Türkiye Garanti Bankası Anonim Şirketi

Publicly Announced Unconsolidated Financial Statements, Related Disclosures and Independent Auditors' Report Thereon

as of and for the Nine-Month Period Ended

30 September 2022

(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

Güney Bağımsız Denetim ve SMMM A.Ş.
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Convenience Translation of the Auditor's Limited Review Report
Originally Issued in Turkish (See Note I in Section Three)

Independent Auditors' Report on Review of Unconsolidated Interim Financial Information

To the Board of Directors of Türkiye Garanti Bankası Anonim Şirketi;

Introduction

We have reviewed the unconsolidated statement of financial position of Türkiye Garanti Bankası A.Ş. ("the Bank") at September 30, 2022 and the related 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 and a summary of significant accounting policies and other explanatory notes to the unconsolidated financial statements for the nine month period then ended. The Bank Management is responsible for the preparation and fair presentation of interim financial statements in accordance with the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated November 1, 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency ("BRSA") and circulars and interpretations published by Banking Regulation and Supervision Authority ("BRSA") and Turkish Accounting Standard ("TAS") 34 "Interim Financial Reporting" for those matters not regulated by BRSA Legislation (together referred as "BRSA Accounting and Financial Reporting Legislation"). Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

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

Basis of Qualified Conclusion

As explained in Section Five Part II.8.4, the accompanying unconsolidated financial statements as at September 30, 2022 include a free provision at an amount of Thousand TL 8,000,000 out of which Thousand TL 500,000 and Thousand TL 7,500,000 were provided in current and prior years, respectively by the Bank management for the possible effects of the negative circumstances which may arise from the possible changes in the economy and market conditions which does not meet the recognition criteria of TAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

Qualified Conclusion

Based on our review, except for the effect of the matter referred in the basis of qualified conclusion paragraph on the unconsolidated financial statements, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial statements do not give a true view of the financial position of Türkiye Garanti Bankası A.Ş. at September 30, 2022 and of the results of its operations and its cash flows for the nine month period then ended in all aspects in accordance with the BRSA Accounting and Financial Reporting Legislation.

Other matter

The unconsolidated financial statements of the Bank as at December 31, 2021 and September 30, 2021 which were prepared in accordance with "BRSA Accounting Financial Reporting Legislation" were audited and reviewed by another audit firm respectively. Audit firm expressed a qualified opinion in their reports issued on February 2, 2022 since the unconsolidated financial statements which included in their reports include a free provision at an amount of TL 7,500,000 thousand out of which TL 4,650,000 thousand was provided in prior years and TL 2,850,000 thousand provided in 2021 by the Bank management as of December 31, 2021. Also Audit firm expressed a qualified conclusion in their reports issued on October 27, 2021 due to the free provision at an amount of TL 6,600,000 thousand of which TL 4,650,000 thousand provided in the prior years and TL 1,950,000 thousand provided in 2021 as of September 30, 2021 for the possible effects of the negative circumstances which may arise from the possible changes in the economy and market conditions.

Report on other regulatory requirements arising from legislation

Based on our review, nothing has come to our attention that causes us to believe that the financial information provided in the accompanying interim activity report in Section VII, are not consistent with the unconsolidated financial statements and disclosures in all material respects.

Additional paragraph for convenience translation to English

As explained in detail in Note I of Section Three, there are differences between accounting principles and standards set out by regulations in conformity with BRSA Accounting and Financial Reporting Legislation and the accounting principles generally accepted in countries, in which the accompanying unconsolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS"), including non application of IAS 29 Financial Reporting in Hyperinflation Economies. The effect of such differences has not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited

Damla Harman, SMMM
Partner

October 27, 2022
İstanbul, Türkiye

(Convenience Translation of Financial Statements and Related Disclosures and Footnotes Originally Issued in Turkish)

TÜRKİYE GARANTİ BANKASI ANONİM ŞİRKETİ UNCONSOLIDATED FINANCIAL REPORT AS OF AND FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2022

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The unconsolidated financial report for the nine-month period ended prepared in accordance with the Communiqué of Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

1. General Information about the Bank
2. Unconsolidated Financial Statements of the Bank
3. Disclosures Related to Accounting Policies Applied in the Related Period
4. Financial Position and Risk Management Applications of the Bank
5. Disclosures and Footnotes on Unconsolidated Financial Statements
6. Limited Review Report
7. Interim Activity Report

The unconsolidated financial statements and related disclosures and footnotes that were subject to independent audit, are prepared in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements and guidances, and in compliance with the financial records of our Bank and, unless stated otherwise, presented in **thousands of Turkish Lira (TL).**

Süleyman Sözen	**Recep Baştuğ**	**Aydın Güler**	**Hakan Özdemir**
Board of Directors Chairman	General Manager	Executive Vice President Responsible of Financial Reporting	Financial Reporting and Accounting Director

Jorge Saenz - Azcunaga Carranza	**Avni Aydın Düren**	**Belkıs Sema Yurdum**
Audit Committee Member	Audit Committee Member	Audit Committee Member

The authorized contact person for questions on this financial report:

Name-Surname/Title: Handan SAYGIN/Director of Investor Relations
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SECTION ONE

Page No:

General Information

SECTION TWO

Unconsolidated Interim Financial Statements

SECTION THREE

Accounting Policies

SECTION FOUR

Financial Position and Results of Operations and Risk Management

SECTION FIVE

Disclosures and Footnotes on Unconsolidated Financial Statements

SECTION SIX

Limited Review Report

SECTION SEVEN

Interim Activity Report

1 General Information

1.1 History of the bank including its incorporation date, initial legal status, amendments to legal status

Türkiye Garanti Bankası Anonim Şirketi ("the Bank") was established by the decree of Council of Ministers numbered 3/4010 dated 11 April 1946 as a "private bank" and its "Articles of Association" was issued in the Official Gazette dated 25 April 1946.

Following the acquisition on 27 July 2015, Banco Bilbao Vizcaya Argentaria SA (BBVA)'s stake in the Bank reached to 39.90% and BBVA become the main shareholder. Accordingly, the Bank was moved to the "Foreign Deposit Banks" category from the "Private Deposit Bank" category by the Banking Regulation and Supervision Agency ("the BRSA").

The Bank provides banking services through 841 domestic branches, 8 foreign branches and 1 representative offices abroad (31 December 2021: 863 domestic branches, 8 foreign branches and 1 representative offices). The Bank's head office is located in Istanbul.

1.2 Bank's shareholder structure, management and internal audit, direct and indirect shareholders, change in shareholder structure during the period and information on bank's risk group

As of 30 September 2022, group of companies under BBVA that currently owns 85.97% shares of the Bank, is defined as the BBVA Group ("the Group") and it is the main shareholder.

On 22 March 2011, BBVA had acquired; 78.120.000.000 shares of the Bank owned by GE Capital Corporation at a total nominal value of TL 781,200 representing 18.60% ownership, and 26.418.840.000 shares of the Bank owned by Doğuş Holding AŞ at a total nominal value of TL 264,188 representing 6.29% ownership. BBVA, purchasing 24.89% shares of the Bank, had joint control on the Bank's management together with group of companies under Doğuş Holding AŞ ("the Doğuş Group").

On 7 April 2011, BBVA had acquired 503.160.000 shares at a nominal value of TL 5,032 and increased its ownership in the Bank's share capital to 25.01%.

In accordance with the terms of the agreement between BBVA and the Doğuş Group which was previously disclosed on 19 November 2014, the sale of shares representing 14.89% of the share capital of the Bank with a face value of TL 625,380 and 62.538.000.000 shares by the Doğuş Group to BBVA, was completed on 27 July 2015. Following the acquisition, BBVA's stake in the Bank reached to 39.90% and BBVA became the main shareholder. The Bank was moved to "Foreign Deposit Banks" category from "Private Deposit Bank" category by the BRSA.

On 21 February 2017, BBVA agreed with Doğuş Group to acquire 41.790.000.000 shares at a nominal value of TL 417,900 representing 9.95% ownership and on 22 March 2017 in accordance with the terms of the agreements share transfer had been finalized. After the share transfer BBVA's interest in the share capital of the Bank is at 49.85%.

The voluntary tender offer process launched by BBVA for the entire share capital of the bank and approved by the Capital Markets Board of Turkey in accordance with the Communiqué on Takeover Bids no. II-26.1 on 31 March 2022, in their letter numbered E-29833736-110.05.05-19391 and dated 31 March 2022 ended as of 18 May 2022. During the voluntary tender offer process, BBVA acquired shares of the bank with a total nominal value of TL 1,517,196 which corresponds to 36.12%. As a result, the total share capital of the bank owned by BBVA reached 85.97%.

BBVA Group

BBVA is operating for more than 160 years, providing variety of wide spread financial and non-financial services to 85.1 million retail and commercial customers.

The Group's headquarter is in Spain, where the Group has concrete leadership in retail and commercial markets. BBVA adopting innovative, and customer and community oriented management style, besides banking, operates in insurance sector in Europe and portfolio management, private banking and investment banking in global markets.

BBVA which is the largest financial institution in Mexico and also the market leader in South America, operates in more than 25 countries with more than 112 thousand employees.

(Thousands of Turkish Lira (TL))

1.3 Information on the bank's Board of Directors chairman and members, audit committee members, chief executive officer, executive vice presidents and their responsibilities and shareholdings in the bank

Board of Directors Chairman and Members:

Name and Surname	Responsibility	Appointment Date	Education	Experience in Banking and Business Administration
Süleyman Sözen	Chairman	29.05.1997	University	41 years
Jorge Saenz Azcunaga Carranza	Vice Chairman Independent Member and Member of Audit Committee	24.03.2016	University	29 years
Recep Baştuğ	Member and CEO	06.09.2019	University	32 years
Sait Ergun Özen	Member	14.05.2003	University	35 years
Dr. Muammer Cüneyt Sezgin	Member	30.06.2004	PhD	34 years
Jaime Saenz de Tejada Pulido	Member	02.10.2014	University	30 years
Pablo Alfonso Pastor Munoz	Member	31.03.2021	Master	33 years
Rafael Salinas Martinez de Lecea	Member	08.05.2017	Master	31 years
Belkıs Sema Yurdum	Independent Member and Member of Audit Committee	30.04.2013	University	42 years
Avni Aydın Düren	Independent Member and Member of Audit Committee	17.06.2020	Master	31 years
Mevhibe Canan Özsoy	Independent Member	04.04.2019	Master	31 years

CEO and Executive Vice Presidents:

Name and Surname	Responsibility	Appointment Date	Education	Experience in Banking and Business Administration
Recep Baştuğ	CEO	06.09.2019	University	32 years
İlker Kuruöz	EVP-Engineering Services and Data	14.03.2018	Master	30 years
Mahmut Akten	EVP-Corporate, Investment Banking and Global Markets	17.01.2017	Master	23 years
Işıl Akdemir Evlioğlu	EVP- Client Solutions	01.03.2020	Master	19 years
Cemal Onaran	EVP-Commercial Banking	17.01.2017	University	31 years
Tuba Köseoğlu Okçu*	EVP- Talent and Culture	12.09.2022	University	25 years
Aydın Güler	EVP- Finance and Treasury	03.02.2016	University	32 years
Murat Atay	Head of Credit Risk Management	01.01.2021	PhD	28 years
Ceren Acer Kezik	EVP-Retail Banking	06.06.2022	Master	12 years
Murat Çağrı Süzer	EVP-Payment Systems and Partnership	06.06.2022	Master	16 years
Sibel Kaya	EVP- SME Banking	02.02.2021	University	24 years

(*)Didem Başer, who is the EVP of Talent and Culture, left our bank as of October 1, 2022.

The top management listed above does not hold any material unquoted shares of the Bank.

1.4 Information on the Bank's qualified shareholders

Name / Company	Shares	Ownership	Paid-in Capital	Unpaid Portion
Banco Bilbao Vizcaya Argentaria SA	3,610,895	85.97%	3,610,895	-

1.5 Summary information on the Bank's activities and services

Activities of the Bank as stated at the third clause of its Articles of Association are as follows:

- All banking operations,
- Participating in, establishing, and trading the shares of enterprises at various sectors within the limits set forth by the Banking Law,
- Providing attorneyship, insurance agency, brokerage and freight services in relation with banking activities,
- Purchasing/selling debt securities, treasury bills, government bonds and other share certificates issued by Turkish government and other official and private institutions on the condition that completion of the necessary approvals and permits by Capital Markets Board of Turkey,
- Developing economical and financial relations with foreign organizations,
- Dealing with all economic operations in compliance with the Banking Law.

The Bank's activities are not limited to those disclosed in that third clause, but whenever the Board of Directors deems any operations other than those stated above to be of benefit to the Bank, it is recommended in the general meeting, and the launching of the related project depends on the decision taken during the General Assembly which results in a change in the Articles of Association and on the approval of this decision by the Ministry of Industry and Commerce. Accordingly, the approved decision is added to the Articles of Association.

The Bank is not a specialized bank but deals with all kinds of banking activities. Deposits are the main sources of the lending to the customers. The Bank grants loans to companies operating in various sectors while aiming to maintain the required level of efficiency.

The Bank also grants non-cash loans to its customers; especially letters of guarantee, letters of credit and acceptance credits.

1.6 Current or likely actual or legal barriers to immediate transfer of equity or repayment of debts between the bank and its subsidiaries

None.

2 Unconsolidated Financial Statements

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi
Balance Sheet (Statement of Financial Position)
At 30 September2022

	ASSETS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD 30 September2022			PRIOR PERIOD 31 December 2021		
			TL	FC	Total	TL	FC	Total
I.	**FINANCIAL ASSETS (Net)**		**99,351,873**	**246,555,017**	**345,906,890**	**96,070,689**	**172,989,187**	**269,059,876**
1.1	**Cash and Cash Equivalents**	**5.1.1**	**31,971,058**	**225,519,256**	**257,490,314**	**44,568,492**	**155,920,012**	**200,488,504**
1.1.1	Cash and Balances with Central Bank		29,140,733	119,588,431	148,729,164	13,530,186	109,582,964	123,113,150
1.1.2	Banks		456,284	72,397,568	72,853,852	666,522	43,494,704	44,161,226
1.1.3	Money Market Placements		2,500,924	33,932,325	36,433,249	30,486,557	2,964,602	33,451,159
1.1.4	Expected Credit Losses (-)		126,883	399,068	525,951	114,773	122,258	237,031
1.2	**Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)**	**5.1.2**	**1,346,599**	**1,030,179**	**2,376,778**	**853,972**	**5,416,191**	**6,270,163**
1.2.1	Government Securities		1,289,223	480,929	1,770,152	815,868	380,110	1,195,978
1.2.2	Equity Securities		56,533	75,347	131,880	37,263	99,701	136,964
1.2.3	Other Financial Assets		843	473,903	474,746	841	4,936,380	4,937,221
1.3	**Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)**	**5.1.3**	**60,404,274**	**13,252,347**	**73,656,621**	**35,382,397**	**9,393,760**	**44,776,157**
1.3.1	Government Securities		60,308,288	12,534,099	72,842,387	35,311,746	8,963,970	44,275,716
1.3.2	Equity Securities		95,986	718,248	814,234	70,651	429,790	500,441
1.3.3	Other Financial Assets		-	-	-	-	-	-
1.4	**Derivative Financial Assets**	**5.1.4**	**5,629,942**	**6,753,235**	**12,383,177**	**15,265,828**	**2,259,224**	**17,525,052**
1.4.1	Derivative Financial Assets Measured at FVTPL		5,268,261	5,665,055	10,933,316	14,519,162	2,175,921	16,695,083
1.4.2	Derivative Financial Assets Measured at FVOCI		361,681	1,088,180	1,449,861	746,666	83,303	829,969
II.	**FINANCIAL ASSETS MEASURED AT AMORTIZED COST**		**467,544,829**	**198,816,997**	**666,361,826**	**286,850,108**	**153,233,623**	**440,083,731**
2.1	**Loans**	**5.1.5**	**431,081,126**	**171,157,571**	**602,238,697**	**273,785,070**	**151,069,530**	**424,854,600**
2.2	**Lease Receivables**	**5.1.6**	**-**	**-**	**-**	**-**	**-**	**-**
2.3	**Other Financial Assets Measured at Amortised Cost**	**5.1.7**	**53,859,351**	**44,541,137**	**98,400,488**	**22,748,762**	**19,276,562**	**42,025,324**
2.3.1	Government Securities		53,825,852	41,650,433	95,476,285	**22,714,693**	**17,247,652**	**39,962,345**
2.3.2	Other Financial Assets		33,499	2,890,704	2,924,203	34,069	2,028,910	2,062,979
2.4	**Expected Credit Losses (-)**		**17,395,648**	**16,881,711**	**34,277,359**	**9,683,724**	**17,112,469**	**26,796,193**
III.	**ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)**	**5.1.8**	**722,791**	**-**	**722,791**	**532,647**	**-**	**532,647**
3.1	Asset Held for Resale		722,791	-	722,791	532,647	-	532,647
3.2	Assets of Discontinued Operations		-	-	-	-	-	-
IV.	**INVESTMENTS IN ASSOCIATES,SUBSIDIARIES AND JOINT VENTURES**		**7,810,164**	**17,888,426**	**25,698,590**	**5,558,317**	**14,411,838**	**19,970,155**
4.1	**Associates (Net)**	**5.1.9**	**129,505**	**-**	**129,505**	**47,221**	**-**	**47,221**
4.1.1	Associates Consolidated Under Equity Accounting		-	-	-	-	-	-
4.1.2	Unconsolidated Associates		129,505	-	129,505	47,221	-	47,221
4.2	**Subsidiaries (Net)**	**5.1.10**	**7,680,659**	**17,888,426**	**25,569,085**	**5,511,096**	**14,411,838**	**19,922,934**
4.2.1	Unconsolidated Financial Investments in Subsidiaries		7,619,501	17,888,426	25,507,927	5,489,289	14,411,838	19,901,127
4.2.2	Unconsolidated Non-Financial Investments in Subsidiaries		61,158	-	61,158	21,807	-	21,807
4.3	**Joint Ventures (Net)**	**5.1.11**	**-**	**-**	**-**	**-**	**-**	**-**
4.3.1	Joint-Ventures Consolidated Under Equity Accounting		-	-	-	-	-	-
4.3.2	Unconsolidated Joint-Ventures		-	-	-	-	-	-
V.	**TANGIBLE ASSETS (Net)**	**5.1.12**	**6,807,994**	**383**	**6,808,377**	**5,194,595**	**346**	**5,194,941**
VI.	**INTANGIBLE ASSETS (Net)**	**5.1.13**	**909,498**	**-**	**909,498**	**771,668**	**-**	**771,668**
6.1	Goodwill		-	-	-	-	-	-
6.2	Others		909,498	-	909,498	771,668	-	771,668
VII.	**INVESTMENT PROPERTY (Net)**	**5.1.14**	**1,380,408**	**-**	**1,380,408**	**814,148**	**-**	**814,148**
VIII.	**CURRENT TAX ASSET**		**-**	**-**	**-**	**-**	**-**	**-**
IX.	**DEFERRED TAX ASSET**	**5.1.15**	**5,925,513**	**-**	**5,925,513**	**4,226,924**	**-**	**4,226,924**
X.	**OTHER ASSETS (Net)**	**5.1.16**	**32,413,120**	**6,752,636**	**39,165,756**	**12,017,769**	**6,208,293**	**18,226,062**
	TOTAL ASSETS		**622,866,190**	**470,013,459**	**1,092,879,649**	**412,036,865**	**346,843,287**	**758,880,152**

The accompanying notes are an integral part of these unconsolidated financial statements.

Türkiye Garanti Bankası Anonim Şirketi
Balance Sheet (Statement of Financial Position)
At 30 September2022

	LIABILITIES AND SHAREHOLDERS' EQUITY	Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD 30 September2022			PRIOR PERIOD 31 December 2021		
			TL	FC	Total	TL	FC	Total
I.	**DEPOSITS**	**5.2.1**	**334,306,690**	**420,213,814**	**754,520,504**	**180,483,956**	**332,755,601**	**513,239,557**
II.	**FUNDS BORROWED**	**5.2.2**	**948,226**	**43,162,880**	**44,111,106**	**1,119,813**	**35,693,426**	**36,813,239**
III.	**MONEY MARKET FUNDS**	**5.2.3**	**5,311,053**	**1,569,687**	**6,880,740**	**7,402,927**	**2,226,671**	**9,629,598**
IV.	**SECURITIES ISSUED (NET)**	**5.2.4**	**151,673**	**12,551,216**	**12,702,889**	**5,346,082**	**16,496,903**	**21,842,985**
4.1	Bills		-	168,876	168,876	4,089,879	-	4,089,879
4.2	Asset Backed Securities		-	-	-	-	-	-
4.3	Bonds		151,673	12,382,340	12,534,013	1,256,203	16,496,903	17,753,106
V.	**FUNDS**		-	-	-	-	-	-
5.1	Borrowers' Funds		-	-	-	-	-	-
5.2	Others		-	-	-	-	-	-
VI.	**FINANCIAL LIABILITIES MEASURED AT FVTPL**	**5.2.5**	**-**	**28,539,432**	**28,539,432**	**-**	**24,035,836**	**24,035,836**
VII.	**DERIVATIVE FINANCIAL LIABILITIES**	**5.2.6**	**5,487,529**	**10,739,965**	**16,227,494**	**6,938,591**	**6,024,155**	**12,962,746**
7.1	Derivative Financial Liabilities Measured at FVTPL		5,467,825	10,739,965	16,207,790	6,897,380	5,784,248	12,681,628
7.2	Derivative Financial Liabilities Measured at FVOCI		19,704	-	19,704	41,211	239,907	281,118
VIII.	**FACTORING PAYABLES**		-	-	-	-	-	-
IX.	**LEASE PAYABLES (Net)**	**5.2.7**	**913,356**	**136,285**	**1,049,641**	**778,439**	**77,661**	**856,100**
X.	**PROVISIONS**	**5.2.8**	**4,861,252**	**11,136,025**	**15,997,277**	**4,082,854**	**8,957,984**	**13,040,838**
10.1	Restructuring Reserves		-	-	-	-	-	-
10.2	Reserve for Employee Benefits		2,144,751	98,373	2,243,124	1,727,204	98,603	1,825,807
10.3	Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4	Other Provisions		2,716,501	11,037,652	13,754,153	2,355,650	8,859,381	11,215,031
XI.	**CURRENT TAX LIABILITY**	**5.2.9**	**6,760,665**	**58,305**	**6,818,970**	**2,587,170**	**69,205**	**2,656,375**
XII.	**DEFERRED TAX LIABILITY**		-	-	-	-	-	-
XIII.	**LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)**	**5.2.10**	-	-	-	-	-	-
13.1	Asset Held for Sale		-	-	-	-	-	-
13.2	Assets of Discontinued Operations		-	-	-	-	-	-
XIV.	**SUBORDINATED DEBTS**	**5.2.11**	**1,026,475**	**14,183,679**	**15,210,154**	**1,030,662**	**9,880,843**	**10,911,505**
14.1	Borrowings		-	-	-	-	-	-
14.2	Other Debt Instruments		1,026,475	14,183,679	15,210,154	1,030,662	9,880,843	10,911,505
XV.	**OTHER LIABILITIES**	**5.2.12**	**47,980,726**	**11,542,428**	**59,523,154**	**28,966,245**	**3,943,869**	**32,910,114**
XVI.	**SHAREHOLDERS' EQUITY**	**5.2.13**	**132,034,750**	**(736,462)**	**131,298,288**	**80,286,603**	**(305,344)**	**79,981,259**
16.1	Paid-in Capital		4,200,000	-	4,200,000	4,200,000	-	4,200,000
16.2	Capital Reserves		784,434	-	784,434	784,434	-	784,434
16.2.1	Share Premium		11,880	-	11,880	11,880	-	11,880
16.2.2	Share Cancellation Profits		-	-	-	-	-	-
16.2.3	Other Capital Reserves		772,554	-	772,554	772,554	-	772,554
16.3	Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss		2,792,972	100,492	2,893,464	1,531,823	191,105	1,722,928
16.4	Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss		21,727,888	(1,165,842)	20,562,046	8,575,312	(770,484)	7,804,828
16.5	Profit Reserves		62,828,078	328,888	63,156,966	51,045,044	274,035	51,319,079
16.5.1	Legal Reserves		1,616,487	-	1,616,487	1,506,754	-	1,506,754
16.5.2	Status Reserves		-	-	-	-	-	-
16.5.3	Extraordinary Reserves		61,107,326	-	61,107,326	49,269,359	-	49,269,359
16.5.4	Other Profit Reserves		104,265	328,888	433,153	268,931	274,035	542,966
16.6	Profit/Loss		39,701,378	-	39,701,378	14,149,990	-	14,149,990
16.6.1	Prior Periods' Profit/Loss		1,094,478	-	1,094,478	548,851	-	548,851
16.6.2	Current Period's Net Profit/Loss		38,606,900	-	38,606,900	13,601,139	-	13,601,139
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**539,782,395**	**553,097,254**	**1,092,879,649**	**319,023,342**	**439,856,810**	**758,880,152**

The accompanying notes are an integral part of these unconsolidated financial statements.

Türkiye Garanti Bankası Anonim Şirketi
Off-Balance Sheet Items
At 30 September2022

		Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD 30 September2022			PRIOR PERIOD 31 December 2021		
			TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)			**546,004,046**	**762,356,533**	**1,308,360,579**	**346,807,634**	**596,467,542**	**943,275,176**
I.	GUARANTEES AND SURETIES	**5.3.1**	**87,508,758**	**106,230,824**	**193,739,582**	**44,306,497**	**84,699,341**	**129,005,838**
1.1.	Letters of guarantee		84,746,256	75,780,796	160,527,052	44,007,746	57,782,766	101,790,512
1.1.1.	Guarantees subject to State Tender Law		-	3,143,310	3,143,310	-	2,359,247	2,359,247
1.1.2.	Guarantees given for foreign trade operations		4,362,774	1,407,362	5,770,136	3,089,307	1,106,832	4,196,139
1.1.3.	Other letters of guarantee		80,383,482	71,230,124	151,613,606	40,918,439	54,316,687	95,235,126
1.2.	Bank acceptances		461,658	3,192,203	3,653,861	65,766	2,685,971	2,751,737
1.2.1.	Import letter of acceptance		461,658	3,192,203	3,653,861	65,766	2,685,971	2,751,737
1.2.2.	Other bank acceptances		-	-	-	-	-	-
1.3.	Letters of credit		312,644	26,693,009	27,005,653	160,485	23,014,869	23,175,354
1.3.1.	Documentary letters of credit		-	-	-	-	-	-
1.3.2.	Other letters of credit		312,644	26,693,009	27,005,653	160,485	23,014,869	23,175,354
1.4.	Guaranteed prefinancings		-	-	-	-	-	-
1.5.	Endorsements		1,988,200	401,928	2,390,128	72,500	1,056,461	1,128,961
1.5.1.	Endorsements to the Central Bank of Turkey		1,988,200	401,928	2,390,128	72,500	1,056,461	1,128,961
1.5.2.	Other endorsements		-	-	-	-	-	-
1.6.	Underwriting commitments		-	-	-	-	-	-
1.7.	Factoring related guarantees		-	-	-	-	-	-
1.8.	Other guarantees		-	162,888	162,888	-	159,274	159,274
1.9.	Other sureties		-	-	-	-	-	-
II.	COMMITMENTS	**5.3.1**	**178,869,330**	**68,865,910**	**247,735,240**	**101,591,900**	**30,130,756**	**131,722,656**
2.1.	Irrevocable commitments		178,335,130	67,047,918	245,383,048	101,034,570	17,195,616	118,230,186
2.1.1.	Asset purchase and sale commitments		1,769,155	63,752,813	65,521,968	5,160,834	14,114,864	19,275,698
2.1.2.	Deposit purchase and sale commitments		-	-	-	-	-	-
2.1.3.	Share capital commitments to associates and affiliates		-	5,549	5,549	-	4,560	4,560
2.1.4.	Loan granting commitments		59,265,735	2,912,171	62,177,906	30,189,679	3,076,192	33,265,871
2.1.5.	Securities issuance brokerage commitments		-	-	-	-	-	-
2.1.6.	Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7.	Commitments for cheque payments		5,240,183	-	5,240,183	3,956,330	-	3,956,330
2.1.8.	Tax and fund obligations on export commitments		244,861	-	244,861	116,784	-	116,784
2.1.9.	Commitments for credit card limits		111,811,432	-	111,811,432	61,609,747	-	61,609,747
2.1.10.	Commitments for credit cards and banking services related promotions		3,764	-	3,764	1,196	-	1,196
2.1.11.	Receivables from "short" sale commitments on securities		-	-	-	-	-	-
2.1.12.	Payables from "short" sale commitments on securities		-	-	-	-	-	-
2.1.13.	Other irrevocable commitments		-	377,385	377,385	-	-	-
2.2.	Revocable commitments		534,200	1,817,992	2,352,192	557,330	12,935,140	13,492,470
2.2.1.	Revocable loan granting commitments		534,200	1,812,880	2,347,080	557,330	12,931,455	13,488,785
2.2.2.	Other revocable commitments		-	5,112	5,112	-	3,685	3,685
III.	DERIVATIVE FINANCIAL INSTRUMENTS	**5.3.2**	**279,625,958**	**587,259,799**	**866,885,757**	**200,909,237**	**481,637,445**	**682,546,682**
3.1.	Derivative financial instruments held for risk management		4,458,101	52,424,769	56,882,870	9,997,807	57,572,415	67,570,222
3.1.1.	Fair value hedges		-	14,294,875	14,294,875	400,000	10,367,175	10,767,175
3.1.2.	Cash flow hedges		4,458,101	38,129,894	42,587,995	9,597,807	47,205,240	56,803,047
3.1.3.	Net foreign investment hedges		-	-	-	-	-	-
3.2.	Trading derivatives		275,167,857	534,835,030	810,002,887	190,911,430	424,065,030	614,976,460
3.2.1.	Forward foreign currency purchases/sales		21,616,431	26,146,161	47,762,592	13,308,349	17,780,565	31,088,914
3.2.1.1.	Forward foreign currency purchases		18,985,679	5,267,532	24,253,211	9,728,979	5,458,737	15,187,716
3.2.1.2.	Forward foreign currency sales		2,630,752	20,878,629	23,509,381	3,579,370	12,321,828	15,901,198
3.2.2.	Currency and interest rate swaps		235,427,631	394,324,138	629,751,769	164,194,177	311,301,976	475,496,153
3.2.2.1.	Currency swaps-purchases		1,983,677	157,771,871	159,755,548	3,466,859	132,141,114	135,607,973
3.2.2.2.	Currency swaps-sales		115,173,718	59,974,092	175,147,810	106,132,322	32,852,678	138,985,000
3.2.2.3.	Interest rate swaps-purchases		59,135,118	88,289,087	147,424,205	27,297,498	73,154,092	100,451,590
3.2.2.4.	Interest rate swaps-sales		59,135,118	88,289,088	147,424,206	27,297,498	73,154,092	100,451,590
3.2.3.	Currency, interest rate and security options		17,052,481	25,243,370	42,295,851	12,284,808	22,228,111	34,512,919
3.2.3.1.	Currency call options		10,632,127	6,785,521	17,417,648	4,417,926	6,898,987	11,316,913
3.2.3.2.	Currency put options		6,420,354	12,143,758	18,564,112	7,866,882	6,448,093	14,314,975
3.2.3.3.	Interest rate call options		-	3,515,996	3,515,996	-	4,982,841	4,982,841
3.2.3.4.	Interest rate put options		-	2,798,095	2,798,095	-	3,691,321	3,691,321
3.2.3.5.	Security call options		-	-	-	-	-	-
3.2.3.6.	Security put options		-	-	-	-	206,869	206,869
3.2.4.	Currency futures		1,071,314	977,585	2,048,899	1,124,096	1,112,905	2,237,001
3.2.4.1.	Currency futures-purchases		807,160	253,619	1,060,779	809,350	301,139	1,110,489
3.2.4.2.	Currency futures-sales		264,154	723,966	988,120	314,746	811,766	1,126,512
3.2.5.	Interest rate futures		-	110,670	110,670	-	157,116	157,116
3.2.5.1.	Interest rate futures-purchases		-	110,670	110,670	-	-	-
3.2.5.2.	Interest rate futures-sales		-	-	-	-	157,116	157,116
3.2.6.	Others		-	88,033,106	88,033,106	-	71,484,357	71,484,357
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)			**1,416,297,407**	**2,666,959,787**	**4,083,257,194**	**1,052,291,389**	**1,972,779,369**	**3,025,070,758**
IV.	ITEMS HELD IN CUSTODY		**106,917,103**	**150,935,022**	**257,852,125**	**75,539,932**	**105,251,963**	**180,791,895**
4.1.	Customers' securities held		39,634,792	-	39,634,792	26,180,085	-	26,180,085
4.2.	Investment securities held in custody		21,175,649	66,257,422	87,433,071	18,343,337	37,995,927	56,339,264
4.3.	Checks received for collection		40,613,143	13,643,187	54,256,330	27,221,508	13,470,090	40,691,598
4.4.	Commercial notes received for collection		4,644,442	2,245,192	6,889,634	3,427,104	1,772,129	5,199,233
4.5.	Other assets received for collection		460,333	63,212,442	63,672,775	275,296	47,251,662	47,526,958
4.6.	Assets received through public offering		-	445,867	445,867	-	319,790	319,790
4.7.	Other items under custody		388,744	5,130,912	5,519,656	92,602	4,442,365	4,534,967
4.8.	Custodians		-	-	-	-	-	-
V.	PLEDGED ITEMS		**1,309,380,304**	**2,516,024,765**	**3,825,405,069**	**976,751,457**	**1,867,527,406**	**2,844,278,863**
5.1.	Securities		15,127,500	11,100,054	26,227,554	7,750,984	5,992,958	13,743,942
5.2.	Guarantee notes		22,804,584	32,908,813	55,713,397	22,906,994	23,858,796	46,765,790
5.3.	Commodities		292,499	-	292,499	441,462	-	441,462
5.4.	Warranties		-	-	-	-	-	-
5.5.	Real estates		297,217,662	397,070,625	694,288,287	220,239,773	300,612,642	520,852,415
5.6.	Other pledged items		973,938,059	2,074,945,011	3,048,883,070	725,412,244	1,537,062,795	2,262,475,039
5.7.	Pledged items-depository		-	262	262	-	215	215
VI.	CONFIRMED BILLS OF EXCHANGE AND SURETIES		-	-	-	-	-	-
	TOTAL OFF-BALANCE SHEET ITEMS (A+B)		**1,962,301,453**	**3,429,316,320**	**5,391,617,773**	**1,399,099,023**	**2,569,246,911**	**3,968,345,934**

The accompanying notes are an integral part of these unconsolidated financial statements.

Türkiye Garanti Bankası Anonim Şirketi
Statement of Profit or Loss
For the period ended at 30 September2022

	INCOME AND EXPENSE ITEMS	Footnotes	THOUSANDS OF TURKISH LIRA (TL) CURRENT PERIOD 1 January 2022 - 30 September2022	PRIOR PERIOD 1 January 2021 - 30 September2021	CURRENT PERIOD 1 July 2022 - 30 September2022	PRIOR PERIOD 1 July 2021 - 30 September2021
I.	**INTEREST INCOME**	**5.4.1**	**83,130,834**	**39,180,886**	**37,434,809**	**15,036,847**
1.1	Interest income on loans		56,469,624	30,243,361	23,270,758	11,197,415
1.2	Interest income on reserve deposits		281,760	620,236	-	276,799
1.3	Interest income on banks		194,455	36,021	120,565	9,158
1.4	Interest income on money market transactions		2,210,412	1,355,011	522,847	756,130
1.5	Interest income on securities portfolio		23,560,444	6,592,475	13,360,407	2,682,928
1.5.1	Financial assets measured at FVTPL		110,736	89,133	55,146	34,566
1.5.2	Financial assets measured at FVOCI		11,303,983	3,421,125	5,949,752	1,447,589
1.5.3	Financial assets measured at amortised cost		12,145,725	3,082,217	7,355,509	1,200,773
1.6	Financial lease income		-	-	-	-
1.7	Other interest income		414,139	333,782	160,232	114,417
II.	**INTEREST EXPENSE**	**5.4.2**	**28,610,058**	**17,027,939**	**11,763,560**	**6,263,968**
2.1	Interest on deposits		22,680,889	14,328,650	9,062,740	5,416,493
2.2	Interest on funds borrowed		1,981,350	936,539	874,091	287,798
2.3	Interest on money market transactions		406,056	125,463	243,788	7,960
2.4	Interest on securities issued		1,881,156	1,502,405	643,740	511,918
2.5	Lease interest expense		119,655	89,310	42,204	34,071
2.6	Other interest expenses		1,540,952	45,572	896,997	5,728
III.	**NET INTEREST INCOME (I - II)**		**54,520,776**	**22,152,947**	**25,671,249**	**8,772,879**
IV.	**NET FEES AND COMMISSIONS INCOME/EXPENSES**	5.4.12	**11,060,358**	**6,060,435**	**4,535,537**	**2,186,017**
4.1	Fees and commissions received		15,759,237	8,068,167	6,569,286	3,059,086
4.1.1	Non-cash loans		1,117,571	662,001	427,897	237,424
4.1.2	Others		14,641,666	7,406,166	6,141,389	2,821,662
4.2	Fees and commissions paid		4,698,879	2,007,732	2,033,749	873,069
4.2.1	Non-cash loans		3,409	1,780	2,347	660
4.2.2	Others		4,695,470	2,005,952	2,031,402	872,409
V.	**DIVIDEND INCOME**	**5.4.3**	**32,952**	**16,664**	**2,069**	**766**
VI.	**NET TRADING INCOME/LOSSES (Net)**	**5.4.4**	**6,787,900**	**(3,605,160)**	**1,648,653**	**(2,337,004)**
6.1	Trading account income/losses		2,971,450	1,084,444	(951,997)	409,367
6.2	Income/losses from derivative financial instruments		(21,617,403)	(4,756,223)	(2,495,721)	(3,671,236)
6.3	Foreign exchange gains/losses		25,433,853	66,619	5,096,371	924,865
VII.	**OTHER OPERATING INCOME**	**5.4.5**	**9,475,293**	**6,774,013**	**2,246,189**	**1,989,301**
VIII.	**TOTAL OPERATING PROFIT (III+IV+V+VI+VII)**		**81,877,279**	**31,398,899**	**34,103,697**	**10,611,959**
IX.	**EXPECTED CREDIT LOSSES (-)**	**5.4.6**	**18,164,826**	**9,408,418**	**5,743,999**	**1,758,582**
X.	**OTHER PROVISIONS (-)**	5.4.6	**2,666,500**	**3,273,124**	**572,437**	**1,196,972**
XI.	**PERSONNEL EXPENSES (-)**		**5,929,705**	**3,325,114**	**2,448,970**	**1,180,522**
XII.	**OTHER OPERATING EXPENSES (-)**	**5.4.7**	**9,304,518**	**5,196,333**	**3,738,182**	**1,754,867**
XIII.	**NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)**		**45,811,730**	**10,195,910**	**21,600,109**	**4,721,016**
XIV.	**INCOME RESULTED FROM MERGERS**		-	-	-	-
XV.	**INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING**		**3,831,961**	**1,937,811**	**1,437,131**	**608,170**
XVI.	**GAIN/LOSS ON NET MONETARY POSITION**		-	-	-	-
XVII.	**OPERATING PROFIT/LOSS BEFORE TAXES (XIII+...+XVI)**	**5.4.8**	**49,643,691**	**12,133,721**	**23,037,240**	**5,329,186**
XVIII.	**PROVISION FOR TAXES OF CONTINUED OPERATIONS (±)**	**5.4.9**	**11,036,791**	**2,592,234**	**5,526,282**	**1,524,393**
18.1	Current tax charge		12,421,770	2,665,164	5,466,626	1,497,370
18.2	Deferred tax charge (+)		4,726,032	893,628	634,725	-38,976
18.3	Deferred tax credit (-)		(6,111,011)	(966,558)	(575,069)	65,999
XIX.	**NET OPERATING PROFIT/LOSS AFTER TAXES (XVII±XVIII)**	**5.4.10**	**38,606,900**	**9,541,487**	**17,510,958**	**3,804,793**
XX.	**INCOME FROM DISCONTINUED OPERATIONS**		-	-	-	-
20.1	Income from assets held for sale		-	-	-	-
20.2	Income from sale of associates, subsidiaries and joint-ventures		-	-	-	-
20.3	Others		-	-	-	-
XXI.	**EXPENSES FROM DISCONTINUED OPERATIONS (-)**		-	-	-	-
21.1	Expenses on assets held for sale		-	-	-	-
21.2	Expenses on sale of associates, subsidiaries and joint-ventures		-	-	-	-
21.3	Others		-	-	-	-
XXII.	**PROFIT/LOSS BEFORE TAXES ON DISCONTINUED OPERATIONS (XX-XXI)**	**5.4.8**	-	-	-	-
XXIII.	**PROVISION FOR TAXES OF DISCONTINUED OPERATIONS (±)**	**5.4.9**	-	-	-	-
23.1	Current tax charge		-	-	-	-
23.2	Deferred tax charge (+)		-	-	-	-
23.3	Deferred tax credit (-)		-	-	-	-
XXIV.	**NET PROFIT/LOSS AFTER TAXES ON DISCONTINUED OPERATIONS (XXII±XXIII)**	**5.4.10**	-	-	-	-
XXV.	**NET PROFIT/LOSS (XIX+XXIV)**	**5.4.11**	**38,606,900**	**9,541,487**	**17,510,958**	**3,804,793**
	Earnings per Share		0.09192	0.02272	0.04169	0.00906

The accompanying notes are an integral part of these unconsolidated financial statements.

