fixed as of 31 December 2023 and 2022, changes, which shall occur in net profit and equity regardless of tax effect due to exchange rate loss/profit sourcing from foreign currency net monetary position, are as follows.

	31 December 2023				31 December 2022			
	Income statement		Equity (*)		Income statement		Equity (*)	
	10% increase	10% decrease	10% increase	10% decrease	10% increase	10% decrease	10% increase	10% decrease
USD	28,922	(28,922)	81,754	(81,754)	143,004	(143,004)	199,220	(199,220)
EUR	29,602	(29,602)	34,407	(34,407)	(8,011)	8,011	(2,801)	2,801
Other currency units	5,624	(5,624)	5,624	(5,624)	13,775	(13,775)	13,775	(13,775)
Total, net	64,148	(64,148)	121,785	(121,785)	148,768	(148,768)	210,194	(210,194)

(*) The equity effect also includes the effects of the income statement.

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023**

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

31 December 2023	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets ⁽¹⁾							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	3,477,961	-	-	-	-	7,137,895	10,615,856
Due From Banks	-	-	-	-	-	1,203,956	1,203,956
Financial Assets at Fair Value Through Profit/Loss ⁽²⁾	2,084,301	1,610,342	267,469	118,789	37,112	749,918	4,867,931
Interbank Money Market Placements	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	754,522	769,581	429,104	478,595	570,247	7,674	3,009,723
Loans ⁽³⁾	14,586,352	6,771,514	13,019,258	7,892,624	2,195,882	592,594	45,058,224
Financial Assets Measured at Amortized Cost ⁽⁴⁾	814,877	3,542,803	1,776,380	2,075,656	1,455,471	-	9,665,187
Other Assets ⁽⁵⁾	-	-	-	-	-	6,020,670	6,020,670
Total Assets	21,718,013	12,694,240	15,492,211	10,565,664	4,258,712	15,712,707	80,441,547
Liabilities							
Bank Deposits	-	-	-	-	-	25,241	25,241
Other Deposits	27,079,420	5,113,324	1,316,411	1,968	-	7,142,401	40,653,524
Funds From Interbank Money Market	2,349,364	679,543	781,852	617,670	-	-	4,428,429
Miscellaneous Payables ⁽⁶⁾	-	-	-	-	-	3,870,544	3,870,544
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	1,409,143	11,289,153	4,410,837	-	-	1,472,299	18,581,432
Other Liabilities ⁽⁶⁾⁽⁷⁾	1,039,083	370,393	512,156	354,500	3,493	10,602,752	12,882,377
Total Liabilities	31,877,010	17,452,413	7,021,256	974,138	3,493	23,113,237	80,441,547
Balance Sheet Long Position	-	-	8,470,955	9,591,526	4,255,219	-	22,317,700
Balance Sheet Short Position	(10,158,997)	(4,758,173)	-	-	-	(7,400,530)	(22,317,700)
Off-balance Sheet Long Position	-	-	889,269	1,762,285	21,827	-	2,673,381
Off-balance Sheet Short Position	(377,811)	(2,456,108)	-	-	-	-	(2,833,919)
Total Position	(10,536,808)	(7,214,281)	9,360,224	11,353,811	4,277,046	(7,400,530)	(160,538)

⁽¹⁾ Assets are shown with their net values in their related period by deducting allowances for expected credit losses.⁽²⁾ Financial Assets at Fair Value Through Profit/Loss includes hedging derivative financial assets amounting to TL 4,051,737 classified to a related re-pricing periods.⁽³⁾ Loans includes TL 1,198,021 Expected Loss Provisions.⁽⁴⁾ Financial Assets Measured at Amortized Cost item includes expected loss provisions of TL 47.⁽⁵⁾ Other Assets item consists of TL 1,805,136 Fixed Assets Held for Sale and Discontinued Operations, TL 2,388,445 Partnership Investments, TL 455,412 Tangible Assets, TL 150,123 Intangible Assets, TL 1,188,578 Other Assets.⁽⁶⁾ Derivative financial liabilities of Other Liabilities amounting to TL 2,332,871 are shown in the relevant repricing periods. Other Liabilities and Miscellaneous Payables item consists of TL 2,332,871 Derivative Financial Liabilities, TL 93,936 Liabilities from Lease Transactions, TL 1,693,213 Provisions, TL 164,745 Current Tax Liabilities, TL 453,518 Deferred Tax Liabilities, TL 4,624,961 Other Liabilities and TL 7,389,677 Equity.⁽⁷⁾ Shareholders' Equity is presented in the Non-Interest Bearing column.

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**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK
(Continued):****VI. 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
Assets ⁽¹⁾							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	1,133,913	-	-	-	-	5,714,845	6,848,758
Due From Banks	760,486	-	-	-	-	415,358	1,175,844
Financial Assets at Fair Value Through Profit/Loss ⁽²⁾	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 ⁽³⁾	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 ⁽⁴⁾	104,501	2,113,477	578,665	1,366,328	1,217,692	-	5,380,663
Other Assets ⁽⁵⁾	-	-	-	-	-	3,121,935	3,121,935
Total Assets	21,265,425	11,214,265	7,926,875	3,865,217	3,005,943	10,528,961	57,806,686
Liabilities							
Bank Deposits	139,595	-	-	-	-	37,208	176,803
Other Deposits	24,384,354	10,232,437	864,553	26,323	-	4,363,450	39,871,117
Funds From 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 ^{(6) (7)}	203,941	168,246	158,276	511,644	265	6,798,249	7,840,621
Total Liabilities	25,908,078	13,708,747	1,671,610	1,137,279	265	15,380,707	57,806,686
Balance Sheet Long Position	-	-	6,255,265	2,727,938	3,005,678	-	11,988,881
Balance Sheet Short Position	(4,642,653)	(2,494,482)	-	-	-	(4,851,746)	(11,988,881)
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)
Total Position	(5,016,812)	(3,738,844)	6,786,744	4,500,883	3,140,343	(4,851,746)	820,568

⁽¹⁾ Assets are shown with their net values in their related period by deducting allowances for expected credit losses.⁽²⁾ Derivative financial assets of the Financial Assets at Fair Value through Profit or Loss item amounting to TL 2,527,026 is shown in the relevant repricing periods.⁽³⁾ Loans includes TL 2,045,979 Expected Loss Provisions.⁽⁴⁾ Financial Assets Measured at Amortized Cost item includes expected loss provisions of TL 43.⁽⁵⁾ Other Assets item consists of TL 855,289 Fixed Assets Held for Sale and Discontinued Operations, TL 1,096,358 Partnership Investments, TL 207,119 Tangible Assets, TL 81,502 Intangible Assets TL 164,843 Deferred Tax Assets, TL 716,824 Other Assets.⁽⁶⁾ Other Liabilities item consists of TL 961,124 The repricing periods of financial debts. Other Liabilities and Various Debts consists of TL 961,124 Derivative Financial Liabilities, TL 81,251 Liabilities from Lease Transactions, TL 892,708 Provisions, TL 463,055 Current Tax Liabilities, TL 3,595,418 Other Liabilities and TL 5,093,950 Equity.⁽⁷⁾ Equity is presented in the Non-Interest Bearing column.

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023**

(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 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):****Interest rate sensitivity analysis:**

Change in interest rate 31 December 2023	Profit / Loss Effect	Effect on funds under equity
(+) 1%	(6,314)	(105,972)
(-) 1%	5,799	116,695

Change in interest rate 31 December 2022	Profit / Loss Effect	Effect on funds under equity
(+) 1%	(5,274)	(30,355)
(-) 1%	5,100	32,608

The table above, the effects of (+)1% and (-)1% changes in interest rates on period profit/loss and the "capital reserves" item under equity are shown by excluding tax effects.

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

31 December 2023	EUR	USD	Yen	TL
Assets	%	%	%	%
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	-	-	-	-
Due From Banks	-	4.72	-	-
Financial Assets at Fair Value Through Profit/Loss	5.37	8.29	-	23.71
Interbank Money Market Placements	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	4.75	7.81	-	46.80
Loans	7.73	10.52	-	42.65
Financial Assets Measured at Amortized Cost	3.89	8.44	-	48.74
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits (*)	1.45	2.98	-	37.21
Funds From Interbank Money Market	5.90	6.42	-	41.45
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	7.38	7.02	-	36.42

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

31 December 2022	EUR	USD	Yen	TL
Assets	%	%	%	%
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	-	-	-	-
Due From Banks	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	6.45	8.87	-	16.91
Financial Assets Measured at Amortized Cost	3.88	8.56	-	43.46
Liabilities				
Bank Deposits	3.42	-	-	-
Other Deposits (*)	1.25	1.99	-	19.13
Funds From 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 calculation of the weighted average interest rates.

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

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

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

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

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

	Applied Shock (+/- x basis point)	Earnings/ Losses	Earnings/ Equities-Losses/ Equities
1. TL	+500 bp	(43,104)	(0,3%)
2. TL	-400 bp	36,749	0,3%
3. EUR	+200 bp	45,039	0,3%
4. EUR	-200 bp	(47,593)	(0,4%)
5. USD	+200 bp	(230,557)	(1,8%)
6. USD	-200 bp	275,346	2,1%
Total (For Negative Shocks)		264,502	2,0%
Total (For Positive Shocks)		(228,622)	(1,7%)

VII. EXPLANATIONS ON SHARE CERTIFICATE POSITION RISK:

None.

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

VIII. 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. Periodic and specific reports on liquidity risk, stress tests, scenario analyses, risk limits compliance reports and detailed information on legal liquidity reports (frequency of reports and the bodies they are submitted to) are included in the Bank's Liquidity Risk Policy.

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 tffes 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):

VIII. 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. Market Risk Unit conducts stress tests more frequently during periods of high volatility and shares the results with the relevant management.

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.

