Türkiye Garanti Bankası Anonim Şirketi

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

as of and for the Three-Month Period Ended

31 March 2024

(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 Review Report Originally Issued in Turkish

Independent Auditors' Review Report on 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 March 31, 2024 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 three month period then ended. The Bank Management is responsible for the preparation and fair presentation of these unconsolidated of interim financial information in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Accounting Standard 34 "Interim Financial Reporting" for those matters not regulated by the aforementioned regulations. Our responsibility is to express a conclusion on these unconsolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial 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

The free provision amounting to Thousand TL 8,000,000 which was provided by the bank management in prior years due to the possible effects of negative circumstances in the economy and markets, which does not meet the recognition criteria of TAS 37 "Provisions, Contingent Liabilities and Contingent Assets", was reversed and recognized as income after the first quarter of 2023. We express a qualified conclusion due to the effects of this matter on the "Net Profit or Loss for the Period" and "Extraordinary Reserves" accounts in the unconsolidated balance sheet dated December 31, 2023, which is presented comparatively with the accompanying unconsolidated financial statements prepared as of March 31, 2024.

Qualified Conclusion

Based on our review, except for the effects of the matter referred in the basis of qualified conclusion paragraph on the unconsolidated Balance sheet as at December 31, 2023 which is presented comparatively with the Financial statements prepared as at March 31, 2024; 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. as at March 31, 2024 and of the results of its unconsolidated operations and its unconsolidated cash flows for the three month period then ended in all aspects in accordance with the BRSA Accounting and Financial Reporting Legislation.

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.

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

Damla Harman, SMMM
Partner

April 28, 2024
İstanbul, Türkiye

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

TÜRKİYE GARANTİ BANKASI ANONİM ŞİRKETİ
UNCONSOLIDATED FINANCIAL REPORT
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024

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The unconsolidated financial report for the three 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 for the three-month period and related disclosures and footnotes that were subject to limited review, 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	Accounting and Legal Reporting 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
Phone no: 90 212 318 23 50
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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 796 domestic branches, 8 foreign branches and 1 representative offices abroad (31 December 2023: 796 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 31 March 2024, 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 165 years, providing variety of wide spread financial and non-financial services to 74.1 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 a market leader in South America, operates in more than 25 countries with more than 121 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	43 years
Jorge Saenz Azcunaga Carranza	Vice Chairman Independent Member and Member of Audit Committee	24.03.2016	University	31 years
Recep Baştuğ	Member and CEO	06.09.2019	University	34 years
Sait Ergun Özen	Member	14.05.2003	University	37 years
Jaime Saenz de Tejada Pulido	Member	02.10.2014	University	32 years
Pablo Alfonso Pastor Munoz	Member	31.03.2021	Master	34 years
Rafael Salinas Martinez de Lecea	Member	08.05.2017	Master	33 years
Belkıs Sema Yurdum	Independent Member and Member of Audit Committee	30.04.2013	University	44 years
Avni Aydın Düren	Independent Member and Member of Audit Committee	17.06.2020	Master	33 years
Mevhibe Canan Özsoy	Independent Member	04.04.2019	Master	33 years
Ebru Oğan Knottnerus	Independent Member and Member of Audit Committee	27.03.2024	Master	33 years

(*) Dr. Muammer Cüneyt Sezgin, whose duty has been expired, resigned from his position. Ebru Oğan Knottnerus has been selected as the Independent Member and Member of Audit Committee in the ordinary General Assembly Meeting dated 27 March 2024.

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	34 years
İlker Kuruöz	EVP-Engineering Services and Data	14.03.2018	Master	32 years
Mahmut Akten	EVP-Corporate, Investment Banking and Global Markets	17.01.2017	Master	25 years
Cemal Onaran	EVP-Commercial Banking	17.01.2017	University	33 years
Tuba Köseoğlu Okçu	EVP- Talent and Culture	12.09.2022	University	26 years
Aydın Güler	EVP- Finance and Treasury	03.02.2016	University	34 years
Murat Atay	Head of Credit Risk Management	01.01.2021	PhD	30 years
Ceren Acer Kezik	EVP-Retail Banking	06.06.2022	Master	13 years
Murat Çağrı Süzer	EVP-Payment Systems, Partnership, Customer Solutions and Digital Banking	06.06.2022	Master	17 years
Sibel Kaya	EVP- SME Banking	02.02.2021	University	26 years