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi
Statement of Profit or Loss and Other Comprehensive Income
For the period ended at 30 September2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD 1 January 2022 - 30 September2022	**PRIOR PERIOD 1 January 2021 - 30 September2021**
I.	CURRENT PERIOD PROFIT/LOSS	**38,606,900**	**9,541,487**
II.	OTHER COMPREHENSIVE INCOME	**13,958,831**	**386,781**
2.1	**Other Income/Expense Items not to be Recycled to Profit or Loss**	**1,201,613**	**84,690**
2.1.1	Revaluation Surplus on Tangible Assets	1,348,100	(5,100)
2.1.2	Revaluation Surplus on Intangible Assets	-	-
2.1.3	Defined Benefit Plans' Actuarial Gains/Losses	-	-
2.1.4	Other Income/Expense Items not to be Recycled to Profit or Loss	90,127	90,649
2.1.5	Deferred Taxes on Other Comprehensive Income not to be Recycled to Profit or Loss	(236,614)	(859)
2.2	**Other Income/Expense Items to be Recycled to Profit or Loss**	**12,757,218**	**302,091**
2.2.1	Translation Differences	3,145,451	1,043,279
2.2.2	Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI	13,710,815	(821,717)
2.2.3	Gains/losses from Cash Flow Hedges	1,309,334	352,647
2.2.4	Gains/Losses on Hedges of Net Investments in Foreign Operations	(1,563,029)	(508,405)
2.2.5	Other Income/Expense Items to be Recycled to Profit or Loss	(684,504)	41,734
2.2.6	Deferred Taxes on Other Comprehensive Income to be Recycled to Profit or Loss	(3,160,849)	194,553
III.	TOTAL COMPREHENSIVE INCOME (I+II)	**52,565,731**	**9,928,268**

The accompanying notes are an integral part of these unconsolidated financial statements.

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi
Statement of Changes in Shareholders' Equity
For the period ended at 30 September2022

	STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Footnotes	THOUSANDS OF TURKISH LIRA (TL)													
							Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss			Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss						
			Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves	Revaluation surplus on tangible and intangible assets	Defined Benefit Plans' Actuarial Gains/Losses	Others	Foreign Currency Translation Differences	Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI	Others	Profit Reserves	Prior Periods' Profit/Loss	Current Period's Net Profit/Loss	Total Shareholders' Equity
	PRIOR PERIOD															
	(01/01/2021-30/09/2021)															
I.	**Balances at Beginning of Period**		**4,200,000**	**11,880**	**-**	**772,554**	**1,737,731**	**(297,937)**	**161,751**	**5,385,882**	**58,744**	**(1,784,809)**	**45,401,476**	**6,434,451**	**-**	**62,081,723**
II.	**Correction made as per TAS 8**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(132)**	**-**	**(100,924)**	**-**	**535,568**	**-**	**434,512**
2.1.	Effect of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2.	Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	(132)	-	(100,924)	-	535,568	-	434,512
III.	**Adjusted Balances at Beginning of Period (I+II)**	5.5	**4,200,000**	**11,880**	**-**	**772,554**	**1,737,731**	**(297,937)**	**161,751**	**5,385,750**	**58,744**	**(1,885,733)**	**45,401,476**	**6,970,019**	**-**	**62,516,235**
IV.	**Total Comprehensive Income**		**-**	**-**	**-**	**-**	**(17,666)**	**-**	**89,073**	**1,043,279**	**(657,645)**	**(83,543)**	**196,448**	**(183,165)**	**9,541,487**	**9,928,268**
V.	**Capital Increase in Cash**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
VI.	**Capital Increase from Internal Sources**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
VII.	**Capital Reserves from Inflation Adjustments to Paid-in Capital**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
VIII.	**Convertible Bonds**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
IX.	**Subordinated Liabilities**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
X.	**Others Changes**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**22,091**	**-**	**-**	**22,091**
XI.	**Profit Distribution**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5,614,203**	**(6,238,003)**	**-**	**(623,800)**
11.1	Dividends		-	-	-	-	-	-	-	-	-	-	-	(623,800)	-	(623,800)
11.2	Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	5,578,998	(5,578,998)	-	-
11.3	Others		-	-	-	-	-	-	-	-	-	-	35,205	(35,205)	-	-
	Balances at end of the period (III+IV+…+X+XI)		**4,200,000**	**11,880**	**-**	**772,554**	**1,720,065**	**(297,937)**	**250,824**	**6,429,029**	**(598,901)**	**(1,969,276)**	**51,234,218**	**548,851**	**9,541,487**	**71,842,794**
	CURRENT PERIOD															
	(01/01/2022-30/09/2022)															
I.	**Balances at Beginning of Period**		**4,200,000**	**11,880**	**-**	**772,554**	**1,719,852**	**(413,401)**	**416,477**	**10,797,306**	**490,675**	**(3,483,153)**	**51,319,079**	**14,149,990**	**-**	**79,981,259**
II.	**Correction made as per TAS 8**		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1.	Effect of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2.	Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	**Adjusted Balances at Beginning of Period (I+II)**	5.5	**4,200,000**	**11,880**	**-**	**772,554**	**1,719,852**	**(413,401)**	**416,477**	**10,797,306**	**490,675**	**(3,483,153)**	**51,319,079**	**14,149,990**	**-**	**79,981,259**
IV.	**Total Comprehensive Income**		**-**	**-**	**-**	**-**	**1,049,546**	**25,838**	**95,152**	**3,145,451**	**10,252,709**	**(640,942)**	**13,283**	**17,794**	**38,606,900**	**52,565,731**
V.	**Capital Increase in Cash**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
VI.	**Capital Increase from Internal Sources**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
VII.	**Capital Reserves from Inflation Adjustments to Paid-in Capital**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
VIII.	**Convertible Bonds**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
IX.	**Subordinated Liabilities**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
X.	**Others Changes**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**58,629**	**-**	**-**	**58,629**
XI.	**Profit Distribution**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**11,765,975**	**(13,073,306)**	**-**	**(1,307,331)**
11.1	Dividends		-	-	-	-	-	-	-	-	-	-	-	(1,307,331)	-	(1,307,331)
11.2	Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	11,708,768	(11,708,768)	-	-
11.3	Others		-	-	-	-	-	-	-	-	-	-	57,207	(57,207)	-	-
	Balances at end of the period (III+IV+…+X+XI)		**4,200,000**	**11,880**	**-**	**772,554**	**2,769,398**	**(387,563)**	**511,629**	**13,942,757**	**10,743,384**	**(4,124,095)**	**63,156,966**	**1,094,478**	**38,606,900**	**131,298,288**

Türkiye Garanti Bankası Anonim Şirketi

Statement of Cash Flows

For the period ended at 30 September2022

STATEMENT OF CASH FLOWS	Footnotes	THOUSANDS OF TURKISH LIRA (TL) CURRENT PERIOD 1 January 2022 30 September2022	PRIOR PERIOD 1 January 2021 30 September2021
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities	**5.6**	**33,365,812**	**12,599,942**
1.1.1 Interests received		65,199,149	35,298,050
1.1.2 Interests paid		(24,205,033)	(15,299,539)
1.1.3 Dividend received		32,952	16,664
1.1.4 Fees and commissions received		15,759,237	8,068,167
1.1.5 Other income		9,475,293	6,774,013
1.1.6 Collections from previously written-off receivables		700,049	663,804
1.1.7 Cash payments to personnel and service suppliers		(13,813,108)	(7,472,911)
1.1.8 Taxes paid		(11,970,248)	(2,866,509)
1.1.9 Others		(7,812,479)	(12,581,797)
1.2 Changes in operating assets and liabilities	**5.6**	**23,450,585**	**(2,821,987)**
1.2.1 Net (increase) decrease in financial assets measured at FVTPL		3,795,980	1,953,010
1.2.2 Net (increase) decrease in due from banks		(43,319,245)	(5,727,260)
1.2.3 Net (increase) decrease in loans		(182,777,036)	(62,376,987)
1.2.4 Net (increase) decrease in other assets		(23,650,695)	(3,746,199)
1.2.5 Net increase (decrease) in bank deposits		2,107,659	3,316,078
1.2.6 Net increase (decrease) in other deposits		234,903,000	59,011,935
1.2.7 Net (increase) decrease in financial liabilities measured at FVTPL		-	-
1.2.8 Net increase (decrease) in funds borrowed		5,448,381	(1,895,365)
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities		26,942,541	6,642,801
I. Net cash flow from banking operations	**5.6**	**56,816,397**	**9,777,955**
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash flow from investing activities	**5.6**	**(45,072,444)**	**(3,652,509)**
2.1 Cash paid for purchase of associates, subsidiaries and joint-ventures		(185,817)	(547,840)
2.2 Cash obtained from sale of associates, subsidiaries and joint-ventures		-	-
2.3 Purchases of tangible assets		(1,530,454)	(299,337)
2.4 Sales of tangible assets		545,297	376,501
2.5 Cash paid for purchase of financial assets measured at FVOCI		(20,505,231)	(19,688,438)
2.6 Cash obtained from sale of financial assets measured at FVOCI		12,430,426	13,585,734
2.7 Cash paid for purchase of financial assets measured at amortised cost		(38,356,105)	(445,315)
2.8 Cash obtained from sale of financial assets measured at amortised cost		2,529,440	3,366,186
2.9 Others		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flow from financing activities	**5.6**	**(5,274,349)**	**2,801,053**
3.1 Cash obtained from funds borrowed and securities issued		16,438,814	17,490,357
3.2 Cash used for repayment of funds borrowed and securities issued		(20,104,869)	(13,883,060)
3.3 Equity instruments issued		-	-
3.4 Dividends paid		(1,307,331)	(623,800)
3.5 Payments for financial leases		(300,963)	(182,444)
3.6 Others		-	-
IV. Effect of translation differences on cash and cash equivalents	**5.6**	**7,475,838**	**2,588,461**
V. Net increase/(decrease) in cash and cash equivalents (I+II+III+IV)	**5.6**	**13,945,442**	**11,514,960**
VI. Cash and cash equivalents at beginning of period	**5.6**	**117,996,371**	**49,479,756**
VII. Cash and cash equivalents at end of period (V+VI)	**5.6**	**131,941,813**	**60,994,716**

The accompanying notes are an integral part of these unconsolidated financial statements.

3 Accounting Policies

3.1 Basis of presentation

The Bank prepares its financial statements in accordance with the Banking Regulation and Supervision Authority ("BRSA") Accounting and Reporting Regulation which includes the regulation on "The Procedures and Principles Regarding Banks' Accounting Practices and Maintaining Documents" published in the Official Gazette dated 1 November 2006 with No. 26333, and other regulations on accounting records of banks published by the Banking Regulation and Supervision Board and circulars and pronouncements published by the BRSA and Turkish Financial Reporting Standards ("TFRS") published by the Public Oversight Accounting and Auditing Standards Authority ("POA") for the matters not regulated by the aforementioned legislations.

The accompanying unconsolidated financial statements are prepared in accordance with the historical cost basis except for financial assets and liabilities measured at fair value through profit/loss, financial assets measured at fair value through other comprehensive income, real estates and subsidiaries accounted based on equity method.

Prepared in accordance with the "Communiqué amending the Communiqué on the Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks" published in the Official Gazette dated 1 February 2019 No. 30673.

The accounting policies and the valuation principles applied in the preparation of the accompanying financial statements are explained in Notes from 3.2 to 3.28.

3.1.1 Changes in accounting policies and disclosures

New and revised Turkish Accounting Standards effective for annual periods beginning on or after 1 January 2022 have no material effect on the financial statements, financial performance and on the Bank's accounting policies. New and revised Turkish Accounting Standards issued but not yet effective as of the finalization date of the financial statements have no material effect on the financial statements, financial performance and on the Bank's accounting policies.

In addition, the Interest Rate Benchmark Reform - Phase 2, which amends in TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16, effective from 1 January 2021, was published in December 2020. With the modifications made, certain exceptions are provided for the basis used in the determination of contractual cash flows and hedge accounting implementations. The effects of the changes on the Bank's financials have been evaluated and it has been concluded that there is no material impact. On the other hand, Interest Rate Benchmark Reform process is ongoing for certain indicators and the Bank's studies continue within the scope of compliance with the changes.

3.1.2 Other

A new type of coronavirus (COVID-19), first emerging in China, has been classified by the World Health Organization as a pandemic affecting countries globally. The COVID-19 outbreak not only affects economic conditions both regionally and globally, as it causes disruptions in operations, especially in countries that are exposed to the epidemic. The effects of COVID-19 on the Bank's financial statements are regularly monitored by the risk units and the Bank's Management. While preparing the interim financial statements dated 30 September 2022, the Bank reflected the possible effects of the COVID-19 outbreak on the estimates and judgments used in the preparation of the financial statements.

TAS 29 Financial Reporting in Hyperinflation Economies requires entities whose functional currency is that of an hyperinflationary economy to prepare their financial statements in terms of the measuring unit current at the end of the reporting period. TAS 29 describes characteristics that may indicate that an economy is hyperinflationary and it recommends all entities that report in the currency of the same hyperinflationary economy apply this Standard from the same date. In the announcement published by the Public Oversight Accounting and Auditing Standards Authority (POB) on January 20, 2022, it is stated that TAS 29 Financial Reporting in Hyperinflationary Economies does not apply to the TFRS financial statements as of December 31, 2021. Nevertheless, the Authority has not published any announcement on whether the entities would restate their financial statements for the accounting period ending on 30 September 2022 in accordance with TAS 29. In this context, since there is no consensus on the application of inflation accounting in TFRS financial statements throughout the country, and it is expected that POB will delay the application of TAS 29, financial statements as of September 30, 2022 are not adjusted for inflation in accordance with TAS 29 in order to ensure comparability.

The tension between Russia and Ukraine since January 2022 has turned into a crisis and an armed conflict as of the date of the report. The Bank does not carry out any activities in these two countries that are subject to the crisis. Considering the geographies in which the Bank operates, no direct impact is expected on Bank operations. However, since the course of the crisis is uncertain as of the date of this report, developments that may occur on a global scale, and the effects of these developments on the global and regional economy and on the Bank's operations, are closely monitored and considered with the best estimation approach in the preparation of the financial statements.

3.2 Strategy for use of financial instruments and foreign currency transactions

3.2.1 Strategy for use of financial instruments

The liability side of the Bank's balance sheet is intensively composed of short-term deposits in line with the general trend in the banking sector. In addition to deposits, the Bank has access to longer-term borrowings via borrowings from abroad.

In order to manage the interest rate risk arising from short-term deposits, the Bank is keen on maintaining floating rate instruments such as government bonds with quarterly coupon payments and instruments like credit cards and consumer loans providing regular cash inflows.

A portion of the fixed-rate securities and loans, and the bonds of the Bank are hedged under fair value hedges. The fair value risks of such fixed-rate assets and financial liabilities are hedged with interest rate swaps and cross currency swaps. The fair value changes of the hedged fixed-rate financial assets and financial liabilities together with the changes in the fair value of the hedging instruments, namely interest rate swaps and cross currency swaps, are accounted under net trading income/losses in the statement of profit or loss. At the inception of the hedge and during the subsequent periods, the hedge is expected to achieve the offsetting of changes in fair value attributable to the hedged risk for which the hedge is designated, and accordingly, the hedge effectiveness tests are performed.

The Bank may classify its financial assets and liabilities as at fair value through profit or loss, at the initial recognition in order to eliminate any accounting inconsistency.

The fundamental strategy to manage the liquidity risk that may incur due to short-term structure of funding, is to expand the deposit base through customer-oriented banking philosophy, and to increase customer transactions and retention rates. The Bank's widespread and effective branch network, advantage of primary dealership and strong market share in the treasury and capital markets, are the most effective tools in the realisation of this strategy. For this purpose, serving customers by introducing new products and services continuously and reaching the customers satisfaction are very important.

Another influential factor in management of interest and liquidity risk on balance sheet is product diversification both on asset and liability sides.Exchange rate risk, interest rate risk and liquidity risk are controlled and measured by various risk management systems, and the balance sheet is managed under the limits set by these systems and the limits legally required. Asset-liability management and value at risk models, stress tests and scenario analysis are used for this purpose.

Purchase and sale of short and long-term financial instruments are allowed within the pre-determined limits to generate risk-free return on capital.

The foreign currency position is controlled by the equilibrium of a currency basket to eliminate the foreign exchange risk.

3.2.2 Foreign currency transactions

Foreign exchange gains and losses arising from foreign currency transactions are recorded at transaction dates. At the end of the periods, foreign currency assets and liabilities evaluated with the Bank's spot purchase rates and the differences are recorded as foreign exchange gain or loss in the statement of profit or loss.

In the unconsolidated financial statements, the financial subsidiaries are accounted for using the equity method in accordance with the Communiqué published on the Official Gazette dated 9 April 2015 No. 29321 related to the amendments to the Turkish Accounting Standard 27 (TAS 27) "Separate Financial Statements". In this context, foreign subsidiaries' asset and liability items in the balance sheet are translated into Turkish Lira by using foreign exchange rates as of the balance sheet date whereas income and expense items are translated into Turkish Lira by using average foreign exchange rates for the related period. Foreign exchange differences arising from translation of income and expense items and other equity items are accounted under capital reserves under Shareholders' Equity.

From 1 September 2015, it has been started to apply net investment hedge amounting to EUR 485,046,666 (31 December 2021: EUR 489,286,021) in total among investments in Garanti Bank International NV and Garanti Holding BV having capitals denominated in foreign currencies and long term foreign currency borrowings. Foreign exchange losses amounting to TL 6,468,903 (31 December 2021: TL 4,905,846), arising from conversion of both foreign currency investments and long term foreign currency borrowings are accounted under Capital Reserves and Other Comprehensive Income/Expense Items to be Recycled to Profit/Loss, respectively under Equity as of 30 September 2022. There is no ineffective portion arising from net investment hedge accounting.

3.3 Investments in associates and subsidiaries

In the unconsolidated financial statements, the subsidiaries are accounted for using the equity method in accordance with Turkish Accounting Standard 27 (TAS 27) "Separate Financial Statements" within the frame of Turkish Accounting Standard 28 (TAS 28) for "Investments in Associates and Joint Ventures".

In accordance with the TAS 28 through the equity method, the carrying value of subsidiaries are accounted in the financial statements with respect to the Bank's share in these investments' net asset value. While the Bank's share on profits or losses of financial subsidiaries are accounted in the Bank's Statement of Profit or Loss, the Bank's share in other comprehensive income of subsidiaries are accounted in the Bank's Statement of Other Comprehensive Income.

Associates are accounted at cost in the financial statements after provisions for impairment losses deducted, if any, in accordance with TAS 27.

3.4 Forwards, options and other derivative transactions

3.4.1 Derivative financial assets

Derivative financial assets measured at fair value through profit/loss

The Bank's derivative transactions mainly consist of foreign currency and interest rate swaps, foreign currency options and forward foreign currency purchase/sale contacts.

Derivatives are initially recorded at their fair values. The related transaction costs are recognized in statement of profit or loss at the date they incur. The changes in their fair values are recorded on balance sheet under "Derivative Financial Assets measured at Fair Value through Profit/Loss" or "Derivative Financial Liabilities measured at Fair Value through Profit/Loss", respectively depending on the fair values being positive or negative. Fair value changes for derivatives are recorded in the account of "Income/Losses from Derivative Transactions" under Statement of Profit or Loss.

Within the scope of TFRS 13 Fair Value Measurement standard; (i) if there is a significant decrease in the volume or level of activity for that asset or liability in relation to normal market activity for the asset or liability (or similar assets or liabilities); (ii) when the transaction or quoted price does not represent fair value; and / or (iii) when a price for a similar asset requires significant adjustment to make it comparable to the asset being measured, or (iv) when the price is stable, an adjustment to the transactions or quoted prices is made and this adjustment is reflected to the fair value measurement. In this context, the point is determined within the range that is most representative of fair value under current market conditions. Starting from 31 December 2021, the Bank started to use the TLREF-based OIS ("Overnight Indexed

Swap") market curve in order to reflect the fair value measurement more accurately for CBRT swap transactions and performed the necessary fair value measurement adjustments.

The spot legs of currency swap transactions are recorded on the balance sheet and the forward legs in the off-balance sheet accounts as commitment. In the initial phase of currency swaps, the currency exchange transactions to realise at value dates are recorded and followed as irrevocable commitments in the off-balance sheet accounts up to their value dates.

Liabilities and receivables arising from the derivative instruments are recorded under the off-balance sheet accounts at their contractual values.

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host with the effect that some of the cash flows of the combined instrument vary in a way similar to stand alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variables, provided in the case of a non-financial variable that the variable is not specific to contract. A derivative that is attached to a financial instrument but is contractually transferable independently of that instrument, or has a different counterparty, is not an embedded derivative but a separate financial instrument. If a hybrid contract contains a host that is an asset within the scope of this standard, it is applied the standard's requirements about classification of financial assets to the entire hybrid contract. The Bank does not have either any hybrid contract contains a host that is not an asset within the scope of this standard or a financial instrument which shall be separated from the host and accounted for as derivative under this standard.
Credit derivatives are capital market tools designed to transfer credit risk from one party to another. The Bank's credit derivatives portfolio included in the off-balance sheet accounts composes of total return swaps and credit default swaps resulted from protection buying or selling.

Credit default swap is a contract, in which the protection seller commits to pay the protection value to the protection buyer in case of certain credit risk events in return for the premium paid by the buyer for the contract. Credit default swaps are valued daily at their fair values. Total return swap is a contract, in which the protection seller commits to make a certain payment and compensate the decreases in market values of the reference assets to the buyer under the condition that the protection buyer will transfer all the cash flows to be created by and the increases in market values of the reference asset. The Bank enters into total return swap contract for the purpose of generating long-term funding.

3.4.2 Derivative financial instruments held for hedging purpose

TFRS 9 permits to defer implementation of TFRS 9 hedge accounting and continue to apply hedge accounting in accordance with TAS 39 as a policy choice. Accordingly, the Bank continues to apply hedge accounting in accordance with TAS 39 in this context.

The Bank enters into interest rate and cross currency swap transactions in order to hedge the changes in fair values of fixed-rate financial instruments. The changes in fair values of derivative instruments held for fair value hedges are recognised in "Income/Losses from Derivative Financial Instruments". If the hedging is effective, the changes in fair value of the hedged item is presented in the Statement of Financial Position together with the fixed-rate loan. In case of fixed-rate financial assets measured at fair value through other comprehensive income, such changes are reclassified from Shareholders' Equity to Statement of Profit or Loss.

Derivative financial instruments measured at fair value through other comprehensive income

The Bank enters into interest rate and cross currency swap transactions in order to hedge the changes in cash flows of the floating-rate financial instruments. While applying cash flow hedge accounting, the effective portion of the changes in the fair value of the hedging instrument is accounted for under Other Comprehensive Income or Expense to be Recycled to Profit/Loss in Shareholders' Equity, and the ineffective portion is recognised in Statement of Profit or Loss. The changes recognised in Shareholders' Equity are removed and included in Statement of Profit or Loss in the same period when the hedged cash flows effect the income or loss.

The Bank performs effectiveness test at the beginning of the hedge accounting period and at each reporting period. The effectiveness tests are carried out using the "Dollar off-set model" and the hedge accounting is applied as long as the test results are between the range of 80%-125% of effectiveness.

The hedge accounting is discontinued when the hedging instrument expires, is exercised, sold or no longer effective. When discontinuing fair value hedge accounting, the cumulative fair value changes in carrying value of the hedged item arising from the hedged risk are amortised to Statement of Profit or Loss under trading account income/loss caption over the maturity of the hedged item from that date of the hedge accounting is discontinued. While expiring, sale, discontinuing cash flow hedge accounting or when no longer effective the cumulative gains/losses recognised in shareholders' equity and presented under Other Comprehensive Income or Expense to be Recycled to Profit or Loss, are continued to be kept in this account. When the cash flows of hedged item incur, the gain/losses accounted for under Shareholders' Equity, are recognised in Statement of Profit or Loss considering the original maturity.

3.5 Interest income and expenses

Interest is recorded according to the effective interest rate method (rate equalizing future cash flows of financial assets or liabilities to net present value) defined in the TFRS 9 "Financial Instruments" standard by applying the effective interest rate to the gross carrying amount of a financial asset except for: purchased or originated credit-impaired financial assets or financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. In applying the effective interest method, the Bank identifies fees that are an integral part of the effective interest rate of a financial instrument. Fees that are an integral part of the effective interest rate of a financial instrument are treated as an adjustment to the effective interest rate, unless the financial instrument is measured at fair value, with the change in fair value being recognised in profit or loss. In those cases, such fees are accounted as revenue or expense when the financial instrument is initially recognised in the financial statements.

When applying the effective interest method, The Bank amortises any fees, transaction costs and other premiums or discounts that are included in the calculation of the effective interest rate over the expected life of the financial instrument.

In case an interest was accrued on a security before its acquisition, the collected interest is divided into two parts as interest before and after the acquisition and only the interest of the period after the acquisition is recorded as interest income in the financial statements.

If the expectation for the cash flows from financial asset is revised for reasons other than the credit risk, the change is reflected in the carrying amount of asset and in the related Statement of Profit or Loss line and is amortized over the estimated life of financial asset.

If the financial asset is impaired and classified as a non-performing receivable, the Bank applies effective interest rate on the amortized cost of the asset for subsequent reporting periods. Such interest income calculation is made on an individual contract basis for all financial assets subject to impairment calculation. It is used effective interest rate during calculation of loss given default rate in expected credit loss models and accordingly, the calculation of expected credit losses includes an interest amount. Therefore, a reclassification is made between the accounts of "expected credit losses" expense and "interest income from loans" for interest amounts calculated in this way. If the credit risk of the financial instrument improves to the extent that the financial asset is no longer considered as impaired and the improvement can be attributed to an incident that eventually takes place (such as an increase in the loan's credit rating), the system calculates interest income at subsequent reporting periods by applying the effective interest rate to the gross amount.

3.6 Fees and commissions

Fees and commissions except for which are integral part of the effective interest rates of financial instruments measured at amortized costs, are accounted for in accordance with TFRS 15 "Revenue from Contracts with Customers". Except for certain fees related with certain banking transactions and recognized when the related service is given, fees and commissions received or paid, and other fees and commissions paid to financial institutions are accounted under accrual basis of accounting throughout the service period. The income derived from agreements or asset purchases from real-person or corporate third parties are recognized as income when realized.

3.7 Financial instruments

3.7.1 Initial recognition of financial instruments

The Bank shall recognise a financial asset or a financial liability in its statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. Purchase and sale transactions of securities are accounted at the settlement date.

3.7.2 Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on the contractual conditions and the relevant business model. Except for the assets in the scope of TFRS 15 "Revenue from Contracts with Customers", at initial recognition, the Bank measures financial assets or financial liabilities at fair value. At initial recognition, financial asset or liability excluding the ones at fair value through profit or loss are accounted at its fair value plus or minus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

3.7.3 Classification of financial instruments

On which category a financial instrument shall be classified at initial recognition depends on both the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

3.7.3.1 Assessment of business model

As per TFRS 9, the Bank's business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

The entity's business model does not depend on management's intentions for an individual instrument. Accordingly, this condition is not an instrument-by-instrument approach to classification and should be determined on a higher level of aggregation.

During assessment of the business model for management of financial assets, it must be considered all relevant evidence that is available at the date of the assessment. Such relevant evidence includes below:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Bank's key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
- how managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

Assessment of the business model is not performed on the basis of scenarios that the entity does not reasonably expect to occur, such as so-called 'worst case' or 'stress case' scenarios.

If cash flows are realised in a way that is different from the Bank's expectations at the date that the Bank assessed the business model, that does not give rise to a prior period error in the Bank's financial statements nor does it change the classification of the remaining financial assets held in that business model as long as the Bank considered all relevant information that was available at the time that it made the business model assessment. However, when the Bank assesses the business model for newly originated or newly purchased financial assets, it must consider information about how cash flows were realised in the past, along with all other relevant information.

The Bank's business models are divided into three categories. These categories are defined below:

- A business model whose objective is to hold assets in order to collect contractual cash flows: a business model whose objective is to hold assets in order to collect contractual cash flows are managed to realise cash flows by collecting contractual payments over the life of the instrument. The financial assets that are held within the scope of this business model are measured at amortised cost when the contractual terms of the financial asset meet the condition of giving rise on specified dates to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.
- A business model whose objective is achieved by both collecting contractual cash flows and selling financial assets: the Bank may hold financial assets in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Fair value change of the financial assets that are held within the scope of this business model are accounted under other comprehensive income when the contractual terms of the financial asset meet the condition of giving rise on specified dates to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Other business models: Financial assets are measured at fair value through profit or loss if they are not held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

3.7.3.2 Contractual cash flows that are solely payments of principal and interest on the principal amount outstanding

As per TFRS 9, the Bank classifies a financial asset on the basis of its contractual cash flow characteristics if the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

In a basic lending arrangement, consideration for the time value of money and credit risk are typically the most significant elements of interest. In order to assess whether the element provides consideration for only the passage of time, an entity applies judgment and considers relevant factors such as the currency in which the financial asset is denominated and the period for which the interest rate is set. When the contractual conditions are exposed to the risks which are not consistent with the basic lending arrangement or variability of cash flows, the relevant financial asset is measured at fair value through profit or loss.

3.7.4 Measurement categories of financial assets and liabilities

The Bank classified all its financial assets based on the business model for managing the financial assets. Accordingly, financial assets are classified in three main categories as listed below:

- Financial assets measured at amortized cost,
- Financial assets measured at fair value through other comprehensive income,
- Financial assets measured at fair value through profit/loss.

Financial investments and loans measured at amortised cost

The Bank may measure its financial investments and loans at amortised cost if both of the following conditions are met:

- Financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

- Contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial investments measured at amortised cost: Subsequent to the initial recognition, financial investments measured at amortised cost are accounted at amortised cost calculated by using the effective interest rate method. The expected loss calculated for the relevant financial assets in accordance with TFRS 9 is presented in Note 5.1.7.5.

Loans: Financial assets other than those held for trading in short term or generated through providing money, commodity and services to debtors.

Loans are financial assets with fixed or determinable payments and not quoted in an active market.

Loans are recognized at cost and measured at amortized cost using the effective interest method. Duties paid, transaction costs and other similar expenses on assets received against such risks are considered as a part of transaction cost and charged to customers. The expected loss calculated for the relevant financial assets in accordance with TFRS 9 is presented in Note 5.1.5.11.

Financial assets measured at fair value through other comprehensive income

As per TFRS 9, the financial investments are measured at fair value through other comprehensive income if both of the following conditions are met:

- Financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

- Contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A gain or loss on a financial asset measured at fair value through other comprehensive income shall be recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognised or reclassified. If the financial asset is reclassified as financial assets measured at fair value through profit or loss, the related cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from Equity to Profit or Loss as a reclassification adjustment at the reclassification date.

Financial assets measured at fair value through other comprehensive income are measured at their fair values subsequently. However, assets for which fair values could not be determined reliably are valued at amortized costs by using the discounting method with effective interest rate that approximates to fair value, of return for floating-rate securities; and by using valuation models or discounted cash flow techniques for fixed-rate securities. Unrecognised gain/losses derived from the difference between their fair value and the discounted values are recorded in accumulated Other Comprehensive Income or Expense to be reclassified to Profit or Loss under the Shareholders' Equity. In case of sales, the gain/losses arising from fair value measurement accumulated under shareholders' equity are recognized in Statement of Profit or Loss.

Interests calculated and/or earned by using the effective interest method during holding of financial assets measured at fair value through other comprehensive income are recorded primarily in interest income. In case of the sale of such debt securities before maturity date, the difference between the sales income calculated as difference between the cost in accordance with the Uniform Chart of Accounts and the sales price and the recognized interest income is transferred to "Trading Income/Losses".

The Bank also owns consumer price indexed government bonds ("CPI") in its securities portfolio, reclassified as financial assets measured at fair value through other comprehensive income, financial assets measured at fair value through profit or loss and financial assets measured at amortised cost. CPI's are valued and accounted for according to the effective interest rate method which is calculated based on the real coupon rate and the reference inflation index on the issue date. As it is mentioned in the Undersecretariat of Treasury's Investor Guide of CPI, the reference index used during the calculation of the actual coupon payment amount is the previous two months CPI's. The Bank determines its expected inflation rates in compliance with this guide. The estimated inflation rate according to the Central Bank of Turkey's and the Bank's expectations, is updated during the year when it is considered necessary.

Equity instruments measured at fair value through other comprehensive income

At initial recognition, the Bank may make an irrevocable election to present in Other Comprehensive Income subsequent changes in the fair value of an investment in an equity instrument within the scope of TFRS 9 that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which TFRS 3 applies. The Bank makes the election on an instrument by instrument basis.

Amounts presented in other comprehensive income shall not be subsequently transferred to profit/loss. However, the cumulative gain or loss shall be transferred to prior periods' profit/loss. Dividends on such investments are recognised in profit/loss unless the dividend clearly represents a recovery of part of the cost of the investment. TFRS 9 impairment requirements are not applicable for equity instruments.

Financial assets and liabilities measured at fair value through profit or loss

Financial assets valued at fair value through profit or loss are valued at their fair values and gain/loss arising on those assets is recorded in the statement of profit or loss. Interest income earned on trading securities and the difference between their acquisition costs and amortized costs are recorded as interest income in the statement of profit or loss. The differences between the amortized costs and the fair values of such securities are recorded under trading account income/losses in the statement of profit or loss. In cases where such securities are sold before their maturities, the gains/losses on such sales are recorded under trading account income/losses.

The Bank classifies certain loans and securities issued at their origination dates, as financial assets/liabilities at fair value through profit/ loss, irrevocably in order to eliminate any accounting mismatch in compliance with TFRS 9.

The interest income/expense earned and the difference between the acquisition costs and the amortized costs of financial liabilities are recorded under interest income/expense in statement of profit or loss, the difference between the amortized costs and the fair values of financial liabilities are recorded under trading account income/losses in statement of profit or loss. The amount of change in the fair value of the financial liability at fair value through profit or loss that is attributable to changes in the credit risk of that liability shall be presented in other comprehensive income unless it creates accounting mismatch or increase the accounting mismatch. Excluding the change in credit risk of the liability, the change in the fair value of the liability shall be recognized in profit or loss.

3.8 Disclosures on impairment of financial instruments

The Bank recognises a loss allowance for expected credit losses on financial assets and loans measured at amortised cost, financial assets measured at fair value through other comprehensive income , loan commitments and financial guarantee contracts not measured at fair value through profit/loss based on TFRS 9 and the regulation published in the Official Gazette No. 29750 dated 22 June 2016 in connection with "Procedures and Principals regarding Classification of Loans and Allowances Allocated for Such Loans" effective from 1 January 2018. TFRS 9 impairment requirements are not applicable for equity instruments.

At each reporting date, the Bank shall assess whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Bank shall use the change in the risk of a default occurring for the financial instrument.

As of the reporting date, if the credit risk on a financial instrument has not increased significantly since initial recognition, the Bank shall measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. However, if there is a significant increase in credit risk of a financial instrument since initial recognition, the Bank measures loss allowance regarding such instrument at an amount equal to lifetime expected credit losses.

The Bank calculates the expected credit loss on a collective basis by means of grouping the financial assets having common credit risk features or on an individual basis.