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023**

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

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

31 December 2023		Total Value with Disregard Ratio Applied (*)		Consideration Rate Applied Total Value (*)	
		TL+FC	FC	TL+FC	FC
HIGH QUALITY LIQUID ASSETS					
1	High quality liquid assets			17,528,383	7,127,423
CASH OUTFLOWS					
2	Retail and small business customers deposits	33,506,202	16,291,085	3,101,155	1,629,109
3	Stable deposits	4,989,313	-	249,466	-
4	Less stable deposits	28,516,889	16,291,085	2,851,689	1,629,109
5	Unsecured funding other than retail and small business customers deposits	9,475,919	5,799,882	5,885,869	3,518,588
6	Operational deposits	2,162,790	1,263,593	540,697	315,898
7	Non-operational deposits	4,773,826	2,911,630	2,805,869	1,578,031
8	Other unsecured funding	2,539,303	1,624,659	2,539,303	1,624,659
9	Secured funding	-	-	-	-
10	Other cash outflows	2,393,077	2,419,160	2,393,078	2,419,159
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	2,393,077	2,419,160	2,393,078	2,419,159
12	Debts related to the structured financial products	-	-	-	-
13	Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15	Other irrevocable or conditionally revocable commitments	14,987,219	6,514,637	2,448,953	982,594
16	TOTAL CASH OUTFLOWS			13,829,055	8,549,450
CASH INFLOWS					
17	Secured receivables	-	-	-	-
18	Unsecured receivables	6,993,679	1,929,247	4,818,510	1,327,055
19	Other cash inflows	208,153	2,931,823	208,153	2,931,823
20	TOTAL CASH INFLOWS	7,201,832	4,861,070	5,026,663	4,258,878
				Upper Limit Applied Values	
21	TOTAL HIGH QUALITY LIQUID ASSETS INVENTORY			17,528,383	7,127,423
22	TOTAL NET CASH OUTFLOWS			8,802,392	4,290,572
23	LIQUIDITY COVERAGE RATIO (%)			199.13	166.12

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

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023**

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

		Total Value with Disregard Ratio Applied (*)		Consideration Rate Applied Total Value (*)	
		TL+FC	FC	TL+FC	FC
31 December 2022					
HIGH QUALITY LIQUID ASSETS					
1	High quality liquid assets			12,336,522	7,545,228
CASH OUTFLOWS					
2	Retail and small business customers deposits	28,762,456	15,987,160	2,774,622	1,598,716
3	Stable deposits	2,032,473	-	101,624	-
4	Less stable deposits	26,729,983	15,987,160	2,672,998	1,598,716
5	Unsecured funding other than retail and small business customers deposits	10,024,681	6,670,724	5,389,610	3,392,212
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
9	Secured funding	-	-	-	-
10	Other cash outflows	1,841,022	1,841,587	1,841,022	1,841,587
11	Liquidity needs related to derivatives and market valuation changes on derivatives transactions	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	-	-	-	-
14	Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	-	-	-	-
15	Other irrevocable or conditionally revocable commitments	9,382,119	4,805,207	1,557,050	839,855
16	TOTAL CASH OUTFLOWS			11,562,304	7,672,370
CASH INFLOWS					
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
20	TOTAL CASH INFLOWS	6,291,035	3,350,813	4,862,248	3,122,846
		Upper Limit Applied Values			
21	TOTAL HIGH QUALITY LIQUID ASSETS INVENTORY			12,336,522	7,545,228
22	TOTAL NET CASH OUTFLOWS			6,700,056	4,549,524
23	LIQUIDITY COVERAGE RATIO (%)			184.13	165.85

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

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**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK
(Continued):****VIII. 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 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 Turkey, at a ratio of 54% 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 banks at ratios of 22%, 35% and 13% 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 31 December 2023 is given below:

Date	FC	FC+TL
31 December 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 31 December 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 (%)	296.76	275.52	113.88	148.32
Week	10.11.2023	13.10.2023	6.10.2023	24.11.2023

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

31 December 2023	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Unallocated ⁽⁶⁾	Total
Assets ⁽¹⁾								
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	3,835,959	6,779,897	-	-	-	-	-	10,615,856
Banks	899,615	-	-	-	-	-	304,341	1,203,956
Financial Assets at Fair Value Through Profit or Loss ⁽²⁾	-	952,893	342,095	479,911	1,878,120	464,994	749,918	4,867,931
Interbank Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets at Fair Value Through Other Comprehensive Income	-	74,347	177,610	67,038	1,914,267	768,787	7,674	3,009,723
Loans ⁽³⁾	-	7,371,050	7,315,049	13,448,079	12,952,276	3,379,176	592,594	45,058,224
Financial Assets Measured at Amortized Cost ⁽⁴⁾	-	200,711	1,714,198	307,240	4,145,783	3,297,255	-	9,665,187
Other Assets ⁽⁵⁾⁽⁶⁾	-	104,815	-	181,128	-	-	5,734,727	6,020,670
Total Assets	4,735,574	15,483,713	9,548,952	14,483,396	20,890,446	7,910,212	7,389,254	80,441,547
Liabilities								
Bank Deposits	25,241	-	-	-	-	-	-	25,241
Other Deposits	7,142,401	27,079,420	5,113,324	1,316,411	1,968	-	-	40,653,524
Funds Borrowed From Other Financial Institutions	-	1,409,143	6,818,348	4,410,836	1,471,910	4,471,195	-	18,581,432
Funds From Interbank Money Market	-	2,349,364	679,543	781,852	617,670	-	-	4,428,429
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables ⁽⁷⁾	-	180,833	-	-	-	-	3,689,711	3,870,544
Other Liabilities ⁽⁷⁾⁽⁸⁾	-	1,328,911	286,151	449,085	1,240,472	3,493	9,574,265	12,882,377
Total Liabilities	7,167,642	32,347,671	12,897,366	6,958,184	3,332,020	4,474,688	13,263,976	80,441,547
Liquidity Gap	(2,432,068)	(16,863,958)	(3,348,414)	7,525,212	17,558,426	3,435,524	(5,874,722)	-
Net Off-balance sheet Position	-	(17,093)	85,890	679,516	505,817	280,393	-	1,534,523
Financial Derivative Assets	-	22,655,009	9,052,616	8,539,911	6,060,639	2,744,813	-	49,052,988
Financial Derivative Liabilities	-	(22,672,102)	(8,966,726)	(7,860,395)	(5,554,822)	(2,464,420)	-	(47,518,465)
Non-cash Loans	-	7,552,861	1,800,587	4,522,316	757,615	34,376	-	14,667,755
31 December 2022								
Total Assets	2,937,264	15,658,031	9,312,649	7,883,257	10,687,964	7,335,577	3,991,944	57,806,686
Total Liabilities	4,400,661	26,140,945	10,816,192	1,592,841	2,669,495	2,836,709	9,349,843	57,806,686
Liquidity Gap	(1,463,397)	(10,482,914)	(1,503,543)	6,290,416	8,018,469	4,498,868	(5,357,899)	-
Net Off-balance sheet Position	-	23,240	(17,176)	354,548	1,078,719	345,709	-	1,785,040
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)
Non-cash Loans	-	7,565,675	614,230	1,624,567	301,857	2,456	-	10,108,785

⁽¹⁾ Assets are shown with their net values in their related period by deducting allowances for expected credit losses.⁽²⁾ Derivative financial assets of the Financial Assets at Fair Value Through Profit or Loss item amounting to TL 4,051,737 are shown in the relevant maturity periods.⁽³⁾ Loans includes TL 1,198,021 Expected Loss Provisions.⁽⁴⁾ Financial Assets Measured at Amortized Cost item includes expected loss provisions of TL 47.⁽⁵⁾ Other Assets item consists of TL 1,805,136 Fixed Assets Held for Sale and Discontinued Operations, TL 2,388,445 Partnership Investments, TL 455,412 Tangible Assets, TL 150,123 Intangible Assets, TL 1,188,578 Other Assets.⁽⁶⁾ Among the asset accounts that consisting the balance sheet, accounts such as fixed assets, associates and subsidiaries and goods are shown in the "Unallocated" column in "Other Assets".⁽⁷⁾ Derivative financial liabilities of the Other Liabilities item amounting to TL 2,332,871 are shown in the relevant maturity periods. Other Liabilities and Miscellaneous Payables item consists of TL 2,332,871 Derivative Financial Liabilities, TL 93,936 Liabilities from Lease Transactions, TL 1,693,213 Provisions, TL 164,745 Current Tax Liabilities, TL 453,518 Deferred Tax, TL 4,624,961 Other Liabilities and TL 7,389,677 Equity.⁽⁸⁾ Shareholders' equity is presented under the "Other liabilities" item in the "Unallocated" column.

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**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued):****VIII. EXPLANATIONS ON LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE RATIO (Continued):****Breakdown of financial liabilities according to their remaining contractual maturities:**

31 December 2023	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
Liabilities						
Banks deposit	260,895	-	-	-	-	260,895
Other deposits	34,403,212	5,321,219	1,493,409	2,749	-	41,220,589
Funds from other financial institutions	1,413,968	7,006,960	4,859,717	1,334,602	6,817,028	21,432,275
Payables to money markets	2,220,926	706,806	186,325	726,112	525,231	4,365,400
Total	38,299,001	13,034,985	6,539,451	2,063,463	7,342,259	67,279,159

31 December 2022	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
Liabilities						
Banks deposit	177,209	-	-	-	-	177,209
Other deposits	28,872,439	10,442,016	934,809	32,727	-	40,281,991
Funds from other financial institutions	504,735	540,452	860,222	1,838,133	3,633,201	7,376,743
Payables to money markets	732,983	-	-	607,021	-	1,340,004
Total	30,287,366	10,982,468	1,795,031	2,477,881	3,633,201	49,175,947

Derivative instruments of bank, counter-based maturity analysis:

31 December 2023	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
Derivative instruments held for trading						
Exchange rate derivatives:						
- Entry	22,468,452	8,651,406	6,894,081	3,607,889	2,724,769	44,346,597
- Out	22,527,672	8,693,782	6,646,756	2,351,871	2,444,786	42,664,867
Interest rate derivatives:						
- Entry	163	26,931	74,586	91,809	20,044	213,533
- Out	847	28,324	73,830	85,724	19,634	208,359
Derivative instruments for hedging purposes						
Exchange rate derivatives:						
- Entry	-	-	-	-	-	-
- Out	-	-	-	-	-	-
Interest rate derivatives:						
- Entry	186,394	374,279	1,571,244	2,360,941	-	4,492,858
- Out	143,583	244,620	1,139,809	3,117,227	-	4,645,239
Total cash inflow	22,655,009	9,052,616	8,539,911	6,060,639	2,744,813	49,052,988
Total cash outflow	22,672,102	8,966,726	7,860,395	5,554,822	2,464,420	47,518,465

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023**

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

**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued):****VIII. EXPLANATIONS ON LIQUIDITY RISK MANAGEMENT AND LIQUIDITY COVERAGE
RATIO (Continued):****Derivative instruments of bank, counter-based maturity analysis (Continued):**

31 December 2022	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
Derivative instruments held for trading						
Exchange rate derivatives:						
- Entry	11,209,627	9,249,992	1,091,351	2,701,352	-	24,252,322
- Out	11,201,152	9,250,941	1,191,443	2,701,353	-	24,344,889
Interest rate derivatives:						
- Entry	6,460	14,705	66,682	119,667	-	207,514
- Out	8,661	11,757	68,670	105,325	-	194,413
Derivative instruments for hedging purposes						
Exchange rate derivatives:						
- Entry	47,568	31,613	1,333,098	3,644,213	2,421,591	7,478,083
- Out	23,738	26,206	884,314	2,843,729	2,094,951	5,872,938
Interest rate derivatives:						
- Entry	20,504	31,417	278,943	1,012,179	67,717	1,410,760
- Out	27,368	55,999	271,099	748,285	48,648	1,151,399
Total cash inflow	11,284,159	9,327,727	2,770,074	7,477,411	2,489,308	33,348,679
Total cash outflow	11,260,919	9,344,903	2,415,526	6,398,692	2,143,599	31,563,639

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

As of 31 December 2023, leverage ratio of the Bank calculated from the arithmetic average of the three months is 7.84% (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 period is the increase in balance sheet and off-balance sheet assets.