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 31 March 2024

	ASSETS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD 31 March 2024			PRIOR PERIOD 31 December 2023		
			TL	FC	Total	TL	FC	Total
I.	**FINANCIAL ASSETS (Net)**		**257,879,229**	**302,212,982**	**560,092,211**	**256,725,299**	**270,137,629**	**526,862,928**
1.1	**Cash and Cash Equivalents**	**5.1.1**	**188,067,768**	**263,958,535**	**452,026,303**	**193,830,153**	**236,644,393**	**430,474,546**
1.1.1	Cash and Balances with Central Bank		187,010,282	184,029,820	371,040,102	167,131,437	161,313,654	328,445,091
1.1.2	Banks		1,899,326	67,374,233	69,273,559	1,419,269	64,005,751	65,425,020
1.1.3	Money Market Placements		-	13,338,433	13,338,433	26,444,388	12,094,686	38,539,074
1.1.4	Expected Credit Losses (-)		841,840	783,951	1,625,791	1,164,941	769,698	1,934,639
1.2	**Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)**	**5.1.2**	**2,856,217**	**3,220,401**	**6,076,618**	**1,721,836**	**3,526,321**	**5,248,157**
1.2.1	Government Securities		2,673,060	2,124,426	4,797,486	1,559,847	2,476,591	4,036,438
1.2.2	Equity Securities		118,618	113,802	232,420	96,942	109,913	206,855
1.2.3	Other Financial Assets		64,539	982,173	1,046,712	65,047	939,817	1,004,864
1.3	**Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)**	**5.1.3**	**60,617,013**	**26,201,055**	**86,818,068**	**56,758,784**	**23,515,294**	**80,274,078**
1.3.1	Government Securities		59,967,523	24,274,616	84,242,139	56,110,960	21,868,778	77,979,738
1.3.2	Equity Securities		238,645	1,926,439	2,165,084	203,391	1,646,516	1,849,907
1.3.3	Other Financial Assets		410,845	-	410,845	444,433	-	444,433
1.4	**Derivative Financial Assets**	**5.1.4**	**6,338,231**	**8,832,991**	**15,171,222**	**4,414,526**	**6,451,621**	**10,866,147**
1.4.1	Derivative Financial Assets Measured at FVTPL		6,321,644	7,944,665	14,266,309	4,406,868	5,533,011	9,939,879
1.4.2	Derivative Financial Assets Measured at FVOCI		16,587	888,326	904,913	7,658	918,610	926,268
II.	**FINANCIAL ASSETS MEASURED AT AMORTIZED COST**		**1,043,573,518**	**371,884,957**	**1,415,458,475**	**887,020,026**	**339,264,069**	**1,226,284,095**
2.1	**Loans**	**5.1.5**	**890,962,191**	**331,363,968**	**1,222,326,159**	**767,831,889**	**298,298,967**	**1,066,130,856**
2.2	**Lease Receivables**	**5.1.6**	**-**	**-**	**-**	**-**	**-**	**-**