The Bank constituted a policy in order to make an assessment whether the credit risk on a financial instrument has increased significantly since initial recognition by taking into consideration change in the risk of a default occurring over the expected life of the financial instrument. The Bank's aforementioned policy is presented in Note 3.8.3.

The Bank's impairment model having 3 stages based on the change in credit quality since initial recognition based on TFRS 9 is explained below.

3.8.1 Calculation of expected credit losses

The Bank calculates expected credit losses based on a probability-weighted estimate of credit losses (i.e. the present value of all cash shortfalls) over the expected life of the financial instrument. A cash shortfall is the difference between the cash flows that are due based on the contract and the cash flows that are expected to be received.

Probability of Default (PD): PD refers to the likelihood that a loan will default within a specified time horizon, which is usually set at 12 months, given certain characteristics. Based on TFRS 9, the Bank uses two different PDs in order to calculate expected credit losses:

- 12-month PD: as the estimated probability of default occurring within the next 12 months following the balance sheet date.
- Lifetime PD: as the estimated probability of default occurring over the remaining life of the financial instrument.

The Bank uses internal rating systems for both retail and commercial portfolios. The internal rating models used for the commercial portfolio include customer financial information and qualitative survey responses. Whereas behavioral and application scorecards used in the retail portfolio include; (i) the behavioral data of the customer and the product in the Bank, (ii) the demographic information of the customer, and (iii) the behavioral data of the customer in the sector. Probability of default calculation has been carried out based on past information, current conditions and forward looking macroeconomic parameters.

Loss Given Default (LGD): If a loan default occurs, it represents the economic loss incurred on the loan. It is expressed as a percentage.

LGD calculations are performed using historical data which best reflect current conditions, by formation of segments based on certain risk factors that are deemed important for each portfolio and inclusion of forward-looking information and macroeconomic expectations. LGD summarizes all cash flows from customers subsequent to default. It covers all costs and collections that occur during the collection cycle, including collections from collaterals. It also includes the "time value of money" calculated by means of deducting costs and additional losses from the present value of collections.

Exposure at Default (EAD): For cash loans, it corresponds to the amount of loan granted as of the reporting date. For non-cash loans and commitments, it is the value calculated through using credit conversion factors. Credit conversion factor corresponds to the factor which adjusts the potential increase of the exposure between the current date and the default date.

When expected credit losses are estimated, the Bank considers three scenarios (base scenario, bad scenario, good scenario). Each of these three scenarios is associated with different probability of default and loss given default. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset.

With the exception of credit cards and other revolving facilities, the maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Bank has the legal right to call it earlier.

Stage 1: 12-month expected credit loss represents the expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date and calculated as the portion of lifetime expected credit losses. The Bank calculates 12-month expected credit loss based on a probability of default realized within 12 months after the reporting date. Such expected 12-month probability of default is applied on an expected exposure at default, multiplied with loss given default rate and discounted with the original effective interest rate. Such calculation is performed for each of three scenarios explained above.

Stage 2: When a loan has shown a significant increase in credit risk since origination, the Bank calculates an allowance for the lifetime expected credit losses. Including multiple scenario usage, it is similar to descriptions above, but probability of default and loss given default rates are estimated through the life of the instrument. Estimated cash shortfalls are discounted by using the original effective interest rate.

Stage 3: For the loans considered as impaired, the Bank accounts lifetime expected credit losses. The methodology is similar to stage 2 and the probability of default is taken into account as 100%.

The Bank considers a debt as default on these two below conditions;

1. Objective Default Definition: It means debt having past due more than 90 days. Current definition of default in the Bank is based on a more than 90 days past due definition. If a loan is exactly 90 days past due, it will not be considered as default. Default status starts on the 91st day.
2. Subjective Default Definition: It means the Bank considers that a debt is unlikely to be paid. Whenever the Bank considers that an obligor is unlikely to pay its credit obligations, it should be considered as defaulted regardless of the existence of any past-due amount or of the number of days past due.

For the purpose of determining significant increases in credit risk and recognising a loss allowance on a collective basis, the Bank Group's financial instruments on the basis of shared credit risk characteristics. In this context, the methodology developed for the estimation of expected credit losses should include the risk features which meet the criteria for carrying the same credit risk characteristics. Examples of the Bank's common credit risk characteristics include, but are not limited to, the following:

- Customer type (retail or commercial / corporate)
- Product type
- Credit risk rating notes /scores
- Sector / market segmentation
- Collateral type
- Loan to value ratio
- Duration since origination of a loan
- Remaining time to maturity
- Exposure at default

In addition, the Bank assesses a certain portion of commercial and corporate loans individually in accordance with the internal policies in the calculation of the expected credit losses based on TFRS 9. The Bank makes such calculation by discounting the expected cash deficits from the individual financial instrument to its present value using the effective interest rate.

When measuring expected credit losses, the Bank shall consider the risk or probability that a credit loss occurs by reflecting the possibility that a credit loss occurs and the possibility that no credit loss occurs, even if the possibility of a credit loss occurring is very low. The Bank makes such assessment by reflecting the estimate of expected credit loss which is unbiased and probability-weighted determined by evaluating a range of possible outcomes.

In accordance with the Bank's internal policies, TFRS 9 models are updated once a year. The related model update was made in the 3th quarter of 2022 and the Bank has calculated expected credit losses based on the updated model during 2022.

3.8.1.1 Loan commitments and non-cash loans

The expected credit losses on a loan commitment shall be discounted using the effective interest rate, or an approximation thereof, that will be applied when recognising the financial asset resulting from the loan commitment. This is because for the purpose of applying the impairment requirements, a financial asset that is recognised following a draw down on a loan commitment shall be treated as a continuation of that commitment instead of as a new financial instrument. The expected credit losses on the financial asset shall therefore be measured considering the initial credit risk of the loan commitment from the date that the Bank became a party to the irrevocable commitment.

Expected credit losses on financial guarantee contracts or on loan commitments for which the effective interest rate cannot be determined shall be discounted by applying a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

3.8.1.2 Debt instruments measured at fair value through other comprehensive income

The Bank shall apply the impairment requirements for the recognition and measurement of a loss allowance for financial assets that are measured at fair value through other comprehensive income in accordance with TFRS 9. However, the loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the statement of financial position. The expected credit loss is reflected in other comprehensive income and the accumulated amount is recycled to statement of profit/loss following the derecognition of related financial asset.

3.8.1.3 Credit cards and other revolving loans

The Bank offers credit card and overdraft products which give ability to corporate and commercial customers demand repayment and cancel the undrawn commitment. Such products do not limit the period that the Bank is exposed to credit losses with the contractual notice. For this reason, the Bank calculates the expected credit losses for these products over a period of time reflecting the anticipation of customer behavior, the likelihood of default, and future risk mitigation procedures such as the Bank's reduction or removal of undrawn limits.

When determining the period over which the Bank is expected to be exposed to credit risk, but for which expected credit losses would not be mitigated by the Bank’s normal credit risk management actions, the Bank considers factors such as historical information and experience about the below items:

- the period over which the entity was exposed to credit risk on similar financial instruments;
- the length of time for related defaults to occur on similar financial instruments following a significant increase in credit risk; and
- the credit risk management actions that the Bank expects to take once the credit risk on the financial instrument has increased, such as the reduction or removal of undrawn limits.

The Bank calculates expected credit losses on the revolving products of retail and corporate customers by considering 3-5 years.

The Bank makes assessment of significant increase in credit risk of revolving loans by considering qualitative and quantitative criteria considered for other credit products as explained in Note 3.8.3.

3.8.2 Forward-looking macroeconomic information

The Bank incorporates forward-looking macroeconomic information into credit risk parameters during assessment of significant increase in credit risk and expected credit loss calculation. The incorporation of forward-looking information into the Bank's credit risk parameters consists of the following steps:

Step 1: The Bank makes specifications and estimates of econometric models that reveal past relationships between credit risk parameters and macroeconomic variables in order to be able to generate estimates based on macroeconomic information. Macroeconomic variable prevailing during these estimates is mainly the Gross Domestic Product (GDP).

Step 2: Where macroeconomic scenarios do not include longer maturity, a process called “convergence to the mean” is applied.

Step 3: In order to estimate the ultimate parameters to be used in the calculation of the expected credit losses, the Bank applies the methods of credit risk parameters reflection and forward-looking impact inclusion into the parameters.

The Bank updates its macroeconomic parameters incorporated into significant increase in credit risk and expected credit loss assessments quarterly.

(Thousands of Turkish Lira (TL))

The Bank takes into account different scenarios in the calculation of expected credit loss by evaluating the current economic conditions and expert opinions. Accordingly, the macroeconomic value estimates taken into account in the expected loss provision calculation are presented below.

Date	GDP
31.12.2022	5.0%
31.12.2023	3.0%
31.12.2024	1.6%
31.12.2025	3.8%
31.12.2026	3.5%

3.8.3 Significant increase in credit risk

The Bank makes qualitative and quantitative assessments regarding assessment of significant increase in credit risk.

Qualitative assessment:

The Bank classifies the financial asset as Stage 2 (Significant Increase in Credit Risk) where any of the following conditions are satisfied as a result of a qualitative assessment.

- Loans overdue more than 30 days as of the reporting date,
- Loans classified as watchlist,
- When there is a change in the payment plan due to refinancing, restructuring or concession, the loan is not considered as default or written off and the change is not due to any commercial reason.

Quantitative assessment:

The quantitative reason explaining the significant increase in the credit risk is based on a comparison of the probability of default calculated at the origination of the loan and the probability of default assigned for the same loan as of the reporting date.

The absolute and relative thresholds used for the probability of default are differentiated on the basis of segment/ loan group.

The Bank classifies the related financial asset as Stage 2 (Significant Increase in Credit Risk) where both of the following criteria are satisfied as a result of quantitative assessment.

- Relative change in the Probability of Default (PD): If the "relative difference" between the probability of defaults as of the reporting date and the date when the loan is initially recognized in the financial statements is above the specified threshold.

- Absolute change in the PD: If the "absolute difference" between the probability of defaults as of the reporting date and the date when the loan is initially recognized in the financial statements is above the specified threshold (different from the threshold for the relative change).

3.8.4 Low credit risk

As per TFRS 9, the credit risk on a financial instrument is considered as low if the financial instrument has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Bank is not considering financial instruments to have low credit risk when they are regarded as having a low risk of loss simply because of the value of collateral and the financial instrument without that collateral would not be considered low credit risk. Financial instruments are also not considered to have low credit risk simply because they have a lower risk of default than the Bank’s other financial instruments or relative to the credit risk of the jurisdiction within which the Bank operates.

If the Bank determines that a financial instrument has a low credit risk as of the reporting date, it assumes that the credit risk on the financial instrument has not increased significantly following its first recognition in the financial statements.

The Bank makes the definition of low credit risk based on the definition of “High Quality Liquid Asset” given in the Regulation on the Liquidity Coverage Ratio Calculation and the principles of the risk weight calculation based on the external rating note of the receivables from the Central Banks and the Central Governments in accordance with the Regulation on the Measurement and Assessment of Banks’ Capital Adequacy.

The financial instruments that the Bank defines as having low credit risk based on TFRS 9 are as follows:

- Receivables from the Central Bank of the Republic of Turkey (required reserves, free reserves, placements etc.)
- Loans with the counterparty of the Treasury of the Republic of Turkey
- Receivables (reserves, free reserves, placements etc.) from the central banks of the branches of the Bank or its subsidiaries, securities issued or guaranteed by these central banks and securities issued / guaranteed by the treasury of these countries
- Loans granted to the treasury of countries having rating note of AA- and above and the securities issued or guaranteed by the treasury of these countries
- Local currency loans granted to the treasury of countries having rating below AA-, and securities in local currency issued or guaranteed by the treasury of these countries
-Securities exported or guaranteed by multilateral development banks or international organizations having rating of AA- and above.

3.8.5 Disclosures on write down policy

The amendment with respect to the regulation on the Principles and Procedures Regarding the Classification of Loans and Reserves Set Aside for These Loans entered into force with its publication in the Official Gazette No.30961 on November 27, 2019. Pursuant to the regulation, the banks are enabled to write down and move off the balance sheet the portion of a loan which is classified as “Group V Loan” (Loans Classified as Loss) if it cannot reasonably be expected to be recovered. The Bank performs objective and subjective assessments whether there is reasonable expectation.

In accordance with TFRS9, a provision is provided for the portions of the loans that are not expected to be recovered as explained in the accounting policies 3.8 Disclosures on impairment of financial instruments and 3.8.1 Calculation of expected credit losses. Accordingly, the loans which cannot be reasonably expected to be recovered regarding the opinions of the related department responsible from the collection and the portion up to the provision amount of the loans, that are classified as “Group V Loan” (Loans Classified as Loss), can be subject to write-down operation.

In addition, all of the loans that meet the conditions in the below are assessed by the Bank as having completely lost their ability to collect and can be written down based on the positive opinion of the related departments.

i. Being monitored as a non-performing loan at least for 18 months,
ii. Not having any collection in the last 6 months,
iii. The absence of a qualified guarantee.

The write-down of these loans, which are not possible to be collected, is an accounting policy and this policy does not result in waiving the right of receivables.

3.9 Netting and derecognition of financial instruments

3.9.1 Netting of financial instruments

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 to collect/pay related financial assets and liabilities on a net basis, or there is an intention to realize the asset and settle the liability simultaneously.

3.9.2 Derecognition of financial instruments

3.9.2.1 Derecognition of financial assets due to change in contractual terms

Based on TFRS 9, the renegotiation or modification of the contractual cash flows of a financial asset can lead to the derecognition of the existing financial asset. When the modification of a financial asset results in the derecognition of the existing financial asset and the subsequent recognition of the modified financial asset, the modified asset is considered a 'new' financial asset.

The Bank shall assess the characteristics of the new contractual terms of the financial asset based on quantitative and qualitative criteria. When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, it is recalculated the gross carrying amount of the financial asset and in case a significant change is determined, it is recognized as a modification gain or loss in Profit or Loss.

Where all risks and rewards of ownership of the asset have not been transferred to another party and the Bank retains control of the asset, the Bank continues to recognize the remaining portion of the asset and liabilities arising from such asset.

When the Bank retains substantially all the risks and rewards of ownership of the transferred asset, the transferred asset continues to be recognised in its entirety and the consideration received is recognised as a liability.

3.9.2.2 Derecognition of financial assets without any change in contractual terms

The Bank derecognises the asset if the contractual rights to cash flows from the financial asset are expired or the related financial asset and all risks and rewards of ownership of the asset are transferred to another party.

Except for equity instruments measured at fair value through other comprehensive income, the total amount consisting of the gain or loss arising from the difference between the book value and the amount obtained and any accumulated gain directly accounted in equity shall be recognized in Profit or Loss.

3.9.2.3 Derecognition of financial liabilities

It shall be removed a financial liability (or a part of a financial liability) from the statement of financial position when, and only when, it is extinguished—i.e. when the obligation specified in the contract is discharged or cancelled or expires.

3.9.3 Reclassification of financial instruments

Based on TFRS 9, the Bank shall reclassify all affected financial assets at amortised cost to financial assets measured at fair value through other comprehensive income and fair value through profit or loss in the subsequent accounting when, and only when, it changes its business model for managing financial assets.

3.9.4 Restructuring and refinancing of financial instruments

The Bank may change the original contractual terms of a loan (maturity, repayment structure, guarantees and sureties) which were previously signed, in case the loan cannot be repaid or if a potential payment difficulty is encountered based on the new financing power and structure of the borrower.

Restructuring is to change the financial terms of existing loans in order to facilitate the payment of debt. Refinancing is granting a new loan by the Bank which will cover either the principal or the interest payment in whole or in part of one or a few existing loans due to the anticipated financial difficulty which the customer or group encounter currently or will encounter in the future.

Changes in the original terms of a credit risk can be made in the current contract or through a new contract.

Corporate and commercial companies which have been restructured and refinanced can be removed from the watchlist when the following conditions are met:

- Subsequent to the thorough review of company's financial data and its owners' equity position, at circumstances when it is not anticipated that the owner of the company will face financial difficulties; and it is assessed that the restructured debt will be paid on time (starting from the date when the debt is restructured all due principal and interest payments are made on time)
- At least 2 years should pass over the date of restructuring (or if it is later), the date of removal from non-performing loan category, at least 10% (or the ratio specified in the legislation) of the total principal amount at the time restructuring /refinancing shall be paid and no overdue amount (principal and interest) shall remain at the date of restructuring / refinancing

In order for the restructured non-performing corporate and commercial loans to be classified to the watchlist category, the following conditions must be met:

- Recovery in debt service,
- At least one year should pass over the date of restructuring,
- Payment of all accrued and overdue amounts by debtor (interest and principal) since the date of restructuring /refinancing or the date when the debtor is classified as non-performing (earlier date to be considered) and fulfillment of the payment condition of all overdue amounts as of the date of restructuring /refinancing,
- Collection of all overdue amounts, disappearance of the reasons for classification as non-performing receivable (based on the conditions mentioned above) and having no overdue more than 30 days as of the date of reclassification.

During the follow-up period of at least two years following the date of restructuring / refinancing, if there is a new restructuring / refinancing or a delay of more than 30 days, the transactions which were non-performing at the beginning of the follow-up period are classified as non-performing loans again.

The performing or non-performing retail loans being subject to restructuring shall be removed from the watchlist only if the debt is paid in full.

3.10 Repurchase and resale agreements and securities lending

Securities sold under repurchase agreements are recorded on the balance sheet in compliance with the uniform chart of accounts. Accordingly, government bonds and treasury bills sold to customers under repurchase agreements are classified as “Investments Subject to Repurchase Agreements” and valued based on the Bank management’s future intentions, either at market prices or using discounting method with internal rate of return. The funds received through repurchase agreements are classified separately under liability accounts and the related interest expenses are accounted for on an accrual basis.

Securities purchased under resale agreements are classified under “Money Market Placements” separately. An income accrual is accounted for the positive difference between the purchase and resale prices earned during the period on such securities.

Securities lending transactions are classified under “Money Market Funds” and the related expense accruals are accounted.

3.11 Assets held for sale, discontinued operations and related liabilities

According to the Turkish Financial Reporting Standard 5 (TFRS 5) “Assets Held for Sale and Discontinued Operations”, a tangible asset (or a group of assets to be disposed) classified as “asset held for sale” is measured at lower of carrying value and fair value less costs to sell. An asset (or a group of assets to be disposed) is regarded as “asset held for sale” only when the sale is highly probable and the asset (or a group of assets to be disposed) is available for immediate sale in its present condition. For a highly probable sale, there must be a valid plan prepared by the management for the sale of asset including identification of possible buyers and completion of sale process. Furthermore, the asset should be actively in the market at a price consistent with its fair value. Assets held for sale consist of tangible assets and investments in associates to be disposed that were acquired against non-performing receivables.

A discontinued operation is a part of the Bank's business classified as sold or held-for-sale. The operating results of the discontinued operations are disclosed separately in statement of profit or loss. The Bank has no discontinued operations.

3.12 Goodwill and other intangible assets

The Bank's intangible assets consist of software, intangible rights and other intangible assets.

Goodwill and other intangible assets are recorded at cost in compliance with the Turkish Accounting Standard 38 (TAS 38) "Intangible Assets".

The costs of other intangible assets purchased before 31 December 2004 are restated from the purchasing dates to 31 December 2004, the date the hyperinflationary period is considered to be ended. The intangible assets purchased after this date are recorded at their initial purchase costs.

As per TAS 38, internally-generated software should be recognised as intangible assets if they meet the below listed criteria:

- The technical feasibility of completing the intangible asset so that it will be available for use,

- Availability of the Bank's intention to complete and use the intangible asset,

- The ability to use the intangible asset,

- Clarity in probable future economic benefits to be generated from the intangible asset,

- The availability of adequate technical, financial and other resources to complete the development phase and to start using the intangible asset,

- The availability to measure reliably the expenditure attributable to the intangible asset during the development phase.

The directly attributable development costs of intangible asset are included in the cost of such assets, however the research costs are recognised as expense as incurred.

The intangible assets are amortised by the Bank over their estimated useful lives based on their inflation adjusted costs on a straight-line basis. Estimated useful lives of the Bank's intangible assets are 3-15 years and amortisation rates are 6.67-33.3%.

If there is objective evidence of impairment, the asset's recoverable amount is estimated in accordance with the Turkish Accounting Standard 36 (TAS 36) "Impairment of Assets" and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is provided.

3.13 Tangible assets

The cost of the tangible assets purchased before 31 December 2004 are restated from the purchasing dates to 31 December 2004, the date the hyperinflationary period is considered to be ended. The tangible assets purchased after this date are recorded at their historical costs.

As of 1 November 2015, changing the existing accounting policy, it has been decided to apply revaluation model for properties recorded under tangible assets instead of cost model in accordance with the Turkish Accounting Standard 16 (TAS 16) "Property, Plant and Equipment". Within this framework, the revaluation difference arising from the valuations performed by independent expertise firms for all real estates registered in the ledger is accounted under revaluation surplus on tangible and intangible assets under equity.

If there is objective evidence of impairment, the asset's recoverable amount is estimated in accordance with the Turkish Accounting Standard 36 (TAS 36) "Impairment of Assets" and if the recoverable amount is less than the carrying value of the related asset, a provision for impairment loss is provided.

Gains/losses arising from the disposal of the tangible assets are calculated as the difference between the net book value and the net sale price.

Maintenance and repair costs incurred for tangible assets, are recorded as expense.

(Thousands of Turkish Lira (TL))

There are no restrictions such as pledges, mortgages or any other restriction on tangible assets. The depreciation rates and the estimated useful lives of tangible assets are presented below. Depreciation method in use was not changed in the current period.

Tangible assets	**Estimated Useful Lives (Years)**	**Depreciation Rates %**
Buildings	50	2
Vaults	50	2
Motor Vehicles	5-7	15-20
Other Tangible Assets	4-20	5-25

The depreciation of an asset held for a period less than a full financial year is calculated as a proportion of the full year depreciation charge from the date of acquisition to the financial year end.

Useful lives of buildings are reviewed at least once a year and if current estimates are different than previous estimates, then the revised estimates are considered as accounting policy change in accordance with Turkish Accounting Standard 8 (TAS 8) "Accounting Policies, Changes in Accounting Estimates and Errors".

Investment properties

Land and buildings that are held to earn rentals or for capital appreciation or both rather than for use in production, supply of goods or services, administrative purposes or sale in the ordinary course of business are classified as investment property. As of 1 November 2015, changing the existing accounting policy, it has been decided to apply fair value model for investment properties instead of cost model in accordance with the Turkish Accounting Standard 40 (TAS 40) "Investment Property". Accordingly, for all the investment properties registered in the ledger, a valuation study was performed by independent expertise firms and arising changes in their fair values resulting from these studies are recognized in statement of profit or loss at the date they incur.

Investment properties accounted at fair value are not depreciated.

Right-of-use assets

Based on the Bank's assessment, lease branches and buildings are recognized in compliance with TFRS 16 whereas ATM places, lease cars and other leases are considered out of TFRS 16 scope as a result of materiality assessment. Therefore, these leases are recognized under Other Operating Income.

At the commencement date, the Bank shall measure the right-of-use properties at cost in compliance with TFRS 16. The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the lessee and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.
After the commencement date, the Bank measures the right-of-use asset applying a cost model. To apply the cost model, the Bank measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability.

The Bank applies the depreciation requirements in TAS 16 "Property, Plant and Equipment" in depreciating real assets considered as right-of-use asset.

The Bank applies TAS 36 "Impairment of Assets" to determine whether the real estates considered as right-of-use assets are impaired and to account for any impairment loss identified.

3.14 Leasing activities

Leases, in which the majority of risks and returns of the related asset belong to the lessor, are classified as operational lease. The rent payments for leases that meet the conditions of exemptions stated in TFRS 16, are recognized as expense in related periods' statement of profit or loss over the lease term in accordance with periodicity principle.

Based on TFRS 16, at the commencement date, the Bank measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the incremental borrowing interest rate.

After the commencement date, the Bank measures the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

Interest on the lease liability in each period during the lease term shall be the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

After the commencement date, the Bank remeasures the lease liability to reflect changes to the lease payments. The Bank recognises the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

The Bank remeasures the lease liability by discounting the revised lease payments using a revised discount rate, if either there is a change in the lease term or there is a change in the assessment of an option to purchase the underlying asset. However, if there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments or if there is a change in the amounts expected to be payable under a residual value guarantee, the Bank uses an unchanged discount rate.

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification, the Bank remeasures the lease liability by discounting the revised lease payments using a revised discount rate. The revised discount rate is determined as the incremental borrowing interest rate at the effective date of the modification. The Bank decreases the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. The Bank recognises any gain or loss relating to the partial or full termination of the lease in profit or loss. A corresponding adjustment to the right-of-use asset is made for all other lease modifications.

3.15 Provisions and contingent liabilities

Provisions and contingent liabilities resulted from past events, if it is probable that the commitment will be settled and a reliable estimate can be made for the amount of the obligation, are accounted for in accordance with the Turkish Accounting Standard 37 (TAS 37) "Provisions, Contingent Liabilities and Contingent Assets".

3.16 Contingent assets

The contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the Bank. If an inflow of economic benefits to the Bank has become probable, then the contingent asset is disclosed in the footnotes to the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the related period.

3.17 Liabilities for employee benefits

Severance indemnities and short-term employee benefits

As per the existing labour law in Turkey, the Bank is required to pay certain amounts to the employees retired or fired except for resignations or misbehaviours specified in the Turkish Labour Law.

(Thousands of Turkish Lira (TL))

Accordingly, the Bank reserved for employee severance indemnities in the accompanying financial statements using actuarial method in compliance with the Turkish Accounting Standard 19 (TAS 19) "Employee Benefits" for all its employees who retired or whose employment is terminated, called up for military service or died.

The major actuarial assumptions used in the calculation of the total liability are as follows:

	30.09.2022	**31.12.2021**
Net Effective Discount Rate	3.48%	3.48%
Discount Rate	19.10%	19.10%
Expected Rate of Salary Increase	16.60%	16.60%
Inflation Rate	15.10%	15.10%

The above rates are effective rates, whereas the rates applied for the calculation differ according to the employees' years-in-service.

The Bank provided for undiscounted short-term employee benefits earned during the financial periods as per services rendered in compliance with TAS 19.

The actuarial gains/losses are recognised under shareholders' equity as per the revised TAS 19.

Retirement benefit obligations

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee (and his/her dependents) will receive on retirement.

The Bank's defined benefit plan ("the Plan") is managed by "Türkiye Garanti Bankası Anonim Şirketi Memur ve Müstahdemleri Emekli ve Yardım Sandığı Vakfı" ("the Fund") established as per the provisional Article 20 of the Social Security Law No.506 and the Bank's employees are the members of this Fund.

The Plan is funded through contributions of both by the employees and the employer as required by Social Security Law numbered 506. These contributions are as follows:

	30.09.2022		**31.12.2021**	
	Employer	**Employee**	**Employer**	**Employee**
Pension contributions	15.5%	10.0%	15.5%	10.0%
Medical benefit contributions	6.0%	5.0%	6.0%	5.0%

The Plan is composed of a) the contractual benefits of the employees, which are subject to transfer to Social Security Foundation ("SSF") as per the Social Security Law No.5754 ("the Law"), and b) other social rights and medical benefits provided by the Bank but not transferable to SSF.

a) Benefits transferable to SSF

The first paragraph of the provisional Article 23 of Banking Law No.5411, published in the Official Gazette on 1 November 2005, No.25983, which requires the transfer of the members of the funds subject to the provisional Article 20 of the Social Security Law No.506, and the persons who are paid under insurance coverage for disablement, old-age and mortality and their right-holders to the SSF within three years following the effective date of the related article was cancelled with the decision of the Constitutional Court dated 22 March 2007, No.2007/33. The reasoned ruling regarding the cancellation of the Constitutional Court was published in the Official Gazette No.26731, dated 15 December 2007. The Constitutional Court stated that the reason behind this cancellation was the possible loss of antecedent rights of the fund members.

Following the publication of the verdict, the Turkish Grand National Assembly ("Turkish Parliament") started to work on the new legal arrangements by taking the cancellation reasoning into account and the articles of the Law No.5754 regulating the principles related with such transfers were accepted and approved by Turkish Parliament on 17 April 2008, and enacted on 8 May 2008 after being published in the Official Gazette No.26870.

As per the Law, the present value of post-employment benefits as at the transfer date for the fund members to be transferred, are to be calculated by a commission composing from the representatives of the SSF, the Ministry of Finance, the Undersecretariat of Treasury, the Undersecretariat of State Planning Organisation, the BRSA, the Savings Deposit Insurance Fund ("SDIF"), the banks and the funds, by using a technical discount rate of 9.80% taking into account the Funds' income and expenses as per insurance classes and the transferable contributions and payments of the funds including any salary and income differences paid by the funds above the limits of SSF for such payments. The transfers are to take place within the three-year period starting from 1 January 2008. Subsequently, the transfer of the contributors and the persons receiving monthly or regular income and their right-holders from such funds established for employees of the banks, insurance and reinsurance companies, trade chambers, stock markets and unions that are part of these organizations subject to the provisional Article 20 of the Social Security Law No.506 to the SSF, has been postponed for two years. The decision was made by the Council of Ministers on 14 March 2011 and published in the Official Gazette No. 27900 dated 9 April 2011 as per the decision of the Council of Ministers, No.2011/1559, and as per the Letter No. 150 of the Ministry of Labor and Social Security dated 24 February 2011 and according to the provisional Article 20 of the Social Security and Public Health Insurance Law No.5510.

On 19 June 2008, Cumhuriyet Halk Partisi ("CHP") applied to the Constitutional Court for the cancellation of various articles of the Law including the first paragraph of the provisional Article 20. At the meeting of the Constitutional Court on 30 March 2011, it was decided that the Article 73 and the first paragraph of the provisional Article 20 added to the Law No. 5510 are not contradictory to the Constitutional Law, and accordingly the dismissal of the cancellation request has been denied with the majority of votes.

Before the completion of two-years period set by the Council of Ministers on 14 March 2011 as explained above, as per the Article No. 51 of the Law No. 6645, published in the Official Gazette No. 29335 dated 23 April 2015, the Article No. 20 of the Law No. 5510 was amended giving the Council of Ministers the authority to determine the date of transfer without defining any timeline.

b) Other benefits not transferable to SSF

Other social rights and payments provided in the existing trust indenture but not covered through the transfer of the funds' members and their right-holders to the SSF, are to be covered by the funds and the institutions that employ the funds' members.

The actuarial gains/losses are recognised under shareholders' equity as per the revised TAS 19.

3.18 Taxation

3.18.1 Corporate tax

While corporate tax which is applied to corporate earnings at the rate of 20% in Turkey, in accordance with the regulation introduced by the Law No. 7316 on the "Procedure for Collection of Public Receivables and the Law Amending Some Laws", has been determined to be applied as 25% for the corporate earnings for the taxation periods of 2021 and as 23% for the corporate earnings for the taxation periods of 2022, in accordance with the regulation introduced by the Law No. 7394 on the "Law on Evaluation of Immovable Property Owned by the Treasury and Amendment to the Value Added Tax Law" and as per added first sentence to the temporary Article 13 of the Law No. 5520 on the "Corporate Tax Law", this rate has been determined to be applied as 25% for the corporate earnings for the taxation periods of 2022 for the banks, companies within the scope of 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.

This rate is applied to tax base which is calculated by adding certain non-deductible expenses for tax purposes and deducting certain exemptions (like dividend income) and other deductions on accounting income. If there is no dividend distribution, no further tax charges are made. Dividends paid to the resident institutions and the institutions working through local offices or representatives are not subject to withholding tax. As per the decisions No.2009/14593 and No.2009/14594 of the Council of Ministers published in the Official Gazette No.27130 dated 3 February 2009, certain duty rates included in the articles No.15 and 30 of the new Corporate Tax Law No.5520 are revised. Accordingly, the witholding tax rate on the dividend payments other than the ones paid to the nonresident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions has been changed to 10% from 15% by the Presidential decision published in the Official Gazette No. 31697 dated 22 December 2021. In applying the withholding tax rates on dividend payments to the nonresident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

The prepaid taxes are calculated and paid at the rates valid for the earnings of the related years. The prepayments can be deducted from the annual corporate tax calculated for the whole year earnings.

In accordance with the tax legislation, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from previous periods.

75% of earnings generated through sale of equity shares, founders' shares, redeemed shares and pre-emption rights and 50% of earnings generated through sale of real estates held at least for two years by the institutions are exempt from the corporate tax with the conditions that such earnings shall be held in a special reserve account under equity until the end of five years following the year of sale and shall be collected as cash until the end of the following two fiscal years.

All earnings generated through transfer of equity shares, founders' shares, redeemed shares and pre-emption rights by the companies being under legal proceedings or guarantor and mortgage provider of such companies, to banks, financial leasing companies and finance companies or the Savings Deposit Insurance Fund in connection with liquidation of their liabilities and earnings of banks, financial leasing companies and finance companies through sale of immovable part of such assets or other items are exempt from corporate tax at the rate of 50% and 75%, respectively.

As of 30 September 2022, the conditions sought for inflation adjustment in the calculation of corporate tax have been fulfilled, within the framework of the repeated provision of Article 298/A of the Tax Procedure Law. These conditions are both the exceed in the increase of Producer Price Index in the last 3 accounting period including current period by 100% and the exceed in the increase in the current period by 10%. However, temporary article 33 has been added on the Tax Procedure Law No. 213 with the regulation made with the Tax Procedure Law and the Law on Change in Corporate Tax Law No. 7352 published in the Official Gazette No.31734 dated 29 January 2022, the application of inflation adjustment in the calculation of corporate tax was postponed to 2023. According to this, the financial statements for the 2021 and 2022 accounting periods, including the provisional tax periods, will not be subject to inflation adjustment, and for the 2023 accounting period; will not be subject to inflation adjustment as of the provisional tax periods, and the financial statements dated 31 December 2023 will be subject to inflation adjustment regardless of whether the inflation adjustment conditions are met or not. Profit/loss difference arising from inflation adjustment in the financial statements will be shown in previous years' profit/loss accounts and will not affect the corporate tax base.

The tax applications for foreign branches;

NORTHERN CYPRUS

According to the Corporate Tax Law of the Turkish Republic of Northern Cyprus No.41/1976 as amended, the corporate earnings (including foreign corporations) are subject to a 10% corporate tax and 15% income tax. This tax is calculated based on the income that the taxpayers earn in an accounting period. Tax base is determined by modifying accounting income for certain exclusions and allowances for tax purposes. The corporations cannot benefit from the rights of offsetting losses, investment incentives and amortisation unless they prepare and have certified their balance sheets, income statements and accounting records used for tax calculations by an auditor authorized by the Ministry of Finance. In cases where it is revealed that the earnings of a corporation were not subject to taxation in prior years or the tax paid on such earnings are understated, additional taxes can be charged in the next seven years following that the related taxation period. The corporate tax returns are filed in the tax administration office in April after following the end of the accounting year to which they relate. The corporate taxes are paid in two equal installments in May and October. According to the Decision of the TRNC Council of Ministers dated 25 March 2020, the prepaid taxes are calculated and paid at the rate of 15% tax on quarterly commercial earnings of the related year. The prepayments can be deducted from the annual corporate tax calculated for the whole year earnings.

MALTA

The corporate earnings are subject to a 35% corporate tax. This rate is determined by modifying accounting income for certain exclusions and allowances for tax purposes. The earnings of the foreign corporations' branches in Malta are also subject to the same tax rate that the resident corporations in Malta are subject to. The earnings of such branches that are transferred to their head offices are not subject to an additional tax. The taxes payable is calculated by the obligating firm and the calculation is presented in the tax declaration form that is due till the following year's month of November.

3.18.2 Deferred taxes

According to the Turkish Accounting Standard 12 (TAS 12) "Income Taxes"; deferred tax assets and liabilities are recognized, using the balance sheet method, on all taxable temporary differences arising between the carrying values of assets and liabilities in the financial statements and their corresponding balances considered in the calculation of the tax base, except for the differences not deductible for tax purposes and initial recognition of assets and liabilities which affect neither accounting nor taxable profit.

As stated in Note 3.18.1, while corporate tax has been determined to be applied as 25% for the corporate earnings for the taxation periods of 2021 and as 23% for the corporate earnings for the taxation periods of 2022 in accordance with the regulation introduced by the Law No. 7394 on the "Law on Evaluation of Immovable Property Owned by the Treasury and Amendment to the Value Added Tax Law" and as per added first sentence to the temporary Article 13 of the Law No. 5520 on the "Corporate Tax Law", this rate has been determined to be applied as 25% for the corporate earnings for the taxation periods of 2022 for the banks, companies within the scope of 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. Therefore, as of 30 September 2022, the Bank has calculated deferred tax at the rate of 25% for assets and liabilities (31 December 2021: 23% for the maturity until 2022 and 20% for the maturity after 2022).

If transactions and events are recorded in the statement of profit or loss, then the related tax effects are also recognized in the statement of profit or loss. However, if transactions and events are recorded directly in the shareholders' equity, the related tax effects are also recognized directly in the shareholders' equity.

The deferred tax assets and liabilities are reported as net in the financial statements.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Furthermore, the deferred tax assets are not subject to profit distribution or capital increase as per the BRSA's related circular in cases where there are net asset balances after netting deferred tax assets with deferred tax liabilities.

3.18.3 Transfer pricing

The article No.13 of the Corporate Tax Law describes the issue of transfer pricing under the title of "Disguised Profit Distribution by Way of Transfer Pricing". "The General Communiqué on Disguised Profit Distribution by Way of Transfer Pricing" published at 18 November 2007, explains the application related issues on this topic.

According to this Communiqué, if the taxpayers conduct transactions like purchase and sale of goods or services with the related parties where the prices are not determined according to the arm's length principle, then it will be concluded that there is a disguised profit distribution by way of transfer pricing. Such disguised profit distributions will not be deducted from the corporate tax base for tax purposes.

As stated in the General Communiqué No. 4 on Disguised Profit Distribution by Way of Transfer Pricing, the taxpayers are required to fill out the "Transfer Pricing, Controlled Foreign Entities and Thin Capitalization" form for the purchase and sale of goods or services conducted with their related parties in a taxation period, attach these forms to their corporate tax returns and submit to the tax offices.

3.19 Funds borrowed

The Bank, whenever required, generates funds from domestic and foreign sources in the form of borrowings, syndications, securitizations, and bill and bond issuances in the local and international markets. The funds borrowed are recorded at their purchase costs and valued at amortised costs using the effective interest method.