Disclosure of leverage ratio template:

	31 December 2023 (*)	31 December 2022 (*)
Balance sheet assets		
Balance sheet assets (excluding derivative financial assets and credit derivatives, including collaterals)	77,676,368	56,136,587
(Assets deducted from Core capital)	124,347	72,455
Total risk amount of balance sheet assets	77,552,021	56,064,132
Derivative financial assets and credit derivatives		
Cost of replenishment for derivative financial assets and credit derivatives	5,049,418	1,222,490
Potential credit risk amount of derivative financial assets and credit derivatives	439,220	357,646
Total risk amount of derivative financial assets and credit derivatives	5,488,638	1,580,136
Financing transactions secured by marketable security or commodity		
Risk amount of financing transactions secured by marketable security or commodity (excluding Balance sheet)	-	-
Risk amount arising from intermediary transactions	-	-
Total risk amount of financing transactions secured by marketable security or commodity	-	-
Off-balance sheet transactions		
Gross nominal amount of off-balance sheet transactions	18,376,940	12,440,463
(Correction amount due to multiplication with credit conversion rates)	-	-
Total risk of off-balance sheet transactions	18,376,940	12,440,463
Capital and total risk		
Core capital	7,949,325	5,173,452
Total risk amount	101,417,598	70,084,731
Leverage ratio		
Leverage ratio	7.84%	7.39%

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

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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 HEDGE TRANSACTIONS:**

As of 31 December 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 2,541,045 (31 December 2022: TL 2,040,339) and derivative financial payables of which carrying amount is TL 932,699 (31 December 2022: TL 405,590), are subject to hedge accounting as hedging instruments. As a result of the mentioned hedge accounting, fair value income amounting to TL 130,328 (31 December 2022: TL 535,127 fair value income) after tax is recognized under the equity in the current period. Ineffective part is TL 2,064 (31 December 2022: None).

Hedging Instrument	Hedging Subject	Exposed Risk	Hedging Instruments Fair Value		Hedging Funds (*)	Ineffective Part Accounted in the Statement of Profit or Loss(Net)
			Assets	Liabilities		
Cross Currency Swap	Floating rate up to 3 month maturity FC deposits	Cash flow risk of changes in market interest rates	1,739,556	352,949	486,602	-
Interest Rate Swap	Floating rate up to 3 month maturity FC deposits	Cash flow risk of changes in market interest rates	801,489	579,750	103,720	-

(*) 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. This amount, which is transferred to income statement due to the swaps, of which effectiveness is damaged or closed in the current period is TL 2,064.(31 December 2022: None).

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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):****XI. EXPLANATION REGARDING THE PRESENTATION OF FINANCIAL ASSETS AND LIABILITIES AT THEIR FAIR VALUES:****a. Financial assets and liabilities at their fair values:**

Financial assets measured at amortized cost, market prices or in cases where this price is indetermined, are determined based on the quoted market prices for other securities subject to the same qualifying redemption in terms of interest, maturity and other similar conditions.

The estimated fair value of the demand placements and deposits represents the amount to be paid upon request. The estimated fair value of the fixed rate deposit is calculated by determining the cash flow discounted using the current bank interest rates as of the balance sheet date.

Calculating the discounted cash flows using the Bank's current interest rates for fixed interest loans. For the loans with floating interest rates, it is assumed that the book value reflects the fair value. The expected fair value of bank placements, money market placements and bank deposits are determined by calculating the discounted cash flows using the current market interest rates of similar assets and liabilities. The book value represents the sum of the acquisition cost and accumulated interest accruals of the related assets and liabilities.

The following table summarises the book values and fair values of some financial assets and liabilities of the Bank.

	Book Value		Fair Value	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Financial Assets	58,937,203	44,705,709	59,410,311	42,050,122
Receivables from Money Markets	-	1,809,256	-	1,802,907
Banks (*)	1,204,021	1,175,915	1,204,022	1,175,909
Financial Assets at Fair Value Through Other Comprehensive Income	3,009,723	1,603,903	3,009,723	1,603,903
Other Financial Assets Measured at Amortized Cost	9,665,234	5,380,706	8,410,952	5,800,031
Loans	45,058,225	34,735,929	46,785,614	31,667,372
Financial Liabilities	67,559,171	49,966,065	68,241,336	49,911,870
Bank Deposits	25,241	176,803	25,241	177,623
Other Deposits	40,653,524	39,871,117	41,329,393	39,834,956
Borrowings	18,581,432	5,338,965	18,587,728	5,320,111
Marketable Securities Issued	4,428,429	1,332,295	4,428,429	1,332,295
Miscellaneous Payables	3,870,545	3,246,885	3,870,545	3,246,885

(*) Includes CBRT time deposit accounts.

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023**

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

**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued):****XI. EXPLANATION REGARDING THE PRESENTATION OF FINANCIAL ASSETS AND LIABILITIES AT THEIR FAIR VALUES (Continued):****b. Fair value hierarchy:**

TFRS 7 sets a hierarchy of valuation techniques according to the observability of data used in valuation techniques which establish basis for fair value calculations.

Aforesaid fair value hierarchy is determined as follows.

- Quoted market prices (non-adjusted) for identical assets or liabilities. (1st level);
- Directly (by way of prices) or indirectly (derived from prices) data for the assets or liabilities other than quoted prices in the 1st level (2nd level);
- Data not based on observable data regarding assets or liabilities (3rd level).

Fair value hierarchy of the financial assets and liabilities of the Bank carried at fair value according to the foregoing principles is given in the table below:

31 December 2023	1st Level	2nd Level	3rd Level	Total
Financial Assets at Fair Value Through Profit or Loss	816,194	1,510,692	-	2,326,886
Government Debt Securities	66,277	-	-	66,277
Share Certificates	-	-	-	-
Derivative financial assets at fair value through profit or loss	-	1,510,692	-	1,510,692
Other Securities	749,917	-	-	749,917
Financial Assets at Fair Value Through other comprehensive income (*)	3,002,049	7,674	-	3,009,723
Share Certificates	-	7,674	-	7,674
Government Debt Securities	3,002,049	-	-	3,002,049
Other Securities	-	-	-	-
Derivative Financial Assets at Fair Value Through Other Comprehensive Income	-	2,541,045	-	2,541,045
Total Assets	3,818,243	4,059,411	-	7,877,654
Derivative Financial Liabilities at Fair Value Through Profit or Loss	-	1,400,172	-	1,400,172
Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	-	932,699	-	932,699
Total Liabilities	-	2,332,871	-	2,332,871

(*) As noted in the Section Three footnote VII-d, since the securities representing the share in the capital, which are classified as financial assets at fair value through other comprehensive income, are not traded in organized markets and their fair value cannot be determined reliably, they are reflected in the financial statements at cost after deducting the provision for impairment. There are no transfer between 1st and 2nd levels in the current period.

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023**

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

**INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK
(Continued):****XI. EXPLANATION REGARDING THE PRESENTATION OF FINANCIAL ASSETS AND
LIABILITIES AT THEIR FAIR VALUES (Continued):****b. Fair value hierarchy (Continued):**

31 December 2022	1st Level	2nd Level	3rd Level	Total
Financial Assets at Fair Value Through Profit or Loss	603,372	486,687	-	1,090,059
Government Debt Securities	400,919	-	-	400,919
Share Certificates	-	-	-	-
Derivative financial assets at fair value through profit or loss	-	486,687	-	486,687
Other Securities	202,453	-	-	202,453
Financial Assets at Fair Value Through other comprehensive income (*)	1,596,229	7,674	-	1,603,903
Share Certificates	-	7,674	-	7,674
Government Debt Securities	1,596,229	-	-	1,596,229
Other Securities	-	-	-	-
Derivative Financial Assets at Fair Value Through Other Comprehensive Income	-	2,040,339	-	2,040,339
Total Assets	2,199,601	2,534,700	-	4,734,301
Derivative Financial Liabilities at Fair Value Through Profit or Loss	-	555,534	-	555,534
Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income	-	405,590	-	405,590
Total Liabilities	-	961,124	-	961,124

(*) As noted in the Section Three footnote VII-d, since the securities representing the share in the capital, which are classified as financial assets at fair value through other comprehensive income, are not traded in organized markets and their fair value cannot be determined reliably, they are reflected in the financial statements at cost after deducting the provision for impairment. There are no transfer between 1st and 2nd levels in the current period.

**XII. 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.

XIII. 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.

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023**

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

**INFORMATION RELATED TO FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK
(Continued):****XIII. EXPLANATIONS ON OPERATING SEGMENTS (Continued):****Stated balance sheet and income statement items based on operating segments**

Prior period information is presented for balance sheet and income/expense items as of 31 December 2022.

31 December 2023	Retail Banking	Digital Banking	Corporate and Commercial Banking	Treasury and Assets Liability Management	Other and Unclassified	Total Operations of the Banks
Net Interest Income	643,026	442,412	786,443	(845,327)	-	1,026,554
Net Fees and Comissions	2,325	(8,494)	803,776	-	-	797,607
Trading Profit/Loss	73,932	4,078	198,326	1,313,252	-	1,589,588
Other Operating Income	1,099	12,892	259,625	-	-	273,616
Operating Income	720,382	450,888	2,048,170	467,925	-	3,687,365
Operating and Provision Costs (-)	(313,269)	(306,557)	165,241	(158,102)	(803,027)	(1,415,714)
Net Operating Income	407,113	144,331	2,213,411	309,823	(803,027)	2,271,651
Dividend Income	-	-	-	-	32	32
Income/Loss from subsidiaries based on equity method	-	-	-	-	965,707	965,707
Profit Before Tax	407,113	144,331	2,213,411	309,823	162,712	3,237,390
Tax Provisions (-)	(122,135)	(43,299)	(765,196)	(92,947)	346,491	(677,086)
Net Profit/Loss	284,978	101,032	1,448,215	216,876	509,203	2,560,304
Segment Assets	3,259,814	5,367,657	42,035,517	23,757,889	-	74,420,877
Investments in associates, subsidiaries and joint ventures	-	-	-	-	2,388,445	2,388,445
Unallocated Assets	-	-	-	-	3,632,225	3,632,225
Total Assets	3,259,814	5,367,657	42,035,517	23,757,889	6,020,670	80,441,547
Segments Liabilities	22,404,675	9,207,265	8,336,026	25,367,973	7,735,931	73,051,870
Unallocated Liabilities	-	-	-	-	7,389,677	7,389,677
Total Liabilities	22,404,675	9,207,265	8,336,026	25,367,973	15,125,608	80,441,547

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023**

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

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

31 December 2022	Retail Banking	Digital Banking	Corporate and Commercial Banking	Treasury and Assets Liability Management	Other and Unclassified	Total Operations of the Banks
Net Interest Income	471,608	(101,434)	1,244,290	(22,984)	-	1,591,480
Net Fees and Comissions	322	1,333	309,329	-	-	310,984
Trading Profit/Loss	54,635	447	16,975	261,751	-	333,808
Other Operating Income	221	918	212,809	-	-	213,948
Operating Income	526,786	(98,736)	1,783,403	238,767	-	2,450,220
Operating and Provision Costs (-)	(149,969)	(89,035)	(471,683)	(89,586)	(313,289)	(1,113,562)
Net Operating Income	376,817	(187,771)	1,311,720	149,181	(313,289)	1,336,658
Dividend Income	-	-	-	-	24	24
Income/Loss from subsidiaries based on equity method	-	-	-	-	314,504	314,504
Profit Before Tax	376,817	(187,771)	1,311,720	149,181	1,239	1,651,186
Tax Provisions (-)	(94,205)	46,943	(442,078)	(37,295)	77,173	(449,462)
Net Profit/Loss	282,612	(140,828)	869,642	111,886	78,412	1,201,724
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
Total Assets	3,110,052	2,409,090	34,465,184	14,700,425	3,121,935	57,806,686
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
Total Liabilities	23,208,234	4,894,988	11,846,328	7,809,186	10,047,950	57,806,686

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023**

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

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:

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Cash	35,594	700,550	32,803	318,656
CBRT	4,391,890	5,354,642	1,186,746	5,140,335
Other	-	133,180	-	170,218
Total	4,427,484	6,188,372	1,219,549	5,629,209

2. Information on the account of the CBRT:

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Demand Unrestricted Amount	4,391,890	2,596,976	1,186,746	2,023,468
Time Unrestricted Amount	-	-	-	-
Time Restricted Amount	-	2,757,666	-	3,116,867
Total	4,391,890	5,354,642	1,186,746	5,140,335

3. Information on reserve requirements:

According to the Central Bank of the Republic of Turkey's Regulation No. 2005/1 on "Reserve Requirements," the mandatory reserves established in Turkish Lira (TL), foreign currency (FC), and gold are included in the amounts in the table.