2.3	**Other Financial Assets Measured at Amortised Cost**	**5.1.7**	**177,601,563**	**64,714,292**	**242,315,855**	**141,655,134**	**65,598,188**	**207,253,322**
2.3.1	Government Securities		174,148,748	59,618,880	233,767,628	**138,073,167**	**60,934,162**	**199,007,329**
2.3.2	Other Financial Assets		3,452,815	5,095,412	8,548,227	3,581,967	4,664,026	8,245,993
2.4	**Expected Credit Losses (-)**		**24,990,236**	**24,193,303**	**49,183,539**	**22,466,997**	**24,633,086**	**47,100,083**
III.	**ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)**	**5.1.8**	**2,233,909**	**-**	**2,233,909**	**2,122,307**	**-**	**2,122,307**
3.1	Asset Held for Resale		2,233,909	-	2,233,909	2,122,307	-	2,122,307
3.2	Assets of Discontinued Operations		-	-	-	-	-	-
IV.	**INVESTMENTS IN ASSOCIATES,SUBSIDIARIES AND JOINT VENTURES**		**21,863,517**	**40,830,267**	**62,693,784**	**19,807,944**	**37,128,973**	**56,936,917**
4.1	**Associates (Net)**	**5.1.9**	**135,507**	**-**	**135,507**	**127,014**	**-**	**127,014**
4.1.1	Associates Consolidated Under Equity Accounting		-	-	-	-	-	-
4.1.2	Unconsolidated Associates		135,507	-	135,507	127,014	-	127,014
4.2	**Subsidiaries (Net)**	**5.1.10**	**21,728,010**	**40,830,267**	**62,558,277**	**19,680,930**	**37,128,973**	**56,809,903**
4.2.1	Unconsolidated Financial Investments in Subsidiaries		21,421,271	40,830,267	62,251,538	19,207,870	37,128,973	56,336,843
4.2.2	Unconsolidated Non-Financial Investments in Subsidiaries		306,739	-	306,739	473,060	-	473,060
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**	**19,534,344**	**779**	**19,535,123**	**18,927,274**	**756**	**18,928,030**
VI.	**INTANGIBLE ASSETS (Net)**	**5.1.13**	**1,866,699**	**-**	**1,866,699**	**1,795,702**	**-**	**1,795,702**
6.1	Goodwill		-	-	-	-	-	-
6.2	Others		1,866,699	-	1,866,699	1,795,702	-	1,795,702
VII.	**INVESTMENT PROPERTY (Net)**	**5.1.14**	**3,071,176**	**-**	**3,071,176**	**3,071,140**	**-**	**3,071,140**
VIII.	**CURRENT TAX ASSET**		**-**	**-**	**-**	**-**	**-**	**-**
IX.	**DEFERRED TAX ASSET**	**5.1.15**	**23,426,695**	**-**	**23,426,695**	**19,834,272**	**-**	**19,834,272**
X.	**OTHER ASSETS (Net)**	**5.1.16**	**70,004,615**	**6,598,492**	**76,603,107**	**67,507,601**	**6,712,344**	**74,219,945**
	TOTAL ASSETS		**1,443,453,702**	**721,527,477**	**2,164,981,179**	**1,276,811,565**	**653,243,771**	**1,930,055,336**