In cases where such funds are valued at their amortised costs but this application results in measurement or accounting mismatch due to having the related financial instruments valued using different methods or the related gains or losses are recognized differently, such fundings are reclassified as financial liabilities at their fair values through profit or loss at initial recognition in order to prevent such mismatch. The interest expenses paid during holding the related financial liabilities and the difference between the amortized cost and the acquisition cost are recorded as interest expense in statement of profit or loss and the difference between the fair values and the amortized costs of the financial liabilities are recorded under trading account income/losses.

3.20 Share issuances

If the Bank issues a share at a price above its nominal value, the difference between the issue price and the nominal value is accounted for "Share Premium" under Shareholders' Equity.

3.21 Confirmed bills of exchange and acceptances

Payments of the confirmed bills of exchange and acceptances are made simultaneously with the payments of the customers. Confirmed bills of exchange and acceptances are recorded in "off-balance sheet accounts" as possible debts and commitments, if any.

3.22 Government incentives

As of 30 September 2022, the Bank does not have any government incentives or grants (2021: None).

3.23 Segment reporting

The Bank operates in corporate, commercial, retail and investment banking. Accordingly, the banking products served to customers are; custody services, time and demand deposits, accumulating deposit accounts, repos, overdraft facilities, spot loans, foreign currency indexed loans, consumer loans, automobile and housing loans, working capital loans, discounted bills, gold loans, foreign currency loans, Eximbank loans, pre-export loans, ECA covered financing, letters of guarantee, letters of credit, export factoring, acceptance credits, draft facilities, forfaiting, leasing, insurance, forward, futures, salary payments, investment account (ELMA), cheques, safety boxes, bill payments, tax collections, payment orders. GarantiCard, BonusCard, Miles&Smiles Card, FlexiCard, MoneyCard, BusinessCard, Shop & Fly, virtual cards under the brand names of Visa and Mastercard and also American Express credit cards and "Paracard" debit cards with Maestro, Electron, Visa and Mastercard brand names, are available.

The Bank provides service packages to its corporate, commercial and retail customers including deposit, loans, foreign trade transactions, investment products, cash management, leasing, factoring, insurance, credit cards, and other banking products. A customer-oriented branch network has been built in order to serve customers' needs effectively and efficiently. The Bank also utilizes alternative delivery channels intensively.

The Bank provides corporate banking products to international and national holdings in Turkey by coordinating regional offices, suppliers and intermediaries, utilizing cross-selling techniques. Mainly, it provides services through its commercial and mixed type of branches to export-revenue earning sectors like tourism and textile and exporters of Turkey's traditional agricultural products.

Additionally, the Bank provides banking services to enterprises and their employees working in retail and service sectors through product packages including overdraft accounts, POS machines, credit cards, cheque books, Turkish Lira and foreign currency deposits, investment accounts, internet banking and call-center, debit cards and bill payment modules.

Retail banking customers form a wide-spread and sustainable deposit base for the Bank. Individual customers' needs are met by diversified consumer banking products through branches and digital banking.

(Thousands of Turkish Lira (TL))

Information on the business segments is as follows:

Current Period	**Retail Banking**	**Corporate Banking**	**Investment Banking**	**Other**	**Total Operations**
Net Interest Income	11,717,967	16,562,805	22,286,568	3,953,436	54,520,776
Net Fees And Commıssıons Income	7,959,161	3,252,710	(159,340)	7,827	11,060,358
Dividend Income	-	-	-	32,952	32,952
Net Tradıng Income/Losses (Net)	400,924	5,464,320	(1,079,360)	2,002,016	6,787,900
Other Operatıng Income (*)	319,143	108,914	17,166	1,470,296	1,915,519
Expected Credıt Losses (-) (*)	(2,901,044)	(7,771,258)	(505,519)	572,769	(10,605,052)
Other Provisions (-)	-	-	-	(2,666,500)	(2,666,500)
Personnel and Other Operatıng Expenses (-)	(8,171,936)	(3,218,683)	(744,253)	(3,099,351)	(15,234,223)
Income/Loss From Investments Under Equıty Accountıng	-	-	-	3,831,961	3,831,961
Net Operating Profit	**9,324,215**	**14,398,808**	**19,815,262**	**6,105,406**	**49,643,691**
Provision for Taxes	-	-	-	(11,036,791)	(11,036,791)
Net Profit	**9,324,215**	**14,398,808**	**19,815,262**	**(4,931,385)**	**38,606,900**
Segment Assets	167,421,692	400,539,646	418,891,547	80,328,174	1,067,181,059
Investments in Associates and Subsidiaries	-	-	-	25,698,590	25,698,590
Total Assets	**167,421,692**	**400,539,646**	**418,891,547**	**106,026,764**	**1,092,879,649**
Segment Liabilities	509,507,420	274,851,928	133,957,278	43,264,735	961,581,361
Shareholders' Equity	-	-	-	131,298,288	131,298,288
Total Liabilities and Shareholders'	**509,507,420**	**274,851,928**	**133,957,278**	**174,563,023**	**1,092,879,649**

Prior Period	**Retail Banking**	**Corporate Banking**	**Investment Banking**	**Other**	**Total Operations**
Net Interest Income	7,153,006	6,842,576	3,349,148	4,808,217	22,152,947
Net Fees And Commıssıons Income	4,268,386	1,728,792	(94,985)	158,242	6,060,435
Dividend Income	-	-	-	16,664	16,664
Net Tradıng Income/Losses (Net)	99,989	1,939,866	(6,178,350)	533,335	(3,605,160)
Other Operatıng Income (*)	176,674	85,687	21,151	426,136	709,648
Expected Credıt Losses (-) (*)	(1,493,024)	(2,875,870)	557,768	467,073	(3,344,053)
Other Provisions (-)				(3,273,124)	(3,273,124)
Personnel and Other Operatıng Expenses (-)	(4,557,072)	(1,775,573)	(259,536)	(1,929,266)	(8,521,447)
Income/Loss From Investments Under Equıty Accountıng	-	-	-	1,937,811	1,937,811
Net Operating Profit	**5,647,959**	**5,945,478**	**(2,604,804)**	**3,145,088**	**12,133,721**
Provision for Taxes	-	-	-	(2,592,234)	(2,592,234)
Net Profit	**5,647,959**	**5,945,478**	**(2,604,804)**	**552,854**	**9,541,487**
Segment Assets	118,481,590	284,363,032	290,687,010	45,378,365	738,909,997
Investments in Associates and Subsidiaries	-	-	-	19,970,155	19,970,155
Total Assets	**118,481,590**	**284,363,032**	**290,687,010**	**65,348,520**	**758,880,152**
Segment Liabilities	345,618,735	186,395,190	119,499,816	27,385,152	678,898,893
Shareholders' Equity	-	-	-	79,981,259	79,981,259
Total Liabilities and Shareholders'	**345,618,735**	**186,395,190**	**119,499,816**	**107,366,411**	**758,880,152**

(*) Prior year reversals from Expected Credit Losses presented under Other Operating Income in the Profit or Loss Statement are netted off with the Expected Credit Losses.

3.24 Profit reserves and profit appropriation

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

Under the Turkish Commercial Code, legal reserves consist of first legal reserve and second legal reserve. First legal reserve, appropriated at the rate of 5%, until the total reserve is equal to 20% of issued and fully paid-in share capital. Second legal reserve, appropriated at the rate of at least 10% of distributions in excess of 5% of issued and fully paid-in share capital, but holding companies are not subject to such transaction. 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.

In the ordinary General Assembly Meeting dated 31 March 2022, a decision is made regarding distribution of the unconsolidated net profit of the Bank amounting to TL 13,073,306 and the table considering the distribution made based on the decision is presented in Note 5.10.2.

3.25 Earnings per share

Earnings per share disclosed in the statement of profit or loss, are calculated by dividing net profit by the weighted average number of shares outstanding during the year concerned.

	30 September 2022	*30 September 2021*
Distributable net profit	38,606,900	9,541,487
Average number of issued common shares (thousand)	420,000,000	420,000,000
Earnings per share (amounts presented full TL)	0.09192	0.02272

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares (“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.

There are no bonus shares issued in 2022 (2021: None).

3.26 Related parties

For the purpose of these financial statements, shareholders having control shares of the Bank, key management personnel and board members together with their families and companies controlled by/subsidiary with them, associated companies and joint ventures and the Fund providing post employment benefits are considered and referred to as related parties in accordance with TAS 24 “Related Parties”. The transactions with related parties are disclosed in detail in Note 5.7.

3.27 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 of Turkey; 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.

(Thousands of Turkish Lira (TL))

3.28 Other disclosures

3.28.1 Changes in prior period financial statements

With the "Communiqué amending the Communiqué on the Turkish Accounting Standard 27 (TAS 27) Separate Financial Statements" published in the Official Gazette dated 9 April 2015 and numbered 29321, option of accounting has been introduced for the investments in subsidiaries, joint ventures and affiliates in accordance with the provisions of TAS 27 in the separate financial statements of the enterprises at cost, in accordance with the provisions of TFRS 9 or by using the equity method defined in TAS 28.

As of 28 February, 2022, the Bank started to account for its investments in non-financial subsidiaries using the equity method within the scope of TAS 28 and switched to the equity method in valuation of non-financial subsidiaries. Before the relevant accounting policy change, non-financial subsidiaries were reflected in the financial statements with cost value, after deducting the provision for impairment in the unconsolidated financial statements.

The Bank classified companies within the framework of "the issuance of payment instruments such as credit cards, debit cards and travellers' cheques and the operations of related activities" and previously classified as a non-financial associate or subsidiary within the scope of the BRSA's article numbered 43933 and dated 9 March 2022, on "Obligation to Prepare Consolidated Financial Statements" as financial associates or subsidiaries.

Due to the change in accounting policy, the financial statements of the previous years have been restated within the framework of TAS 8 Accounting Policies, Changes in Accounting Estimates and Error Standard. The effect of adjustments on previous year financial statements is as follows:

31 December 2021	***Reported***	***Correction***		***Restated***
		TAS 27	***Classification***	
Unconsolidated Financial Associates	18,827,298	1,032,409	41,420	19,901,127
Unconsolidated Non-Financial Associates	17,347	45,880	(41,420)	21,807
Total Assets	**757,801,863**	**1,078,289**	**-**	**758,880,152**
Other Comprehensive Income/expense Items to be Recycled to Profit/loss	7,789,940	14,888	-	7,804,828
Foreign Currency Conversion Adjustments	*10,785,086*	*12,220*	-	*10,797,306*
Other	*(3,485,821)*	*2,668*	-	*(3,483,153)*
Prior Periods' Profit/loss	13,283	535,568	-	548,851
Net Profit/Loss	13,073,306	527,833	-	13,601,139
Total Liabilities	**757,801,863**	**1,078,289**	**-**	**758,880,152**
Dividend Income	129,389	(111,284)	-	18,105
Other Provisions	(7,491,601)	86,675	-	(7,404,926)
Income/Loss From Investments Under Equıty Accountıng	1,909,194	552,442	-	2,461,636
Net Profit/Loss	**13,073,306**	**527,833**	**-**	**13,601,139**

(Thousands of Turkish Lira (TL))

30 September 2021	***Reported***	***Correction***		***Restated***
		TAS 27	***Classification***	
Unconsolidated Financial Associates	14,016,322	939,585	37,475	14,993,382
Unconsolidated Non-Financial Associates	16,781	41,765	(37,475)	21,071
Total Assets	**573,537,999**	**981,350**	**-**	**574,519,349**
Other Comprehensive Income/expense Items to be Recycled to Profit/loss	3,858,100	2,752	-	3,860,852
Foreign Currency Conversion Adjustments	*6,426,459*	*2,570*	-	*6,429,029*
Other	*(1,969,458)*	*182*	-	*(1,969,276)*
Prior Periods' Profit/loss	13,283	535,568	-	548,851
Net Profit/Loss	9,098,457	443,030	-	9,541,487
Total Liabilities	**573,537,999**	**981,350**	**-**	**574,519,349**
Dividend Income	127,948	(111,284)	-	16,664
Other Provisions	(3,360,365)	87,241	-	(3,273,124)
Income/Loss From Investments Under Equıty Accountıng	1,470,738	467,073	-	1,937,811
Net Profit/Loss	**9,098,457**	**443,030**	**-**	**9,541,487**

31 December 2020	***Reported***	***Correction***		***Restated***
		TAS 27	***Classification***	
Unconsolidated Financial Associates	11,267,986	395,228	20,816	11,684,030
Unconsolidated Non-Financial Associates	104,020	39,284	(20,816)	122,488
Total Assets	**492,797,820**	**434,512**	**-**	**493,232,332**
Other Comprehensive Income/expense Items to be Recycled to Profit/loss	3,659,817	(101,056)	-	3,558,761
Foreign Currency Conversion Adjustments	*5,385,882*	*(132)*	-	*5,385,750*
Other	*(1,784,809)*	*(100,924)*	-	*(1,885,733)*
Prior Periods' Profit/loss	196,448	205,379	-	401,827
Net Profit/Loss	6,238,003	330,189	-	6,568,192
Total Liabilities	**492,797,820**	**434,512**	**-**	**493,232,332**
Income/Loss From Investments Under Equıty Accountıng	1,323,028	330,189	-	1,653,217
Net Profit/Loss	**6,238,003**	**330,189**	**-**	**6,568,192**

The Bank reconsidered the amount of "Net Increase (Decrease) in Loans Received" shown under "Changes in Assets and Liabilities Subject to Banking Activities" in the cash flow statement, and recalculated the cash flows from syndication, securitization and special purpose loans, which it associated with financing activities, classidied as "Net Cash from Financing Activities". In order to comply with the cash flow statement dated 30 September 2022, between the lines of "Net Increase (Decrease) in Loans Received" and "Cash from Loans and Securities Issued" and "Cash Outflow from Loans and Securities Issued" reclassification transactions were made TL 9,326,439 and TL 3,257,665, respectively in the cash flow statement dated 30 September 2021.

(Thousands of Turkish Lira (TL))

4 Financial Position and Results of Operations and Risk Management

4.1 Total capital

The capital items calculated as per the "Regulation on Equities of Banks" published on 5 September 2013, are presented below:

4.1.1 Components of total capital

	Current Period	*Prior Period*
COMMON EQUITY TIER I CAPITAL		
Paid-in Capital to be Entitled for Compensation after All Creditors	4,972,554	4,972,554
Share Premium	11,880	11,880
Reserves	63,156,966	51,319,079
Other Comprehensive Income according to TAS	29,713,472	15,463,617
Profit	39,701,378	14,149,990
Current Period's Profit	38,606,900	13,601,139
Prior Periods' Profit	1,094,478	548,851
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	9,377	7,643
Common Equity Tier I Capital Before Deductions	**137,565,627**	**85,924,763**
Deductions From Common Equity Tier I Capital		
Valuation adjustments calculated as per the article 9. (i) of the Regulation on Bank Capital		-
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	5,727,143	4,338,078
Leasehold Improvements on Operational Leases (-)	88,917	94,599
Goodwill Netted with Deferred Tax Liabilities	-	-
Other Intangible Assets Netted with Deferred Tax Liabilities Except Mortgage Servicing Rights	879,222	748,424
Net Deferred Tax Asset/Liability (-)	-	-
Differences arise when assets and liabilities not held at fair value, are subjected to cash flow hedge accounting	-	-
Total credit losses that exceed total expected loss calculated according to the Regulation on Calculation of Credit Risk by Internal Ratings Based Approach	-	-
Securitization gains	-	-
Unrealized gains and losses from changes in bank's liabilities' fair values due to changes in creditworthiness	-	-
Net amount of defined benefit plans	-	-
Direct and Indirect Investments of the Bank on its own Tier I Capital (-)	-	-
Shares Obtained against Article 56, Paragraph 4 of the Banking Law (-)	-	-
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 (-)	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	-
Mortgage Servicing Rights Exceeding the 10% Threshold of Tier I Capital (-)	-	-
Net Deferred Tax Assets arising from Temporary Differences Exceeding the10% Threshold of Tier I Capital (-)	-	-
Amount Exceeding the 15% Threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-	-
The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital not deducted from Tier I Capital (-)	-	-
Excess Amount arising from Mortgage Servicing Rights (-)	-	-
Excess Amount arising from Deferred Tax Assets from Temporary Differences (-)	-	-
Other items to be Defined by the BRSA (-)	-	-
Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals (-)	-	-
Total Deductions from Common Equity Tier I Capital	**6,695,282**	**5,181,101**

(Thousands of Turkish Lira (TL))

Total Common Equity Tier I Capital	**130,870,345**	**80,743,662**
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity Tier I Capital and the Related Share Premiums	-	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	-	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	-	-
Deductions from Additional Tier I Capital	-	-
Direct and Indirect Investments of the Bank on its own Additional Tier I Capital (-)	-	-
Investments in Equity Instruments Issued by Banks or Financial Institutions Invested in Bank’s Additional Tier I Capital and Having Conditions Stated in the Article 7 of the Regulation	-	-
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 (-)	-	-
Items to be Deducted from Tier I Capital during the Transition Period	-	-
Goodwill and Other Intangible Assets and Related Deferred Taxes not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-	-
Net Deferred Tax Asset/Liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-	-
Deduction from Additional Tier I Capital when there is not enough Tier II Capital (-)	-	-
Total Deductions from Additional Tier I Capital	-	-
Total Additional Tier I Capital	-	-
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	**130,870,345**	**80,743,662**
TIER II CAPITAL		
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	12,069,880	10,822,630
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4)	-	-
Provisions (Amounts explained in the first paragraph of the article 8 of the Regulation on Bank Capital)	8,169,849	5,601,236
Total Deductions from Tier II Capital	**20,239,729**	**16,423,866**
Deductions from Tier II Capital	-	-
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)	-	-
Investments in Equity Instruments Issued by Banks and Financial Institutions Invested in Bank’s Tier II Capital and Having Conditions Stated in the Article 8 of the Regulation	-	-
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 (-)	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	**20,239,729**	**16,423,866**
Total Equity (Total Tier I and Tier II Capital)	**151,110,074**	**97,167,528**
Total Tier I Capital and Tier II Capital (Total Equity)		
Loans Granted against the Articles 50 and 51 of the Banking Law	8	75

(Thousands of Turkish Lira (TL))

	Current Period	*Prior Period*
Other items to be Defined by the BRSA	-	2,909
Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period	-	-
The Portion of 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 not deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation	-	-
The Portion of Total of Net Long Positions of the 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 not deducted from Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation	-	-
The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital, of the Net Deferred Tax Assets arising from Temporary Differences and of the Mortgage Servicing Rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation	-	-
CAPITAL		
Total Capital (Total of Tier I Capital and Tier II Capital)	**151,110,066**	**97,164,544**
Total Risk Weighted Assets	**758,333,487**	**525,705,126**
CAPITAL ADEQUACY RATIOS		
CET1 Capital Ratio (%)	17.26	15.36
Tier I Capital Ratio (%)	17.26	15.36
Capital Adequacy Ratio (%)	19.93	18.48
BUFFERS		
Total Additional CET1 Capital Requirement Ratio (a+b)	2.53	2.53
a) Capital Conservation Buffer Ratio (%)	2.50	2.50
b) Bank-specific Counter-Cyclical Capital Buffer Ratio (%)	0.03	0.03
Additional CET1 Capital Over Total Risk Weighted Assets Ratio Calculated According to the Article 4 of Capital Conservation and Counter-Cyclical Capital Buffers Regulation (%)	11.26	9.36
Amounts Lower Than Excesses as per Deduction Rules		
Remaining 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		-
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Issued Share Capital		-
Remaining Mortgage Servicing Rights		-
Net Deferred Tax Assets arising from Temporary Differences	5,895,237	4,203,680
Limits for Provisions Used in Tier II Capital Calculation		
General Loan Provisions for Exposures in Standard Approach (before limit of one hundred and twenty five per ten thousand)	25,467,867	18,026,191
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	8,169,849	5,601,236
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach	-	-
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, Limited by 0.6% Risk Weighted Assets	-	-
Debt Instruments Covered by Temporary Article 4 (effective between 1.1.2018-1.1.2022)	-	-
Upper Limit for Additional Tier I Capital Items subject to Temporary Article 4	-	-
Amount of Additional Tier I Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	-
Upper Limit for Additional Tier II Capital Items subject to Temporary Article 4	-	-
Amount of Additional Tier II Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	-

Within the scope of the measures announced by the BRSA on 28 April 2022 and 21 December 2021, the amount subject to credit risk shall be calculated by using the 31 December 2021 dated Central Bank's foreign exchange buying rates and negative revaluation differences of the securities classified under "Financial Assets Measured at Fair Value through Other Comprehensive Income" are not included in capital calculation.

As of 30 September 2022, the amount subject to credit risk in calculating the regulatory capital adequacy ratio was calculated by taking into account the regulation changes. If the regulation changes is not taken into account, the capital adequacy ratio decreases to 18.32% as of 30 September 2022.

The Bank plans its Common Equity Tier 1 (CET1) Capital by considering 10% as the minimum target.

(Thousands of Turkish Lira (TL))

4.1.2 Items included in capital calculation

Current Period	***Information about instruments included in total capital calculation***		
Issuer	T. Garanti Bankası A.Ş.	T. Garanti Bankası A.Ş.	T. Garanti Bankası A.Ş.
Identifier (CUSIP, ISIN vb.)	Reg S: ISIN: XS1617531063 Common Code: 161753106 144A: CUSIP: 900148 AE7 ISIN: US900148AE73 Common Code: 161752479	ISIN: TRSGRANE2915	ISIN: TRSGRAN23013
Governing law (s) of the instrument	Subject to English Law and in terms of certain articles to Turkish Regulations. It is issued within the scope of the Communiqué VII-128.8 on Debt Instruments of the Capital Markets Board and the Regulation on Bank Capital of the BRSA.	It is subject to English Law and in terms of certain articles to Turkish Regulations. It is also issued within the scope of the "Regulation on Equities of Banks" and "the Communiqué Regarding the Capital Instruments that will be included in own funds of banks" within the legislation of Capital Markets Board of Turkey.	It is subject to English Law and in terms of certain articles to Turkish Regulations. It is also issued within the scope of the "Regulation on Equities of Banks" and "the Communiqué Regarding the Capital Instruments that will be included in own funds of banks" within the legislation of Capital Markets Board of Turkey.
Regulatory treatment			
Subject to 10% deduction as of 1/1/2015	No	No	No
Eligible on unconsolidated and /or consolidated basis	Eligible on unconsolidated and consolidated	Eligible on unconsolidated and consolidated	Eligible on unconsolidated and consolidated
Instrument type	Subordinated debt instruments (Notes)	Subordinated debt instruments (Notes)	Subordinated debt instruments (Notes)
Amount recognized in regulatory capital (Currency in TL million, as of most recent reporting date)	11,067 (31 December 2021: 9,820)	253 (31 December 2021: 253)	750 (31 December 2021: 750)
Nominal value of instrument (TL million)	13,834 (31 December 2021: 9,820)	253 (31 December 2021: 253)	750 (31 December 2021: 750)
Accounting classification of the instrument	34701 – Secondary Subordinated Loans	34601– Secondary Subordinated Loans	34601– Secondary Subordinated Loans
Issuance date of instrument	23.05.2017	09.10.2019	14.02.2020
Maturity structure of the instrument (demand/time)	Time	Time	Time
Original maturity of the instrument	24.05.2027	07.10.2029	14.02.2030
Issuer call subject to prior supervisory (BRSA) approval	No	Yes	Yes
Optional call date, contingent call dates and redemption amount	-	07.10.2024 – TL 252,880,000	14.02.2025 – TL 750,000,000
Subsequent call dates, if applicable	-	-	-
Interest/dividend payment			
Fixed or floating coupon/dividend payments	Fixed	Floating	Floating
Coupon rate and any related index	7.1770%	TLREF + 130 bps	TLREF + 250 bps
Existence of any dividend payment restriction	None	None	None
Fully discretionary, partially discretionary or mandatory	-	-	-
Existence of step up or other incentive to redeem	None	None	None
Noncumulative or cumulative	None	None	None
Convertible into equity shares	None	None	None
If convertible, conversion trigger (s)	-	-	-
If convertible, fully or partially	-	-	-
If convertible, conversion rate	-	-	-
If convertible, mandatory or optional conversion	-	-	-

If convertible, type of instrument convertible into	-	-	-
If convertible, issuer of instrument to be converted into	-	-	-
Write-down feature	Yes	Yes	Yes
If bonds can be written-down, write-down trigger(s)	Due to the losses incurred, where the Bank is at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law that: (i) its operating license is to be revoked and the Bank is liquidated or (ii) the rights of all of its shareholders (except to dividends), and the management and supervision of the Bank, are to be transferred to the SDIF on the condition that losses are deducted from the capital of existing shareholders (occurrence of either condition means the issuer has become non-viable), or (iii) it is probable that the Issuer will become non-viable; then the bonds can be written-down.	Due to the losses incurred, where the Bank is at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law that: (i) its operating license is to be revoked or(ii) to be determined the probability of transfer to the SDIF Turkey, the bonds can be written off.	Due to the losses incurred, where the Bank is at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law that: (i) its operating license is to be revoked or(ii) to be determined the probability of transfer to the SDIF Turkey, the bonds can be written off.
If bond can be written-down, full or partial	Partially or fully	Partially or fully	Partially or fully
If bond can be written-down, permanent or temporary	Continuously	Continuously	Continuously
If temporary write-down, description of write-up mechanism	There are no any temporary write-up mechanisms.	There are no any temporary write-up mechanisms.	There are no any temporary write-up mechanisms.
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	In priority of receivables, it comes after the senior obligations of the Issuer.	In priority of receivables, it comes after the senior obligations of the Issuer.	In priority of receivables, it comes after the senior obligations of the Issuer.
In compliance with article number 7 and 8 of Regulation on Bank Capital	Instrument is in compliant with Article 8 of the Regulation on Bank Capital.	Instrument is in compliant with Article 8 of the Regulation on Bank Capital.	Instrument is in compliant with Article 8 of the Regulation on Bank Capital.
Details of incompliances with article number 7 and 8 of Regulation on Bank Capital	Instrument is not in compliant with Article 7 of the Regulation on Bank Capital.	Instrument is not in compliant with Article 7 of the Regulation on Bank Capital.	Instrument is not in compliant with Article 7 of the Regulation on Bank Capital.

(Thousands of Turkish Lira (TL))

4.1.3 Reconciliation of capital items to balance sheet

Current Period	*Carrying value*	*Amount of correction*	*Value of the capital report*	*Explanation of differences*
Paid-in Capital	4,200,000	772,554	4,972,554	Inflation adjustments included in Paid-in Capital according to Regulation's Temporary Article 1
Capital Reserves	784,434	(772,554)	11,880	Inflation adjustments included in Paid-in Capital according to Regulation's Temporary Article 1
Other Capital Reserves	772,554	(772,554)	-	Inflation adjustments included in Paid-in Capital according to Regulation's Temporary Article 1
Bonus Shares of Associates, Subsidiaries and Joint-Ventures	-	-	-	
Share Premium	11,880	-	11,880	
Other Comprehensive Income/Expenses in Shareholders' Equity as per TMS	23,455,510	540,196	23,995,706	Items not included in the calculation as per Regulation's Article 9-1-f
Other Comprehensive Income/Expense Items not to be Recycled to Profit/Loss	2,893,464	-	2,893,464	
Other Comprehensive Income/Expense Items to be Recycled to Profit/Loss	20,562,046	540,196	21,102,242	Items not included in the calculation as per Regulation's Article 9-1-f
Profit Reserves	63,156,966	-	63,156,966	
Profit or Loss	39,701,378	-	39,701,378	
Prior Periods' Profit/Loss	1,094,478	-	1,094,478	
Current Period Net Profit/Loss	38,606,900	-	38,606,900	
Deductions from Common Equity Tier I Capital (-)	-		968,139	Deductions from Common Equity Tier 1 Capital as per the Regulation
Common Equity Tier I Capital	**131,298,288**		**130,870,345**	
Subordinated Debts			-	
Deductions from Tier I Capital (-)			-	Deductions from Tier 1 Capital as per the Regulation
Tier I Capital			**130,870,345**	
Subordinated Debts			12,069,880	
12 Month ECL (Stage 1) and Lifetime ECL Significant Increase in Credit Risk (Stage 2)			8,169,849	Stage 1 and Stage 2 expected credit losses added to Tier II Capital as per the Regulation's Article 8
Deductions from Tier II Capital (-)			-	Deductions from Tier II Capital as per the Regulation
Tier II Capital			**20,239,729**	
Deductions from Total Capital (-)			8	Deductions from Capital as per the Regulation
Total			**151,110,066**	

Within the scope of the measures announced by the BRSA on 28 April 2022 and 21 December 2021, in the case of net valuation differences of the securities classified under "Financial Assets Measured at Fair Value through Other Comprehensive Income" are negative, these differences are not taken into consideration in capital calculation for capital adequacy ratio.

(Thousands of Turkish Lira (TL))

Prior Period	***Carrying value***	***Amount of correction***	***Value of the capital report***	***Explanation of differences***
Paid-in Capital	4,200,000	772,554	4,972,554	Inflation adjustments included in Paid-in Capital according to Regulation's Temporary Article 1
Capital Reserves	784,434	(772,554)	11,880	Inflation adjustments included in Paid-in Capital according to Regulation's Temporary Article 1
Other Capital Reserves	772,554	(772,554)	-	Inflation adjustments included in Paid-in Capital according to Regulation's Temporary Article 1
Bonus Shares of Associates, Subsidiaries and Joint-Ventures	-	-	-	
Share Premium	11,880	-	11,880	
Other Comprehensive Income/Expenses in Shareholders' Equity as per TMS	9,527,756	1,605,426	11,133,182	Items not included in the calculation as per Regulation's Article 9-1-f
Other Comprehensive Income/Expense Items not to be Recycled to Profit/Loss	1,722,928	-	1,722,928	
Other Comprehensive Income/Expense Items to be Recycled to Profit/Loss	7,804,828	1,605,426	9,410,254	Items not included in the calculation as per Regulation's Article 9-1-f
Profit Reserves	51,319,079	-	51,319,079	
Profit or Loss	14,149,990	-	14,149,990	
Prior Periods' Profit/Loss	548,851	-	548,851	
Current Period Net Profit/Loss	13,601,139	-	13,601,139	
Deductions from Common Equity Tier I Capital (-)	-		843,023	Deductions from Common Equity Tier 1 Capital as per the Regulation
Common Equity Tier I Capital	**79,981,259**		**80,743,662**	
Subordinated Debts	-		-	
Deductions from Tier I Capital (-)	-		-	Deductions from Tier 1 Capital as per the Regulation
Tier I Capital	-		**80,743,662**	
Subordinated Debts			10,822,630	
12 Month ECL (Stage 1) and Lifetime ECL Significant Increase in Credit Risk (Stage 2)			5,601,236	Stage 1 and Stage 2 expected credit losses added to Tier II Capital as per the Regulation's Article 8
Deductions from Tier II Capital (-)			-	Deductions from Tier II Capital as per the Regulation
Tier II Capital			**16,423,866**	
Deductions from Total Capital (-)			2,984	Deductions from Capital as per the Regulation
Total			**97,164,544**	

(Thousands of Turkish Lira (TL))

4.2 Credit risk

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

4.3 Currency risk

Foreign currency position limit is set in compliance with the legal standard ratio of net foreign currency position. As of 30 September 2022, the Bank's net 'on balance sheet' foreign currency short position amounts to TL 58,127,990 (31 December 2021: TL 73,355,612), net 'off-balance sheet' foreign currency long position amounts to TL 82,341,133 (31 December 2021: TL 89,098,603), while net foreign currency close position amounts to TL 24,213,143 (31 December 2021: TL 15,742,991).

The foreign currency position risk of the Bank is measured by "standard method" and "value-at-risk (VaR) model". Measurements by standard method are carried out monthly, whereas measurements by VaR are done daily. The foreign currency exchange risk is managed through transaction, dealer, desk and stop-loss limits approved by the Board of Directors for the trading portfolio beside the foreign currency net position standard ratio and the VaR limit.

The Bank's effective exchange rates at the date of balance sheet and for the last five working days of the period announced by the Bank in TL are as follows:

	EUR	**USD**
Foreign currency purchase rates at balance sheet date	18.0690	18.4450
Exchange rates for the days before balance sheet date;		
Day 1	18.0170	18.4500
Day 2	17.7610	18.4520
Day 3	17.7000	18.4040
Day 4	17.7280	18.3760
Day 5	17.7810	18.3220

	EUR	**USD**
Last 30-days arithmetical average rates	18.0396	18.2013

(Thousands of Turkish Lira (TL))

The Bank's currency risk:

Current Period	EUR	USD	Other FCs	Total
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	27,629,514	66,688,853	25,270,064	119,588,431
Banks	12,104,695	41,519,057	18,773,816	72,397,568
Financial Assets Measured at Fair Value through Profit/Loss	103,108	927,071	-	1,030,179
Money Market Placements	-	33,932,325	-	33,932,325
Financial Assets Measured at Fair Value through Other Comprehensive Income	974,351	12,277,996	-	13,252,347
Loans (*)	73,970,675	95,170,038	2,234,856	171,375,569
Investments in Associates, Subsidiaries and Joint-Ventures	17,888,426	-	-	17,888,426
Financial Assets Measured at Amortised Cost	365,838	44,175,299	-	44,541,137
Derivative Financial Assets Held for Hedging Purpose	179,854	1,214,486	-	1,394,340
Tangible Assets	-	383	-	383
Intangible Assets	-	-	-	-
Other Assets (**)	1,270,422	8,881,884	105,750	10,258,056
Total Assets	**134,486,883**	**304,787,392**	**46,384,486**	**485,658,761**
Liabilities				
Bank Deposits	1,563,574	1,932,379	41,142	3,537,095
Foreign Currency Deposits	116,738,929	244,765,771	13,202,516	374,707,216
Money Market Funds	-	1,569,687	-	1,569,687
Other Fundings (***)	11,772,853	59,929,459	-	71,702,312
Securities Issued (****)	826,100	25,739,918	168,877	26,734,895
Miscellaneous Payables	3,666,080	3,358,945	139,567	7,164,592
Derivative Financial Liabilities Held for Hedging Purpose	-	-	-	-
Other Liabilities (*****)	1,995,956	14,063,913	42,311,085	58,370,954
Total Liabilities	**136,563,492**	**351,360,072**	**55,863,187**	**543,786,751**
Net 'On Balance Sheet' Position	**(2,076,609)**	**(46,572,680)**	**(9,478,701)**	**(58,127,990)**
Net 'Off-Balance Sheet' Position	**18,835,830**	**54,128,245**	**9,377,058**	**82,341,133**
Derivative Financial Assets	35,799,990	142,278,854	34,626,353	212,705,197
Derivative Financial Liabilities	16,964,160	88,150,609	25,249,295	130,364,064
Non-Cash Loans	-	-	-	-
Prior Period				
Total Assets	**130,493,716**	**204,009,497**	**24,618,730**	**359,121,943**
Total Liabilities	**109,899,416**	**280,181,249**	**42,396,890**	**432,477,555**
Net 'On Balance Sheet' Position	**20,594,300**	**(76,171,752)**	**(17,778,160)**	**(73,355,612)**
Net 'Off-Balance Sheet' Position	**(7,167,992)**	**78,576,812**	**17,689,783**	**89,098,603**
Derivative Financial Assets	13,009,374	123,709,598	19,170,123	155,889,095
Derivative Financial Liabilities	20,177,366	45,132,786	1,480,340	66,790,492
Non-Cash Loans	-	-	-	-

(*) The foreign currency-indexed loans amounting TL 217,998 included under TL loans in the accompanying balance sheet are presented above under the related foreign currency codes.

(**) Includes expected credit losses in accordance with TFRS 9.

(***) Includes funds presented under financial liabilities amounting TL 28,539,432 measured at fair value through profit or loss in balance sheet.

(****) Includes securities issued as subordinated loan presented under subordinated debts in balance sheet.

(*****) Other liabilities include gold deposits of TL 41,969,503.

(Thousands of Turkish Lira (TL))

4.4 Interest rate risk

The interest rate risk resulting from balance sheet maturity mismatch presents the possible losses that may arise due to the changes in interest rates of interest sensitive assets and liabilities in the on- and off-balance sheet. Interest sensitivity of assets, liabilities and off-balance sheet items is evaluated during the Weekly Assessment Committee and Assets-Liabilities Committee meetings taking into consideration the developments in market conditions.

The Bank's interest rate risk is measured by using economic value, economic capital, net interest income, income at risk, market price sensitivity of marketable securities portfolio, duration-gap and sensitivity analysis.

The results are supported by the sensitivity and scenario analysis performed periodically against the possible instabilities in the markets. Furthermore, the interest rate risk is monitored according to the limits approved by the Board of Directors.

4.4.1 Interest rate sensitivity of assets, liabilities and off balance sheet items (based on repricing dates)

Current Period	**Up to 1 Month**	**1-3 Months**	**3-12 Months**	**1-5 Years**	**5 Years and Over**	**Non-Interest Bearing (*)**	**Total**
Assets							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	8,342,050	-	-	-	-	140,387,114	148,729,164
Banks	3,284,502	-	-	-	-	69,569,350	72,853,852
Financial Assets Measured at Fair Value through Profit/Loss	125,302	447,204	566,708	723,882	109,316	404,366	2,376,778
Money Market Placements	30,301,015	6,085,695	-	-	-	46,539	36,433,249
Financial Assets Measured at Fair Value through Other Comprehensive Income	2,037,504	10,376,014	14,281,328	13,411,172	2,920,276	30,630,327	73,656,621
Loans	188,843,918	119,434,848	149,305,029	94,593,961	32,519,679	17,541,262	602,238,697
Financial Assets Measured at Amortised Cost	5,988,981	5,064,379	10,959,250	52,802,731	6,079,474	17,505,673	98,400,488
Other Assets (**)	-	-	-	-	-	58,190,800	58,190,800
Total Assets	**238,923,272**	**141,408,140**	**175,112,315**	**161,531,746**	**41,628,745**	**334,275,431**	**1,092,879,649**
Liabilities							
Bank Deposits	487,941	696	-	-	-	3,770,771	4,259,408
Other Deposits	232,926,743	120,253,514	30,948,251	285,421	-	365,847,167	750,261,096
Money Market Funds	5,487,273	36	1,383,275	-	-	10,156	6,880,740
Miscellaneous Payables	-	-	-	-	-	42,232,543	42,232,543
Securities Issued (***)	252,880	2,133,375	9,362,640	15,716,728	-	447,420	27,913,043
Other Fundings	16,640,164	26,878,055	2,802,708	4,644,270	21,653,092	32,249	72,650,538
Other Liabilities	26,955	65,396	191,600	639,161	126,613	187,632,556	188,682,281
Total Liabilities	**255,821,956**	**149,331,072**	**44,688,474**	**21,285,580**	**21,779,705**	**599,972,862**	**1,092,879,649**
On Balance Sheet Long Position	**-**	**-**	**130,423,841**	**140,246,166**	**19,849,040**	**-**	**290,519,047**
On Balance Sheet Short Position	**(16,898,684)**	**(7,922,932)**	**-**	**-**	**-**	**(265,697,431)**	**(290,519,047)**
Off-Balance Sheet Long Position	**42,807,987**	**68,439,423**	**21,517,193**	**23,105,745**	**28,383,135**	**-**	**184,253,483**
Off-Balance Sheet Short Position	**(25,720,776)**	**(53,824,756)**	**(30,127,089)**	**(45,441,218)**	**(30,044,789)**	**-**	**(185,158,628)**
Total Position	**188,527**	**6,691,735**	**121,813,945**	**117,910,693**	**18,187,386**	**(265,697,431)**	**(905,145)**

(*) Interest accruals are also included in non-interest bearing column.
(**) Includes expected credit losses in accordance with TFRS 9.
(***) Includes subordinated securities issued and presented under subordinated debts in balance sheet.