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 gold will be terminated as of 23 June 2023.

As of 31 December 2023, the valid rates for required reserves established in the CBRT are between 0% and 25%, depending on the maturity structure of Turkish currency (December 31, 2022: between 3% and 8%); In foreign currency, it is between 5% and 29% depending on the maturity structure (31 December 2022: between 5% and 26%). Effective as of 28 April 2023, Foreign Currency Required Reserve Ratios will be applied 5 points higher for banks whose "TL Deposit Share" ratios, calculated separately for real and legal person deposit portfolios, are below 60%. As of 18 August 2023, has been removed.

Effective as of 27 October 2023, it has been decided to impose an additional mandatory reserve requirement of 4% in Turkish lira for all maturities of foreign currency deposits (excluding deposits of foreign banks and precious metal deposit accounts). The additional mandatory reserve rates applied by the CBRT decision are exempt from the Mandatory Reserve Commission application.

As of 29 September 2023, the commission application based on the share of Turkish lira deposits in total deposits, which has been in effect since 23 December 2022 has been changed.

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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):****a. Information related to cash and the account of Central Bank of the Republic of Turkey (Continued):**

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.

As of 10 November 2023, the Mandatory Reserve Commission application has been changed to be tracked in two categories: commission based on the renewal and conversion rate, and commission based on the Turkish lira share. As of 23 December 2023, the target based on the renewal rate has been removed, and the renewal and conversion rate has been reduced from 100% to 95%, while the conversion rate to Turkish lira has been increased from 10% to 15%. For banks with total maturity foreign exchange indexed deposits below three billion TL, the renewal and conversion rate is set at 80% and 7.5% respectively, while banks with total deposits below one and a half billion TL are completely exempt from the conversion targets. The Turkish lira share in the commission application will be calculated separately for individuals and legal entities. If the difference in the Turkish lira share calculation for individuals compared to the calculation period four weeks ago remains below 3,5 percentage points, the commission rate will be applied 2%; for legal entities, if the calculated Turkish lira share is below the Turkish lira share calculated as of 18 August 2023, the commission rate will be applied 1%. The commission amount will be calculated in USD, based on maintained foreign currency reserve requirement.

b. Information on Financial Assets at Fair Value Through Profit/Loss:**1. Financial assets at fair value through profit / loss given as collateral / blocked:**

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

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

As of 31 December 2023, there is no amount subject to repo transactions from financial assets at fair value through profit or loss (31 December 2022: None).

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023**

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EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued):**I. EXPLANATIONS AND NOTES RELATED TO ASSETS (Continued):****c. Information on banks:**

1. Information on banks:

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Banks				
Domestic	311	500.680	175.491	760.462
Foreign	-	703.030	-	239.962
Headquarters and Branches Abroad	-	-	-	-
Total	311	1.203.710	175.491	1.000.424

2. Information on foreign banks:

	Unrestricted Amount		Restricted Amount	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
EU Countries	44,928	48,393	-	-
USA, Canada	111,653	66,671	-	-
OECD Countries (*)	492,413	102,214	-	-
Off-shore Banking Regions	-	-	-	-
Others	54,036	22,684	-	-
Total	703,030	239,962	-	-

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

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

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

As of 31 December 2023, there are TL 1,602,712 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 31 December 2023, there are TL 1,314,677 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:

	31 December 2023	31 December 2022
Debt Securities	3,096,588	1,611,781
Quoted on Stock Exchange	3,096,588	1,611,781
Not Quoted	-	-
Share Certificates	7,674	7,674
Quoted on Stock Exchange	-	-
Not Quoted	7,674	7,674
Impairment Provision (-)	94,539	15,552
Total	3,009,723	1,603,903

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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:

	31 December 2023		31 December 2022	
	Cash	Non-cash	Cash	Non-cash
Direct Loans Granted to Shareholders of the Bank	-	21,373	-	17,225
Loans Given to Legal Entity Partners	-	21,373	-	17,225
Loans Given to Real Person Partners	-	-	-	-
Indirect Loans Given to Bank Partners	-	-	-	-
Loans Given to Bank Members	4,646	-	3,293	-
Total	4,646	21,373	3,293	17,225

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 and Receivables Not Subject to Restructuring	Restructured	
			Change in Contract Conditions	Re-finance
Non-Specialized Loans	38,256,989	809,730	6,299,109	-
Loans Given to Enterprises	-	-	-	-
Export Loans	9,959,044	674,843	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	4,781,551	-	-	-
Consumer Loans	4,049,412	49,636	882	-
Credit Cards	-	-	-	-
Other (*)	19,466,982	85,251	6,298,227	-
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	38,256,989	809,730	6,299,109	-

(*)Other item includes Factoring Receivables amounting to TL 12,889.

ii.

	Standard Loans	Loans Under Close Monitoring
General provisions	61,141	839,057
12 Month Expected Credit Losses	61,141	-
Significant Increase in Credit Risk	-	839,057

3. Distribution of Cash Loans According to Their Maturities:

	Standard Loans	Loans Under Close Monitoring	
		Loans without Revised Contract Terms	Restructured Loans
Short-term Loans	21,203,555	681,651	22,421
Medium and Long-term Loans	17,053,434	128,079	6,276,688
Total	38,256,989	809,730	6,299,109

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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 consumer loans, individual credit cards, personnel loans and personnel credit cards:

	Short-Term	Medium and Long-Term	Total
Consumer Loans-TL	901,564	3,179,632	4,081,196
Real estate loans	-	19,575	19,575
Automotive loans	153,098	1,895,674	2,048,772
Consumer loans	748,466	1,264,383	2,012,849
Other	-	-	-
Consumer Loans-FC Indexed	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	5,856	5,856
Real estate loans	-	5,856	5,856
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Individual Credit Cards-TL	-	-	-
With installments	-	-	-
Without installments	-	-	-
Individual Credit Cards-FC	-	-	-
With installments	-	-	-
Without installments	-	-	-
Personnel Loans-TL	644	4,002	4,646
Real estate loans	-	-	-
Automotive loans	-	307	307
Consumer loans	644	3,695	4,339
Other	-	-	-
Personnel Loans-FC Indexed	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TL	-	-	-
With installments	-	-	-
Without installments	-	-	-
Personnel Credit Cards-FC	-	-	-
With installments	-	-	-
Without installments	-	-	-
Credit Deposit Account-TL (Real Person)	8,232	-	8,232
Credit Deposit Account-FC (Real Person)	-	-	-
Total	910,440	3,189,490	4,099,930

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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):****5. Information on commercial installment loans and corporate credit cards:**

	Short-Term	Medium and Long-Term	Total
Commercial Installments Loans-TL	46,912	3,033,470	3,080,382
Real estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	46,912	3,033,470	3,080,382
Other	-	-	-
Commercial Installments Loans-FC Indexed	-	86,174	86,174
Real estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	86,174	86,174
Other	-	-	-
Commercial Installments Loans-FC	65,705	13,663,076	13,728,781
Real estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	65,705	13,663,076	13,728,781
Other	-	-	-
Corporate Credit Cards-TL	-	-	-
With installments	-	-	-
Without installments	-	-	-
Corporate Credit Cards-FC	-	-	-
With installments	-	-	-
Without installments	-	-	-
Credit Deposit Account-TL (Legal Person)	-	-	-
Credit Deposit Account-FC (Legal Person)	-	-	-
Total	112,617	16,782,720	16,895,337

6. Loans according to types of borrowers:

	31 December 2023	31 December 2023
Public	1,322,572	1,282,605
Private	44,043,256	33,804,549
Total	45,365,828	35,087,154

7. Distribution of domestic and foreign loans:

	31 December 2023	31 December 2022
Domestic Loans	45,345,715	35,036,740
Foreign Loans	20,113	50,414
Total	45,365,828	35,087,154

8. Loans given to associates and subsidiaries:

	31 December 2023	31 December 2022
Direct loans given to associates and subsidiaries	-	-
Indirect loans given to associates and subsidiaries	-	-
Total	-	-

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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):****9. Specific provisions provided against loans:**

	31 December 2023	31 December 2022
Allocated for Limited Collection Loans	3,856	508
Allocated for Doubtful Loans	1,128	210,510
Allocated for Loss Loans	292,839	310,652
Total	297,823	521,670

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

	III. Group Loans with Limited Collectability	IV. Group Loans with Doubtful Collectability	V. Group Uncollectible Loans
31 December 2023			
Gross Amounts Before the Provisions	-	-	-
Restructured Loans	39	-	6,247
31 December 2022			
Gross Amounts Before the Provisions	-	-	-
Restructured Loans	114	159	179,170

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

	III. Group Loans with Limited Collectability	IV. Group Loans with Doubtful Collectability	V. Group Uncollectible Loans
Prior Period End Balance	832	322,320	1,371,602
Additions (+)	63,470	1,030	119,120
Transfers from Other Categories of Non-performing Loans (+)	-	3,789	317,027
Transfers to Other Categories of Non-performing Loans (-)	3,789	317,027	-
Collections (-)	42,316	2,613	749,416
Write-offs (-)	-	-	193,612
Sold Portfolio (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Balance at the End of the Period	18,197	7,499	864,721
Specific Provision (-)	3,856	1,128	292,839
Net Balance on Balance Sheet	14,341	6,371	571,882

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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:

	III. Group Loans with Limited Collectability	IV. Group Loans with Doubtful Collectability	V. Group Uncollectible Loans
31 December 2023			
Balance at the End of the Period	-	-	738,687
Provision Amount (-)	-	-	227,004
Net Balance on Balance Sheet	-	-	511,683
31 December 2022			
Balance at the End of the Period	-	296,284	812,166
Provision Amount (-)	-	198,075	85,865
Net Balance on Balance Sheet	-	98,209	726,301

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

	III. Group Loans with Limited Collectability	IV. Group Loans with Doubtful Collectability	V. Group Uncollectible Loans
31 December 2023			
Current Period (Net)	14,341	6,371	571,882
Loans Given to Real Persons and Legal Persons (Gross)	18,197	7,499	864,721
Provision Amount (-)	3,856	1,128	292,839
Loans Given to Real Persons and Legal Persons (Net)	14,341	6,371	571,882
Banks (Gross)	-	-	-
Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans (Gross)	-	-	-
Provision Amount (-)	-	-	-
Other Loans (Net)	-	-	-
Prior Period (Net)	324	111,810	1,060,950
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):

11. 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.

12. Explanations of the write-off policy:

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

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

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

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

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

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

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

must be met.