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

Türkiye Garanti Bankası Anonim Şirketi
Balance Sheet (Statement of Financial Position)
At 31 March 2024

	LIABILITIES AND SHAREHOLDERS' EQUITY	Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD 31 March 2024			PRIOR PERIOD 31 December 2023		
			TL	FC	Total	TL	FC	Total
I.	**DEPOSITS**	**5.2.1**	**921,842,591**	**583,978,135**	**1,505,820,726**	**882,488,850**	**501,215,585**	**1,383,704,435**
II.	**FUNDS BORROWED**	**5.2.2**	**1,353,607**	**46,229,149**	**47,582,756**	**995,541**	**43,062,614**	**44,058,155**
III.	**MONEY MARKET FUNDS**	**5.2.3**	**274,973**	**79,852,166**	**80,127,139**	**110,181**	**43,343,975**	**43,454,156**
IV.	**SECURITIES ISSUED (NET)**	**5.2.4**	**-**	**6,130,541**	**6,130,541**	**-**	**5,240,527**	**5,240,527**
4.1	Bills		-	1,380,332	1,380,332	-	950,964	950,964
4.2	Asset Backed Securities		-	-	-	-	-	-
4.3	Bonds		-	4,750,209	4,750,209	-	4,289,563	4,289,563
V.	**FUNDS**		-	-	-	-	-	-
5.1	Borrowers' Funds		-	-	-	-	-	-
5.2	Others		-	-	-	-	-	-
VI.	**FINANCIAL LIABILITIES MEASURED AT FVTPL**	**5.2.5**	**-**	**52,866,250**	**52,866,250**	**-**	**48,622,754**	**48,622,754**
VII.	**DERIVATIVE FINANCIAL LIABILITIES**	**5.2.6**	**9,673,633**	**4,538,820**	**14,212,453**	**7,021,558**	**4,389,270**	**11,410,828**
7.1	Derivative Financial Liabilities Measured at FVTPL		9,584,631	4,538,820	14,123,451	7,021,558	4,389,270	11,410,828
7.2	Derivative Financial Liabilities Measured at FVOCI		89,002	-	89,002	-	-	-
VIII.	**FACTORING PAYABLES**		-	-	-	-	-	-
IX.	**LEASE PAYABLES (Net)**	**5.2.7**	**1,774,845**	**207,443**	**1,982,288**	**1,526,016**	**204,923**	**1,730,939**
X.	**PROVISIONS**	**5.2.8**	**10,010,652**	**6,029,036**	**16,039,688**	**9,146,493**	**7,297,251**	**16,443,744**
10.1	Restructuring Reserves		-	-	-	-	-	-
10.2	Reserve for Employee Benefits		4,540,176	150,500	4,690,676	4,160,644	163,636	4,324,280
10.3	Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4	Other Provisions		5,470,476	5,878,536	11,349,012	4,985,849	7,133,615	12,119,464
XI.	**CURRENT TAX LIABILITY**	**5.2.9**	**17,086,448**	**35,903**	**17,122,351**	**9,556,143**	**144,364**	**9,700,507**
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**	**1,079,436**	**40,399,190**	**41,478,626**	**1,067,593**	**21,942,478**	**23,010,071**
14.1	Borrowings		-	-	-	-	-	-
14.2	Other Debt Instruments		1,079,436	40,399,190	41,478,626	1,067,593	21,942,478	23,010,071
XV.	**OTHER LIABILITIES**	**5.2.12**	**109,378,593**	**16,905,119**	**126,283,712**	**84,802,789**	**13,079,390**	**97,882,179**
XVI.	**SHAREHOLDERS' EQUITY**	**5.2.13**	**254,213,598**	**1,121,051**	**255,334,649**	**243,717,339**	**1,079,702**	**244,797,041**
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		13,995,641	714,388	14,710,029	13,542,384	551,349	14,093,733
16.4	Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss		24,589,276	406,663	24,995,939	23,969,213	322,146	24,291,359
16.5	Profit Reserves		188,327,757	-	188,327,757	113,889,588	206,207	114,095,795
16.5.1	Legal Reserves		3,762,100	-	3,762,100	2,473,124	-	2,473,124
16.5.2	Status Reserves		-	-	-	-	-	-
16.5.3	Extraordinary Reserves		184,299,730	-	184,299,730	111,161,820	-	111,161,820
16.5.4	Other Profit Reserves		265,927	-	265,927	254,644	206,207	460,851
16.6	Profit/Loss		22,316,490	-	22,316,490	87,331,720	-	87,331,720
16.6.1	Prior Periods' Profit/Loss		-	-	-	-	-	-
16.6.2	Current Period's Net Profit/Loss		22,316,490	-	22,316,490	87,331,720	-	87,331,720
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**1,326,688,376**	**838,292,803**	**2,164,981,179**	**1,240,432,503**	**689,622,833**	**1,930,055,336**