(Thousands of Turkish Lira (TL))

Prior Period	**Up to 1 Month**	**1-3 Months**	**3-12 Months**	**1-5 Years**	**5 Years and Over**	**Non-Interest Bearing (*)**	**Total**
Assets							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	62,381,876	-	-	-	-	60,731,274	123,113,150
Banks	5,103,211	-	-	-	-	39,058,015	44,161,226
Financial Assets at Fair Value through Profit/Loss	132,474	232,409	4,917,776	302,606	118,969	565,929	6,270,163
Money Market Placements	30,474,000	-	2,964,470	-	-	12,689	33,451,159
Financial Assets Measured at Fair Value through Other Comprehensive Income	4,876,680	6,266,956	9,345,747	8,476,533	6,299,366	9,510,875	44,776,157
Loans	107,394,060	42,995,992	135,826,676	99,557,573	27,803,886	11,276,413	424,854,600
Financial Assets Measured at Amortised Cost	4,601,335	2,134,135	7,586,445	13,109,083	6,036,618	8,557,708	42,025,324
Other Assets (**)	-	-	-	-	-	40,228,373	40,228,373
Total Assets	**214,963,636**	**51,629,492**	**160,641,114**	**121,445,795**	**40,258,839**	**169,941,276**	**758,880,152**
Liabilities							
Bank Deposits	357,243	848	-	-	-	1,768,666	2,126,757
Other Deposits	200,863,108	37,650,562	10,996,526	188,417	-	261,414,187	511,112,800
Money Market Funds	9,604,374	22	-	-	-	25,202	9,629,598
Miscellaneous Payables	-	-	-	-	-	25,311,771	25,311,771
Securities Issued (***)	1,466,754	2,884,104	10,216,593	7,720,972	10,115,457	350,610	32,754,490
Other Fundings	10,714,063	13,206,861	13,580,648	7,185,849	16,119,530	42,124	60,849,075
Other Liabilities	17,846	49,413	142,856	526,220	121,000	116,238,326	117,095,661
Total Liabilities	**223,023,388**	**53,791,810**	**34,936,623**	**15,621,458**	**26,355,987**	**405,150,886**	**758,880,152**
On Balance Sheet Long Position	**-**	**-**	**125,704,491**	**105,824,337**	**13,902,852**	**-**	**245,431,680**
On Balance Sheet Short Position	**(8,059,752)**	**(2,162,318)**	**-**	**-**	**-**	**(235,209,610)**	**(245,431,680)**
Off-Balance Sheet Long Position	**25,270,785**	**39,232,653**	**9,641,532**	**12,843,398**	**15,889,481**	**-**	**102,877,849**
Off-Balance Sheet Short Position	**(8,096,667)**	**(30,163,619)**	**(16,389,578)**	**(26,841,713)**	**(21,505,045)**	**-**	**(102,996,622)**
Total Position	**9,114,366**	**6,906,716**	**118,956,445**	**91,826,022**	**8,287,288**	**(235,209,610)**	**(118,773)**

(*) Interest accruals are also included in non-interest bearing column.

(**) Includes expected credit losses in accordance with TFRS 9.

(***) Includes subordinated securities issued and presented under subordinated debts in balance sheet.

(Thousands of Turkish Lira (TL))

4.4.2 Average interest rates on monetary financial instruments (%)

Current Period	EUR	USD	JPY	TL
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	(2.93)	(2.71)	-	-
Banks	0.25	0.50	-	6.00
Financial Assets Measured at Fair Value through Profit/Loss	5.55	7.45	-	14.94
Money Market Placements	-	2.58	-	13.49
Financial Assets Measured at Fair Value through Other Comprehensive Income	4.63	6.38	-	42.55
Loans	5.10	7.12	-	25.42
Financial Assets Measured at Amortised Cost	4.11	5.89	-	33.35
Liabilities				
Bank Deposits	0.75	0.25	-	14.14
Other Deposits	0.18	0.73	-	11.68
Money Market Funds	-	2.24	-	11.94
Miscellaneous Payables	-	-	-	-
Securities Issued	5.27	6.61	-	16.75
Other Fundings	1.92	5.71	-	18.96

Prior Period	EUR	USD	JPY	TL
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	(0.07)	-	-	7.74
Banks	0.30	0.22	-	15.00
Financial Assets at Fair Value through Profit/Loss	4.42	5.13	-	20.06
Money Market Placements	-	0.05	-	14.07
Financial Assets Measured at Fair Value through Other Comprehensive Income	4.48	6.06	-	18.87
Loans	3.87	5.12	-	20.58
Financial Assets Measured at Amortised Cost	0.20	5.22	-	16.66
Liabilities				
Bank Deposits	0.01	-	-	13.13
Other Deposits	0.11	0.18	-	11.24
Money Market Funds	-	0.64	-	13.96
Miscellaneous Payables	-	-	-	-
Securities Issued	5.27	5.76	-	16.79
Other Fundings	1.87	2.47	-	15.86

(Thousands of Turkish Lira (TL))

4.5 Position risk of equity securities

4.5.1 Equity shares in associates and subsidiaries

Accounting policies for equity shares in associates and subsidiaries are disclosed in Note 3.3.

4.5.2 Comparison of carrying, fair and market values of equity shares

Current Period		**Comparison**		
Equity Securities (shares)		**Carrying Value**	**Fair Value[(*)]**	**Market Value**
1	**Investment in Shares- Grade A**	**25,456,078**	**25,387,421**	**576,611**
	Quoted Securities	138,937	138,937	576,611
2	**Investment in Shares- Grade B**	**152,105**	**126,664**	**568,189**
	Quoted Securities	126,664	126,664	568,189
3	**Investment in Shares- Grade C**	**8,529**	**-**	**-**
	Quoted Securities	-	-	-
4	**Investment in Shares- Grade D**	**80,816**	**-**	**-**
	Quoted Securities	-	-	-
5	**Investment in Shares- Grade E**	**1,014**	**-**	**-**
	Quoted Securities	-	-	-
6	**Investment in Shares- Grade F**	**48**	**-**	**-**
	Quoted Securities	-	-	-

(*) The balances are as per the results of equity accounting application.

Prior Period		**Comparison**		
Equity Securities (shares)		**Carrying Value**	**Fair Value[(*)]**	**Market Value**
1	**Investment in Shares- Grade A**	**19,801,655**	**19,787,997**	**548,581**
	Quoted Securities	148,011	148,011	548,581
2	**Investment in Shares- Grade B**	**160,378**	**134,937**	**540,569**
	Quoted Securities	134,937	134,937	540,569
3	**Investment in Shares- Grade C**	**7,060**	**-**	**-**
	Quoted Securities	-	-	-
4	**Investment in Shares- Grade D**	**-**	**-**	**-**
	Quoted Securities	-	-	-
5	**Investment in Shares- Grade E**	**1,014**	**-**	**-**
	Quoted Securities	-	-	-
6	**Investment in Shares- Grade F**	**48**	**-**	**-**
	Quoted Securities	-	-	-

(*) The balances are as per the results of equity accounting application.

(Thousands of Turkish Lira (TL))

4.5.3 Realised gains/losses, revaluation surpluses and unrealised gains/losses on equity securities and results included in core and supplementary capitals

Current Period		Gains/Losses in Current Period	Revaluation Surpluses		Unrealised Gains and Losses	
	Portfolio		Total	Amount in Tier I Capital(*)	Total	Amount in Tier I Capital(*)
1	Private Equity Investments	-	-	-	-	-
2	Quoted Shares	-	389,505	389,505	-	-
3	Other Shares	-	14,700,355	14,700,355	-	-
	Total	**-**	**15,089,860**	**15,089,860**	**-**	**-**

(*) The balances are as per the results of equity accounting application.

Prior Period		Gains/Losses in Current Period	Revaluation Surpluses		Unrealised Gains and Losses	
	Portfolio		Total	Amount in Tier I Capital(*)	Total	Amount in Tier I Capital(*)
1	Private Equity Investments	-	-	-	-	-
2	Quoted Shares	-	197,695	197,695	-	-
3	Other Shares	-	9,698,243	9,698,243	-	-
	Total	**-**	**9,895,938**	**9,895,938**	**-**	**-**

(*) The balances are as per the results of equity accounting application.

4.5.4 Capital requirement as per equity shares

	Current Period			
	Portfolio	**Carrying Value**	**RWA Total**	**Minimum Capital Requirement**
1	Private Equity Investments	-	-	-
2	Quoted Shares	474,757	474,757	37,981
3	Other Shares	25,223,833	22,136,714	1,770,937
	Total	**25,698,590**	**22,611,471**	**1,808,918**

	Prior Period			
	Portfolio	**Carrying Value**	**RWA Total**	**Minimum Capital Requirement**
1	Private Equity Investments	-	-	-
2	Quoted Shares	282,948	282,948	22,636
3	Other Shares	19,687,207	15,443,249	1,235,460
	Total	**19,970,155**	**15,726,197**	**1,258,096**

4.6 Liquidity risk management and liquidity coverage ratio

Liquidity risk is managed by Asset and Liability Management Department (ALMD), Weekly Review Committee and Asset and Liability Committee (ALCO) in line with liquidity and funding policies and risk appetite approved by the Board of Directors in order to take the necessary measures in a timely and correct manner against possible liquidity shortages that may result from market conditions and balance sheet structure. Under stressed conditions, liquidity risk is managed within the contingency funding plan framework.

The Board of Directors reviews the liquidity risk management policy and approves the liquidity and funding risk management policy, ensures the effective of practice of policies and integrations with the Bank’s risk management system. The Board of Directors determines the basic metrics in liquidity risk measurement and monitoring. The Board of Directors establishes risk appetite of the Bank in liquidity risk management and identifies the risk limits in accordance with the risk appetite and reviews it regularly.

ALCO takes necessary decisions which will be executed by related departments by assessing the liquidity risk that the Bank is exposed to and considering the Bank’s strategy and conditions of competition and pursues the implementations.

ALMD, performs daily liquidity management by ensuring compliance with regulatory and internal liquidity limits and monitoring related early warning indicators in case of probable liquidity squeezes. The medium and long term liquidity and funding management is performed by ALMD in accordance with ALCO decisions.

Head of Risk management defines the Bank's liquidity risk, measures and monitors the risks with liquidity risk measurement methods that are in compliance with international standards, presents measurement results periodically to related departments, committees and senior management. Head of Risk management coordinates related parties in order to ensure compliance of risk management process in accordance with the Bank's risk profile, operation environment and strategic plan with regulations. Head of Risk management analyses, develops and revises relevant liquidity risk measurement in accordance with changing market conditions and the Bank's structure. Head of Risk Management department reviews assumptions and parameters used in liquidity risk analysis.

The liquidity risk analysis and the important liquidity indicators are reported regularly to related senior management. Additionally, analysis and monitored internal ratios related to liquidity risk are presented in ALCO report. Internal liquidity metrics are monitored with limit and alert levels approved by the Board of Directors/ the Board of Directors Risk Committee and reported regularly to related parties.

Decentralized management approach is adopted in the Bank's liquidity management. Each subsidiary controlled by the Bank performs daily, medium and long term liquidity management independently from the Bank by the authorities in each subsidiary responsible for managing liquidity risk. In addition, within the scope of consolidated risk management, liquidity and funding risk of each subsidiary in control are monitored via the liquidity risk management methods identified by the Bank by considering the operations, risk profile and regulations of the related subsidiary.

The Bank's funding management is carried out in compliance with the ALCO decisions. Funding and placement strategies are developed by assessing liquidity of the Bank.

In liquidity risk management actions that will be taken and procedures are determined by considering normal economic conditions and stress conditions.

Diversification of assets and liabilities is assured so as to be able to continuously meet the obligations, also taking into account the relevant currencies. Funding sources are monitored actively during identification of concentration risk related to funding. The Bank's funding base of customer deposits, interbank and other borrowing transactions are diversified in order to prevent the concentration of a particular funding source. Factors that could trigger the sudden and significant run off in funds or impair the accessibility of the funding sources are analyzed. Additionally, in order to have a healthy liquidity buffer, most of the securities which are eligible as collateral at CBRT issued by Republic of Turkey Ministry of Treasury and Finance have active secondary market are comprised in the Bank's assets.

In the context of TL and foreign currencies liquidity management, the Bank monitors the cash flows regarding assets and liabilities and forecasts the required liquidity in future periods. In cash flow analysis, stress is applied to items that affect the liquidity by volume and rate of change from a liquidity management point of view.

Liquidity risk exposed by the Bank is managed by establishing risk appetite, risk mitigation according to the liquidity and funding policies (diversification of funding sources, holding high quality liquid assets reserve) and effective control environment and closely monitoring by limits. For those risks that cannot be reduced, the adoption of the current level of risk, reduction or termination of the activities that cause the risk is considered.

In liquidity risk stress testing framework, the level of the Bank's ability to cover cash outflows in liquidity crisis scenario based on the Bank's current cash flow structure, by high quality liquid assets is calculated. Scenario analysis are performed by assessing changing balance sheet structure, liquidity requirements and market conditions.

The results of liquidity risk stress testing are taken into consideration in the assessment of liquidity adequacy and identification of policy regarding liquidity risk and contingency funding plan is prepared within this framework.

There exists “Liquidity Contingency Plan” in the Bank approved by the Board of Directors, including mechanisms to prevent increase in liquidity risk scenarios for different conditions and levels. Available liquidity sources are determined by considering the liquidity squeezes. Within the framework of this plan, the Bank monitors liquidity risk in terms of early warning indicators and probable scenarios where liquidity risk crisis and possible actions that can be taken.

In the scope of contingency plan within the framework of intraday liquidity risk management in liquidity and funding risk procedure, situations requiring the activation of contingency plan and indicating an intraday liquidity stress, and intraday liquidity metrics are monitored and intraday liquidity risk stress testing is performed. Furthermore, “Liquidity Contingency Plan” which is approved by the Board of Directors, is prepared independently in each subsidiary controlled by the Bank.

The Bank’s liabilities consist of TL and foreign currency funding, of which a large portion is USD/EUR and Gold. Deposits and capital constitute most of TL funding. Retail customers cannot use foreign currency loans but are able to purchase FX for foreign currency deposits, leading to imbalances in deposit and loan volumes in the TL and FC balance sheet.. Long term funding obtained from foreign banks and creditors are mainly in foreign currency. For these reasons overall foreign currency liabilities are usually more than foreign currency assets and unused portion of USD, EURO and gold are used in TL funding via currency swap transactions. Swap transactions which is made for TL funding are made with CBRT, however swap transactions with foreign banks are being made in legal swap limits. Repo lines by open market operations and Borsa Istanbul (“OMO / BİST”) are not utilized , unused limits and high quality liquid asset stock is held is kept to use in the case of a liquidity scarcity in market. Also Eurobonds of Republic of Turkey aren’t used to secure funding and kept as reserve to use in the case of a foreign currency liquidity scarcity in market. In TL and foreign currency liquidity management, regulatory ratios, internally set warnings, limits and other liquidity and funding metrics are monitored. The Bank turns to permanent consumer deposits to increase of weights Consumer/SME deposits in TL deposits which significantly contributes to liquidity metrics such as the internal stress test in the third quarter of 2022.

The Bank keeps a strong liquidity buffer due to possible liquidity risks.Excess liquidity is utilized as overnight reverse repurchase transactions in BİST, in which, the collateral received by the bank is HQLA securities issued by CBRT and Ministry of Treasury and Finance.

4.6.1 Liquidity coverage ratio

Liquidity Coverage Ratio (LCR), aims for the banks having the ability to cover 30 days of liquidity needs with their own cash and high quality liquid assets that are easy to convert to cash during liquidity shortages in the markets. With that perspective and according to "Regulation for Banks' Liquidity Coverage Ratio Calculations" (the Regulation) terms LCR ratio is calculated by having high quality liquid assets divided by net cash outflows. In both bank-only and consolidated basis, LCR ratio should be at least 80% for foreign currency and 100% for total.

Items in balance sheet and off balance sheet items are taken into account after being multiplied by the coefficients advised in the Regulation. In LCR calculation cash inflows are limited by 75% of cash outflows and cash inflows from high quality liquid assets aren't included.

High quality liquid assets consist of cash, deposits in central banks and securities considered as high quality liquid assets. Reserve deposits are included in high quality liquid assets, limited by the amount that is allowed by central bank to use in liquidity shortages. The Bank's high quality liquid assets are composed of 6.71% cash, 49.97% deposits in central banks and 43.32% securities considered as high quality liquid assets.

The Bank's main funding sources are deposits, funds borrowed, money market borrowings and securities issued. Funding source composition as of report date is 83.45% deposits, 8.8% funds borrowed and money market borrowings, 3.09% securities issued and 4.67% other liabilities.

In LCR calculation, cash outflows are mainly consisting of deposits, secured and unsecured borrowings, securities issued and off balance sheet items.

The cash flows from derivative financial instruments are included in LCR calculations according to the Regulation's terms. The Bank also considers changes in fair value of the liabilities that result in margin calls when calculating cash outflows.

(Thousands of Turkish Lira (TL))

	Current Period	Total Unweighted Value (Average) (*)		Total Weighted Value (Average) (*)	
		TL+FC	**FC**	**TL+FC**	**FC**
	High-Quality Liquid Assets			290,427,876	161,145,176
1	Total high-quality liquid assets (HQLA)	290,427,876	161,145,176	290,427,876	161,145,176
	Cash Outflows				
2	Retail deposits and deposits from small business customers, of which:	491,569,859	291,179,062	45,702,783	29,117,906
3	Stable deposits	69,084,047	-	3,454,202	-
4	Less stable deposits	422,485,812	291,179,062	42,248,581	29,117,906
5	Unsecured wholesale funding, of which:	209,210,477	119,002,109	103,303,942	57,894,189
6	Operational deposits	-	-	-	-
7	Non-operational deposits	173,593,047	111,768,538	79,002,928	50,857,917
8	Unsecured funding	35,617,430	7,233,571	24,301,014	7,036,272
9	Secured wholesale funding			-	-
10	Other cash outflows of which:	321,599,062	102,395,180	47,657,983	37,338,082
11	Outflows related to derivative exposures and other collateral requirements	18,342,444	25,539,369	18,342,444	25,539,369
12	Outflows related to restructured financial instruments	-	-	-	-
13	Payment commitments and other off-balance sheet commitments granted for debts to financial markets	303,256,618	76,855,811	29,315,539	11,798,713
14	Other revocable off-balance sheet commitments and contractual obligations	4,930	4,930	246	246
15	Other irrevocable or conditionally revocable off-balance sheet obligations	38,321,830	37,145,973	1,916,091	1,857,299
16	**Total Cash Outflows**			198,581,045	126,207,722
	Cash Inflows				
17	Secured receivables	-	-	-	-
18	Unsecured receivables	84,658,548	32,247,491	60,349,098	27,710,394
19	Other cash inflows	2,547,903	68,452,439	2,547,903	68,452,439
20	**Total Cash Inflows**	87,206,451	100,699,930	62,897,001	96,162,833
21	**Total HQLA**			**290,427,876**	**161,145,176**
22	**Total Net Cash Outflows**			**135,684,044**	**34,984,695**
23	**Liquidity Coverage Ratio (%)**			**214.55**	**471.89**

(*) The average of last three months' liquidity coverage ratio calculated by weekly simple averages.

The table below presents highest, lowest and average liquidity coverage ratios of the third quarter of 2022:

Current Period	Highest	Date	Lowest	Date	Average
TL+FC	233.03	02.08.2022	193.98	22.09.2022	214.55
FC	561.18	10.08.2022	275.24	18.08.2022	471.89

(Thousands of Turkish Lira (TL))

Prior Period		Total Unweighted Value (Average) (*)		Total Weighted Value (Average) (*)	
		TL+FC	FC	TL+FC	FC
High-Quality Liquid Assets				**166,880,134**	**87,728,461**
1	Total high-quality liquid assets (HQLA)	166,880,134	87,728,461	166,880,134	87,728,461
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which:	319,758,020	192,546,117	29,552,712	19,254,612
3	Stable deposits	48,461,786	-	2,423,089	-
4	Less stable deposits	271,296,234	192,546,117	27,129,623	19,254,612
5	Unsecured wholesale funding, of which:	133,914,970	75,696,765	65,536,308	35,659,803
6	Operational deposits	-	-	-	-
7	Non-operational deposits	111,916,911	71,297,444	50,323,914	31,340,144
8	Unsecured funding	21,998,059	4,399,321	15,212,394	4,319,659
9	Secured wholesale funding				
10	Other cash outflows of which:	202,710,895	71,659,300	34,465,097	27,769,344
11	Outflows related to derivative exposures and other collateral requirements	16,701,006	20,212,631	16,701,006	20,212,631
12	Outflows related to restructured financial instruments	-	-	-	-
13	Payment commitments and other off-balance sheet commitments granted for debts to financial markets	186,009,889	51,446,669	17,764,091	7,556,713
14	Other revocable off-balance sheet commitments and contractual obligations	3,090	3,090	154	154
15	Other irrevocable or conditionally revocable off-balance sheet obligations	23,891,491	23,666,087	1,194,575	1,183,304
16	**Total Cash Outflows**			**130,748,846**	**83,867,217**
Cash Inflows					
17	Secured receivables	-	-	-	-
18	Unsecured receivables	50,342,257	23,838,544	38,608,394	21,433,087
19	Other cash inflows	6,427,318	54,930,833	6,427,318	54,930,833
20	**Total Cash Inflows**	**56,769,575**	**78,769,377**	**45,035,712**	**76,363,920**
21	**Total HQLA**			**166,880,134**	**87,728,461**
22	**Total Net Cash Outflows**			**85,713,134**	**21,282,352**
23	**Liquidity Coverage Ratio (%)**			**194.66**	**412.90**

(*) The average of last three months' liquidity coverage ratio calculated by weekly simple averages.

The table below presents highest, lowest and average liquidity coverage ratios of the last quarter of 2021:

Prior Period	Highest	Date	Lowest	Date	Average
TL+FC	463.70	23.10.2021	260.13	16.12.2021	463.70
FC	339.05	29.10.2021	169.14	17.11.2021	339.05

(Thousands of Turkish Lira (TL))

4.6.2 Contractual maturity analysis of liabilities according to remaining maturities

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

4.6.3 Maturity analysis of assets and liabilities according to remaining maturities:

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed	Total
Current Period								
Assets								
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	46,736,604	97,458,751	4,533,809	-	-	-	-	148,729,164
Banks	69,569,166	3,284,686	-	-	-	-	-	72,853,852
Financial Assets Measured at Fair Value through Profit/Loss	385,164	1,062	139,640	585,844	1,083,092	181,976	-	2,376,778
Money Market Placements	-	30,318,611	6,114,638	-	-	-	-	36,433,249
Financial Assets Measured at Fair Value through Other Comprehensive Income	814,234	69,154	1,046,950	15,544,847	36,274,879	19,906,557	-	73,656,621
Loans	711,119	93,101,461	103,605,327	182,435,890	150,396,149	43,929,826	28,058,925	602,238,697
Financial Assets Measured at Amortised Cost	-	6,535,262	204,723	4,291,357	70,597,256	16,771,890	-	98,400,488
Other Assets (*)	16,441,870	6,982,004	1,362,753	2,167,918	3,614,099	2,941,665	24,680,491	58,190,800
Total Assets	**134,658,157**	**237,750,991**	**112,474,031**	**209,559,665**	**261,965,475**	**83,731,914**	**52,739,416**	**1,092,879,649**
Liabilities								
Bank Deposits	3,770,652	488,061	696	-	-	-	-	4,259,409
Other Deposits	359,669,286	236,656,824	121,706,995	31,901,399	318,382	8,209	-	750,261,095
Other Fundings	-	2,393,848	17,454,063	17,361,074	10,736,411	24,705,142	-	72,650,538
Money Market Funds	-	5,493,721	36	1,386,983	-	-	-	6,880,740
Securities Issued (**)	-	-	-	9,384,902	17,501,666	1,026,475	-	27,913,043
Miscellaneous Payables	42,232,521	22	-	-	-	-	-	42,232,543
Other Liabilities (***)	11,857,584	2,413,425	3,566,266	2,106,279	3,777,134	8,510,772	156,450,821	188,682,281
Total Liabilities	**417,530,043**	**247,445,901**	**142,728,056**	**62,140,637**	**32,333,593**	**34,250,598**	**156,450,821**	**1,092,879,649**
Liquidity Gap	**(282,871,886)**	**(9,694,910)**	**(30,254,025)**	**147,419,028**	**229,631,882**	**49,481,316**	**(103,711,405)**	**-**
Net Off-Balance Sheet Position	**-**	**834,933**	**1,040,105**	**262,781**	**(1,040,481)**	**162,187**	**-**	**1,259,525**
Derivative Financial Assets	-	152,671,732	55,705,097	17,988,100	14,931,440	2,572,625	-	243,868,994
Derivative Financial Liabilities	-	151,836,799	54,664,992	17,725,319	15,971,921	2,410,438	-	242,609,469
Non-Cash Loans	-	68,416,928	5,628,821	5,116,061	629,195	-	361,683,817	441,474,822
Prior Period								
Total Assets	**117,184,344**	**167,026,522**	**58,632,553**	**136,388,923**	**185,982,807**	**63,989,378**	**29,675,625**	**758,880,152**
Total Liabilities	**291,275,637**	**216,720,542**	**45,291,430**	**50,041,507**	**23,863,012**	**35,735,768**	**95,952,256**	**758,880,152**
Liquidity Gap	**(174,091,293)**	**(49,694,020)**	**13,341,123**	**86,347,416**	**162,119,795**	**28,253,610**	**(66,276,631)**	**-**
Net Off-Balance Sheet Position	**-**	**7,625,945**	**1,359,327**	**619,182**	**369,215**	**(574,808)**	**-**	**9,398,861**
Derivative Financial Assets	-	130,289,455	35,528,824	15,339,959	10,528,964	1,885,232	-	193,572,434
Derivative Financial Liabilities	-	122,663,510	34,169,497	14,720,777	10,159,749	2,460,040	-	184,173,573
Non-Cash Loans	-	22,324,223	6,142,264	3,841,840	362,718	-	228,057,449	260,728,494

(*) Includes expected credit losses in accordance with TFRS 9.
(**) Includes securities issued having qualification of subordinated loan presented under subordinated debts in balance sheet.
(***) Shareholders' equity is included in "other liabilities" line under "undistributed" column.

(Thousands of Turkish Lira (TL))

4.7 Leverage ratio

The leverage ratio table prepared in accordance with the Communiqué "Regulation on Measurement and Assessment of Leverage Ratios of Banks" published in the Official Gazette No. 28812 dated 5 November 2013 is presented below:

The Bank's leverage ratio calculated by taking average of end of month leverage ratios for the last three-month periods is 8.41% (31 December 2021: 7.73%). While the capital increased by 62% mainly as a result of increase in net profits, total risk amount increased by 48%. Therefore, the current period leverage ratio increased by 68 basis points compared to prior period.

On-balance sheet assets		***Current Period*** (*)	***Prior Period*** (*)
1	On-balance sheet items (excluding derivative financial instruments and credit derivatives but including collateral)	998,902,148	698,090,458
2	(Assets deducted in determining Tier I capital)	(940,751)	(752,986)
3	Total on-balance sheet risks (sum of lines 1 and 2)	997,961,397	697,337,472
Derivative financial instruments and credit derivatives			
4	Replacement cost associated with all derivative instruments and credit derivatives	10,582,131	18,399,337
5	Add-on amounts for PFE associated with all derivative instruments and credit derivatives	39,929,556	31,600,220
6	Total risks of derivative financial instruments and credit derivatives (sum of lines 4 to 5)	50,511,687	49,999,557
Securities or commodity financing transactions (SCFT)			
7	Risks from SCFT assets (excluding on-balance sheet)	2,232,494	1,786,927
8	Risks from brokerage activities related exposures	-	-
9	Total risks related with securities or commodity financing transactions (sum of lines 7 to 8)	2,232,494	1,786,927
Other off-balance sheet transactions			
10	Gross notional amounts of off-balance sheet transactions	405,241,820	241,207,090
11	(Adjustments for conversion to credit equivalent amounts)	(2,557,962)	(5,744,892)
12	Total risks of off-balance sheet items (sum of lines 10 and 11)	402,683,858	235,462,198
Capital and total risks			
13	Tier I capital	122,218,299	75,592,095
14	Total risks (sum of lines 3, 6, 9 and 12)	1,453,389,436	984,586,154
Leverage ratio			
15	Leverage ratio	8.41	7.73

(*) Amounts in the table are three-month average amounts.

4.8 Fair values of financial assets and liabilities

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

4.9 Transactions carried out on behalf of customers and items held in trust

None.

4.10 Risk management objectives and policies

The notes under this caption are prepared as per the "Regulation on Risk Management Disclosures" published in the Official Gazette No. 29511 dated 23 October 2015.

4.10.1 Risk management strategy and weighted amounts

4.10.1.1 Risk management strategy

Risk Management ensures that; risk management policies and principles are applied and adopted throughout the Bank and its consolidated subsidiaries and that risk management system is maintained and improved which pursues risk-return relationship, and measures all risks together and which is in compliance with applicable regulation, bank strategies and policies and where limits determined in connection with the risk appetite approved by the Board of Directors are not breached. Risk Management defines, measures, reports, monitors the risks and ensure the activities executed in order to control these risks thoroughly and timely; also monitors the results.

Policies and procedures regarding risk management are established for consolidated subsidiaries. Policies and procedures are prepared in compliance with applicable legislations that the subsidiaries subject to and the parent Bank's risk management strategy, reviewed regularly and revised if necessary. The parent Bank ensures that risk management system is applied in subsidiaries where risks are defined, measured, monitored and controlled.

Risk management activities are structured under the responsibility of the Board of Directors. Besides oversight of corporate risk management policies and practices, capital adequacy and planning with liquidity adequacy subjects, management of various risks that the Bank may be exposed to is the responsibility of the Risk Committee, which consists of members of the Board of Directors. Accordingly, the Risk Management, which performs risk management functions, reports to the Board of Directors via the Risk Committee, whereas the Internal Audit Department, performing internal audit functions, the Internal Control Unit, performing internal control functions, and the Compliance Department, which implements compliance controls and performs activities to prevent laundering proceeds of crime, and financing of terrorism, report directly to the Board of Directors. Senior managements responsibility is to report to Board of Directors about the significant risk the Bank encounters, ensure the compliance with the risk management about own duties, eliminate the risks, deficiencies and errors occurring in the units responsible or take the necessary measures, participate in design and implementation of internal capital adequacy assessment process (ICAAP); participate in process of assessing the adequacy and appropriateness of the underlying assumptions, data sources and principles used to measure the assumptions and risks associated with the models. The Bank's main approach for the implementation of risk management model is establishing risk culture throughout the Bank, and aims that the importance of risk management for maintaining business operations is understood and risk awareness and sensitivity is ensured for decision making and implementation mechanisms process by all employees.

Compliant with legislation, the Bank measures and monitors risks that exposed to, considering methods suitable with international standards. Risk measuring and reporting are performed via advanced methods and risk management software. Risk based detailed reports are prepared for management of significant risks, in order to determine strategies and take decisions, in this scope, reports are prepared for Board of Directors, relevant committees and senior management.

The Bank manages all exposed crisis situations within the framework of business continuity policy and business continuity program formed by strategic goals which designate The Bank's business continuity vision and principles; takes necessary actions.

The Bank's risk appetite framework determines the risk level that the Board of Directors is prepared to accept in order to accomplish the goals and strategies with the consideration of the capacity of the institution to safely absorbs those risks and the Bank monitors regularly risk appetite metrics regarding capital, liquidity, income recurrence and risk based limits.

Risks that the Bank is exposed is managed by providing effective control environment and monitoring limits. Unmitigated risks are either accepted with current risk levels or decreasing/ terminating the activity that causes the risk.

The Risk Management function conducts the ICAAP report, to be sent to the BRSA by coordinating relevant parties. Stress test report is also reported to the BRSA, which evaluates how adverse effects on macroeconomic parameters, in the scope of determined scenarios, affect the Bank's three year budget plan and results, and certain ratios, including capital adequacy.

Training programs for employees, risk reports to the Board of Directors, senior management and committees, risk appetite framework established by the Bank and ICAAP generate significant inputs to ensure that risk management culture is widely embraced.

On the other hand, within the scope of the "Regulation on the Precautionary Plans to be Prepared by Systemically Important Banks" published in the Official Gazette dated 16.03.2021 and numbered 31425, the Bank prepares a Recovery Plan and reports the Plan to BRSA.

The Recovery Plan describes; the "precautionary options" to be taken, in case the Recovery Plan indicators such as solvency (capital), liquidity, profitability indicators etc., fall below certain threshold levels. In this plan, besides the options that can be applied under stress scenarios, information about the bank's structure is also given. The main purposes of the Recovery Plan are the following:

- An overview, with a detailed analysis of core business lines, critical economic functions as well as its interconnectedness.

- A detailed explanation of the specific governance arrangements relating to the recovery plan, comprising its development, approval and integration in the overall corporate governance of the Bank.

- A description of the decision-making process regarding the potential adoption of recovery measures, underscoring the escalation process and the role of indicators in this process.

- An identification of feasible recovery actions to be potentially adopted in order to restore the Recovery Plan indicators such as liquidity, solvency (capital), profitability etc., following a substantial deterioration that has potentially led to the implementation of recovery measures. This identification should be accompanied by a financial assessment of each measure, their legal and operational requirements, their potential obstacles, and their time for implementation and, in a second step, their feasibility in different scenarios of financial stress.

- A reference to the communication plan to address both internal and external communication.

The main purpose of including scenarios in the recovery plan is to test the impact and feasibility of the different recovery measures. They also allow for proper identification of the potential impediments or delays in the implementation of the recovery measures in a range of situations. Therefore, it is worth noting that the role of scenarios is noticeably different from the role of scenarios in other supervisory tools, such as capital plans or stress-tests exercises, whereas there should be consistency among all these tools.

(Thousands of Turkish Lira (TL))

4.10.1.2 Risk weighted amounts

		Risk Weighted Amounts		Minimum Capital Requirements
		Current Period	*Prior Period*	*Current Period*
1	Credit risk (excluding counterparty credit risk) (CCR) (*)	642,614,745	421,641,873	51,409,180
2	Of which standardised approach (SA)	642,614,745	421,641,873	51,409,180
3	Of which internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	10,973,151	26,456,956	877,852
5	Of which standardised approach for counterparty credit risk (SA-CCR)	10,973,151	26,456,956	877,852
6	Of which internal model method (IMM)	-	-	-
7	Equity position in banking book under basic risk weighting or internal rating-based	-	-	-
8	Equity investments in funds – look-through approach	-	-	-
9	Equity investments in funds – mandate-based approach	-	-	-
10	Equity investments in funds – 1250% risk weighting approach	-	-	-
11	Settlement risk	-	-	-
12	Securitisation exposures in banking book	-	-	-
13	Of which IRB ratings-based approach (RBA)	-	-	-
14	Of which IRB supervisory formula approach (SFA)	-	-	-
15	Of which SA/simplified supervisory formula approach (SSFA)	-	-	-
16	Market risk	42,466,165	29,764,447	3,397,293
17	Of which standardised approach (SA)	42,466,165	29,764,447	3,397,293
18	Of which internal model approaches (IMM)	-	-	-
19	Operational risk	62,279,426	47,841,850	4,982,354
20	Of which basic indicator approach	62,279,426	47,841,850	4,982,354
21	Of which standardised approach	-	-	-
22	Of which advanced measurement approach	-	-	-
23	Amounts below the thresholds for deduction from capital (subject to 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	**758,333,487**	**525,705,126**	**60,666,679**

(*) Excluding equity investments in funds and amounts below the thresholds for deductions from capital

4.10.2 Linkages between financial statements and risk amounts

Not prepared in compliance with the “Regulation on Calculation of Risk Management Disclosures”.

4.10.3 Credit risk

Not prepared in compliance with the “Regulation on Calculation of Risk Management Disclosures”.

4.10.4 Counterparty credit risk

Not prepared in compliance with the “Regulation on Calculation of Risk Management Disclosures”.

4.10.5 Securitisations

Not prepared in compliance with the “Regulation on Calculation of Risk Management Disclosures”.

4.10.6 Market risk

Not prepared in compliance with the “Regulation on Calculation of Risk Management Disclosures”.

4.10.7 Operational risk

Not prepared in compliance with the “Regulation on Calculation of Risk Management Disclosures”.

4.10.8 Banking book interest rate risk

Not prepared in compliance with the “Regulation on Calculation of Risk Management Disclosures”.

(Thousands of Turkish Lira (TL))

5 Disclosures and Footnotes on Unconsolidated Financial Statements

5.1 Assets

5.1.1 Cash and cash equivalents

5.1.1.1 Cash and balances with Central Bank

	Current Period		***Prior Period***	
	TL	**FC**	**TL**	**FC**
Cash in TL/Foreign Currency	3,340,661	17,071,276	1,916,282	14,007,635
Central Bank of Turkey	25,800,072	97,493,197	11,613,904	91,085,992
Others	-	5,023,958	-	4,489,337
Total	**29,140,733**	**119,588,431**	**13,530,186**	**109,582,964**

Balances with the Central Bank of Turkey

	Current Period		***Prior Period***	
	TL	**FC**	**TL**	**FC**
Unrestricted Demand Deposits	21,266,263	34,446	11,613,904	32,119,361
Unrestricted Time Deposits	-	-	-	-
Restricted Time Deposits	4,533,809	97,458,751	-	58,966,631
Total	**25,800,072**	**97,493,197**	**11,613,904**	**91,085,992**

The reserve requirements in TL, FC and gold that maintained in accordance with the “Communiqué Regarding the Reserve Requirements” numbered 2005/1 are included in the table.