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

As of 31 December 2023, the Bank has a written-off receivable of TL 193,612 (31 December 2022: TL 92,344).

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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):****f. Information on the calculation of interest accruals, valuation differences and their provisions for non-performing loans by banks which allocate expected credit losses according to TFRS 9:**

	III. Group	IV. Group	V. Group
	Loans with Limited Collectability	Loans with Doubtful Collectability	Uncollectible Loans
Current Period (Net)	86	3	17,679
Interest Accruals and Valuation Differences	125	9	34,184
Provision Amount (-)	39	6	16,505
Prior Period (Net)	6	2,549	69,481
Interest Accruals and Valuation Differences	12	5,880	89,605
Provision Amount (-)	6	3,331	20,124

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

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Bonds	-	-	-	-
Bonds and Similar Securities	1,670,222	3,031,657	653,244	928,756
Other	-	-	-	-
Total	1,670,222	3,031,657	653,244	928,756

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

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Bonds	-	-	-	-
Bonds and Similar Securities	2,105,071	201,210	951,373	696,637
Other	-	-	-	-
Total	2,105,071	201,210	951,373	696,637

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

	31 December 2023	31 December 2022
Government Bond	9,665,234	5,380,706
Treasury Bond	-	-
Other Public Debt Securities	-	-
Total	9,665,234	5,380,706

4. Information on financial assets measured at amortized cost:

	31 December 2023	31 December 2022
Debt securities	9,665,234	5,380,706
Publicly-traded	9,665,234	5,380,706
Not publicly-traded	-	-
Provision for impairment (-)	-	-
Total	9,665,234	5,380,706

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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:**

	31 December 2023	31 December 2022
Opening Balance	5,380,706	1,023,468
Foreign Exchange Differences in Monetary Assets	947,068	469,886
Purchases During The Year	2,178,641	3,975,531
Disposals Through Sales and Redemptions	(594,021)	(303,882)
Value Decrease Equivalent (-)	1,752,840	215,703
End of Period Total	9,665,234	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:

	Title	Address (City/Country)	Bank's Share Percentage, If Different Voting Percentage (%)	Other Shareholders' Share Percentage (%)
1	Burgan Finansal Kiralama A.Ş.	Istanbul/Turkey	99.99	99.99
2	Burgan Yatırım Menkul Değerler A.Ş.	Istanbul/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 Tangible assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/ Loss	Fair Value
1	12,292,574	1,828,982	3,265,444	2,230,142	-	821,145	276,891	-
2	710,235	559,546	17,290	341,895	13,295	144,562	37,613	-

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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):****i. Information on subsidiaries (Net) (Continued):****5. Movement schedules of consolidated subsidiaries:**

	31 December 2023	31 December 2022
Balance at the beginning of the Period	1,096,358	669,736
Movements during the Period	1,292,087	426,622
Purchases	350,000	-
Bonus Shares Obtained	-	-
Profit from Current Year Income (*)	965,707	314,504
Sales	-	-
Revaluation Increase/Decrease (*)	(23,620)	112,118
Impairment Provision	-	-
Balance at the End of the Period	2,388,445	1,096,358
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	99.99%	99.99%

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

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

Subsidiaries	31 December 2023	31 December 2022
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	1,828,899	958,525
Finance Companies	-	-
Other Financial Subsidiaries	559,546	137,833
Total	2,388,445	1,096,358

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).

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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):****1. Information on derivative financial assets****1. Information on derivative financial assets at fair value through profit or loss:**

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Forward Transactions	60,271	1,037	24,365	2,809
Swap Transactions	1,010,350	431,986	93,874	284,981
Futures Transactions	1,205	-	1,472	-
Options	-	5,843	574	78,612
Other	-	-	-	-
Total	1,071,826	438,866	120,285	366,402

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

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Fair Value Hedge	-	-	-	-
Cash Flow Hedge	1,425,932	1,115,113	920,625	1,119,714
Foreign Net Investment Hedge	-	-	-	-
Total	1,425,932	1,115,113	920,625	1,119,714

m. Information on tangible assets:

	Immovables	Motor Vehicle	Other Tangible Assets	Total
31 December 2022				
Cost	66,652	420	293,007	360,079
Accumulated Depreciation (-)	6,902	285	145,773	152,960
Net Book Value	59,750	135	147,234	207,119
31 December 2023				
Net Book Value at Beginning of the Period	59,750	135	147,234	207,119
Additions	-	-	263,026	263,026
Disposals (-), net	-	32	704	736
Impairment (-)	-	-	-	-
Depreciation (-)	2,500	72	79,175	81,747
Revaluation Increase	67,750	-	-	67,750
Cost at Period End	134,402	320	540,639	675,361
Accumulated Depreciation at Period End (-)	9,402	289	210,258	219,949
Closing Net Book Value	125,000	31	330,381	455,412

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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):****m. Information on tangible assets (continued) :**

	Immovables	Motor Vehicles	Other Tangible Assets	Total
31 December 2021				
Cost	43,707	709	215,758	260,174
Accumulated Depreciation (-)	5,707	309	105,241	111,257
Net Book Value	38,000	400	110,517	148,917
31 December 2022				
Net Book Value at Beginning of the Period	38,000	400	110,517	148,917
Additions	-	-	80,696	80,696
Disposals (-), net	-	159	13	172
Impairment (-)	-	-	-	-
Depreciation (-)	1,195	106	43,966	45,267
Revaluation Increase	22,945	-	-	22,945
Cost at Period End	66,652	420	293,007	360,079
Accumulated Depreciation at Period End (-)	6,902	285	145,773	152,960
Closing Net Book Value	59,750	135	147,234	207,119

n. Information on intangible assets:

- Gross book value and accumulated depreciation at the beginning and at the end of the period:

	31 December 2023	31 December 2022
Gross Book Value	274,219	183,307
Accumulated Depreciation (-)	124,096	101,805
Net Book Value	150,123	81,502

- Movement table containing the information between the beginning of the period and the end of the period:

	31 December 2023	31 December 2022
Beginning of the Period	81,502	51,007
Internally Generated Amounts	-	-
Additions due to Mergers, Transfers and Acquisitions	90,912	42,549
Exclusions and Sales (-)	-	-
Amounts Recorded in the Valuation Fund due to Increase or Decrease in Value	-	-
Decreases in Value Recorded in the Income Statement	-	-
Decreases in Value Canceled from the Income Statement	-	-
Amortisation (-)	22,291	12,054
Net Foreign Currency Difference From Foreign Investments in Associates	-	-
Other Changes in Book Value	-	-
End of the Period	150,123	81,502

o. Information on investment property:

None (31 December 2022: None).

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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):****p. Information on deferred tax asset/liability:**

As of 31 December 2023, Bank has netted-off the calculated deferred tax asset of TL 380,745 (31 December 2022: TL 546,601) and deferred tax liability of TL 834,263 (31 December 2022: TL 381,758) in accordance with TAS 12 and has recorded a net deferred tax liability TL (453,518) (31 December 2022: TL 164,843 net deferred tax asset) in the financial statements.

As of 31 December 2023 and 31 December 2022, the details of accumulated temporary differences and deferred tax assets and liabilities are presented below:

	Accumulated Temporary Differences		Deferred tax assets/liabilities	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Legal Provisions	12,508	13,395	3,752	3,349
Expected Loss Provisions	916,921	1,649,662	275,076	412,416
Provision for Employee Benefits	323,297	83,674	96,989	20,919
Unearned Income	16,428	26,445	4,928	6,611
Other	-	413,224	-	103,306
Deferred Tax Assets	1,269,154	2,186,400	380,745	546,601
Difference Between Carrying Value of Tangible assets and Tax Base	342,608	69,092	87,862	9,658
Derivative Financial Instruments Valuation Difference	1,738,217	1,488,401	521,465	372,100
Other(*)	1,024,492	-	224,936	-
Deferred Tax Liabilities	3,105,317	1,557,493	834,263	381,758
Deferred Tax Assets/(Liabilities) (Net)			(453,518)	164,843

(*)The temporary 32nd article of the Tax Procedure Law and the provisions of the duplicate article 298/c cover the revaluation of real estate and depreciable economic assets.

Movement of deferred tax asset/liabilities is presented below:

	31 December 2023	31 December 2022
Balance as of 1 January	164,843	24,389
Current year deferred tax income/(expense), net	(661,639)	306,621
Deferred tax charged to equity, net (*)	43,278	(166,167)
Balance at the end of the period	(453,518)	164,843

(*) Deferred tax accounted in equity due to the effects of TAS 27 amounts to TL (2,790).

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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):****r. Information on assets held for resale and discontinued operations:**

The Bank has assets held for resale amounting to TL 1,805,136 (31 December 2022: TL 855,289) and has no discontinued operations.

Prior Period	31 December 2023	31 December 2022
Cost	855,576	1,039,347
Accumulated Depreciation (-)	287	345
Net Book Value	855,289	1,039,002
Current Period		
Net Book Value at Beginning of the Period	855,289	1,039,002
Additions	1,215,954	401,871
Disposals (-), net	266,107	585,584
Impairment (-)	-	-
Depreciation (-)	-	-
Cost at the End of the Period	1,805,412	855,576
Accumulated Depreciation at the End of the Period (-)	276	287
Closing Net Book Value	1,805,136	855,289

s. Information on other assets:

Other assets amount to TL 1,188,578 (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 UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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. 31 December 2023:**

	Demand	With 7 days notifications	Up to 1 month	1-3 months	3-6 months	6 months - 1 year	1 year and over	Accumulated Deposit	Total
Saving Deposits	463,844	-	4,966,288	6,650,887	4,276,197	917,691	308,748	-	17,583,655
Foreign Currency Deposits	3,816,222	-	1,723,132	8,174,267	727,982	96,740	146,188	-	14,684,531
Residents in Turkey	3,592,211	-	1,715,724	8,017,076	709,116	94,350	70,103	-	14,198,580
Residents Abroad	224,011	-	7,408	157,191	18,866	2,390	76,085	-	485,951
Public Sector Deposits	182,057	-	-	-	-	-	-	-	182,057
Commercial Deposits	2,125,567	-	126,033	4,840,314	304,220	230,968	17,492	-	7,644,594
Other Institutions Deposits	93,916	-	343	3,633	-	-	-	-	97,892
Precious Metal Deposits	460,795	-	-	-	-	-	-	-	460,795
Bank Deposits	25,241	-	-	-	-	-	-	-	25,241
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	28	-	-	-	-	-	-	-	28
Foreign Banks	25,213	-	-	-	-	-	-	-	25,213
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	7,167,642	-	6,815,796	19,669,101	5,308,399	1,245,399	472,428	-	40,678,765

ii. 31 December 2022:

	Demand	With 7 days notifications	Up to 1 month	1-3 months	3-6 months	6 months - 1 year	1 year and over	Accumulated Deposit	Total
Saving Deposits	240,703	-	2,624,904	3,767,701	8,253,428	263,797	248,090	-	15,398,623
Foreign Currency Deposits	2,127,134	-	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	-	-	-	-	-	-	-	-	-
Total	4,400,661	-	5,877,559	18,105,638	10,129,306	957,831	576,925	-	40,047,920

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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):****a. Information on deposits (Continued):****2. Information on saving deposits insurance:****i. Information on saving deposits under the guarantee of the saving deposits insurance fund and exceeding the limit of deposit insurance fund:**

	Under the guarantee of deposit insurance		Exceeding limit of the deposit insurance	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
Saving Deposits				
Saving Deposits	7,582,044	3,458,581	10,001,611	11,940,042
Foreign Currency Savings Deposit	1,589,772	1,119,003	9,154,369	7,866,101
Other Deposits in the Form of Savings Deposits	156,113	56,354	304,682	188,418
Foreign Branches' Deposits Under Foreign Authorities' Insurance	-	-	-	-
Off-shore Banking Regions' Deposits Under Foreign Authorities' Insurance	-	-	-	-
Total	9,327,929	4,633,938	19,460,662	19,994,561

(*) In accordance with the "Regulation Amending the Regulation on the Insured Deposit and Participation Funds and Premiums to be Collected by the Savings Deposit Insurance Fund" published in the Official Gazette dated 27 August 2022 and numbered 31936 all deposits and participation funds, except those belonging to official institutions, credit institutions and financial institutions in the presence of credit institutions, are included in the insurance coverage and deposits of TL 338,775 which are covered by the insurance, are not included in the note above.