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

Türkiye Garanti Bankası Anonim Şirketi
Off-Balance Sheet Items
At 31 March 2024

		Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD 31 March 2024			PRIOR PERIOD 31 December 2023		
			TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)			**1,599,706,254**	**1,301,861,167**	**2,901,567,421**	**1,190,196,271**	**1,024,273,433**	**2,214,469,704**
I.	**GUARANTEES AND SURETIES**	**5.3.1**	**267,199,722**	**204,786,307**	**471,986,029**	**222,242,700**	**179,224,208**	**401,466,908**
1.1.	Letters of guarantee		252,774,437	143,670,585	396,445,022	207,649,439	127,708,895	335,358,334
1.1.1.	Guarantees subject to State Tender Law		-	4,931,342	4,931,342	-	4,358,146	4,358,146
1.1.2.	Guarantees given for foreign trade operations		10,166,112	3,675,242	13,841,354	9,658,232	3,511,623	13,169,855
1.1.3.	Other letters of guarantee		242,608,325	135,064,001	377,672,326	197,991,207	119,839,126	317,830,333
1.2.	Bank acceptances		2,031,093	6,999,571	9,030,664	2,152,734	5,809,391	7,962,125
1.2.1.	Import letter of acceptance		1,806,617	6,999,571	8,806,188	2,152,734	5,809,391	7,962,125
1.2.2.	Other bank acceptances		224,476	-	224,476	-	-	-
1.3.	Letters of credit		558,439	53,664,961	54,223,400	396,874	45,435,967	45,832,841
1.3.1.	Documentary letters of credit		-	-	-	-	-	-
1.3.2.	Other letters of credit		558,439	53,664,961	54,223,400	396,874	45,435,967	45,832,841
1.4.	Guaranteed prefinancings		-	-	-	-	-	-
1.5.	Endorsements		11,835,753	-	11,835,753	12,043,653	-	12,043,653
1.5.1.	Endorsements to the Central Bank of Turkey		11,835,753	-	11,835,753	12,043,653	-	12,043,653
1.5.2.	Other endorsements		-	-	-	-	-	-
1.6.	Underwriting commitments		-	-	-	-	-	-
1.7.	Factoring related guarantees		-	-	-	-	-	-
1.8.	Other guarantees		-	451,190	451,190	-	269,955	269,955
1.9.	Other sureties		-	-	-	-	-	-
II.	**COMMITMENTS**	**5.3.1**	**904,419,947**	**60,713,215**	**965,133,162**	**677,083,131**	**40,480,363**	**717,563,494**
2.1.	Irrevocable commitments		904,044,947	57,756,573	961,801,520	676,633,131	38,549,001	715,182,132
2.1.1.	Asset purchase and sale commitments		1,509,041	43,797,353	45,306,394	4,215,928	25,588,620	29,804,548
2.1.2.	Deposit purchase and sale commitments		-	-	-	-	-	-
2.1.3.	Share capital commitments to associates and affiliates		257	28	285	-	27	27
2.1.4.	Loan granting commitments		186,755,920	6,402,559	193,158,479	133,935,397	5,695,864	139,631,261
2.1.5.	Securities issuance brokerage commitments		-	-	-	-	-	-
2.1.6.	Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7.	Commitments for cheque payments		14,925,676	-	14,925,676	9,642,506	-	9,642,506
2.1.8.	Tax and fund obligations on export commitments		1,101,043	-	1,101,043	858,088	-	858,088
2.1.9.	Commitments for credit card limits		699,747,099	-	699,747,099	527,976,217	-	527,976,217
2.1.10.	Commitments for credit cards and banking services related promotions		5,911	-	5,911	4,995	-	4,995
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		-	7,556,633	7,556,633	-	7,264,490	7,264,490
2.2.	Revocable commitments		375,000	2,956,642	3,331,642	450,000	1,931,362	2,381,362
2.2.1.	Revocable loan granting commitments		375,000	2,947,754	3,322,754	450,000	1,923,230	2,373,230
2.2.2.	Other revocable commitments		-	8,888	8,888	-	8,132	8,132
III.	**DERIVATIVE FINANCIAL INSTRUMENTS**	**5.3.2**	**428,086,585**	**1,036,361,645**	**1,464,448,230**	**290,870,440**	**804,568,862**	**1,095,439,302**
3.1.	Derivative financial instruments held for risk management		10,395,705	85,800,579	96,196,284	120,000	43,424,244	43,544,244
3.1.1.	Fair value hedges		-	51,521,208	51,521,208	-	18,064,746	18,064,746
3.1.2.	Cash flow hedges		10,395,705	34,279,371	44,675,076	120,000	25,359,498	25,479,498
3.1.3.	Net foreign investment hedges		-	-	-	-	-	-