According to the Communiqué on Required Reserves published in the Official Gazette dated July 1, 2021 and numbered 31528, the facility for maintain Turkish lira reserve requirements in foreign currency was terminated as of October 1, 2021.

The required reserve rates for TL liabilities vary between 3% and 8% for TL deposits and other liabilities according to their maturities as of 30 September 2022 (31 December 2021: 3% and 8% for all TL liabilities); the reserve rates for foreign currency liabilities vary between 5% and 26% for deposit and other foreign currency liabilities according to their maturities as of 30 September 2022 (31 December 2021: 5% and 26% for all foreign currency liabilities).

Within the scope of the Communiqué No. 2021/14 on Supporting the Conversion of TL Deposit and Participation Accounts, as of September 2, 2022, the conversion rate for TL time deposit accounts and foreign currency deposit accounts in USD, EUR and GBP; Banks with a ratio of less than 10% for real and legal persons will establish an additional 5 points, and an additional 3 points for banks with a foreign deposit reserve requirement ratio between 10% (inclusive) and 20%, starting from the first required reserve establishment period following the calculation period. It has been decided not to apply an annual DTH commission to the banks that reach 20% for real and legal persons, up to the amount that should be kept for their liabilities until the end of 2022.The practice of charging double commission from banks that could not reach the conversion rate determined as of September 2, 2022 was canceled, and the commission rate was increased from 1.5% to 5% as of the commitment date of 8 July 2022.

In addition to the 5% commission rate applied to foreign currency deposits as of the obligation date of September 2, 2022, a commission application has been introduced according to the Turkish lira share of the deposit. It has been decided to charge a commission of 3% over the required reserve amount (excluding foreign banks) for foreign currency deposit liabilities, excluding banks whose Turkish Lira share is above 50% separately for real and legal persons.

(Thousands of Turkish Lira (TL))

5.1.1.2 Banks

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Banks				
Domestic banks	108,740	196,186	176,782	347,784
Foreign banks	347,544	72,201,382	489,740	43,146,920
Foreign head offices and branches	-	-	-	-
Total	**456,284**	**72,397,568**	**666,522**	**43,494,704**

The placements at foreign banks include blocked accounts amounting TL 17,946,088 (31 December 2021: TL 20,499,346) of which TL 6,199,135 (31 December 2021: TL 5,937,765) kept at the central banks of Malta, TL 550,985 (31 December 2021: TL 368,848) kept at Turkish Republic of Northern Cyprus and TL 11,195,968 (31 December 2021: TL 14,192,733) kept at various banks as collateral.

Due from foreign banks

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

5.1.1.3 Receivables from reserve repo transactions

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Domestic Transactions	**2,500,924**	**-**	**30,486,557**	**-**
Central Bank of Turkey	-	-	-	-
Banks	2,392,884	-	30,161,870	-
Others	108,040	-	324,687	-
Foreign Transactions	**-**	**33,932,325**	**-**	**2,964,602**
Central banks	-	-	-	-
Banks	-	33,932,325	-	2,964,602
Others	-	-	-	-
Total	**2,500,924**	**33,932,325**	**30,486,557**	**2,964,602**

5.1.1.4 Expected credit losses for cash and cash equivalents

	Stage 1	*Stage 2*	*Stage 3*	*Total*
Current Period **Balances at Beginning of Period**	**237,031**	**-**	**-**	**237,031**
Additions during the Period (+)	1,741,244	12,726	-	1,753,970
Disposals (-)	(1,515,838)	(12,267)	-	(1,528,105)
Transfer to 12 month ECL (Stage1)	-	-	-	-
Transfer to lifetime ECL Significant Increase in Credit Risk (Stage 2)	(15)	15	-	-
Transfer to lifetime ECL Impaired Credits (Stage 3)	-	-	-	-
Foreign Currency Differences	60,613	2,442	-	63,055
Balances at End of Period	**523,035**	**2,916**	**-**	**525,951**

(Thousands of Turkish Lira (TL))

	Stage 1	*Stage 2*	*Stage 3*	*Total*
Prior Period **Balances at Beginning of Period**	**416,064**	**-**	**-**	**416,064**
Additions during the Period (+)	1,195,292	-	-	1,195,292
Disposals (-)	(1,422,739)	-	-	(1,422,739)
Transfer to 12 month ECL (Stage1)	-	-	-	-
Transfer to lifetime ECL Significant Increase in Credit Risk (Stage 2)	-	-	-	-
Transfer to lifetime ECL Impaired Credits (Stage 3)	-	-	-	-
Foreign Currency Differences	48,414	-	-	48,414
Balances at End of Period	**237,031**	**-**	**-**	**237,031**

5.1.2 Information on financial assets measured at fair value through profit/loss

5.1.2.1 Financial assets at fair value through profit/loss subject to repurchase agreements and provided as collateral/blocked

None.

5.1.2.2 Financial assets measured at fair value through profit or loss

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Government Securities	1,289,223	480,929	815,868	380,110
Equity Securities	56,533	75,347	37,263	99,701
Other Financial Assets (*)	843	473,903	841	4,936,380
Total	**1,346,599**	**1,030,179**	**853,972**	**5,416,191**

(*)As of 31 March 2022, 192.500.000.000 Group A registered shares representing 55% of the share capital of Türk Telekomünikasyon A.Ş. owned by LYY Telekomünikasyon A.Ş. were sold to the Turkey Wealth Fund, and as a result of the collection made from the sale amount, the portion of the related loan amounting to USD 324,997,068, corresponding to the Bank's share, was closed. In addition, the loan receivables of the related loan amounting to USD 459,033,539 (TL 7,576,349) has been transferred as non-performing loans and has been written-down at the same time as of 30 June 2022 as stated in Note 3.8.5 in accordance with "the amendment with respect to the regulation on the Principles and Procedures Regarding the Classification of Loans and Reserves Set Aside for These Loans". As of 30 September 2022, the written-down loan receivables have been written off.

5.1.3 Financial assets measured at fair value through other comprehensive income

5.1.3.1 Financial assets subject to repurchase agreements and provided as collateral/blocked

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Collateralised/Blocked Assets	22,548,018	-	5,986,386	3,308,937
Assets subject to Repurchase Agreements	-	1,554,891	3,164,455	1,730,384
Total	**22,548,018**	**1,554,891**	**9,150,841**	**5,039,321**

(Thousands of Turkish Lira (TL))

5.1.3.2 Details of financial assets measured at fair value through other comprehensive income

	Current Period	*Prior Period*
Debt Securities	**45,067,324**	**36,521,305**
Quoted at Stock Exchange	45,067,324	36,521,305
Unquoted at Stock Exchange	-	-
Common Shares/Investment Fund	**12,993**	**11,477**
Quoted at Stock Exchange	4,491	4,491
Unquoted at Stock Exchange	8,502	6,986
Value Increase/Impairment Losses (-)	**28,576,304**	**8,243,375**
Total	**73,656,621**	**44,776,157**

Expected losses of TL 173,582 (31 December 2021: TL 49,243) are accounted under shareholders' equity for financial assets measured at fair value through other comprehensive income.

5.1.4 Derivative financial assets

5.1.4.1 Positive differences on derivative financial assets measured at FVTPL

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Forward Transactions	248,987	93,666	816,734	23,610
Swap Transactions	4,943,947	4,914,869	13,556,705	2,091,772
Futures	-	-	-	-
Options	75,327	350,519	121,024	60,539
Others	-	-	-	-
Total	**5,268,261**	**5,359,054**	**14,494,463**	**2,175,921**

5.1.4.2 Derivative financial assets held for hedging purpose

Derivative Financial Assets Held for Hedging Purpose	*Current Period*		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Fair Value Hedges	-	306,001	24,699	-
Cash Flow Hedges	361,681	1,088,180	746,666	83,303
Net Foreign Investment Hedges	-	-	-	-
Total	**361,681**	**1,394,181**	**771,365**	**83,303**

As of 30 September 2022, the face values and the net fair values, recognised in the balance sheet, of the derivative financial instruments held for hedging purpose, are summarized below:

	Current Period			*Prior Period*		
	Face Value	**Asset**	**Liability**	**Face Value**	**Asset**	**Liability**
Interest Rate Swaps	56,280,827	1,416,763	19,704	66,337,846	342,442	664,216
-TL	4,320,001	22,582	19,704	9,610,000	259,139	41,211
-FC	51,960,826	1,394,181	-	56,727,846	83,303	623,005
Cross Currency Swaps	383,949	284,414	-	570,899	398,750	-
-TL	52,810	284,414	-	93,028	398,750	-
-FC	331,139	-	-	477,871	-	-
Currency Forwards	218,094	54,685	-	661,477	113,476	-
-TL	85,290	54,685	-	294,779	113,476	
-FC	132,804	-	-	366,698	-	-
Total	**56,882,870**	**1,755,862**	**19,704**	**67,570,222**	**854,668**	**664,216**

(Thousands of Turkish Lira (TL))

5.1.4.3 Fair value hedge accounting

Current Period				Net Fair Value Change of Hedging Item		Statement of profit or loss
Hedging Item	**Hedged Item**	**Type of Risk**	**Fair Value Change of Hedged Item**	**Asset**	**Liability**	**Effect (gains/losses from derivative financial instruments)**
Interest Rate Swaps	Fixed-rate commercial loans	Interest rate risk	-	-	-	14,511
Interest Rate Swaps	Fixed-rate mortgage loans	Interest rate risk	-	-	-	-
Interest Rate Swaps	Fixed-rate securities	Interest rate risk	(327,147)	306,001	-	(1,537)
Cross Currency Swaps	Fixed-rate securities	Interest rate and foreign currency exchange rate risk	-	-	-	64,211

Prior Period				Net Fair Value Change of Hedging Item		Statement of profit or loss
Hedging Item	**Hedged Item**	**Type of Risk**	**Fair Value Change of Hedged Item**	**Asset**	**Liability**	**Effect (gains/losses from derivative financial instruments)**
Interest Rate Swaps	Fixed-rate commercial loans	Interest rate risk	(22,791)	24,699	(2,023)	14,396
Interest Rate Swaps	Fixed-rate mortgage loans	Interest rate risk	-	-	-	-
Interest Rate Swaps	Fixed-rate securities	Interest rate risk	349,358	-	(381,075)	(12,108)
Cross Currency Swaps	Fixed-rate securities	Interest rate and foreign currency exchange rate risk	-	-	-	64,211

(Thousands of Turkish Lira (TL))

5.1.4.4 Cash flow hedge accounting

Current Period

Hedging Item	Hedged Item	Type of Risk	Fair Value Change of Hedged Item		Gains/Losses Accounted under Shareholders' Equity in the Period	Gains/Losses Accounted under Statement of Profit/Loss in the Period	Ineffective Portion (net) Accounted under Statement of Profit/Loss
			Asset	Liability			
Interest Rate Swaps	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates	-	-	-	-	-
Interest Rate Swaps	Floating-rate deposit	Cash flow risk resulted from change in market interest rates	1,110,762	(19,704)	980,567	(130,473)	107,042
Interest Rate Swaps	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates	-	-	-	-	-
Cross Currency Swaps	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	284,414	-	(12,406)	(4,518)	12
Currency Forwards	Mile payments	Cash flow risk resulted from foreign currency exchange rates	54,685	-	26,206	-	-
Spot Position	Mile payments	Cash flow risk resulted from foreign currency exchange rates	-	-	185,435	-	-

In the current period, the amount reclassified from the Shareholders' Equity to the Statement of Profit or Loss due to the ceased hedging transactions is TL (30,645) and the amount recognized in Equity is TL (36,104) .

(Thousands of Turkish Lira (TL))

Prior Period							
			Fair Value Change of Hedged Item				
Hedging Item	**Hedged Item**	**Type of Risk**	**Asset**	**Liability**	**Gains/Losses Accounted under Shareholders' Equity in the Period**	**Gains/Losses Accounted under Statement of Profit/Loss in the Period**	**Ineffective Portion (net) Accounted under Statement of Profit/Loss**
Interest Rate Swaps	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates	-	(37,771)	9,427	(32,994)	(4,338)
Interest Rate Swaps	Floating-rate deposit	Cash flow risk resulted from change in market interest rates	317,743	(204,337)	562,576	129,670	54,829
Interest Rate Swaps	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates	-	(39,010)	9,924	22,764	(905)
Cross Currency Swaps	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	398,750	-	(12,733)	(12,909)	28
Currency Forwards	Mile payments	Cash flow risk resulted from foreign currency exchange rates	113,476	-	113,476	-	-

(*) Consists of foreign currency items on the asset side of the balance sheet.

(**) Consists of foreign currency items on the liabilities side of the balance sheet.

In the current period, the amount reclassified from the Shareholders' Equity to the Statement of Profit or Loss due to the ceased hedging transactions is TL (75,411) and the amount recognized in Equity is TL 73,422.

(Thousands of Turkish Lira (TL))

5.1.5 Loans

5.1.5.1 Loans and advances to shareholders and employees of the Bank

	Current Period		*Prior Period*	
	Cash Loans	**Non-Cash Loans**	**Cash Loans**	**Non-Cash Loans**
Direct Lendings to Shareholders	**-**	**1,859,074**	**-**	**1,563,727**
Corporates	-	1,859,074	-	1,563,727
Individuals	-	-	-	-
Indirect Lendings to Shareholders	**60,741**	**12,366**	**3,097**	**189,593**
Loans to Employees	**641,464**	**34**	**447,819**	**23**
Total	**702,205**	**1,871,474**	**450,916**	**1,753,343**

5.1.5.2 Performing loans and loans under follow-up including restructured loans, and provisions allocated for such loans

Current Period Cash Loans (*)	**Performing Loans**	**Loans under Follow-up**		
		Non-restructured	**Restructured**	
			Revised Contract Terms	**Refinanced**
Loans	**498,632,491**	**38,250,972**	**27,386,864**	**20,337,454**
Working Capital Loans	62,905,112	3,812,472	1,519,327	9,610,892
Export Loans	62,646,658	4,002,459	152,615	72,940
Import Loans	-	-	-	-
Loans to Financial Sector	12,982,772	8,978	-	-
Consumer Loans	93,354,668	9,745,127	1,695,484	41,283
Credit Cards	76,069,023	9,011,165	415,162	-
Others	190,674,258	11,670,771	23,604,276	10,612,339
Specialization Loans	**-**	**-**	**-**	**-**
Other Receivables	**-**	**-**	**-**	**-**
Total	**498,632,491**	**38,250,972**	**27,386,864**	**20,337,454**

(*) Non-performing loans are not included.

***Prior Period* Cash Loans (*)**	**Performing Loans**	**Loans under Follow-up**		
		Non-restructured	**Restructured**	
			Revised Contract Terms	**Refinanced**
Loans	**328,198,560**	**38,716,671**	**24,007,766**	**17,860,388**
Working Capital Loans	48,213,494	4,820,567	1,162,251	8,843,886
Export Loans	29,217,242	3,125,527	170,593	274,861
Import Loans	-	-	-	-
Loans to Financial Sector	10,925,100	202,018	-	-
Consumer Loans	74,799,285	8,428,529	2,844,594	50,707
Credit Cards	43,285,801	5,047,807	760,164	-
Others	121,757,638	17,092,223	19,070,164	8,690,934
Specialization Loans	**-**	**-**	**-**	**-**
Other Receivables	**-**	**-**	**-**	**-**
Total	**328,198,560**	**38,716,671**	**24,007,766**	**17,860,388**

(*) Non-performing loans are not included.

(Thousands of Turkish Lira (TL))

Current Period	Corporate/ Commercial Loans		Consumer Loans		Total	
	TL	**FC**	**TL**	**FC**	**TL**	**FC**
Performing Loans (Stage 1)	228,584,999	118,999,967	150,660,001	387,524	379,245,000	119,387,491
Loans under Follow-up (Stage 2)	16,804,112	50,644,082	18,501,000	26,096	35,305,112	50,670,178
Total Stage 1 and 2 Loans	**245,389,111**	**169,644,049**	**169,161,001**	**413,620**	**414,550,112**	**170,057,669**
Expected Credit losses-Stage 1-2 (-)	3,943,774	15,885,949	1,657,946	284	5,601,720	15,886,233
Total Non-performing Loans (Stage 3)	**12,800,342**	**1,093,159**	**3,730,672**	**6,743**	**16,531,014**	**1,099,902**
Expected Credit losses-Stage 3 (-)	9,329,189	850,775	2,307,731	4,352	11,636,920	855,127

Prior Period	Corporate/ Commercial Loans		Consumer Loans		Total	
	TL	**FC**	**TL**	**FC**	**TL**	**FC**
Performing Loans (Stage 1)	126,692,495	93,324,780	107,972,550	208,735	234,665,045	93,533,515
Loans under Follow-up (Stage 2)	15,318,170	49,543,776	15,695,416	27,463	31,013,586	49,571,239
Total Stage 1 and 2 Loans	**142,010,665**	**142,868,556**	**123,667,966**	**236,198**	**265,678,631**	**143,104,754**
Expected Credit losses-Stage 1-2 (-)	2,804,406	12,010,296	1,315,114	796	4,119,520	12,011,092
Total Non-performing Loans (Stage 3)	**5,311,940**	**7,962,493**	**2,794,499**	**2,283**	**8,106,439**	**7,964,776**
Expected Credit losses-Stage 3 (-)	3,883,947	5,074,530	1,654,233	1,358	5,538,180	5,075,888

	Current Period		*Prior Period*	
	Performing Loans	**Loans Under Follow-Up**	**Performing Loans**	**Loans Under Follow-Up**
12-Month ECL (Stage 1)	2,895,908	-	2,450,350	-
Significant Increase in Credit Risk (Stage 2)	-	18,592,045	-	13,680,262

As of 30 September 2022, loans amounting to TL 6,086,171 are benefited as collateral under funding transactions (31 December 2021: TL 4,936,289).

Collaterals received for loans under follow-up;

Current Period	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	1,068,038	37,965	-	1,106,003
Loans Collateralized by Mortgages/Shares/Credit Guarantee Fund Sureties	24,752,957	3,295,896	-	28,048,853
Loans Collateralized by Pledged Assets	11,123,061	253,484	-	11,376,545
Loans Collateralized by Cheques and Notes	108,195	4,554	-	112,749
Loans Collateralized by Other Collaterals	21,428,020	6,545,377	-	27,973,397
Unsecured Loans	6,586,798	1,344,618	9,426,327	17,357,743
Total	**65,067,069**	**11,481,894**	**9,426,327**	**85,975,290**

Prior Period	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	2,425,486	50,878	-	2,476,364
Loans Collateralized by Mortgages/Shares/Credit Guarantee Fund Sureties	29,659,044	2,947,723	-	32,606,767
Loans Collateralized by Pledged Assets	9,650,263	198,775	-	9,849,038
Loans Collateralized by Cheques and Notes	249,494	6,122	-	255,616
Loans Collateralized by Other Collaterals	18,377,127	7,435,520	-	25,812,647
Unsecured Loans	3,091,610	684,812	5,807,971	9,584,393
Total	**63,453,024**	**11,323,830**	**5,807,971**	**80,584,825**

(Thousands of Turkish Lira (TL))

Delinquency periods of loans under follow-up;

Current Period	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
31-60 days	145,316	848,643	256,893	1,250,852
61-90 days	527,181	330,354	114,588	972,123
Others	64,394,572	10,302,897	9,054,846	83,752,315
Total	**65,067,069**	**11,481,894**	**9,426,327**	**85,975,290**

Prior Period	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
31-60 days	176,053	966,593	204,852	1,347,498
61-90 days	239,827	384,416	102,516	726,759
Others	63,037,144	9,972,821	5,500,603	78,510,568
Total	**63,453,024**	**11,323,830**	**5,807,971**	**80,584,825**

5.1.5.3 Maturity analysis of cash loans

Not prepared in compliance with the Article 25 of the Communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

(Thousands of Turkish Lira (TL))

5.1.5.4 Consumer loans, retail credit cards, personnel loans and personnel credit cards

Current Period	Short-Term	Medium and Long-Term	Total
Consumer Loans – TL	**8,406,911**	**87,921,105**	**96,328,016**
Housing Loans	44,470	23,923,893	23,968,363
Automobile Loans	286,038	3,772,206	4,058,244
General Purpose Loans	8,076,403	60,225,006	68,301,409
Other	-	-	-
Consumer Loans – FC-indexed	**-**	**137,475**	**137,475**
Housing Loans	-	137,475	137,475
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans – FC	**1,388**	**78,733**	**80,121**
Housing Loans	-	58,651	58,651
Automobile Loans	-	14,533	14,533
General Purpose Loans	1,388	5,549	6,937
Other	-	-	-
Retail Credit Cards – TL	**63,862,859**	**223,877**	**64,086,736**
With Installment	31,697,964	223,877	31,921,841
Without Installment	32,164,895	-	32,164,895
Retail Credit Cards – FC	**328,642**	**-**	**328,642**
With Installment	-	-	-
Without Installment	328,642	-	328,642
Personnel Loans – TL	**76,288**	**217,462**	**293,750**
Housing Loan	-	294	294
Automobile Loans	-	422	422
General Purpose Loans	76,288	216,746	293,034
Other	-	-	-
Personnel Loans - FC-indexed	**-**	**-**	**-**
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans – FC	**370**	**-**	**370**
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	370	-	370
Other	-	-	-
Personnel Credit Cards – TL	**317,391**	**803**	**318,194**
With Installment	129,932	803	130,735
Without Installment	187,459	-	187,459
Personnel Credit Cards – FC	**4,487**	**-**	**4,487**
With Installment	-	-	-
Without Installment	4,487	-	4,487
Deposit Accounts– TL (Real persons)	**7,972,167**	-	**7,972,167**
Deposit Accounts– TL (Personnel)	**24,663**		**24,663**
Deposit Accounts– FC (Real persons)	-	-	**-**
Total	**80,995,166**	**88,579,455**	**169,574,621**

(Thousands of Turkish Lira (TL))

Prior Period	Short-Term	Medium and Long-Term	Total
Consumer Loans – TL	**2,656,866**	**79,155,724**	**81,812,590**
Housing Loans	27,930	25,280,926	25,308,856
Automobile Loans	202,670	2,205,953	2,408,623
General Purpose Loans	2,426,266	51,668,845	54,095,111
Other	-	-	-
Consumer Loans – FC-indexed	**-**	**159,261**	**159,261**
Housing Loans	-	159,261	159,261
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans – FC	**964**	**90,807**	**91,771**
Housing Loans	-	59,419	59,419
Automobile Loans	339	17,151	17,490
General Purpose Loans	625	14,237	14,862
Other	-	-	-
Retail Credit Cards – TL	**37,235,731**	**182,542**	**37,418,273**
With Installment	17,286,717	182,542	17,469,259
Without Installment	19,949,014	-	19,949,014
Retail Credit Cards – FC	**160,730**	**-**	**160,730**
With Installment	-	-	-
Without Installment	160,730	-	160,730
Personnel Loans – TL	**40,277**	**192,755**	**233,032**
Housing Loan	-	399	399
Automobile Loans	-	-	-
General Purpose Loans	40,277	192,356	232,633
Other	-	-	-
Personnel Loans - FC-indexed	**-**	**-**	**-**
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans – FC	**427**	**-**	**427**
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	427	-	427
Other	-	-	-
Personnel Credit Cards – TL	**194,448**	**493**	**194,941**
With Installment	66,422	493	66,915
Without Installment	128,026	-	128,026
Personnel Credit Cards – FC	**1,792**	**-**	**1,792**
With Installment	-	-	-
Without Installment	1,792	-	1,792
Deposit Accounts– TL (Real persons)	**3,808,407**	**-**	**3,808,407**
Deposit Accounts– TL (Personnel)	**17,627**		**17,627**
Deposit Accounts– FC (Real persons)	**-**	**-**	**-**
Total	**44,117,269**	**79,781,582**	**123,898,851**

(Thousands of Turkish Lira (TL))

5.1.5.5 Installment based commercial loans and corporate credit cards

Current Period	Short-Term	Medium and Long-Term	Total
Installment-based Commercial Loans – TL	**5,351,507**	**21,399,908**	**26,751,415**
Real Estate Loans	45,675	994,266	1,039,941
Automobile Loans	2,670,898	10,904,517	13,575,415
General Purpose Loans	2,634,934	9,501,125	12,136,059
Other	-	-	-
Installment-based Commercial Loans - FC-indexed	**-**	**75,510**	**75,510**
Real Estate Loans	-	35,879	35,879
Automobile Loans	-	56	56
General Purpose Loans	-	39,575	39,575
Other	-	-	-
Installment-based Commercial Loans – FC	**1,885**	**1,378,011**	**1,379,896**
Real Estate Loans	-	-	-
Automobile Loans	1,363	1,305,168	1,306,531
General Purpose Loans	522	72,843	73,365
Other	-	-	-
Corporate Credit Cards – TL	**20,066,188**	**571,469**	**20,637,657**
With Installment	10,560,556	571,469	11,132,025
Without Installment	9,505,632	-	9,505,632
Corporate Credit Cards – FC	**119,634**	**-**	**119,634**
With Installment	-	-	-
Without Installment	119,634	-	119,634
Deposit Accounts– TL (Corporates)	**4,840,035**	**-**	4,840,035
Deposit Accounts– FC (Corporates)	**-**	**-**	-
Total	**30,379,249**	**23,424,898**	**53,804,147**

Prior Period	Short-Term	Medium and Long-Term	Total
Installment-based Commercial Loans – TL	**1,379,259**	**16,509,497**	**17,888,756**
Real Estate Loans	5,772	917,076	922,848
Automobile Loans	423,952	7,368,245	7,792,197
General Purpose Loans	949,535	8,224,176	9,173,711
Other	-	-	-
Installment-based Commercial Loans - FC-indexed	-	**165,120**	**165,120**
Real Estate Loans	-	49,357	49,357
Automobile Loans	-	4,701	4,701
General Purpose Loans	-	111,062	111,062
Other	-	-	-
Installment-based Commercial Loans – FC	**935**	**1,270,044**	**1,270,979**
Real Estate Loans	-	-	-
Automobile Loans	935	1,157,872	1,158,807
General Purpose Loans	-	112,172	112,172
Other	-	-	-
Corporate Credit Cards – TL	**11,009,417**	**264,358**	**11,273,775**
With Installment	5,707,835	264,358	5,972,193
Without Installment	5,301,582	-	5,301,582
Corporate Credit Cards – FC	**44,261**	-	**44,261**
With Installment	-	-	-
Without Installment	44,261	-	44,261
Deposit Accounts– TL (Corporates)	**2,371,137**	-	**2,371,137**
Deposit Accounts– FC (Corporates)	-	-	-
Total	**14,805,009**	**18,209,019**	**33,014,028**

(Thousands of Turkish Lira (TL))

5.1.5.6 Allocation of loans by customers

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

5.1.5.7 Allocation of domestic and foreign loans (*)

	Current Period	*Prior Period*
Domestic Loans	580,357,458	405,793,659
Foreign Loans	4,250,323	2,989,726
Total	**584,607,781**	**408,783,385**

(*) Non-performing loans are not included.

5.1.5.8 Loans to associates and subsidiaries

	Current Period	*Prior Period*
Direct Lending	4,135,832	3,386,563
Indirect Lending	-	-
Total	**4,135,832**	**3,386,563**

5.1.5.9 Provision allocated for non-performing loans (Stage 3)

	Current Period	*Prior Period*
Substandard Loans - Limited Collectibility	518,635	472,312
Doubtful Loans	1,136,730	745,031
Uncollectible Loans	10,836,682	9,396,725
Total	**12,492,047**	**10,614,068**

5.1.5.10 Non-performing loans (NPLs) (Net)

Non-performing loans and loans restructured from this category

	Group III	**Group IV**	**Group V**
	Substandard Loans	**Doubtful Loans**	**Uncollectible Loans**
Current Period			
(Gross Amounts before Provisions)	100,053	548,740	7,231,962
Restructured Loans and Receivables	100,053	548,740	7,231,962
Prior Period			
(Gross Amounts before Provisions)	2,255	421,547	5,998,872
Restructured Loans and Receivables	2,255	421,547	5,998,872

(Thousands of Turkish Lira (TL))

Movements in non-performing loans groups

Current Period	Group III Substandard Loans	Group IV Doubtful Loans	Group V Uncollectible Loans
Balances at End of Prior Period	**1,029,387**	**1,315,573**	**13,726,255**
Additions (+)	3,150,364	34,574	7,754,929
Transfer from Other NPL Categories (+)	-	2,761,990	1,851,094
Transfer to Other NPL Categories (-)	2,761,990	1,851,094	-
Collections during the Period (-)	411,091	495,114	1,689,497
Write down / Write-offs (-) (*)(**)	-	-	8,140,622
Debt Sale (-) (***)	-	-	189,978
Corporate and Commercial Loans	-	-	35,023
Retail Loans	-	-	109,883
Credit Cards	-	-	45,072
Other(****)	-	-	(123,549)
Foreign Currency Differences	3,659	11,999	1,654,027
Balances at End of Period	**1,010,329**	**1,777,928**	**14,842,659**
Provisions (-)	518,635	1,136,730	10,836,682
Net Balance on Balance Sheet	**491,694**	**641,198**	**4,005,977**

Prior Period	Group III Substandard Loans	Group IV Doubtful Loans	Group V Uncollectible Loans
Balances at End of Prior Period	**85,292**	**832,276**	**13,465,564**
Additions (+)	1,179,772	2,365,216	525,768
Transfer from Other NPL Categories (+)	-	206,994	1,654,922
Transfer to Other NPL Categories (-)	206,994	1,654,922	-
Collections during the Period (-)	87,972	455,644	1,989,680
Write down / Write-offs (-)(*) (**)	- -	-	3,285,943
Debt Sale (-) (***)	-	-	613,049
Corporate and Commercial Loans	-	-	272,257
Retail Loans	-	-	202,269
Credit Cards	- -	-	138,523
Other (****)	-	-	(602,424)
Foreign Currency Differences	59,289	21,653	4,571,097
Balances at End of Period	**1,029,387**	**1,315,573**	**13,726,255**
Provisions (-)	472,312	745,031	9,396,725
Net Balance on Balance Sheet	**557,075**	**570,542**	**4,329,530**

(*) Includes loans for which 100% provision is provided during the corresponding period.

(**) As the details are explained in the section 3.8.5 Disclosures on write down policy, the Bank has written off its Fifth Group-Loss Loans amounting to TL 10,978,996 as of 30 September 2022 (31 December 2021: TL 9,447,212). As of 30 September 2022, the Bank's NPL ratio is measured as 4.67% (31 December 2021: 5.88%) instead of 2.93% (31 December 2021: 3.78%) when the calculation is made by taking into account the loans written off. In the current period, firstly, the loan granted to LYY Telekomünikasyon A.Ş. amounting to USD 459,033,539 (TL 7,576,349) has been transferred as non-performing loans and has been written-down at the same time and then has been written-off.

(***) Consists of sale of non-performing loans.

(****) As of 30 September 2022, includes receivables of TL 123,549 (31 December 2021: TL 602,424), which have been reclassifed to non-defaulted status.

(Thousands of Turkish Lira (TL))

Non-performing loans in foreign currencies

	Group III	Group IV	Group V
	Substandard Loans and Receivables	**Doubtful Loans and Receivables**	**Uncollectible Loans and Receivables**
Current Period			
Balance at End of Period	**654**	**164,919**	**9,892,878**
Provisions (-)	338	158,458	7,213,088
Net Balance at Balance Sheet	**316**	**6,461**	**2,679,790**
Prior Period			
Balance at End of Period	**81,297**	**164,829**	**8,715,509**
Provisions (-)	57,047	140,624	5,689,400
Net Balance at Balance Sheet	**24,250**	**24,205**	**3,026,109**

Gross and net non-performing loans as per customer categories

	Group III	Group IV	Group V
	Substandard Loans	**Doubtful Loans**	**Uncollectible Loans**
Current Period (Net)	**491,694**	**641,198**	**4,005,977**
Loans to Individuals and Corporates (Gross)	1,010,329	1,777,928	14,842,659
Provision (-)	518,635	1,136,730	10,836,682
Loans to Individuals and Corporates (Net)	491,694	641,198	4,005,977
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other loans (gross)	-	-	-
Provision (-)	-	-	-
Other Loans (Net)	-	-	-
***Prior Period* (Net)**	**557,075**	**570,542**	**4,329,530**
Loans to Individuals and Corporates (Gross)	1,029,387	1,315,573	13,726,255
Provision (-)	472,312	745,031	9,396,725
Loans to Individuals and Corporates (Net)	557,075	570,542	4,329,530
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other loans (gross)	-	-	-
Provision (-)	-	-	-
Other Loans (Net)	-	-	-

(Thousands of Turkish Lira (TL))

Interest accruals, valuation differences and related provisions calculated for non-performing loans

	Group III	Group IV	Group V
	Substandard Loans	**Doubtful Loans**	**Uncollectible Loans**
Current Period (Net)	**40,723**	**53,384**	**214,084**
Interest accruals and valuation differences	85,762	133,169	733,258
Provision (-)	45,039	79,785	519,174
Prior Period (Net)	**47,832**	**70,183**	**231,286**
Interest accruals and valuation differences	87,084	149,308	839,445
Provision (-)	39,252	79,125	608,159

Collaterals received for non-performing loans

Current Period	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	15,303	988	-	16,291
Loans Collateralized by Mortgages	7,200,644	121,828	-	7,322,472
Loans Collateralized by Pledged Assets	1,548,558	30,623	-	1,579,181
Loans Collateralized by Cheques and Notes	175,265	3,223	-	178,488
Loans Collateralized by Other Collaterals	1,963,239	1,157,323	-	3,120,562
Unsecured Loans	3,951,742	426,286	1,035,894	5,413,922
Total	**14,854,751**	**1,740,271**	**1,035,894**	**17,630,916**

Prior Period	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	18,912	607	-	19,519
Loans Collateralized by Mortgages	8,189,553	258,724	-	8,448,277
Loans Collateralized by Pledged Assets	1,342,166	34,602	-	1,376,768
Loans Collateralized by Cheques and Notes	134,638	1,879	-	136,517
Loans Collateralized by Other Collaterals	1,946,451	1,674,014	-	3,620,465
Unsecured Loans	1,434,905	251,037	783,727	2,469,669
Total	**13,066,625**	**2,220,863**	**783,727**	**16,071,215**

5.1.5.11 Expected credit loss for loans

Current Period	*Stage 1*	*Stage 2*	*Stage 3*	*Total*
Balances at End of Prior Period	**2,450,350**	**13,680,262**	**10,614,068**	**26,744,680**
Additions during the Period (+)	6,330,376	7,313,468	9,733,503	23,377,347
Disposals (-)	(8,253,242)	(2,949,693)	(1,352,924)	(12,555,859)
Debt Sales (-)	-	-	(189,978)	(189,978)
Write-offs (-)	-	-	(8,140,622)	(8,140,622)
Transfer to Stage1	2,783,489	(2,779,372)	(4,117)	-
Transfer to Stage 2	(664,173)	732,650	(68,477)	-
Transfer to Stage 3	(10,828)	(724,497)	735,325	-
Foreign Currency Differences	259,936	3,319,227	1,165,269	4,744,432
Balances at End of Period	**2,895,908**	**18,592,045**	**12,492,047**	**33,980,000**

(Thousands of Turkish Lira (TL))

Prior Period	*Stage 1*	*Stage 2*	*Stage 3*	*Total*
Balances at End of Prior Period	**1,980,761**	**8,168,781**	**9,119,265**	**19,268,807**
Additions during the Period (+)	4,043,018	8,524,124	2,769,096	15,336,238
Disposals (-)	(4,719,333)	(4,810,007)	(1,424,296)	(10,953,636)
Debt Sales (-)	-	-	(613,049)	(613,049)
Write-offs (-)	-	-	(3,285,943)	(3,285,943)
Transfer to Stage 1	1,684,974	(1,683,198)	(1,776)	-
Transfer to Stage 2	(666,439)	815,373	(148,934)	-
Transfer to Stage 3	(18,157)	(1,357,192)	1,375,349	-
Foreign Currency Differences	145,526	4,022,381	2,824,356	6,992,263
Balances at End of Period	**2,450,350**	**13,680,262**	**10,614,068**	**26,744,680**

5.1.5.12 Liquidation policy for uncollectible loans and receivables

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

5.1.5.13 Write-off policy

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

5.1.6 Lease receivable

None.