(**)The amount of deposits subject to insurance is TL 400 for the current period (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:**

	31 December 2023	31 December 2022
Deposits and Other Accounts in Foreign Branches	-	-
Deposits and Other Accounts of Main Shareholders and their Families	-	-
Deposits and Other Accounts of President of Board of Directors, Members of Board of Directors, Vice General Managers and Their Families	74,119	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 26/9/2004	-	-
Deposits in Banks Incorporated in Turkey Exclusively for Off-shore Banking Operations	-	-
Total	74,119	32,248

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

None (31 December 2022: None).

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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):****c. Information on borrowings:**

1. Information on banks and other financial institutions:

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
CBRT Borrowings	-	-	-	-
From Domestic Banks and Institutions	10,555	-	15,216	-
From Foreign Banks, Institutions and Funds	-	12,627,772	-	1,552,390
Total	10,555	12,627,772	15,216	1,552,390

2. Information on maturity structure of borrowings:

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Short-term	10,555	10,054,235	15,216	152,195
Medium and Long-Term	-	2,573,537	-	1,400,195
Total	10,555	12,627,772	15,216	1,552,390

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

The Bank's main funding sources are deposits and borrowings. As of 31 December 2023, deposits and borrowings from Bank's risk group comprise 1.31% (31 December 2022: 1.77%) of total deposits. Besides this, Borrowings from Bank's risk group comprise 72.40% (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 4,624,961 (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:

	31 December 2023		31 December 2022	
	Gross	Net	Gross	Net
Less Than 1 Year	1,355	1,270	4,160	3,119
Between 1-4 Years	77,361	62,068	64,467	54,572
More Than 4 Years	43,885	30,598	33,901	23,560
Total	122,601	93,936	102,528	81,251

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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):****g. Information on derivative financial liabilities:**

1. Information on Derivative Financial Liabilities at Fair Value Through Profit or Loss:

Trading Derivative Financial Liabilities	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Forward Transactions	47,402	9,092	4,816	4,861
Swap Transactions	927,958	410,493	89,388	282,719
Futures Transactions	287	-	-	-
Options	-	4,940	-	173,750
Other	-	-	-	-
Total	975,647	424,525	94,204	461,330

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

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
For Fair Value Hedges	-	-	-	-
For Cash Flow Hedging	693,435	239,264	222,684	182,906
For Hedging Net Investments Abroad	-	-	-	-
Total	693,435	239,264	222,684	182,906

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 equivalent to one month's salary for each year of service, and this amount is capped by the severance pay ceiling. Severance pay obligation is not legally subject to any funding, and there are no funding requirements.

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.

	31 December 2023	31 December 2022
Discount Rate (%)	2.46	1.00
Salary Increase Rate (%)	22.61	9.22
Average Remaining Work Period (Year)	12.97	12.60

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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):****h. Information on provisions (Continued):**

Movement of reserve for employment termination benefits during the period:

	31 December 2023	31 December 2022
Prior period balance	75,431	28,777
Current service cost	10,577	4,056
Interest cost	7,249	5,593
Settlement cost	-	344
Actuarial loss/gain	23,726	41,648
Benefits paid (-)	40,673	4,987
Balance at the End of the Period	76,310	75,431

In addition, as of 31 December 2023, the Bank has accounted for vacation rights provision and personnel bonus provision amounting to TL 246,987 (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 1,308,970 (31 December 2022: 654,441), TL 48,438 (31 December 2022: TL 35,356) for provisions for non-cash loans and commitments that are not converted to cash and not indemnified and lawsuit provisions amounting to TL 6,561 (31 December 2022: TL 6,175) and other provisions amounting to and TL 5.947 (31 December 2022: TL 7,219).

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

As of 31 December 2023, there is no corporate tax provision. (31 December 2022: TL 367,052).

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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):****i. Information on taxes payable (Continued):****2. Information on taxes payable:**

	31 December 2023	31 December 2022
Corporate Tax Payable	-	367,052
Taxation of Marketable Securities	39,893	31,652
Property Tax	230	104
Banking Insurance Transaction Tax	38,463	27,024
Foreign Exchange Transaction Tax	705	1,119
Value Added Tax Payable	12,142	3,402
Other	30,550	13,441
Total	121,983	443,794

3. Information on premium payables:

	31 December 2023	31 December 2022
Social Security Premiums-Employee	16,570	8,033
Social Security Premiums-Employer	22,763	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	1,014	550
Unemployment Insurance-Employer	2,029	1,091
Other	386	168
Total	42,762	19,261

4. Explanations on deferred tax liability:

As of 31 December 2023, the Bank has netted-off the calculated deferred tax asset of TL 380,745 (31 December 2022: TL 546,601) and deferred tax liability of TL 834,263 (31 December 2022: TL 381,758) in accordance with TAS 12 and has recorded a net deferred tax liability of TL (453,518) (31 December 2022: TL 164,843 net deferred tax asset) in the financial statements.

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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	SOFR+4.25
Burgan Bank K.P.S.C. (Main Shareholder)	USD 50,000,000	22 February 2021	Indefinite	-

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

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Domestic Banks	-	-	-	-
Other Domestic Institutions	-	-	-	-
Foreign Banks	-	5,943,105	-	3,771,359
Other Foreign Institutions	-	-	-	-
Total	-	5,943,105	-	3,771,359

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Debt Instruments Subject to Common Equity	-	1,471,910	-	934,915
Subordinated Loans	-	1,471,910	-	934,915
Subordinated Debt Instruments	-	-	-	-
Debt Instruments Subject to Tier 2 Equity	-	4,471,195	-	2,836,444
Subordinated Loans	-	4,471,195	-	2,836,444
Subordinated Debt Instruments	-	-	-	-
Total	-	5,943,105	-	3,771,359

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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):****I. Information on shareholders' equity:**

1. Presentation of paid-in capital:

	31 December 2023	31 December 2022
Provision for Common Stock	3,050,000	2,655,500
Provision for Preferred Stock	-	-

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

Capital System	Paid-in Capital	Ceiling
Registered Capital	3,050,000	6,000,000

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

Increase Date	Increase Amount	Cash	Profit Reserves Subject to Increase	Capital Reserves Subject to Increase
13.12.2023	394,500	-	394,500	-

(*) In accordance with the Decision of the Board of Directors of the Bank dated 21 June 2023 and numbered 2023/22, it has been resolved to increase our Bank's capital from TL 2,655,500,000 to TL 3,050,000,000, within the registered capital ceiling of TL 6,000,000,000, entirely to be financed from internal resources. Necessary permissions have been obtained from the Banking Regulation and Supervision Agency to complete the procedures related to this increase. Consequently, the entire paid-up capital has been increased from internal resources and registered and announced in the Turkish Trade Registry Gazette dated 13 December 2023, and numbered 10978.

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

Securities Revaluation Surplus	Tangible and Intangible Fixed Assets Revaluation Surplus.	Shareholders, Subsidiaries, Business Partners	Other
-	-	-	394,500

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

None.

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

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

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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):****I. Information on shareholders' equity (Continued):****7. Information on privileges given to shares representing the capital:**

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

8. Information on marketable securities valuation reserve:

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures (From Partnerships)	-	-	-	-
Valuation Difference	(118,481)	16,475	77,596	(12,933)
Foreign Currency Difference	-	-	-	-
Total	(118,481)	16,475	77,596	(12,933)

9. Information on tangible assets revaluation reserve:

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Movables	-	-	-	-
Immovables	99,718	-	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, classified under extraordinary reserves.

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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 type and amount of irrevocable commitments:**

	31 December 2023	31 December 2022
Forward foreign Exchange commitments	735,405	794,013
Forward securities purchase-sale commitments	-	-
Guaranteed loan allocation commitment	397,903	272,366
Payment commitment for check sheets	141,403	98,941
Time deposit purchase-sell commitments	-	-
Blocked checks issued to customers	73,410	59,422
Total	1,348,121	1,224,742

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

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

i. Non-cash loans, including guarantees, bank acceptances and financial guarantees, and other letters of credit:

	31 December 2023	31 December 2022
Letter of guarantees	7,936,300	5,351,856
Letter of credits	3,794,082	2,577,801
Bank acceptance loans	102,272	48,667
Other guarantees	2,835,101	2,130,461
Total	14,667,755	10,108,785

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

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Irrevocable Letters of Guarantee	3,384,273	1,037,105	2,239,592	1,037,250
Revocable Letters of Guarantee	31,340	171,802	119,286	11,414
Letters of Guarantee Given in Advance	34,975	283,146	71,911	122,300
Guarantees Given to Customs	11,645	77,037	13,476	47,146
Other Letters of Guarantee	2,597,191	307,786	1,381,257	308,224
Total	6,059,424	1,876,876	3,825,522	1,526,334

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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:**

	31 December 2023	31 December 2022
Non-Cash Loans Given Against Cash Loans	2,889,499	1,953,742
With Original Maturity of 1 Year or Less Than 1 Year	-	-
With Original Maturity of More Than 1 Year	2,889,499	1,953,742
Other Non-Cash Loans	11,778,256	8,155,043
Total	14,667,755	10,108,785

ii. Information on the risk concentration on the basis of sector in the non-cash loans account:

	31 December 2023				31 December 2022			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agriculture	15,704	0.19	-	0.00	171,638	3.23	238,737	4.97
Farming and Stockbreeding	15,475	0.18	-	0.00	166,939	3.15	207,756	4.33
Forestry	-	0.00	-	0.00	4,470	0.08	30,981	0.65
Fishery	229	0.00	-	0.00	229	0.00	-	0.00
Manufacturing	582,962	6.91	859,691	13.79	2,282,952	43.02	2,758,346	57.45
Mining and Quarrying	57	0.00	-	0.00	64,127	1.21	6,354	0.13
Production	582,177	6.90	346,612	5.56	1,998,404	37.66	2,451,319	51.05
Electricity, Gas and Water	728	0.01	513,079	8.23	220,421	4.15	300,673	6.26
Construction	129,420	1.53	213,506	3.42	283,937	5.35	171,646	3.57
Services	7,659,364	90.84	5,159,481	82.74	2,527,995	47.63	1,629,370	33.93
Wholesale and Retail Trade	6,473,199	76.77	4,260,585	68.32	1,245,794	23.47	553,840	11.53
Accommodation and Dining	956	0.01	-	0.00	60,162	1.13	-	0.00
Transportation and Telecom	19,412	0.23	-	0.00	119,941	2.26	64,605	1.35
Financial Institutions	1,161,340	13.77	886,256	14.21	1,017,158	19.17	952,569	19.84
Real Estate and Rental Services	4,457	0.05	12,640	0.20	27,439	0.52	58,356	1.22
Professional Services	-	0.00	-	0.00	18	0.00	-	0.00
Educational Services	-	0.00	-	0.00	-	0.00	-	0.00
Health and Social Services	-	0.00	-	0.00	57,483	1.08	-	0.00
Other	44,263	0.52	3,364	0.05	40,600	0.77	3,564	0.07
Total	8,431,713	100.00	6,236,042	100.00	5,307,122	100.00	4,801,663	100.00

iii. Information on non-cash loans classified in group I and II:

Current Period (*)	Group I		Group II	
	TL	FC	TL	FC
Letters of Guarantee	6,031,977	1,770,685	21,096	74,361
Bill of Exchange and Acceptances	75,030	27,242	-	-
Letters of Credit	-	3,518,443	166,509	109,130
Endorsements	-	-	-	-
Purchase Guarantees for Securities Issued	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Collaterals and Sureties	2,130,750	704,351	-	-
Total	8,237,757	6,020,721	187,605	183,491

(*) In addition to the non-cash loans stated in the table above, the Bank has a non-cash loan amounting to TL 38,181, which is classified as total non-performing loans. As of 31 December 2023, the Bank has recorded a TL 35,670 provision regarding these loans.