3.2.	Trading derivatives		417,690,880	950,561,066	1,368,251,946	290,750,440	761,144,618	1,051,895,058
3.2.1.	Forward foreign currency purchases/sales		69,392,009	81,296,216	150,688,225	44,064,243	50,924,897	94,989,140
3.2.1.1.	Forward foreign currency purchases		55,150,682	22,434,196	77,584,878	41,492,639	8,213,560	49,706,199
3.2.1.2.	Forward foreign currency sales		14,241,327	58,862,020	73,103,347	2,571,604	42,711,337	45,282,941
3.2.2.	Currency and interest rate swaps		333,388,473	695,302,901	1,028,691,374	235,539,790	557,920,634	793,460,424
3.2.2.1.	Currency swaps-purchases		1,498,168	268,733,988	270,232,156	742,846	177,716,173	178,459,019
3.2.2.2.	Currency swaps-sales		188,406,801	143,145,352	331,552,153	107,057,026	115,851,600	222,908,626
3.2.2.3.	Interest rate swaps-purchases		71,741,752	141,711,780	213,453,532	63,869,959	132,176,430	196,046,389
3.2.2.4.	Interest rate swaps-sales		71,741,752	141,711,781	213,453,533	63,869,959	132,176,431	196,046,390
3.2.3.	Currency, interest rate and security options		11,926,296	13,412,269	25,338,565	8,043,347	10,179,512	18,222,859
3.2.3.1.	Currency call options		4,177,458	8,213,917	12,391,375	4,855,929	4,135,798	8,991,727
3.2.3.2.	Currency put options		7,748,838	5,198,352	12,947,190	3,187,418	6,043,714	9,231,132
3.2.3.3.	Interest rate call options		-	-	-	-	-	-
3.2.3.4.	Interest rate put options		-	-	-	-	-	-
3.2.3.5.	Security call options		-	-	-	-	-	-
3.2.3.6.	Security put options		-	-	-	-	-	-
3.2.4.	Currency futures		2,984,102	2,696,710	5,680,812	3,103,060	2,891,172	5,994,232
3.2.4.1.	Currency futures-purchases		2,983,707	28,534	3,012,241	3,103,060	1,393	3,104,453
3.2.4.2.	Currency futures-sales		395	2,668,176	2,668,571	-	2,889,779	2,889,779
3.2.5.	Interest rate futures		-	714,690	714,690	-	174,258	174,258
3.2.5.1.	Interest rate futures-purchases		-	714,690	714,690	-	-	-
3.2.5.2.	Interest rate futures-sales		-	-	-	-	174,258	174,258
3.2.6.	Others		-	157,138,280	157,138,280	-	139,054,145	139,054,145
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)			**3,391,422,038**	**4,830,058,546**	**8,221,480,584**	**2,837,848,690**	**4,366,757,313**	**7,204,606,003**
IV.	**ITEMS HELD IN CUSTODY**		**336,931,882**	**275,560,198**	**612,492,080**	**237,095,743**	**248,896,574**	**485,992,317**
4.1.	Customers' securities held		132,785,044	-	132,785,044	86,053,154	-	86,053,154
4.2.	Investment securities held in custody		91,262,408	121,956,122	213,218,530	53,469,009	112,968,042	166,437,051
4.3.	Checks received for collection		98,477,931	21,879,769	120,357,700	84,176,711	18,652,659	102,829,370
4.4.	Commercial notes received for collection		11,082,619	5,001,535	16,084,154	9,978,246	4,164,229	14,142,475
4.5.	Other assets received for collection		448,531	112,667,166	113,115,697	431,391	101,421,591	101,852,982
4.6.	Assets received through public offering		-	772,997	772,997	-	708,084	708,084
4.7.	Other items under custody		2,875,349	13,282,609	16,157,958	2,987,232	10,981,969	13,969,201
4.8.	Custodians		-	-	-	-	-	-
V.	**PLEDGED ITEMS**		**3,054,490,156**	**4,554,498,348**	**7,608,988,504**	**2,600,752,947**	**4,117,860,739**	**6,718,613,686**
5.1.	Securities		23,406,514	28,195,410	51,601,924	22,744,099	15,334,708	38,078,807
5.2.	Guarantee notes		22,646,514	56,254,369	78,900,883	22,704,829	51,809,602	74,514,431
5.3.	Commodities		418,506	-	418,506	510,466	-	510,466
5.4.	Warranties		-	-	-	-	-	-
5.5.	Real estates		1,001,310,630	613,781,611	1,615,092,241	829,956,018	614,851,429	1,444,807,447
5.6.	Other pledged items		2,006,707,992	3,856,266,958	5,862,974,950	1,724,837,535	3,435,865,000	5,160,702,535
5.7.	Pledged items-depository		-	-	-	-	-	-
VI.	**CONFIRMED BILLS OF EXCHANGE AND SURETIES**		-	-	-	-	-	-
	TOTAL OFF-BALANCE SHEET ITEMS (A+B)		**4,991,128,292**	**6,131,919,713**	**11,123,048,005**	**4,028,044,961**	**5,391,030,746**	**9,419,075,707**