5.1.7 Financial assets measured at amortised cost

5.1.7.1 Financial assets subject to repurchase agreements and provided as collateral/blocked

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Collateralised/Blocked Investments	36,077,364	4,456,778	17,046,913	16,002,062
Investments subject to Repurchase Agreements	4,080,004	727,151	4,014,558	1,175,157
Total	**40,157,368**	**5,183,929**	**21,061,471**	**17,177,219**

5.1.7.2 Government securities measured at amortised cost

	Current Period	*Prior Period*
Government Bonds	87,768,016	39,826,467
Treasury Bills	173,408	135,878
Other Government Securities	7,534,861	-
Total	**95,476,285**	**39,962,345**

5.1.7.3 Financial assets measured at amortised cost

	Current Period	*Prior Period*
Debt Securities	**82,720,226**	**34,272,288**
Quoted at Stock Exchange	79,662,720	32,093,774
Unquoted at Stock Exchange	3,057,506	2,178,514
Valuation Increase/(Decrease)	15,680,262	7,753,036
Total	**98,400,488**	**42,025,324**

(Thousands of Turkish Lira (TL))

5.1.7.4 Movement of financial assets measured at amortised cost

	Current Period	*Prior Period*
Balances at Beginning of Period	**42,025,324**	**34,341,219**
Foreign Currency Differences On Monetary Assets	12,621,273	8,939,724
Purchases during the Period	38,356,105	538,393
Disposals through Sales/Redemptions	(2,529,440)	(3,976,018)
Valuation Effect	7,927,226	2,182,006
Balances at End of Period	**98,400,488**	**42,025,324**

5.1.7.5 Expected credit loss for financial assets measured at amortised cost

Current Period	*Stage 1*	*Stage 2*	*Stage 3*	*Total*
Balances at End of Prior Period	**51,513**	**-**	**-**	**51,513**
Additions during the Period (+)	225,514	-	-	225,514
Disposal (-)	(9,176)	-	-	(9,176)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Foreign Currency Differences	29,508	-	-	29,508
Balances at End of Period	**297,359**	**-**	**-**	**297,359**

Prior Period	*Stage 1*	*Stage 2*	*Stage 3*	*Total*
Balances at End of Prior Period	**177,816**	-	-	**177,816**
Additions during the Period (+)	7,437	-	-	7,437
Disposal (-)	(149,413)	-	-	(149,413)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Foreign Currency Differences	15,673	-	-	15,673
Balances at End of Period	**51,513**	-	-	**51,513**

5.1.8 Assets held for sale and assets of discontinued operations

5.1.8.1 Movement of assets held for sale and assets of discontinued operations

	Current Period	*Prior Period*
End of Prior Period		
Cost	**542,860**	**779,713**
Accumulated Depreciation (-)	**(10,213)**	**(11,680)**
Net Book Value	**532,647**	**768,033**
End of Current Period		
Additions	479,156	202,565
Disposals (Cost)	(298,144)	(462,615)
Disposals (Accumulated Depreciation)	8,036	1,467
Impairment Losses	1,096	23,197
Depreciation Expense for Current Period (-)	-	-
Cost	**724,968**	**542,860**
Accumulated Depreciation (-)	**(2,177)**	**(10,213)**
Net Book Value	**722,791**	**532,647**

(Thousands of Turkish Lira (TL))

5.1.8.2 Investments in subsidiaries and associates to be disposed

	Current Period	*Prior Period*
End of Prior Period		
Cost(*)	**881,140**	**881,140**
Impairment Losses (-)	**(881,140)**	**(881,140)**
Net Book Value	**-**	**-**
End of Current Period		
Additions	-	-
Disposals (Cost)	-	-
Disposals (Accumulated Depreciation)	-	-
Impairment Losses (-)	-	-
Depreciation Expense for Current Period	-	-
Cost	**881,140**	**881,140**
Impairment Losses (-)	**(881,140)**	**(881,140)**
Net Book Value	**-**	-

(*)Within the context of the existing loan agreements, all creditors including the Bank have reached an agreement on restructuring the loans granted to Ojer Telekomünikasyon A.Ş. (OTAŞ) who is the main shareholder of Türk Telekomünikasyon A.Ş. (Türk Telekom) and it is contemplated that Türk Telekom's number of 192.500.000.000 A group shares owned by OTAŞ, representing 55% of its issued share capital corresponding to A group shares have been pledged as a guarantee for the existing facilities would be taken over by a special purpose entity which is incorporated or will be incorporated in the Turkish Republic, and owned by directly or indirectly by all creditors. As per the agreed structure, it is agreed on the corresponding agreements, completed all required corporate and administrative permissions and the transaction is concluded by a transfer of the aforementioned shares to the special purpose entity incorporated in the Turkish Republic, and owned by directly or indirectly by all creditors. In this context, the Bank owned 22.1265% of the founded special purpose entity and the related investment is considered within the scope of TFRS 5 "Assets Held for Sale and Discontinued Operations".

As per the decision made at the 2018 annual general assembly of related special purpose entity, it was decided to increase the capital of the special purpose entity by TL 3,982,230, all of which will be covered by common receivables. The Entity's paid-in capital after the general assembly had been TL 3,982,280. The Bank's shareholding ratios in the Entity's capital did not change as a result of the increase, and the nominal value of the direct shares increased from TL 11 to TL 881.140 and the number of shares increased from 1,106,325 to 88,114,036,863. As explained the details before the capital increase in Note 5.1.2.2 , valuation differences recorded on the financial asset are presented as impairment in Assets Held for Sale and Discontinued Operations after capital increase. In 2020, all of the assets acquired under TFRS 5 was impaired.

5.1.9 Investments in associates

5.1.9.1 Investments in associates

	Associate	**Address (City/ Country)**	**Bank's Share – If Different, Voting Rights (%)**	**Bank's Risk Group Share (%)**
1	Bankalararası Kart Merkezi A.Ş. (1)	İstanbul / Turkey	4.98	4.98
2	Yatırım Finansman Menkul Değerler A.Ş. (1)	İstanbul / Turkey	0.77	0.77
3	İstanbul Takas Ve Saklama Bankası A.Ş.(1)	İstanbul / Turkey	4.95	4.97
4	Borsa İstanbul A.Ş. (2)	İstanbul / Turkey	0.30	0.34
5	Kkb Kredi Kayıt Bürosu A.Ş.(1)	İstanbul / Turkey	9.09	9.09
6	Tcmb (2)	Ankara / Turkey	2.48	2.48
7	Kredi Garanti Fonu A.Ş (1)	Ankara / Turkey	1.49	1.49
8	Jcr Avrasya Derecelendirme A.Ş.	İstanbul / Turkey	2.86	2.86
9	Birleşik İpotek Finansmanı A.Ş. (1)	İstanbul / Turkey	8.33	8.33
10	İhracatı Geliştirme A.Ş. (3)	İstanbul / Turkey	8.33	8.33

(Thousands of Turkish Lira (TL))

	Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
1	601,847	494,145	107,571	28,736	-	122,202	53,975	-
2	2,876,028	282,122	10,825	8,487	1,909	53,350	45,068	-
3	60,377,277	3,446,370	137,171	517,739	87,997	658,669	430,626	-
4	48,592,331	6,073,643	630,443	348,746	-	1,754,959	1,242,390	-
5	690,984	148,119	319,996	14,206	719	19,581	26,499	-
6	2,496,216,496	65,962,045	925,593	121,429,271	10,201,824	57,483,159	34,497,932	-
7	1,619,704	1,139,287	24,701	54,338	-	159,089	71,688	-
8	156,130	138,959	31,123	9,194	449	78,817	46,707	-
9	69,138	61,680	4,717	2,751	-	9,637	1,708	-
10	-	-	-	-	-	-	-	-

(1) Financial information is as of 30 June 2022.
(2) Financial information is as of 31 December 2021.
(3) Since the company was newly established, there are no financial data.
(*) Total fixed assets include tangible and intangible assets.

5.1.9.2 Movement of investments in associates

	Current Period	*Prior Period*
Balance at Beginning of Period	**47,221**	**45,780**
Movements during the Period	**82,284**	**1,441**
Acquisitions(*)	80,816	-
Bonus Shares Received	828	-
Dividends from Current Year Profit	-	-
Sales	-	-
Increase in Market Values	-	-
Impairment Reversals/(Losses)	640	1,441
Balance at End of Period	**129,505**	**47,221**
Capital Commitments	-	-
Share Percentage at the End of Period (%)	-	-

(*)Our bank has joined İGE A.Ş. as a shareholder of 2.18%, paying a total of TL 80,816 which consists TL 40,408 of capital and TL 40,408 of bonus, through capital increase.

5.1.9.3 Sectoral distribution of investments and associates

Investments in Associates	*Current Period*	*Prior Period*
Banks	25,557	25,557
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Associates	103,948	21,664

5.1.9.4 Quoted associates

None.

5.1.9.5 Valuation methods of investments in associates

Investments in Associates	***Current Period***	***Prior Period***
Valued at Cost	129,505	47,221
Valued at Fair Value	-	-

5.1.9.6 Investments in associates sold during the current period

None.

5.1.9.7 Investments in associates acquired during the current period

Our bank has joined İGE A.Ş. as a shareholder of 2.18%, paying a total of TL 80,816 which consists TL 40,408 of capital and TL 40,408 of bonus, through capital increase.

(Thousands of Turkish Lira (TL))

5.1.10 Investments in subsidiaries

5.1.10.1 Information on capital adequacy of major subsidiaries

The Bank does not have any capital needs for its subsidiaries included in the calculation of its consolidated capital adequacy standard ratio. Information on capital adequacy of major subsidiaries is presented below.

Current Period	**Garanti Bank International NV**	**Garanti Holding BV**	**Garanti Finansal Kiralama AŞ**	**Garanti Emeklilik ve Hayat AŞ**	**Garanti Yatırım Menkul Kıymetler AŞ**
COMMON EQUITY TIER I CAPITAL					
Paid-in Capital to be Entitled for Compensation after All Creditors	2,477,247	7,930,286	357,848	517,159	13,750
Share Premium	-	234,426	-	-	-
Share Cancellation Profits	-	-	-	-	-
Legal Reserves	1,305,270	723,346	952,933	526,544	1,006,981
Other Comprehensive Income according to TAS	7,451,728	5,814	-	8,351	-
Current and Prior Periods' Profits	493,821	597,056	2,043,669	694,530	800,630
Minority interest	-	-	-	-	48,853
Common Equity Tier I Capital Before Deductions	**11,728,066**	**9,490,928**	**3,354,450**	**1,746,584**	**1,870,214**
Deductions From Common Equity Tier I Capital					
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	129,990	2,285,943	1,949	3,149	1,018
Leasehold Improvements on Operational Leases (-)	-	398	-	514	1,479
Goodwill and Other Intangible Assets and Related Deferred Taxes (-)	91,270	948,766	17,933	37,686	6,468
Net Deferred Tax Asset/Liability (-)	-	-	-	-	-
Total Deductions from Common Equity Tier I Capital	**221,260**	**3,235,107**	**19,882**	**41,349**	**8,965**
Total Common Equity Tier I Capital	**11,506,806**	**6,255,821**	**3,334,568**	**1,705,235**	**1,861,249**
Total Deductions From Tier I Capital	**-**	**-**	**-**	**-**	**-**
Total Tier I Capital	**11,506,806**	**6,255,821**	**3,334,568**	**1,705,235**	**1,861,249**
TIER II CAPITAL	**-**	**180,658**	**-**	**-**	**-**
TOTAL CAPITAL	**11,506,806**	**6,436,479**	**3,334,568**	**1,705,235**	**1,861,249**

Prior Period	**Garanti Bank International NV**	**Garanti Holding BV**	**Garanti Finansal Kiralama AŞ**	**Garanti Emeklilik ve Hayat AŞ**	**Garanti Yatırım Menkul Kıymetler AŞ**
COMMON EQUITY TIER I CAPITAL					
Paid-in Capital to be Entitled for Compensation after All Creditors	2,036,498	6,516,625	357,848	517,159	13,750
Share Premium	-	192,637	-	-	-
Share Cancellation Profits	-	-	-	-	-
Legal Reserves	1,117,850	367,760	792,783	291,383	798,171
Other Comprehensive Income according to TAS	5,879,634	165,935	-	2,082	-
Current and Prior Periods' Profits	180,110	321,459	190,151	635,160	508,315
Minority interest	-	-	-	-	40,040
Common Equity Tier I Capital Before Deductions	**9,214,092**	**7,564,416**	**1,340,782**	**1,445,784**	**1,360,276**
Deductions From Common Equity Tier I Capital					
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	9,422	1,624,004	1,751	8,613	1,014
Leasehold Improvements on Operational Leases (-)	-	705	-	784	1,850
Goodwill and Other Intangible Assets and Related Deferred Taxes (-)	80,154	784,086	17,284	37,455	3,622
Net Deferred Tax Asset/Liability (-)	-	-	-	-	-
Total Deductions from Common Equity Tier I Capital	**89,576**	**2,408,795**	**19,035**	**46,852**	**6,486**
Total Common Equity Tier I Capital	**9,124,516**	**5,155,621**	**1,321,747**	**1,398,932**	**1,353,790**
Total Deductions From Tier I Capital	-	-	-	-	-
Total Tier I Capital	**9,124,516**	**5,155,621**	**1,321,747**	**1,398,932**	**1,353,790**
TIER II CAPITAL	**-**	**148,458**	-	-	-
TOTAL CAPITAL	**9,124,516**	**5,304,079**	**1,321,747**	**1,398,932**	**1,353,790**

(Thousands of Turkish Lira (TL))

5.1.10.2 Investments in subsidiaries

	Subsidiary	Address (City/ Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1	Garanti Ödeme Sistemleri A.Ş.	Istanbul/Turkey	99.96	100.00
2	Garanti Kültür A.Ş.	Istanbul/Turkey	100.00	100.00
3	Garanti Konut Finansmanı Danışmanlık Hizmetleri A.Ş.	Istanbul/Turkey	100.00	100.00
4	Garanti Finansal Kiralama A.Ş.	Istanbul/Turkey	100.00	100.00
5	Garanti Faktoring A.Ş.	Istanbul/Turkey	81.84	81.84
6	Garanti Yatırım Menkul Kıymetler A.Ş.	Istanbul/Turkey	100.00	100.00
7	Garanti Portföy Yönetimi A.Ş.	Istanbul/Turkey	100.00	100.00
8	Garanti Emeklilik A.Ş.	Istanbul/Turkey	84.91	84.91
9	Garanti Bank Internatıonal Nv	Amsterdam/the Netherlands	100.00	100.00
10	Garanti Holdıng Bv	Amsterdam/the Netherlands	100.00	100.00
11	Garanti Yazılım Teknolojileri A.Ş.	Istanbul/Turkey	50.00	100.00

Financial data presented in the table below is as of 30 September 2022.

	Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
1	173,000	125,803	378	6,998	-	34,375	16,658	173,000
2	4,754	2,028	585	-	-	63	44	4,754
3	5,678	4,193	-	496	-	191	1,032	5,678
4	14,988,645	3,448,262	23,711	954,491	-	1,052,310	589,129	14,988,645
5	5,675,351	580,116	16,798	845,601	-	234,911	95,925	5,675,351
6	4,014,145	1,826,140	31,508	76,024	52,191	805,589	391,813	4,014,145
7	292,964	266,692	2,234	24,108	2,750	99,682	51,178	292,964
8	4,139,894	1,743,435	39,148	260,272	122,145	694,107	461,122	4,139,894
9	85,384,307	11,617,012	641,375	1,259,890	8,695	493,815	150,422	85,384,307
10	7,111,172	7,110,384	-	-	-	(1,079)	(677)	7,111,172
11	111,588	110,397	2,678	1,756	-	397	-	111,588

(*) Total fixed assets include tangible and intangible assets.

(Thousands of Turkish Lira (TL))

5.1.10.3 Movement of investments in subsidiaries

	Current Period	*Prior Period*
Balances at Beginning of Period	**19,922,934**	**11,806,518**
Movements during the Period	**5,646,151**	**8,116,416**
Acquisitions (*)	105,001	547,841
Bonus Shares Received	-	-
Earnings from Current Year Profit	3,831,961	2,461,634
Sales/Liquidations	(102,514)	-
Reclassification of Shares	-	-
Increase/(Decrease) in Market Values	(1,333,748)	(304,615)
Currency Differences on Foreign Subsidiaries	3,145,451	5,411,556
Impairment Reversals/(Losses)	-	-
Balance at End of Period	**25,569,085**	**19,922,934**
Capital Commitments	-	-
Share Percentage at the End of Period (%)	-	-

(*) The Bank has adopted the registered capital system in order to operate in the fields of payment services and electronic money issuance, with Garanti Ödeme Sistemleri A.Ş. as 50%-50% shareholder including a total capital of TL 10,000; as a joint stock company, it has been decided to establish a company with the title Garanti Yazılım Teknolojileri A.Ş. and participated in this new company to be established as a founding shareholder in exchange for 5,000,000 shares with a nominal value of TL 1 (full amount). In addition, the Bank has purchased 120,000 shares of Garanti Ödeme Sistemleri A.Ş., representing 0.02% of its capital, with a nominal value of TL 1 from Garanti Kültür A.Ş. With the Board Decision dated 04/07/2022 and numbered 2022/10, the capital of Garanti Ödeme Sistemleri A.Ş., which was TL 6,000, was increased to TL 56,000 through a paid capital increase and Board Decision dated 01/07/2022 and numbered 2022/2, the capital of Garanti Yazılım Teknolojileri A.Ş., which was TL 10,000, was increased to TL 110,000 through paid capital increase.

5.1.10.4 Sectoral distribution of investments in subsidiaries

Subsidiaries	*Current Period*	*Prior Period*
Banks	11,595,702	9,177,916
Insurance Companies	1,480,905	1,220,282
Factoring Companies	474,757	282,948
Leasing Companies	3,449,805	2,360,096
Finance Companies	8,380,763	6,818,464
Other Subsidiaries	187,153	63,228

5.1.10.5 Quoted consolidated investments in subsidiaries

	Current Period	*Prior Period*
Quoted at Domestic Stock Exchange	474,757	282,948
Quoted at Foreign Stock Exchange	-	-

5.1.10.6 Valuation methods of investments in subsidiaries

Subsidiaries	*Current Period*	*Prior Period*
Valued at Cost	-	-
Valued at Fair Value (*)	25,569,085	19,922,934

(*) The balances are as per the results of equity accounting application.

5.1.10.7 Investments in subsidiaries disposed during the current period

Liquidation process of Garanti Bilişim Teknoloji ve Ticaret Türk A.Ş. in Liquidation was completed in September/2022.

5.1.10.8 Investments in subsidiaries acquired during the current period

None.

5.1.11 Investments in Joint-Ventures

None.

(Thousands of Turkish Lira (TL))

5.1.12 Tangible assets

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

5.1.13 Intangible assets

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

5.1.14 Investment property

	Current Period	*Prior Period*
Net Book Value at Beginning Period	**814,148**	**704,701**
Additions	-	-
Disposals	(119,207)	(23,930)
Transfers	-	68,660
Fair Value Change	685,467	64,717
Net Book Value at End of Period	**1,380,408**	**814,148**

The investment property is held for operational leasing purposes. The Bank account its investment property based on the fair value model in accordance with the Turkish Accounting Standard 40 (TAS 40) "Investment Property". Accordingly, for all investment properties registered in the ledger, valuation studies are performed by independent expertise firms every year.

5.1.15 Deferred tax asset

As of 30 September 2022, the Bank has a deferred tax asset of TL 5,925,513 (31 December 2021: TL 4,226,924) calculated as the net amount remaining after netting of tax deductible timing differences and taxable timing differences.

As of 30 September 2022, the Bank has a deferred tax asset of TL 9,462,756 (31 December 2021: TL 6,675,223) calculated on all taxable temporary differences arising between the carrying amounts and the taxable amounts of assets and liabilities on the financial statements that will be considered in the calculation of taxable earnings in the future periods and on tax losses, which is presented as netted-off with a deferred tax liability of TL 3,537,243 (31 December 2021: TL 2,448,299) on all taxable temporary differences arising between the carrying amounts and the taxable amounts of assets and liabilities on the financial statements that will be considered in the calculation of taxable earnings in the future periods.

For the cases where such differences are related with certain items on the shareholders' equity accounts, the deferred taxes are charged or credited directly to these accounts.

	Current Period		*Prior Period*	
	Tax Base	**Deferred Tax Amount**	**Tax Base**	**Deferred Tax Amount**
Provisions (*)	2,698,090	672,741	8,803,115	1,991,054
Stages 1&2 Credit Losses	25,013,188	6,086,918	17,663,098	3,626,623
Differences between the Carrying Values and Taxable Values of Financial Assets (**)	(2,120,317)	(426,662)	(5,866,523)	(1,305,186)
Revaluation Differences on Real Estates	(4,358,158)	(650,292)	(2,440,508)	(298,948)
Other	934,011	242,808	894,465	213,381
Deferred Tax Asset	**22,166,814**	**5,925,513**	**19,053,647**	**4,226,924**

(*) Consists of reserve for employee benefits, provision for promotion expenses of credit cards and other provisions.
(**) Calculations are performed at the relevant tax rates applicable in the country of the foreign branches' financial assets.

(Thousands of Turkish Lira (TL))

5.1.16 Other Assets

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Derivative Financial Assets (Derivative Guarantees)	297,223	3,621,375	720,637	4,439,594
Receivables From Clearing Transactions	12,306,991	151,144	7,015,825	58,404
Prepaid Expenses(*)	15,876,952	906	3,005,409	1,875
Cash Guarantees Given	15,443	2,575,788	14,077	1,448,885
Receivables From Forward Sale of Assets	65,137	-	105,137	-
Other	3,851,374	403,423	1,156,684	259,535
Total	**32,413,120**	**6,752,636**	**12,017,769**	**6,208,293**

(*)The change in the related item is mainly due to the salary promotion payments made in the current period.

(Thousands of Turkish Lira (TL))

5.2 Liabilities

5.2.1 Maturity profile of deposits

Current Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	Total
Saving Deposits	**47,874,991**	**-**	**6,845,186**	**130,260,183**	**5,509,729**	**3,068,565**	**9,990,396**	**1,276**	**203,550,326**
Foreign Currency Deposits	**229,093,465**	**-**	**29,963,876**	**104,019,886**	**4,763,185**	**3,116,035**	**3,708,483**	**42,284**	**374,707,214**
Residents in Turkey	217,886,096	-	29,713,685	99,752,027	4,346,770	2,695,183	2,343,917	41,578	356,779,256
Residents in Abroad	11,207,369	-	250,191	4,267,859	416,415	420,852	1,364,566	706	17,927,958
Public Sector Deposits	**4,549,510**	**-**	**13,890**	**24,120**	**767**	**9**	**-**	**-**	**4,588,296**
Commercial Deposits	**36,864,162**	**-**	**38,413,168**	**32,098,614**	**2,083,312**	**5,461,221**	**4,475,130**	**-**	**119,395,607**
Other	**915,134**	**-**	**1,776,582**	**707,422**	**1,151,704**	**14,095**	**1,509,793**	**-**	**6,074,730**
Precious Metal Deposits	**40,396,607**	**-**	**-**	**533,707**	**290,148**	**77,420**	**671,623**	**-**	**41,969,505**
Bank Deposits(*)	**3,746,067**	**-**	**483,625**	**-**	**-**	**717**	**4,417**	**-**	**4,234,826**
Central Bank of Turkey	1,447,834	-	-	-	-	-	-	-	1,447,834
Domestic Banks	5,320	-	172,382	-	-	-	-	-	177,702
Foreign Banks	1,519,713	-	311,243	-	-	717	4,417	-	1,836,090
Special Financial Institutions	773,200	-	-	-	-	-	-	-	773,200
Other	-	-	-	-	-	-	-	-	-
Total(**)	**363,439,936**	**-**	**77,496,327**	**267,643,932**	**13,798,845**	**11,738,062**	**20,359,842**	**43,560**	**754,520,504**

Prior Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	Total
Saving Deposits	**30,527,615**	**-**	**6,102,484**	**58,157,604**	**7,071,367**	**1,745,707**	**3,622,706**	**1,376**	**107,228,859**
Foreign Currency Deposits	**176,416,061**	**-**	**17,903,117**	**95,615,803**	**2,247,038**	**2,527,816**	**3,733,894**	**47,644**	**298,491,373**
Residents in Turkey	169,327,870	-	17,612,374	92,076,118	1,946,446	2,172,884	2,472,061	47,002	285,654,755
Residents in Abroad	7,088,191	-	290,743	3,539,685	300,592	354,932	1,261,833	642	12,836,618
Public Sector Deposits	**1,860,052**	**-**	**505,436**	**37,023**	**1,164**	**3,655**	**-**	**-**	**2,407,330**
Commercial Deposits	**17,748,135**	**-**	**28,661,511**	**10,678,166**	**291,048**	**995,198**	**2,316,373**	**-**	**60,690,431**
Other	**515,192**	**-**	**1,015,882**	**2,671,082**	**95,455**	**771,005**	**4,303,923**	**-**	**9,372,539**
Precious Metal Deposits	**31,632,551**	**-**	**-**	**190,945**	**334,124**	**46,781**	**717,867**	**-**	**32,922,268**
Bank Deposits(*)	**1,764,449**	**-**	**288,057**	**71,682**	**-**	**-**	**2,569**	**-**	**2,126,757**
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	12,566	-	1,171	-	-	-	-	-	13,737
Foreign Banks	628,737	-	286,886	71,682	-	-	2,569	-	989,874
Special Financial Institutions	1,123,146	-	-	-	-	-	-	-	1,123,146
Other	-	-	-	-	-	-	-	-	-
Total(**)	**260,464,055**	**-**	**54,476,487**	**167,422,305**	**10,040,196**	**6,090,162**	**14,697,332**	**49,020**	**513,239,557**

(*) Interbank precious metal accounts are in the Precious Metal Deposits line.
(**) As of 30 September 2022, the Bank has a total of TL 143,864,859 (31 December 2021: TL 7,547,261) foreign exchange-protected deposit instrument of which TL 68,873,662 (31 December 2021: TL 180,250) within the scope of the "Communiqué on Supporting the Conversion of Turkish Lira Deposit and Participation Accounts" published by the CBRT in the Official Gazette dated 21 December 2021 and numbered 31696, TL 74,991,197 (31 December 2021: TL 7,367,011) opened within the scope of the announcement of the Ministry of Treasury and Finance ("Treasury") dated 24 December 2021. Foreign exchange revaluation differences amounting to TL 2,028,480 (31 December 2021: TL 806,578) regarding the foreign exchange-protected deposit instrument calculated as of the balance sheet date are presented in other assets under assets and included in deposits under liabilities.

(Thousands of Turkish Lira (TL))

5.2.1.1 Saving deposits insured by Saving Deposit Insurance Fund

Information on deposits covered by deposit insurance and exceeding insurance coverage limit:

Saving Deposits	**Covered by Deposit Insurance Over Deposit Insurance Limit**		**Over Deposit Insurance Limit**	
	Current Period	***Prior Period***	***Current Period***	***Prior Period***
Saving Deposits (TL)	78,458,196	47,996,031	122,926,439	57,884,483
Foreign Currency Saving Deposits	51,423,508	38,768,676	179,975,608	148,542,962
Other Saving Deposits	17,492,138	11,769,763	22,885,625	18,436,756
Foreign Branches' Deposits Under Foreign Insurance Coverage	1,332,755	1,015,243	1,517,380	1,152,172
Off-Shore Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-

Commercial Deposits(*)	**Covered by Deposit Insurance Over Deposit Insurance Limit**		**Over Deposit Insurance Limit**	
	Current Period	***Prior Period***	***Current Period***	***Prior Period***
Commercial Deposits (TL)	15,406,004	-	106,832,845	-
Foreign Currency Commercial Deposits	4,408,357	-	132,725,085	-
Other Commercial Deposits	84,601	-	1,377,402	-
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-

(*)In the first paragraph of Article 1 of the Regulation on Deposits and Participation Funds Subject to Insurance and Premiums to be Collected by the Savings Deposit Insurance Fund published in the Official Gazette dated 7/11/2006 and numbered 26339, the phrase "savings deposits and belonging to real persons" have been changed to " all deposits except those belonging to official institutions, credit institutions and financial institutions and".

5.2.1.2 Saving deposits at domestic branches of foreign banks in Turkey under the coverage of foreign insurance

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

5.2.1.3 Deposits not covered by insurance limits

Saving Deposits	***Current Period***	***Prior Period***
Deposits and Other Accounts held at Foreign Branches	36,184	31,208
Deposits and Other Accounts held by Shareholders and their Relatives	-	-
Deposits and Other Accounts of the Chairman and Members of Board of Directors, Chief Executive Officer, Senior Executive Officers and their Relatives	184,481	198,731
Deposits and Other Accounts held as Assets subject to the Crime defined in the Article 282 of the Turkish Criminal Code No. 5237 dated 26 September 2004	-	-
Deposits at Depository Banks established for Off-Shore Banking Activities in Turkey	-	-

Commercial Deposits	***Current Period***	***Prior Period***
Deposits and Other Accounts held at Foreign Branches	5,254,418	-
Deposits and Other Accounts held by Main Shareholder with Qualified Shareholders and Corporates Under Their Control	2,218,892	-
Official Institutions Deposits and Other Accounts	4,655,439	-
Credit and Financial Institutions Deposits	3,839,434	-

(Thousands of Turkish Lira (TL))

5.2.2 Funds borrowed

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Central Bank of Turkey	-	-	-	-
Domestic Banks and Institutions	948,226	972,057	1,119,813	1,945,707
Foreign Banks, Institutions and Funds	-	42,190,823	-	33,747,719
Total	**948,226**	**43,162,880**	**1,119,813**	**35,693,426**

5.2.2.1 Maturities of funds borrowed

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Short-Term	875,702	392,406	948,797	470,486
Medium and Long-Term	72,524	42,770,474	171,016	35,222,940
Total	**948,226**	**43,162,880**	**1,119,813**	**35,693,426**

5.2.2.2 Disclosures for concentration areas of bank’s liabilities

Not prepared in compliance with the Article 25 of the Communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

(Thousands of Turkish Lira (TL))

5.2.3 *Money market funds*

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Domestic Transactions	**5,310,679**	**-**	**7,402,848**	**-**
Financial Institutions and Organizations	5,270,328	-	7,376,780	-
Other Institutions and Organizations	14,425	-	7,613	-
Individuals	25,926	-	18,455	-
Foreign Transactions	**374**	**1,569,687**	**79**	**2,226,671**
Financial Institutions and Organizations	-	1,569,687	-	2,226,671
Other Institutions and Organizations	-	-	-	-
Individuals	374	-	79	-
Total	**5,311,053**	**1,569,687**	**7,402,927**	**2,226,671**

5.2.4 *Securities issued*

Current Period	**TL**		**FC**	
	Short-Term	**Medium and Long-Term**	**Short-Term**	**Medium and Long-Term**
Nominal	-	990,320	168,822	12,341,230
Cost	-	990,320	168,822	12,330,865
Carrying Value (*)	-	151,673	168,876	12,382,340

(*) The Bank repurchased its own TL securities with a total face value of TL 840,320 and foreign currency securities with a total face value of USD 1,555,000 and netted off such securities in the accompanying financial statements.

Prior Period	**TL**		**FC**	
	Short-Term	**Medium and Long-Term**	**Short-Term**	**Medium and Long-Term**
Nominal	4,139,890	2,361,088	-	18,671,035
Cost	4,010,234	2,317,017	-	18,568,545
Carrying Value (*)	4,089,879	1,256,203	-	16,496,903

(*) The Bank repurchased its own TL securities with a total face value of TL 1,090,320 and foreign currency securities with a total face value of USD 183,255,000 and netted off such securities in the accompanying financial statements.

5.2.5 *Financial liabilities measured at fair value through profit/loss*

	Current Period		*Prior Period*	
	TL	**FC**		
Funds Borrowed	-	28,539,432	-	24,035,836
Total	**-**	**28,539,432**	**-**	**24,035,836**

In accordance with TFRS 9, the Bank classified a part of borrowings obtained through securitisations amounting to USD 1,873,133,929 (31 December 2021: USD 2,112,303,572) as financial liability at fair value through profit/loss at the initial recognition in order to eliminate the accounting mismatch.

As of 30 September 2022, the accumulated fair value change of the related financial liabilities amounted to TL 6,388,281 (31 December 2021: TL 3,769,054) and the corresponding gains/losses recognised in the statement of profit/loss mounted to TL 2,619,227 (31 December 2021: TL 2,503,587). The carrying value of the related financial liability amounted to TL 28,539,432 (31 December 2021: TL 24,035,836).

(Thousands of Turkish Lira (TL))

5.2.6 Derivative financial liabilities

5.2.6.1 Negative differences on derivative financial liabilities measured at FVTPL

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Forward Transactions	1,027,412	124,435	1,874,549	33,679
Swap Transactions	4,161,774	10,509,342	4,896,529	5,336,853
Futures	-	3,663	-	933
Options	278,639	102,525	126,302	29,685
Others	-	-	-	-
Total	**5,467,825**	**10,739,965**	**6,897,380**	**5,401,150**

5.2.6.2 Derivative financial liabilities held for hedging purpose

Derivative Financial Liabilities held for Hedging Purpose	*Current Period*		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Fair Value Hedges	-	-	-	383,098
Cash Flow Hedges	19,704	-	41,211	239,907
Net Foreign Investment Hedges	-	-	-	-
Total	**19,704**	**-**	**41,211**	**623,005**

5.2.7 Lease liabilities (Net)

5.2.7.1 Operational lease liabilities

	Current Period		*Prior Period*	
	Gross	**Net**	**Gross**	**Net**
Up to 1 Year	409,303	282,854	313,080	210,706
1-4 Years	792,873	547,925	642,913	432,687
More than 4 Years	316,704	218,862	316,054	212,707
Total	**1,518,880**	**1,049,641**	**1,272,047**	**856,100**

As of 30 September 2022, the weighted average of the incremental borrowing interest rates applied to TL , EUR and USD lease liabilities presented in the statement of financial position of the Bank are 20.2%, 1.9% and 3.8% (31 December 2021: 18.8%, 2.3% and 6.9%) respectively.

5.2.8 Provisions

5.2.8.1 Reserve for employee severance indemnity

	Current Period	*Prior Period*
Balances at Beginning of Period	**912,449**	**738,465**
Provision for the Period	182,857	147,769
Actuarial Gain/Loss	-	76,377
Payments During the Period	(52,156)	(50,162)
Balances at End of Period	**1,043,150**	**912,449**

(Thousands of Turkish Lira (TL))

5.2.8.2 Provisions for foreign exchange differences on foreign currency indexed loans and financial lease receivables

None (31 December 2021: None).

5.2.8.3 Expected credit losses (Stage 3) for non-cash loans that are not indemnified or converted into cash

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

5.2.8.4 Other provisions

	Current Period	*Prior Period*
Reserve for Employee Benefits	2,243,124	1,825,807
Provision for Promotion Expenses of Credit Cards	332,791	270,419
Provision for Lawsuits	476,418	415,219
Provision for Non-Cash Loans	4,778,059	2,892,018
Other Provisions (*)	8,166,885	7,637,375
Total	**15,997,277**	**13,040,838**

(*)Includes total general reserve of total TL 8,000,000 of which reserved TL 500,000 in the current year and TL 7,500,000 in previous years (31 December 2021: TL 7,500,000).

Recognized liability for defined benefit plan obligations

The Bank obtained an actuarial report dated 5 January 2022 from an independent actuary reflecting the principles and procedures on determining the application of transfer transactions in accordance with the Law and it is determined that the assets of the Plan are above the amount that will be required to be paid to transfer the obligation and the asset surplus amounts to TL 6,538,417 at 31 December 2021 as details are given in the table below.

Furthermore, an actuarial report was prepared as of 31 December 2021 as per the requirements of the Law explained in Note 3.17, the accounting policies related with "employee benefits" for the benefits transferable to the SSF and as per TAS 19 for other benefits not transferable to the SSF and arising from other social rights and payments covered by the existing trust indenture of the Fund and medical benefits provided for employees. Based on the actuary's 5 January 2022 dated report, the asset surplus over the fair value of the plan assets to be used for the payment of the obligations also fully covers the benefits not transferable and still a surplus of TL 3,360,883 remains as of 31 December 2021 as details are given in the table below.

	31 December 2021	***31 December 2020***
Transferable Pension and Medical Benefits:		
Net present value of pension benefits transferable to SSF	(3,605,978)	(2,200,812)
Net present value of medical benefits and health premiums transferable to SSF	849,322	925,296
General administrative expenses	(97,979)	(74,857)
Present Value of Pension and Medical Benefits Transferable to SSF (1)	**(2,854,635)**	**(1,350,373)**
Fair Value of Plan Assets (2)	**9,393,052**	**7,469,328**
Asset Surplus over Transferable Benefits ((2)-(1)=(3))	**6,538,417**	**6,118,955**
Non-Transferable Benefits:		
Other pension benefits	(1,680,862)	(1,396,390)
Other medical benefits	(1,496,672)	(1,175,852)
Total Non-Transferable Benefits (4)	**(3,177,534)**	**(2,572,242)**
Asset Surplus over Total Benefits ((3)-(4)=(5))	**3,360,883**	**3,546,713**

(Thousands of Turkish Lira (TL))

Movement of recognized liability for asset shortage over the Bank's defined benefit plan:

	31 December 2021	*31 December 2020*
Balance at Beginning of Period	-	-
Actual contributions paid during the period	(160,523)	(127,520)
Total expense recognized in the statement of profit or loss	92,569	85,084
Amount recognized in the shareholders' equity	67,954	42,436
Balance at End of Period	-	-

The major actuarial assumptions used in the calculation of other benefits not transferable to SSF in compliance with TAS 19 are as follows:

	31 December 2021	*31 December 2020*
	%	%
Discount Rate (*)	19.10	13.00
Inflation Rate (*)	15.10	9.70
Future Real Salary Increase Rate	1.50	1.50
Medical Cost Trend Rate	19.30	13.90
Future Pension Increase Rate (*)	15.10	9.70

(*) The above rates are effective rates, whereas the rates applied for the calculation differ according to the employees' years-in-service.

The sensitivity analysis of defined benefit obligation of excess liabilities and retirement indemnities are as follow:

Defined Benefit Obligation	**Pension Benefits Effect**	**Medical Benefits Effect**	**Overall Effect**
Assumption change	**%**	**%**	**%**
Discount rate +0.5%	(6.40)	(8.80)	(7.50)
Discount rate -0.5%	7.10	10.10	8.50
Medical inflation rate +0.5%	-	10.00	4.70
Medical inflation rate -0.5%	-	(8.80)	(4.10)

Retirement Indemnities	**Sensitivity of Past Service Liability**	**Sensitivity of Normal Cost**
Assumption change	**%**	**%**
Discount rate +0.5%	(5.30)	(7.00)
Discount rate -0.5%	5.80	7.80
Inflation rate +0.5%	5.20	(3.60)
Inflation rate -0.5%	(5.00)	3.80

(Thousands of Turkish Lira (TL))

5.2.9 Tax liability

5.2.9.1 Current tax liability

5.2.9.1.1 Tax liability

As of 30 September 2022, the corporate tax liability amounts to TL 5,785,107 (31 December 2021: TL 1,911,428) after offsetting with prepaid taxes. If the differences arising between the book value and the tax base value of the assets subject to the current tax liability are related to the shareholders' equity account group, the current tax asset or liability is netted off by the relevant accounts in this group.

As of September 2022, TL 12,421,770 of total current period tax expense amounting to TL 3,624,569 has been classified in the statement of profit or loss and TL 3,706,635 (31 December 2021: None) has been classified in equity.

5.2.9.1.2 Taxes payable

	Current Period	*Prior Period*
Corporate Taxes Payable	5,785,107	1,911,428
Taxation on Securities Income	127,693	126,239
Taxation on Real Estates Income	6,109	8,644
Banking Insurance Transaction Tax	536,856	349,311
Foreign Exchange Transaction Tax	54,366	115,529
Value Added Tax Payable	103,761	55,560
Others	178,952	81,568
Total	**6,792,844**	**2,648,279**

5.2.9.1.3 Premiums

	Current Period	*Prior Period*
Social Security Premiums-Employees	304	138
Social Security Premiums-Employer	373	170
Bank Pension Fund Premium-Employees	4,216	439
Bank Pension Fund Premium-Employer	6,736	620
Pension Fund Membership Fees and Provisions-Employees	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employees	4,764	2,212
Unemployment Insurance-Employer	9,621	4,470
Others	112	47
Total	**26,126**	**8,096**

5.2.9.2 Deferred tax liability

As of balance sheet date, the Bank has no deferred tax liability. (31 December 2021: None).