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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):**

Prior Period (*)	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	-	-
Total	5,250,616	4,571,037	49,763	207,933

(*) In addition to the non-cash loans stated in the table above, the Bank has a non-cash loan amounting to TL 29,436 which is classified as total non-performing loans. As of 31 December 2022, the Bank has recorded a TL 18,530 provision regarding these loans.

b. Information on derivative financial instruments:

	31 December 2023	31 December 2022
Types of Trading Transactions		
Foreign Currency Related Derivative Transactions (I)	71,830,512	60,090,416
Currency Forward Transactions	1,777,935	2,059,944
Currency Swap Transactions	63,103,834	32,367,618
Futures Transactions	3,077,015	955,814
Options	3,871,728	24,707,040
Interest Related Derivative Transactions (II)	5,121,624	5,747,762
Forward Rate Agreements	-	-
Interest Rate Swaps	5,121,624	5,747,762
Interest Rate Options	-	-
Interest Rate Futures	-	-
Other Trading Derivative Transactions (III)	-	-
A. Total Trading Derivative Transactions (I+II+III)	76,952,136	65,838,178
Types of Hedging Transactions	41,182,186	26,527,295
Fair Value Hedges	-	-
Cash Flow Hedges	41,182,186	26,527,295
Foreign Currency Investment Hedges	-	-
B. Total Hedging Related Derivatives	41,182,186	26,527,295
Total Derivative Transactions (A+B)	118,134,322	92,365,473

c. Information on contingent assets and contingent liabilities:

As of 31 December 2023, the total amount of legal cases against the Bank is TL 10,957 (31 December 2022: TL 10,036) and the Bank sets aside a provision of TL 6,561 (31 December 2022: TL 6,175) regarding these risks.

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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):****d. Brief information on the Bank’s rating given by International Rating Institutions:****FITCH (22 September 2023)**

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

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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:

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Interest Income on Loans (*)				
Short-term Loans	2,809,494	540,718	2,749,366	185,235
Medium/Long-term Loans	1,189,866	951,588	500,962	630,547
Interest on Loans Under Follow-up	186,154	-	151,534	-
Premiums Received from Resource Utilisation Support Fund	-	-	-	-
Total	4,185,514	1,492,306	3,401,862	815,782

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

2. Information on interest income on banks:

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
From the CBRT	-	453	215	2,530
From Domestic Banks	74,108	4,817	15,864	2,621
From Foreign Banks	-	15,694	-	15,559
Headquarters and Branches Abroad	-	-	-	-
Total	74,108	20,964	16,079	20,710

3. Information on interest income on marketable securities:

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Financial Assets Measured at Fair Value through Profit or Loss	4,740	12,585	11,551	3,670
Financial Assets Measured at Fair Value through Other Comprehensive Income	549,833	42,619	242,515	12,994
Financial Assets Measured at Amortized Cost	1,744,038	193,659	376,411	107,682
Total	2,298,611	248,863	630,477	124,346

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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 associates and subsidiaries:

	31 December 2023	31 December 2022
Interest Received From Associates and Subsidiaries	29,626	1,782

b. Information on interest expense:

1. Information on the interest of the loans used:

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
Banks	1,964	856,389	1,844	267,907
The CBRT	-	-	-	-
Domestic Banks	1,964	-	1,844	67
Foreign Banks	-	856,389	-	267,840
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	-	-	1,382
Total (*)	1,964	856,389	1,844	269,289

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

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

	31 December 2023	31 December 2022
Interest Paid to Associates and Subsidiaries	76,922	18,934

3. Interest expense on issued marketable securities:

None (31 December 2022: None).

4. Display of the interest paid on the deposit according to the maturity structure:

	Demand Deposit	Time Deposit						Total	Prior Period Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	Over 1 Year	Accum. Deposit		
Current period									
Turkish Lira									
Bank Deposits	6	54,263	-	-	-	-	-	54,269	1,789
Savings Deposits	-	905,234	1,511,266	1,676,844	114,258	70,717	-	4,278,319	1,489,046
Public Deposits	-	6	-	-	-	-	-	6	14
Commercial Deposits	28	189,942	333,804	117,404	30,558	16,141	-	687,877	542,364
Other Deposits	-	658	829,125	63	-	1	-	829,847	312,092
7 Day Notice Deposits	-	-	-	-	-	-	-	-	-
Total	34	1,150,103	2,674,195	1,794,311	144,816	86,859	-	5,850,318	2,345,305
Foreign Currency									
Foreign Currency Account	-	16,296	155,582	88,431	2,511	5,982	-	268,802	398,950
Bank Deposits	-	13,010	-	-	-	-	-	13,010	7,678
7 Day Notice Deposits	-	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Total	-	29,306	155,582	88,431	2,511	5,982	-	281,812	406,628
Grand Total	34	1,179,409	2,829,777	1,882,742	147,327	92,841	-	6,132,130	2,751,933

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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. Explanations on dividend income:**

	31 December 2023	31 December 2022
Financial Assets Measured at Fair Value through Profit/Loss	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	32	24
Other	-	-
Total	32	24

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

	31 December 2023	31 December 2022
Profit	84,014,301	64,542,454
Capital Market Transactions	729,034	171,036
Derivative Financial Transactions	1,428,215	972,048
Foreign Exchange Gains	81,857,052	63,399,370
Loss (-)	82,424,713	64,208,646
Capital Market Transactions	71,201	26,297
Derivative Financial Transactions	1,726,331	1,080,141
Foreign Exchange Losses	80,627,181	63,102,208
Net Profit/Loss	1,589,588	333,808

e. Information on other operating income:

For the period ended 31 December 2023 and 31 December 2022 other operating income includes the adjustment account for previous years' expenses and other operating income.

f. Expected loss provision expenses and other provision expenses:

	31 December 2023	31 December 2022
Expected Credit Loss	(1,098,678)	(331,264)
12 Month Expected Credit Loss (Stage 1)	(190,184)	(13,899)
Significant Increase in Credit Risk (Stage 2)	(2,746)	(106,732)
Non-performing Loans (Stage 3)	(905,748)	(210,633)
Marketable Securities Provisions for Impairment	-	-
Financial Assets at Fair Value through Profit or Loss	-	-
Financial Assets at Fair Value through Other Comprehensive Income	-	-
Provisions for Impairment of Associates, Subsidiaries and Joint Ventures	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other(*)	338,581	462,701
Total	(760,097)	131,437

(*) As of 31 December 2023, the other item General Reserve Expense for Possible Risks amounting to TL 337,243 (31 December 2022: TL 55,556).

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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):****g. Information related to other operating expenses:**

	31 December 2023	31 December 2022
Reserve For Employment Termination Benefits (*)	19,210	13,677
Bank Social Aid Pension Fund Deficit Provision	-	-
Impairment Expenses of Tangible Assets	-	-
Depreciation Expenses of Tangible Assets	81,747	45,267
Impairment Expenses of Intangible Assets	-	-
Depreciation Expenses of Intangible Assets	22,291	12,054
Impairment Expenses of Equity Preferreds for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held For Resale	-	-
Depreciation Expenses of Assets Held for Resale	-	-
Impairment Expenses of Tangible Assets Held for Sale	-	-
Other Operating Expenses	800,256	323,459
Leasing Expenses Related to TFRS 16 Exceptions	11,714	3,769
Maintenance Expenses	4,757	2,302
Advertising Expenses	113,291	24,720
Other Expense(**)	670,494	292,668
Loss on Sales of Assets	52,570	11
Other	-	43,408
Total	976,074	437,876

(*) As of 31 December 2023 there is "Employee Vacation Fee Provision Expense" amounting to TL 1,384 (31 December 2022: TL 3,684).

(**) As of 31 December 2023, Other Expenses include TL 107,776 Information Technology and Hardware Maintenance Support, TL 63,866 Deposit Insurance Fund, TL 58,480 Banking Service Expenses, TL 56,453 Bank and Insurance Transactions Tax, TL 28,581 Online Informations, TL 22,746 Review, Research, Translation, and Consultancy; TL 20,140 Security Service Expenses; TL 18,787 Financial Activity Fees; TL 18,321 Litigation and Court Expenses; TL 16,905 Cleaning Expenses; TL 15,612 Donations to Public Benefit Foundations; and TL 242,827 Other Expenses.

h. Information on net income/loss before taxes from discontinued and continuing operations:

The Bank has no discontinued operations. The Bank's profit before taxes from continuing operations is TL 3,237,390 (31 December 2022: TL 1,651,186).

i. 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 31 December 2023, the Bank has current tax expense amounting to TL (15,447) and deferred tax expense amounting to TL (661,639). As of 31 December 2022 the Bank has current expense amounting to TL (756,083) and deferred tax income amounting to TL 306,621.

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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):****i. Information on provision for taxes from discontinued or continuing operations (Continued):**

2. Explanations on deferred tax income or expense arising from the formation or closure of temporary differences:

The Bank has a deferred tax income of TL 77,393 arising from the temporary differences. There is no deferred tax income arising from the financial losses carried from previous periods. There is a net deferred tax expense of TL (661,639), and TL (739,032) of which is deferred tax expense arising from the closing of temporary differences.

As of 31 December 2022, the Bank has deferred tax income amounting to TL 494,008 arising from the formation of temporary differences. There are no deferred tax income arising from the financial losses carried from previous periods. There is a net deferred tax income of TL 306,621, TL (187,387) of which is deferred tax expense arising from the closing of temporary differences.

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 31 December 2023, the Bank has TL 661,639 (31 December 2022: TL 306,621 deferred tax expense) deferred tax income arising from temporary differences.

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

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

k. 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 UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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):****1. Information on other income and expenses:**

1. In the current period, the Bank's interest income amounts to TL 11,980,433 (31 December 2022: TL 6,295,116) and TL 3,481,936 (31 December 2022: TL 1,150,271) of this amount is classified as "Other Interest Income" in the income statement.