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

For the period ended at 31 March 2024

	INCOME AND EXPENSE ITEMS	Footnotes	THOUSANDS OF TURKISH LIRA (TL) CURRENT PERIOD 1 January 2024 - 31 March 2024	PRIOR PERIOD 1 January 2023 - 31 March 2023
I.	**INTEREST INCOME**	**5.4.1**	**96,717,707**	**33,581,089**
1.1	Interest income on loans		71,588,183	24,266,848
1.2	Interest income on reserve deposits		3,441,271	6,997
1.3	Interest income on banks		1,993,741	241,817
1.4	Interest income on money market transactions		2,113,532	609,561
1.5	Interest income on securities portfolio		16,403,508	8,140,834
1.5.1	Financial assets measured at FVTPL		236,023	70,101
1.5.2	Financial assets measured at FVOCI		5,398,546	3,555,318
1.5.3	Financial assets measured at amortised cost		10,768,939	4,515,415
1.6	Financial lease interest income		-	-
1.7	Other interest income		1,177,472	315,032
II.	**INTEREST EXPENSE**	**5.4.2**	**77,055,666**	**17,212,277**
2.1	Interest on deposits		72,659,938	14,620,433
2.2	Interest on funds borrowed		2,252,457	1,125,295
2.3	Interest on money market transactions		794,649	219,239
2.4	Interest on securities issued		784,269	465,209
2.5	Lease interest expense		102,475	55,895
2.6	Other interest expenses		461,878	726,206
III.	**NET INTEREST INCOME (I - II)**		**19,662,041**	**16,368,812**
IV.	**NET FEES AND COMMISSIONS INCOME/EXPENSES**	**5.4.12**	**18,732,584**	**6,087,745**
4.1	Fees and commissions received		26,965,999	8,033,527
4.1.1	Non-cash loans		1,007,317	566,492
4.1.2	Others		25,958,682	7,467,035
4.2	Fees and commissions paid		8,233,415	1,945,782
4.2.1	Non-cash loans		1,180	1,273
4.2.2	Others		8,232,235	1,944,509
V.	**DIVIDEND INCOME**	**5.4.3**	**4,933**	**-**
VI.	**NET TRADING INCOME/LOSSES (Net)**	**5.4.4**	**4,874,926**	**4,166,790**
6.1	Trading account income/losses		(353,524)	1,553,928
6.2	Income/losses from derivative financial instruments		(1,778,000)	(1,020,303)
6.3	Foreign exchange gains/losses		7,006,450	3,633,165
VII.	**OTHER OPERATING INCOME**	**5.4.5**	**12,329,281**	**8,530,370**
VIII.	**TOTAL OPERATING PROFIT (III+IV+V+VI+VII)**		**55,603,765**	**35,153,717**
IX.	**EXPECTED CREDIT LOSSES (-)**	**5.4.6**	**14,945,205**	**9,714,404**
X.	**OTHER PROVISIONS (-)**	**5.4.6**	**11,568**	**18,910**
XI.	**PERSONNEL EXPENSES (-)**		**7,362,570**	**3,626,622**
XII.	**OTHER OPERATING EXPENSES (-)**	**5.4.7**	**11,341,171**	**6,821,811**
XIII.	**NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)**		**21,943,251**	**14,971,970**
XIV.	**INCOME RESULTED FROM MERGERS**		**-**	**-**
XV.	**INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING**		**4,501,989**	**2,639,403**
XVI.	**GAIN/LOSS ON NET MONETARY POSITION**		**-**	**-**
XVII.	**OPERATING PROFIT/LOSS BEFORE TAXES (XIII+...+XVI)**	**5.4.8**	**26,445,240**	**17,611,373**
XVIII.	**PROVISION FOR TAXES OF CONTINUED OPERATIONS (±)**	**5.4.9**	**4,128,750**	**1,876,298**
18.1	Current tax charge		6,863,965	3,612,029
18.2	Deferred tax charge (+)		1,276,388	815,180
18.3	Deferred tax credit (-)		(4,011,603)	(2,550,911)
XIX.	**NET OPERATING PROFIT/LOSS AFTER TAXES (XVII±XVIII)**	**5.4.10**	**22,316,490**	**15,735,075**
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**	**22,316,490**	**15,735,075**
	Earnings per Share		0.05313	0.03746