5.2.10 Liabilities for assets held for sale and assets of discontinued operations

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

(Thousands of Turkish Lira (TL))

5.2.11 Subordinated debts

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

5.2.12 Other liabilities

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Payables from credit card transactions	33,116,471	534,442	21,172,969	207,755
Payables from clearing transactions	11,726,990	29,823	5,372,202	11,262
Other	3,137,265	10,978,163	2,421,074	3,724,852
Total	**47,980,726**	**11,542,428**	**28,966,245**	**3,943,869**

5.2.13 Shareholders' equity

5.2.13.1 Paid-in capital

	Current Period	*Prior Period*
Common Shares	4,200,000	4,200,000
Preference Shares	-	-

5.2.13.2 Registered share capital system

Capital	**Paid-in Capital**	**Ceiling per Registered Share Capital**
Registered Shares	4,200,000	10,000,000

5.2.13.3 Capital increases in current period

None.

5.2.13.4 Capital increases from capital reserves in current period

None.

5.2.13.5 Capital commitments for current and future financial periods

None.

5.2.13.6 Possible effect of estimations made for the parent bank's revenues, profitability and liquidity on equity considering prior period indicators and uncertainties

None.

5.2.13.7 Information on privileges given to stocks representing the capital

None.

(Thousands of Turkish Lira (TL))

5.2.13.8 Securities value increase fund

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Investments in Associates, Subsidiaries and Joint-Ventures	**14,083,193**	**(487,923)**	**10,849,361**	**238,897**
Valuation difference	14,083,193	(487,923)	10,849,361	238,897
Exchange rate difference	-	-	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	**12,630,351**	**(1,552,296)**	**1,589,422**	**(826,320)**
Valuation difference	12,307,733	(1,552,296)	1,427,799	(826,320)
Exchange rate difference	322,618	-	161,623	-
Total	**26,713,544**	**(2,040,219)**	**12,438,783**	**(587,423)**

5.2.13.9 Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Movables	417,772	(73,724)	232,119	47,950
Real Estates	2,769,398	174,216	1,719,852	143,155
Defined Benefit Plans' Actuarial Gains/Losses	(387,563)	-	(413,401)	-
Other	(6,635)	-	(6,747)	-
Total	**2,792,972**	**100,492**	**1,531,823**	**191,105**

5.2.13.10 Bonus shares of associates, subsidiaries and joint-ventures

	Current Period	*Prior Period*
Bankalararası Kart Merkezi A.Ş.	5,781	5,781
Garanti Yatırım Menkul Değerler AŞ	942	942
Yeni Gimat Gayrimenkul Yatırım Ortaklığı A.Ş.	860	-
JCR Avrasya Derecelendirme A.Ş.	829	-
Kredi Kayıt Bürosu AŞ	481	481
Garanti Ödeme Sistemleri AŞ	401	401
Kömür İşletmeleri A.Ş.	45	-
Doğuş Gayrimenkul Yatırım Ortaklığı AŞ	22	22
Yatırım Finansman Menkul Değerler AŞ	9	9
Dati Yatırım Holding A.Ş.	7	7
Total	**9,377**	**7,643**

5.2.13.11 Legal reserves

	Current Period	*Prior Period*
I. Legal Reserve	961,534	961,534
II. Legal Reserve	654,953	545,220
Special Reserves	-	-
Total	**1,616,487**	**1,506,754**

5.2.13.12 Extraordinary reserves

	Current Period	*Prior Period*
Legal reserves that was allocated to be in compliance with the decisions made on the Annual General Assembly	61,526,682	49,812,325

(Thousands of Turkish Lira (TL))

5.3 Off-Balance Sheet Items

5.3.1 Off-balance sheet contingencies

5.3.1.1 Irrevocable credit commitments

The Bank has term asset purchase and sale commitments of TL 65,521,968 (31 December 2021: TL 19,275,698), commitments for cheque payments of TL 5,240,183 (31 December 2021: TL 3,956,330) and commitments for credit card limits of TL 111,811,432 (31 December 2021: TL 61,609,747).

5.3.1.2 Possible losses, commitments and contingencies resulted from off-balance sheet items

	Current Period	*Prior Period*
Letters of Guarantee in Foreign Currency	75,780,796	57,782,766
Letters of Guarantee in TL	84,746,256	44,007,746
Letters of Credit	27,005,653	23,175,354
Bills of Exchange and Acceptances	3,653,861	2,751,737
Endorsements	2,390,128	1,128,961
Other Guarantees	162,888	159,274
Total	**193,739,582**	**129,005,838**

Expected losses for non-cash loans and irrevocable commitments

	Stage 1	*Stage 2*	*Stage 3*	*Total*
Current Period **Balances at Beginning of Period**	**515,863**	**1,049,091**	**1,327,064**	**2,892,018**
Additions during the Period (+)	1,275,689	1,861,642	193,527	3,330,858
Disposals (-)	(1,495,507)	(512,583)	(217,127)	(2,225,217)
Sales (-)	-	-	-	-
Write-offs (-)	-	-	-	-
Transfer to Stage 1	559,045	(558,354)	(691)	-
Transfer to Stage 2	(105,669)	125,192	(19,523)	-
Transfer to Stage 3	(130)	(26,491)	26,621	-
Foreign Currency Differences	75,495	258,475	446,430	780,400
Provisions at End of Period	**824,786**	**2,196,972**	**1,756,301**	**4,778,059**

	Stage 1	*Stage 2*	*Stage 3*	*Total*
Prior Period **Balances at Beginning of Period**	**536,508**	**831,210**	**809,936**	**2,177,654**
Additions during the Period (+)	756,480	724,284	205,964	1,686,728
Disposals (-)	(984,269)	(595,453)	(180,207)	(1,759,929)
Sales (-)	-	-	-	-
Write-offs (-)	-	-	-	-
Transfer to Stage 1	195,338	(194,707)	(631)	-
Transfer to Stage 2	(52,749)	53,482	(733)	-
Transfer to Stage 3	(142)	(31,559)	31,701	-
Foreign Currency Differences	64,697	261,834	461,034	787,565
Provisions at End of Period	**515,863**	**1,049,091**	**1,327,064**	**2,892,018**

Lifetime expected credit loss (Stage 3) of TL 2,499,586 (31 December 2021: TL 2,002,246) is made for unliquidated non-cash loans of TL 1,756,301 (31 December 2021: TL 1,327,064) recorded under the off-balance sheet items.

The detailed information for commitments, guarantees and sureties are provided under the statement of "off-balance sheet items".

(Thousands of Turkish Lira (TL))

5.3.1.3 Non-cash loans

	Current Period	*Prior Period*
Non-Cash Loans against Cash Risks	33,691,720	20,797,645
With Original Maturity of 1 Year or Less	5,948,631	2,948,430
With Original Maturity of More Than 1 Year	27,743,089	17,849,215
Other Non-Cash Loans	160,047,862	108,208,193
Total	**193,739,582**	**129,005,838**

5.3.1.4 Sectoral risk concentration of non-cash loans

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

5.3.1.5 Non-cash loans classified under Stage I and II

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

5.3.2 Financial derivative instruments

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

5.3.3 Credit derivatives and risk exposures on credit derivatives

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

5.3.4 Contingent liabilities and assets

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

5.3.5 Services rendered on behalf of third parties

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

(Thousands of Turkish Lira (TL))

5.4 Statement of Profit or Loss

5.4.1 Interest income

5.4.1.1 Interest income from loans (*)

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Interest income received from loans				
Short-term loans	24,646,816	1,379,080	10,685,135	458,094
Medium and long-term loans	23,398,279	6,467,674	15,133,102	3,464,741
Loans under follow-up	570,357	7,418	393,394	108,895
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	**48,615,452**	**7,854,172**	**26,211,631**	**4,031,730**

(*) Includes also the fee and commission income on cash loans

5.4.1.2 Interest income from banks

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Central Bank of Turkey	-	3,692	-	-
Domestic Banks	6,928	526	12,936	266
Foreign Banks	3,629	179,680	4,049	18,770
Foreign Head Offices and Branches	-	-	-	-
Total	**10,557**	**183,898**	**16,985**	**19,036**

5.4.1.3 Interest income from securities portfolio

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Financial Assets Measured at Fair Value through Profit or Loss	77,459	33,277	66,240	22,893
Financial Assets Measured at Fair Value through Other Comprehensive Income	10,722,834	581,149	3,158,425	262,700
Financial Assets Measured at Amortised Cost	10,549,575	1,596,150	2,705,403	376,814
Total	**21,349,868**	**2,210,576**	**5,930,068**	**662,407**

As disclosed in the accounting policies, the Bank values CPI-indexed government bonds in its securities portfolio according to the reference index on the issue date and the index that is calculated according to the expected inflation rate. The inflation rate used during the valuation is being updated during the year when it is considered necessary. As of 30 September 2022, the valuation of such securities has been calculated according to the annual inflation forecast of 75%. In case the CPI forecast increases or decreases by 1%, profit before taxes as of 30 September 2022 will increase or decrease by approximately TL 150 million (full amount).

5.4.1.4 Interest income received from associates and subsidiaries

	Current Period	*Prior Period*
Interest Received from Investments in Associates and Subsidiaries	369,869	278,414

(Thousands of Turkish Lira (TL))

5.4.2 Interest Expenses

5.4.2.1 Interest expenses on funds borrowed (*)

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Banks	**123,954**	**769,075**	**89,052**	**367,820**
Central Bank of Turkey	-	-	-	-
Domestic Banks	123,954	32,748	89,052	23,095
Foreign Banks	-	736,327	-	344,725
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	**-**	**1,088,321**	**-**	**479,667**
Total	**123,954**	**1,857,396**	**89,052**	**847,487**

(*) Also includes the fee and commission expenses on borrowings.

5.4.2.2 Interest expenses paid to associates and subsidiaries

	Current Period	*Prior Period*
Interest Paid to Investments in Associates and Subsidiaries	447,628	307,883

5.4.2.3 Interest expenses on securities issued

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

5.4.2.4 Maturity structure of interest expense on deposits

Current Period		Time Deposits						
Account Description	**Demand Deposits**	**Up to 1 Month**	**1-3 Months**	**3-6 Months**	**6-12 Months**	**1 Year and Over**	**Accumulating Deposit Accounts**	**Total**
Turkish Lira								
Bank Deposits	3,093	36,147	-	-	-	-	-	39,240
Saving Deposits	-	460,013	10,932,259	890,373	170,965	607,901	-	13,061,511
Public Sector Deposits	-	1,489	4,626	85	105	-	-	6,305
Commercial Deposits	-	2,701,686	1,931,272	1,573,460	1,523,265	385,431	-	8,115,114
Other	-	138,849	279,986	30,296	216,914	250,178	-	916,223
"7 Days Notice" Deposits	-	-	-	-	-	-	-	-
Total TL	**3,093**	**3,338,184**	**13,148,143**	**2,494,214**	**1,911,249**	**1,243,510**	**-**	**22,138,393**
Foreign Currency								-
Foreign Currency Deposits	2	46,115	414,211	16,108	20,314	42,346	139	539,235
Bank Deposits	-	644	-	-	-	-	-	644
"7 Days Notice" Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	1,104	14	207	1,292	-	2,617
Total FC	**2**	**46,759**	**415,315**	**16,122**	**20,521**	**43,638**	**139**	**542,496**
Grand Total	**3,095**	**3,384,943**	**13,563,458**	**2,510,336**	**1,931,770**	**1,287,148**	**139**	**22,680,889**

(Thousands of Turkish Lira (TL))

Prior Period		**Time Deposits**						
Account Description	**Demand Deposits**	**Up to 1 Month**	**1-3 Months**	**3-6 Months**	**6-12 Months**	**1 Year and Over**	**Accumulating Deposit Accounts**	**Total**
Turkish Lira								
Bank Deposits	7,883	65,292	-	-	-	-	-	73,175
Saving Deposits	-	360,224	7,670,710	475,460	180,489	309,338	-	8,996,221
Public Sector Deposits	-	2,555	4,330	188	30	-	-	7,103
Commercial Deposits	-	1,963,505	1,671,217	69,547	124,114	171,857	-	4,000,240
Other	-	56,470	155,478	15,418	167,872	569,441	-	964,679
"7 Days Notice" Deposits	-	-	-	-	-	-	-	-
Total TL	**7,883**	**2,448,046**	**9,501,735**	**560,613**	**472,505**	**1,050,636**	**-**	**14,041,418**
Foreign Currency								
Foreign Currency Deposits	1	26,004	197,550	16,078	15,304	31,860	120	286,917
Bank Deposits	-	36	-	-	-	-	-	36
"7 Days Notice" Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	279	-	279
Total FC	**1**	**26,040**	**197,550**	**16,078**	**15,304**	**32,139**	**120**	**287,232**
Grand Total	**7,884**	**2,474,086**	**9,699,285**	**576,691**	**487,809**	**1,082,775**	**120**	**14,328,650**

5.4.2.5 Interest expense on money market transactions

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

5.4.2.6 Interest expense on lease liabilities

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

5.4.2.6.2 Operational lease expenses

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

5.4.2.7 Interest expenses on factoring payables

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

5.4.3 Dividend income

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

(Thousands of Turkish Lira (TL))

5.4.4 Trading income/losses

	Current Period	*Prior Period*
Income	**226,160,731**	**166,240,811**
Trading Account Income	3,460,812	2,558,533
Gains from Derivative Financial Instruments	31,088,247	11,153,080
Foreign Exchange Gains	191,611,672	152,529,198
Losses (-)	**219,372,831**	**169,845,971**
Trading Account Losses	489,362	1,474,089
Losses from Derivative Financial Instruments	52,705,650	15,909,303
Foreign Exchange Losses	166,177,819	152,462,579
Total	**6,787,900**	**(3,605,160)**

TL 14,795,455 (30 September 2021: TL 2,238,826) of foreign exchange gains and TL 5,697,745 (30 September 2021: TL 6,152,240) of foreign exchange losses are resulted from the exchange rate changes of derivative financial transactions.

5.4.5 Other operating income

The items under “other operating income” generally consists of collection or reversals of prior years' expected credit losses, banking services related costs recharged to customers and income on custody services.

	Current Period	*Prior Period*
Reversal of Prior Years' Provisions	**7,770,993**	**6,226,880**
Stage 1 Provisions	4,075,371	2,781,993
Stage 2 Provisions	1,787,057	2,053,786
Stage 3 Provisions	1,697,346	1,228,586
Others	211,219	162,515
Revenues from Sale of Assets	**411,187**	**290,325**
Others	**1,293,113**	**256,808**
Total	**9,475,293**	**6,774,013**

5.4.6 Expected credit losses and other provisions

	Current Period	*Prior Period*
Expected Credit Losses	**18,164,826**	**9,408,418**
12-Month ECL (Stage 1)	3,913,578	1,603,905
Lifetime ECL Significant Increase in Credit Risk (Stage 2)	9,664,990	4,581,607
Lifetime ECL Impaired Credits (Stage 3)	4,586,258	3,222,906
Other Provisions	**2,666,500**	**3,273,124**
Impairment Losses on Securities	48,785	650
Financial Assets Measured at Fair Value through Profit/Loss	48,785	331
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	319
Impairment Losses on Associates, Subsidiaries and Joint-ventures	-	-
Associates	-	-
Subsidiaries	-	-
Joint-ventures	-	-
Others (*)	2,617,715	3,272,474
Total	**20,831,326**	**12,681,542**

(Thousands of Turkish Lira (TL))

5.4.7 Other operating expenses

	Current Period	*Prior Period*
Reserve for Employee Termination Benefits	182,857	120,307
Defined Benefit Obligation	-	-
Impairment Losses on Tangible Assets	935	-
Depreciation Expenses of Tangible Assets	338,299	296,557
Impairment Losses on Intangible Assets	-	-
Impairment Losses on Goodwill	-	-
Amortisation Expenses of Intangible Assets	130,170	74,678
Impairment Losses on Investments Accounted under Equity Method	-	-
Impairment Losses on Assets to be Disposed	-	2,506
Depreciation Expenses of Right-of-use Assets	235,480	194,967
Impairment Losses on Assets Held for Sale	-	-
Other Operating Expenses	6,989,303	3,628,199
Operational Lease related Expenses (*)	166,595	154,648
Repair and Maintenance Expenses	96,629	50,777
Advertisement Expenses	248,607	138,975
Other Expenses	6,477,472	3,283,799
Loss on Sale of Assets	4,613	5,357
Others (**)	1,422,861	873,762
Total	**9,304,518**	**5,196,333**

(*) Includes lease related expenses out of the scope of TFRS 16.

(**)Includes Saving Deposits Insurance Fund related expenses of TL 810,596 (30 September 2021: TL 471,339) in the current period.

5.4.8 Information on profit/loss before taxes from continued and discontinued operations

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

5.4.9 Information on provision for taxes from continued and discontinued operations

For the period ended 30 September 2022, the Bank recorded a tax expense of TL 12,421,770 (30 September 2021: TL 2,665,164) and a deferred tax income of TL 1,384,979 (30 September 2021: TL 72,930).

Deferred tax benefit/charge on timing differences:

Deferred tax benefit/(charge) on timing differences	*Current Period*	*Prior Period*
Increase in tax deductible timing differences (+)	(4,237,050)	(944,962)
Decrease in tax deductible timing differences (-)	1,713,416	446,530
Increase in taxable timing differences (-)	3,012,616	447,098
Decrease in taxable timing differences (+)	(1,873,961)	(21,596)
Total	**(1,384,979)**	**(72,930)**

(Thousands of Turkish Lira (TL))

Deferred tax benefit/charge in the statement of profit/loss arising on timing differences, tax losses and tax deductions and exemptions:

Deferred tax (benefit)/charge arising on timing differences, tax losses and tax deductions and exemptions	***Current Period***	***Prior Period***
(Increase)/Decrease in Tax Deductible Timing Differences (net)	(2,523,634)	(498,432)
(Increase)/Decrease in Taxable Timing Differences (net)	1,138,655	425,502
(Increase)/Decrease in Tax Losses (net)	-	-
(Increase)/Decrease in Tax Deductions and Exemptions (net)	-	-
Total	**(1,384,979)**	**(72,930)**

5.4.10 Information on net profit/loss from continued and discontinued operations

Not prepared in compliance with the Article 25 of the Communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.4.11 Net profit/loss

5.4.11.1 Any further explanation on operating results needed for better understanding of the Bank’s performance

None.

5.4.11.2 Any changes in estimations that might have a material effect on current and subsequent period results

None.

5.4.12 Components of other items in statement of profit/loss

The items in others under “Fees and commissions received” and “Fees and commissions paid” in the income statement include mainly fees and commissions related with credit card transactions and other banking services.

5.5 Statement of changes in shareholders’ equity

Not prepared in compliance with the Article 25 of the Communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

5.6 Statement of Cash Flows

Not prepared in compliance with the Article 25 of the Communiqué “Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks”.

(Thousands of Turkish Lira (TL))

5.7 Related Party Risks

5.7.1 Transactions with the Bank's risk group

5.7.1.1 Loans and other receivables

Current Period

Bank's Risk Group	**Associates, Subsidiaries and Joint-Ventures**		**Bank's Direct and Indirect Shareholders**		**Other Components in Risk Group**	
Loans and Other Receivables	**Cash**	**Non-cash**	**Cash**	**Non-cash**	**Cash**	**Non-cash**
Balance at beginning of period	14,327,512	3,366,181	774,676	1,563,727	10,060	193,011
Balance at end of period	17,886,575	3,367,974	396,758	2,289,074	67,706	18,625
Interest and Commission Income	**442,769**	**26,736**	**2,975**	**-**	**1,386**	**-**

Prior Period

Bank's Risk Group	**Associates, Subsidiaries and Joint-Ventures**		**Bank's Direct and Indirect Shareholders**		**Other Components in Risk Group**	
Loans and Other Receivables	**Cash**	**Non-cash**	**Cash**	**Non-cash**	**Cash**	**Non-cash**
Balance at beginning of period	9,505,341	2,096,812	651,108	722,425	113,315	50,868
Balance at end of period	14,327,512	3,366,181	774,676	1,563,727	10,060	193,011
Interest and Commission Income	**287,466**	**20,084**	**113**	**-**	**7,627**	**89**

5.7.1.2 Deposits

Bank's Risk Group	**Associates, Subsidiaries and Joint-Ventures**		**Bank's Direct and Indirect Shareholders**		**Other Components in Risk Group**	
Deposits	***Current Period***	***Prior Period***	***Current Period***	***Prior Period***	***Current Period***	***Prior Period***
Balance at beginning of period	2,404,548	1,889,426	31,849	70,153	7,064,055	417,657
Balance at end of period	3,856,495	2,404,548	21,292	31,849	4,681,321	7,064,055
Interest Expense	**238,075**	**193,581**	**50**	**65**	**779,940**	**19,503**

5.7.1.3 Derivative transactions

Bank's Risk Group	**Associates, Subsidiaries and Joint-Ventures**		**Bank's Direct and Indirect Shareholders**		**Other Components in Risk Group**	
Transactions at Fair Value Through Profit/(Loss):	***Current Period***	***Prior Period***	***Current Period***	***Prior Period***	***Current Period***	***Prior Period***
Balance at beginning of period	**3,888,943**	**3,000,560**	**35,864,072**	**30,664,682**	-	-
Balance at end of period	5,832,508	3,888,943	40,531,557	35,864,072	-	-
Total Profit/(Loss)	**(15,134)**	**(6,591)**	**726,240**	**135,565**	**-**	**-**
Transactions for Hedging:						
Balance at beginning of period	-	-	220,100	565,120	-	-
Balance at end of period	-	-	-	220,100	-	-
Total Profit/(Loss)	**-**	**-**	**(3,048)**	**(905)**	**-**	**-**

5.7.2 The Bank's risk group

5.7.2.1 Relations with companies in risk group of/or controlled by the Bank regardless of nature of current transactions

Transactions with the risk group, are held under arm's-length conditions; terms are set according to the market conditions and in compliance with the Banking Law. The Bank's policy is to keep the balances and transaction volumes with the risk group at reasonable levels preventing any high concentration risk on balance sheet.

5.7.2.2 Concentration of transaction volumes and balances with risk group and pricing policy

The cash loans of the risk group amounting TL 4,141,942 (31 December 2021: TL 3,389,690) compose 0.75% (31 December 2021: 0.80%) of the Bank's total cash loans and 0.42% (31 December 2021: 0.45%) of the Bank's total assets. The total loans and similar receivables amounting TL 18,351,039 (31 December 2021: TL 15,112,248) compose 1.30% (31 December 2021: 1.99%) of the Bank's total assets. The non-cash loans of the risk group amounting TL 5,675,673 (31 December 2021: TL 5,122,919) compose 3.27% (31 December 2021: 3.97%) of the Bank's total non-cash loans.

The deposits of the risk group amounting TL 8,559,107 31 December 2021: TL 9,500,452) compose 1.30% (31 December 2021: 1.85%) of the Bank's total deposits.

The funds borrowed by the Bank from its risk group amounting TL 35,290,510 (31 December 2021: TL 33,258,677) compose 86.41% (31 December 2021: 90.34%) of the Bank's total funds borrowed. The pricing in transactions with the risk group companies is set on an arm's-length basis.

The credit card ("POS") payables to the related parties, amounted to TL 335,744 (31 December 2021: TL 237,278).

A total rent income of TL 17,488 (30 September 2021: TL 15,360) was recognized for the real estates rented to the related parties.

Operating expenses for TL 124,753 (30 September 2021: TL 92,759) were incurred for the IT services rendered by the related parties. Banking services fees of TL 22,084 (30 September 2021: TL 25,441) were recognized from the related parties.

Insurance brokerage fee of TL 448,171 (30 September 2021: TL 328,450), shares brokerage fee of TL 291,849 (30 September 2021: TL 179,148), and fixed-rate securities brokerage fee of TL 11,176 (30 September 2021: TL 7,616) were received from the subsidiaries.

Operating expenses of TL 51,065 (30 September 2021: TL 76,327) for operational leasing services rendered by the related parties were recognized as expenses.

Including the payments related to resigners, the net payment provided or to be provided to the key management of the Bank amounts to TL 114,602 as of 30 September 2022 (30 September 2021: TL 58,169).

5.7.2.3 Other matters not required to be disclosed

None (31 December 2021: None).

5.7.2.4 Transactions accounted for under equity method

Please refer to Note 5.1.10 investments in subsidiaries.

5.7.2.5 All kind of agreements signed like asset purchases/sales, service rendering, agencies, leasing, research and development, licenses, funding, guarantees, management services

The Bank has agency contracts with Garanti Yatırım Menkul Kıymetler AŞ and Garanti Emeklilik ve Hayat AŞ. Accordingly, all the branches of the Bank serve as agencies to sell the insurance products to customers. Agency services for trading of securities on behalf of the Bank's customers are rendered by specialized branches (Investment Centers).

Purchase of equipment for the Bank's internal use are partly arranged through leasing.

5.8 Domestic, foreign and off-shore branches or equity investments, and foreign representative offices

Not prepared in compliance with the Article 25 of the Communiqué "Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks".

5.9 Matters arising subsequent to balance sheet date

None.

5.10 Other Disclosures on Activities of the Bank

5.10.1 Bank's latest international risk ratings

MOODY'S *(December 2020)*

Outlook	Negative
Long-Term FC Deposit	B2
Long-Term TL Deposit	B2
Short-Term FC Deposit	Not Prime
Short-Term TL Deposit	Not Prime
Basic Loan Assessment	b3
Adjusted Loan Assessment	b3
Senior Unsecured Rating (Regular Bond)	B2 (Negative)
Senior Unsecured Rating (Medium-Term Note Program)	P (B2)
Long-Term National Scale Rating (NSR)	A1.tr
Short-Term NSR	TR-1

FITCH RATINGS (*July 2022)*

Long-Term FC	B- / Negative Outlook
Short-Term FC	B
Long-Term TL	B / Negative Outlook
Short-Term TL	B
Viability Rating	b
Shareholder Support	b-
National Long Term Rating	AA(tur)
Long term senior unsecured notes	B-
Short term senior unsecured notes	B
Subordinated notes	CCC+

JCR EURASIA RATINGS *(September 2022)*

Long-Term International FC	BBB- (Stable)
Short-Term International FC	-
Long-Term International TL	BBB (Stable)
Short-Term International TL	-
Long-Term NSR	AAA(Trk) (Stable)
Short-Term NSR	J1+(Trk) (Stable)

(Thousands of Turkish Lira (TL))

5.10.2 Dividends

As per the decision made at the annual general assembly of shareholders of the parent Bank on 31 March 2022, the distribution of the net profit of the year 2021, was as follows;

2021 PROFIT DISTRIBUTION TABLE	
2021 Net Profit	**13,073,306**
A- I. Legal reserve (Turkish Commercial Code 519/1) at 5%	-
Undistributable funds	(57,207)
B- First dividend at 5% of the paid-in capital	(210,000)
C- Extraordinary reserves at 5% after above deductions	(643,165)
D- Second dividend to the shareholders	(1,097,331)
E- Extraordinary reserves	(10,955,870)
F- II. Legal reserve (Turkish Commercial Code 519/2)	(109,733)

5.10.3 Other disclosures

None.

6 Disclosures on Limited Review Report

6.1 Disclosure on limited review report

The unconsolidated financial statements of the Bank as of 30 September 2022, have been reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş (a member firm of Ernst & Young Global Limited) and a limited review report dated 27 October 2022, is presented in the introduction to this report.

6.2 Disclosures and footnotes prepared by independent auditors

None

7 Interim Activity Report

7.1 Summary financial information regarding the operating results for the current period, the comments of the chairman of the board of directors and the CEO

Türkiye Garanti Bankası A.Ş., announced its financial statements dated 30 September 2022. Based on the unconsolidated financials, the Bank's **net income** in the first 9 months of the year recorded as TL 38 billion 606 million 900 thousand. **Asset size** reached to TL 1 trillion 092 billion 879 million 649 thousand and the Bank's contribution to the economy through cash and non-cash **loans** increased to TL 778 billion 347 million 363 thousand. Actively managing the funding base, deposits continued to be the main funding source with 69% share in the total funding base.

Customer deposit base reached to TL 750 billion 272 million 221 thousand with 47% growth in the first 9 months of the year. Preserving the strong capital stance, Bank's capital adequacy ratio was realized at 18.3%*. The Bank delivered an **ROAE** (Return on Average Equity) of 49.0%** and an **ROAA** (Return on Average Assets) of 5.6%**.

**Calculated without the forbearance introduced by BRSA*

***In the calculation of Return on Average Equity (ROAE) & Return on Average Assets (ROAA), non-recurring items are excluded when annualizing Net Income for the remaining quarters*

Commenting on the topic, **Garanti BBVA, Chairman Süleyman Sözen** stated that "In the third quarter the agenda of global economies were inflation, climate and slowdown in growth. IMF decreased its global growth expectation in September. It is predicted that the global growth will decrease by 3.2% for this year and 2.7% for the upcoming year. This is the lowest growth expectation since 2001, aside from the global financial crisis and the peak of Covid -19 pandemic. The most striking point made in the mentioned report, is the fact that global economic outlook is still full of uncertainties. Inflation is the main factor pressuring the growth. In all over the world, countries are witnessing the highest inflation figures in their respective histories.

While inflationary pressures are also being experienced in our country, the economic growth remains strong with the help of loose monetary policies, better than expected tourism revenues and lending growth. We observe the effect of weakening global growth in the loss of momentum in export revenues. Despite the challenging and uncertain economic conditions, as Garanti BBVA, we are pleased to report the continued improvement in our operating results this quarter. Our capital generation capability, healthy & strong balance sheet structure, liquidity and profitability ratios enable us to continue supporting the economy.

For us economic development is not only focusing on lending growth, but also sustainability transformation. Without the earth that we live on and a society with equal rights, it is not possible to sustain these financial systems. Therefore, we must all be part of the solution. We, as Garanti BBVA, offer variety of sustainability products targeting from gender equality to energy efficiency, increasing financial literacy to the circular economy. We have also directed our efforts to sustainability through our policies that have been integrated into the company for more than 16 years now. Our majority shareholder BBVA increased its sustainable financing target of EUR 100 billion, that was announced in 2018, to EUR 300 billion in October 2022. As Garanti BBVA, our contribution to this target since 2018 has totalled to more than TL 37 billion, and we plan to increase this to TL 150 billion until 2025.

We will continue to be a pioneer in the sector with the success and innovations we have achieved both in the financial field and in sustainability."

Commenting on the topic, **Garanti BBVA CEO Recep Baştuğ said:** "Commenting on the topic, Garanti BBVA CEO Recep Baştuğ said: "The banking sector grew by 51% in TL loans in the first 9 months. Although the growth is well above the previous years, it points to a level below inflation. Loan growth was mainly in Turkish lira and on the commercial side. As Garanti BBVA, we strengthened our pioneering position by gaining market share in both corporate and consumer loans, with 72% and 37% growth, respectively. On the other hand, the contraction in foreign currency loans has continued at an accelerated pace due to the low demand and redemptions. Economic activity, supported by the loan growth and low interest rate environment, prevented non-performing loan inflows. As in the sector, the our asset quality is improving and collections remain strong. Foreign Currency Protected Deposit was the funding source of the loans. Only in the third quarter, we increased our Foreign Currency Protected Deposit volume by nearly 30% in net. Today, Foreign

(Thousands of Turkish Lira (TL))

Currency Protected deposits constitute more than 60% of our TL time deposits. With the effect of this scheme, we witnessed that the deposit maturities were extended for the first time in the sector, which positively supported the duration gap management in the bank balance sheets.

Though the slowdown in economic growth is the main agenda item globally, our country positively differentiates with its strong growth. As always, the banking sector remains to be main engine of this growth. Banking sector has successfully gone through many tests on the back of its strong capital. We will always need this capital strength in supporting our country to meet its growth targets in the upcoming period.

As of September, our pre-tax profit reached TL 39 billion, indicating a return on equity of 49%. As inflation has reached 83%, protecting the capital that has allowed us to generate this profit has been the Bank’s main challenge. Inflation has also affected our main shareholder’s consolidated balance sheet. BBVA Group, abides by the IAS 29 inflation accounting rules when consolidating us into their balance sheet. While we announce a net profit of 39 billion TL in Turkey, our shareholder declares a profit of 336 million Euro or 6 billion TL when adjusted with inflation.”

Recep Baştuğ continues as follows: “As a bank we not only focus on acquiring new customers, but offering a seamless customer experience by constantly improving our services. We position mobile banking at the core of customer experience. We focus on providing real-time, smart, personalized content and recommendations by using the power of technology without excluding the "human" factor in mobile channels. As we mark our 15th year in mobile banking, the number of our mobile customers has reached 12.6 million. The number of mobile banking transactions have increased by 100% due to the pandemic and is continuing to increase.

Effective data mining, providing value added solutions to our customer, customer experience and their financial health are our top priorities. We support these priorities with highly advanced artificial intelligence solutions and while focusing on creating long-term, healthy and permanent relationships with our customers. In the upcoming period, this diversified and effective structure will continue to be one of the most valuable asset of the Bank.

I would like to thank my colleagues who have shown great effort and contribution during this process, our customers who have been along for this journey with their support and trust in us, and all of our stakeholders.”

You may access Garanti BBVA earnings presentations regarding the BRSA unconsolidated financial results from Garanti BBVA Investor Relations website at www.garantibbvainvestorrelations.com

7.1.1 Selected Figures of Unconsolidated Financial Statements

Selected Balance Sheet Items	Current Period 30.Sept.2022	Prior Period 31.Dec.2021	Change Δ %
Total Assets	1,092,879,649	758,880,152	44.0%
Loans	602,238,697	424,854,600	41.8%
- Performing Loans	584,607,781	408,783,385	43.0%
- Non-Performing Loans	17,630,916	16,071,215	9.7%
Customer Deposits	750,272,221	511,112,800	46.8%
Shareholders' Equity	131,298,288	79,981,259	64.2%

(Thousands of Turkish Lira (TL))

Selected P&L Items	**Current Period 30.Sept.2022**	**Prior Period 30.Sept.2021**	**Change Δ %**
Net Interest Income	54,520,776	22,152,947	146.1%
Operating Expenses	15,234,223	8,521,447	78.8%
- HR Cost	5,929,705	3,325,114	78.3%
- Other Operating Expenses	9,304,518	5,196,333	79.1%
Net Fees&Commissions	11,060,358	6,060,435	82.5%
Net Income	38,606,900	9,541,487	304.6%

Selected Financial Ratios	**Current Period 30.Sept.2022**	**Prior Period 31.Dec.2021**	**Change Δ bps**
Performing Loans/Assets	53.5%	53.9%	(37)
Deposits/Assets	68.7%	67.4%	130
Return on Average Equity	49.0%	19.0%	2997
Return on Average Assets	5.6%	2.3%	332
Non-Performing Loans Ratio	2.9%	3.8%	(86)
Capital Adequacy Ratio*	18.3%	15.8%	248

* Calculated without the forbearance introduced by BRSA

Market Shares	**Current Period 30.Sept.2022**	**Prior Period 31.Dec.2021**	**Change Δ bps**
Performing Loans	9.9%	9.7%	15
TL Performing Loans	10.5%	10.2%	35
FC Performing Loans	8.6%	9.1%	(48)
Customer Deposits	10.4%	10.8%	(32)
TL Customer Deposits	9.8%	10.4%	(53)
FC Customer Deposits	11.0%	11.1%	(11)

(Thousands of Turkish Lira (TL))

Garanti with Numbers	**Current Period 30.Sept.2022**	**Prior Period 31.Dec.2021**	**Change Δ %**
Branch Network	850	872	(2.5%)
Number of Employees	18,766	18,354	2.2%
ATM	5,442	5,401	0.8%
POS*	768,256	700,616	9.7%
Number of Customers	22,506,887	20,271,437	11.0%
Number of Digital Customers**	13,182,514	11,040,150	19.4%
Number of Credit Card Customers	8,904,270	7,903,799	12.7%

*Includes shared and virtual POS.

** Active customers only -- min. 1 login or call per quarter.

7.2 The amendments in the articles of association during period of 01.01.2022-30.09.2022

There is no change during the period.

7.3 Announcements regarding important developments in the period of 01.01.2022-30.09.2022

Garanti BBVA's Annual Report, documents regarding ordinary general meeting of shareholders, information on board of directors and senior management, ratings and disclosures regarding important developments and other disclosures were announced and the disclosures were uploaded to the Public Disclosure Platform. Disclosures and all of the announcements are available at www.garantibbvainvestorrelations.com.

7.4 Assessment of financial information and risk management

You may find information regarding the assessment of financial position, profitability and debt payment capability, risk management explanations and ratings in the financial statements for the period ended 30 September 2022. Additionally, you may find detailed information in the earnings presentation regarding financial results of the related period published on Garanti BBVA Investor Relations website at www.garantibbvainvestorrelations.com.

You may find financial information on Garanti BBVA for the most recent five year period in the 2021 Integrated Annual Report that was published on the Public Disclosure Platform, the Bank's website, Garanti BBVA Investor Relations website and at www.garantibbvainvestorrelations.com/en/integrated-annual-report/.

7.5 Information regarding management and corporate governance practices

You may access information about the activities of the Board of Directors, the Audit Committee, the Credit Committee and the committees that are established pursuant to the Regulation on the Internal Systems of Banks under the framework of the risk management systems and are organized under the Board of Directors or to support the Board of Directors, chairman and members of the committees' names and surnames, fundamental duties and their attendance to the meetings from Garanti BBVA Investor Relations website at www.garantibbvainvestorrelations.com under the Committees section.

You may access the Corporate Governance Principles Compliance Report from Garanti BBVA Investor Relations website at www.garantibbvainvestorrelations.com under the Corporate Governance section.

7.6 Forward looking statements regarding the expectations

As per the Article 10 of the "Communiqué on Material Events Disclosure" (II-15.1) of Capital Markets Board, T. Garanti Bankası A.Ş. has announced it's forward looking statements regarding the expectations for the year 2022. You may access the related presentation that was published on the Public Disclosure Platform, the Bank's website and Garanti BBVA Investor Relations' website at www.garantibbvainvestorrelations.com in Operating Plan Guidance Presentations section.