	31 December 2023	31 December 2022
Other Interest Income		
Interest Income Related to Derivative Transactions	3,473,943	1,143,088
Other	7,993	7,183
Total	3,481,936	1,150,271

2. In the current period, the Bank's interest expense amounts to TL 10,953,879 (31 December 2022: TL 4,703,636), TL 3,654,831 (31 December 2022: TL 1,574,915) of this amount is classified as "Other Interest Expense" in the income statement.

	31 December 2023	31 December 2022
Other Interest Expense		
Interest Expense Related to Derivative Transactions	3,436,014	1,498,086
Other	218,817	76,829
Total	3,654,831	1,574,915

3. The amount of fees and commissions received in the income statement of the Bank in the current period is TL 896,377 (31 December 2022: TL 361,844) and TL 761,309 (31 December 2022: TL 313,041) of this amount is classified as "Other".

	31 December 2023	31 December 2022
Other Fee and Commissions Received		
Early Closing Commissions	118,583	21,031
Commissions on Investment Fund Services	38,291	16,867
Insurance Commissions	20,256	7,199
Commissions from Correspondent Banks	6,178	2,538
Card and POS Exchange Commissions	2,492	764
Transfer Commissions	1,155	533
Common Point Commissions	516	223
Other(*)	573,838	263,886
Total	761,309	313,041

(*) Including TL 374,889 Loan Extension Commission.

4. In the current period, Bank's fee and commission expense amounts to TL 98,770 (31 December 2022: TL 50,860) and TL 98,670 (31 December 2022: TL 50,815) of the related amount is classified under "Other" account.

	31 December 2023	31 December 2022
Other Fee and Commissions Given		
Card Transaction Commission	17,905	8,291
Commissions Granted to Correspondent Banks	7,591	4,001
Common Point Exchange Commissions	6,718	1,675
Fees and Commissions for EFT	3,479	1,722
Transfer Commissions	388	194
Other	62,589	34,932
Total	98,670	50,815

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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):**

5. Fees for Services Received from Independent Audit Firm: (Amounts are presented on an unconsolidated basis and do not include audit fees of subsidiaries.)

	31 December 2023	31 December 2022
Independent audit fee for the reporting period	3,682	1,060
Other assurance services fee	-	859
Fee for services other than independent audit	-	-
Total	3,682	1,919

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 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 CHANGES IN SHAREHOLDERS' EQUITY****a. Information on change in the shareholder structure of the Bank:**

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

b. Information on distribution of profit:

According to the decision taken at the Ordinary General Assembly Meeting of the Bank held on 30 March 2023, including the effects of TAS 27 Standard, the profit of TL 1,217,432 for the year 2022 has been classified in the extraordinary reserves account.

c. Information on capital increase:

In accordance with the Decision of the Board of Directors of the Bank dated 21 June 2023 and numbered 2023/22, it has been resolved to increase our Bank's capital from TL 2,655,500,000 to TL 3,050,000,000, within the registered capital ceiling of TL 6,000,000,000, entirely to be financed from internal resources. Necessary permissions have been obtained from the Banking Regulation and Supervision Agency to complete the procedures related to the increase. Consequently, the entire paid-up capital has been increased from internal resources and registered and announced in the Turkish Trade Registry Gazette dated 13 December 2023, with the reference number 10978. (Amounts are in full TL).

d. Information on valuation differences of marketable securities:

"Unrealized profit/loss" arising from changes in the fair value of securities classified as available-for-sale are not recognized in current year income statements; they are recognized in the "Marketable securities valuation reserve" account under equity, until the financial assets are sold, disposed or impaired.

	31 December 2023		31 December 2022	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures (From Partnerships)	-	-	-	-
Valuation Difference	(118,481)	16,475	77,596	(12,933)
Foreign Currency Difference	-	-	-	-
Total	(118,481)	16,475	77,596	(12,933)

e. Information on revaluation differences of tangible and intangible assets:

The reversal from revaluation reserve to their fair value for immovables amounting to TL 46,413 net of tax (31 December 2022: TL 19,129) is accounted under "Revaluation differences of tangible assets and intangible assets".

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023**

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

**EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
(Continued)****VI. EXPLANATIONS AND NOTES RELATED TO STATEMENT OF CASH FLOWS****a. Information on cash and cash equivalents:**

Components of cash and cash equivalents and the accounting policy applied in their determination:

Cash, foreign currency, cash in transit and purchased bank cheques together with demand deposits at banks including the CBRT are defined as "Cash"; interbank money market and time deposits in banks with original maturities of less than three months are defined as "Cash Equivalents".

i. Cash and cash equivalents at the beginning of period:

	31 December 2023	31 December 2022
Cash	3,972,249	3,093,705
Cash, Foreign Currency and Other	521,677	514,430
Demand Deposits in Banks	3,450,572	2,579,275
Cash Equivalents	1,799,400	-
Interbank Money Market	1,799,400	-
Time Deposits in Bank	-	-
Total Cash and Cash Equivalents	5,771,649	3,093,705

The total amount from the operations that occurred in the prior period is the total cash and cash equivalents amount at the beginning of the current period.

ii. Cash and cash equivalents at the end of the period:

	31 December 2023	31 December 2022
Cash	7,752,203	3,972,249
Cash, Foreign Currency and Other	869,324	521,677
Demand Deposits in Banks	6,882,879	3,450,572
Cash Equivalents	264,944	1,799,400
Interbank Money Market	-	1,799,400
Time Deposits in Bank	264,944	-
Total Cash and Cash Equivalents	8,017,147	5,771,649

BURGAN BANK A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023

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

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

VI. EXPLANATIONS AND NOTES RELATED TO STATEMENT OF CASH FLOWS (Continued)

b. Information on other items presented in the statement of cash flows and the effects of the change in foreign exchange rates on cash and cash equivalents:

"Other" items presented in "Net operating income before changes in operating assets and liabilities" amount to negative TL 1,474,280 (31 December 2022: negative TL 18,746) and mainly consists of other operating income excluding collections from non-performing loans, other operating expenses excluding personnel expenses and foreign exchange gain and loss items.

"Net increase/decrease in other payables" items presented in "Changes in operating assets and liabilities" amount to positive TL 3,259,176 (31 December 2022: positive TL 3,487,386) and consist of changes in other liabilities and miscellaneous payables.

As of 31 December 2023, the effect of change in foreign exchange rate on cash and cash equivalents is calculated as approximately positive TL 434,382 (31 December 2022: positive TL 226,446).

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023**

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

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS (Continued):**VII. 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 information is presented for balance sheet items and income/expense items as of 31 December 2022.

31 December 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
Loans and Other Receivables						
Balance at the Beginning of the Period	20,825	15,466	-	17,225	828	87
Balance at the End of the Period	-	7,169	-	21,373	1,173	87
Interest and Commission Income Received	29,626	2,149	-	4	225	1

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
Loans and Other Receivables						
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
Interest and Commission Income Received	1,782	112	-	11	165	1

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

Banks' Risk Group	Investments in Associates, Subsidiaries and Joint Ventures		Direct and Indirect Shareholders of The Bank		Other Real and Legal Persons that Have Been Included in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposit						
Beginning of the Period	334,371	271,488	332,312	106,907	40,543	23,864
End of the Period	130,679	334,371	314,501	332,312	86,820	40,543
Interest Expense on Deposits	76,922	18,934	5,741	6,640	7,365	2,171

Banks' Risk Group	Investments in Associates, Subsidiaries and Joint Ventures		Direct and Indirect Shareholders of The Bank		Other Real and Legal Persons that Have Been Included in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Repo						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Repo Interest Expense	79	-	-	-	4	2

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023**

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

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

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

Banks' Risk Group	Investments in Associates, Subsidiaries and Joint Ventures		Direct and Indirect Shareholders of The Bank		Other Real and Legal Persons that Have Been Included in the Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions at Fair Value Through Profit or Loss						
Beginning of the Period (*)	1,450,982	3,790,764	1,745,925	-	-	-
End of the period (*)	387,569	1,450,982	3,303,501	1,745,925	-	-
Total Profit/Loss	(632,487)	213,741	(24,295)	10,657	-	-
Transactions for Hedging Purposes						
Beginning of the Period	3,659,119	1,014,049	-	-	-	-
Balance at the End of the Period	5,227,289	3,659,119	-	-	-	-
Total Profit/Loss	(495,241)	(447,893)	-	-	-	-

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

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

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

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

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

	Total Risk Group	According to the amounts included in the financial statements (%)
Loans Received and Subordinated Borrowing Instruments	13,453,393	72.40
Deposit	532,000	1.31
Banks and Other Financial Institutions	40,863	3.39
Non-Cash Loans	28,629	0.20
Loans	1,173	0.00

As of 31 December 2023, the Bank has realized interest income from deposits given to banks included in the risk group amounting to TL: none (31 December 2022: TL 22). The Bank has realized interest expense amounting to TL 697,724 (31 December 2022: TL 175,465) on loans borrowed from the banks in the Bank's risk group.

BURGAN BANK A.Ş.**NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023**

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

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

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

According to the Joint Expense Sharing Agreement with the Bank and its subsidiaries; the Bank has received TL 2,032 (31 December 2022: TL 1,045) from Burgan Finansal Kiralama A.Ş., TL 1,764 (31 December 2022: TL 597) 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 0.05% (31 December 2022: 0.12%) of the Bank's total cash and non-cash loans.

As of 31 December 2023, there are no purchase-sales transactions on any assets including real estate with the risk group consisting the Bank.

As of 31 December 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.

c. Information on benefits provided to top management:

Top management of the Bank is composed of the Board of Directors, General Manager and Vice General Managers. The sum of benefits paid to top management in the current period, totals TL 119,445 (31 December 2022: TL 58,202) which constitutes of the sum of other benefits including yearly gross salaries and other payments and travel, meal aids, health and life insurances and vehicle expenses.

VIII. EXPLANATIONS AND NOTES RELATED TO THE DOMESTIC, FOREIGN, OFF-SHORE BRANCHES AND FOREIGN REPRESENTATIVES OF THE BANK

- a. Information on domestic, foreign branches and foreign representatives:

	Number	Employee Number	Country of Incorporation	Total Asset	Statutory Share Capital
Domestic branch	29	1,104			
Foreign representative	None.				
Foreign branch	None.				
Off-Shore Banking Region Branch	None.				

- b. There is no event that would affect opening or closing a domestic branch, a foreign branch or a representative office of the Parent Bank.

IX. EXPLANATIONS AND NOTES ON RELATED TO SUBSEQUENT EVENT:

With the decision numbered 10825 dated 11 January 2024, the Banking Regulation and Supervision Agency (BRSA) has determined the transition date for banks, financial leasing, factoring, financing, savings finance, and asset management companies to adopt the "TAS 29 Financial Reporting Standard in High Inflationary Economies" as 1 January 2025.

SECTION SIX

OTHER EXPLANATIONS

I. EXPLANATIONS ON RELATED TO BANK’S OPERATIONS

None.

SECTION SEVEN

EXPLANATIONS ON THE INDEPENDENT AUDIT REPORT

I. EXPLANATIONS ON THE INDEPENDENT AUDIT REPORT

The unconsolidated financial statements as of and for the period ended 31 December 2023 have been audited by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and the auditor’s audit report dated 13 February 2024 has been presented prior to the unconsolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITOR

None.