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 31 March 2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD 1 January 2024 - 31 March 2024	**PRIOR PERIOD 1 January 2023 - 31 March 2023**
I.	**CURRENT PERIOD PROFIT/LOSS**	**22,316,490**	**15,735,075**
II.	**OTHER COMPREHENSIVE INCOME**	**1,320,876**	**5,390,911**
2.1	**Other Income/Expense Items not to be Recycled to Profit or Loss**	**616,296**	**4,400,142**
2.1.1	Revaluation Surplus on Tangible Assets	-	997,685
2.1.2	Revaluation Surplus on Intangible Assets	-	-
2.1.3	Defined Benefit Plans' Actuarial Gains/Losses	(445,092)	-
2.1.4	Other Income/Expense Items not to be Recycled to Profit or Loss	332,291	277,829
2.1.5	Deferred Taxes on Other Comprehensive Income not to be Recycled to Profit or Loss	729,097	3,124,628
2.2	**Other Income/Expense Items to be Recycled to Profit or Loss**	**704,580**	**990,769**
2.2.1	Translation Differences	2,528,008	954,058
2.2.2	Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI	(901,570)	523,441
2.2.3	Gains/losses from Cash Flow Hedges	(940,027)	(4,216)
2.2.4	Gains/Losses on Hedges of Net Investments in Foreign Operations	(1,133,857)	(464,138)
2.2.5	Other Income/Expense Items to be Recycled to Profit or Loss	263,768	(3,977)
2.2.6	Deferred Taxes on Other Comprehensive Income to be Recycled to Profit or Loss	888,258	(14,399)
III.	**TOTAL COMPREHENSIVE INCOME (I+II)**	**23,637,366**	**21,125,986**

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

Türkiye Garanti Bankası Anonim Şirketi
Statement of Changes in Shareholders' Equity
For the period ended at 31 March 2024

	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															
	(01/01/2023-31/03/2023)															
I.	**Balances at Beginning of Period**		**4,200,000**	**11,880**	**-**	**772,554**	**4,949,980**	**(1,277,761)**	**617,026**	**15,792,601**	**9,549,490**	**(4,723,678)**	**63,189,765**	**59,603,636**	**-**	**152,685,493**
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**	**4,949,980**	**(1,277,761)**	**617,026**	**15,792,601**	**9,549,490**	**(4,723,678)**	**63,189,765**	**59,603,636**	**-**	**152,685,493**
IV.	**Total Comprehensive Income**		-	-	-	-	**4,137,511**	-	**262,631**	**954,058**	**391,954**	**(355,243)**	-	-	**15,735,075**	**21,125,986**
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**		-	-	-	-	-	-	-	-	-	-	**5,779**	-	-	**5,779**
XI.	**Profit Distribution**		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.1	Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2	Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.3	Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Balances at end of the period (III+IV+…+X+XI)		**4,200,000**	**11,880**	**-**	**772,554**	**9,087,491**	**(1,277,761)**	**879,657**	**16,746,659**	**9,941,444**	**(5,078,921)**	**63,195,544**	**59,603,636**	**15,735,075**	**173,817,258**
	CURRENT PERIOD															
	(01/01/2024-31/03/2024)															
I.	**Balances at Beginning of Period**		**4,200,000**	**11,880**	**-**	**772,554**	**14,533,730**	**(1,919,016)**	**1,479,019**	**29,423,468**	**3,752,722**	**(8,884,831)**	**114,095,795**	**87,331,720**	**-**	**244,797,041**
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**	**14,533,730**	**(1,919,016)**	**1,479,019**	**29,423,468**	**3,752,722**	**(8,884,831)**	**114,095,795**	**87,331,720**	**-**	**244,797,041**
IV.	**Total Comprehensive Income**		-	-	-	-	**610,411**	**(311,564)**	**317,449**	**2,528,008**	**(635,477)**	**(1,187,951)**	-	-	**22,316,490**	**23,637,366**
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**		-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	**Profit Distribution**		-	-	-	-	-	-	-	-	-	-	**74,231,962**	**(87,331,720)**	-	**(13,099,758)**
11.1	Dividends		-	-	-	-	-	-	-	-	-	-	-	(13,099,758)	-	(13,099,758)
11.2	Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	74,214,262	(74,214,262)	-	-
11.3	Others		-	-	-	-	-	-	-	-	-	-	17,700	(17,700)	-	-
	Balances at end of the period (III+IV+…+X+XI)		**4,200,000**	**11,880**	**-**	**772,554**	**15,144,141**	**(2,230,580)**	**1,796,468**	**31,951,476**	**3,117,245**	**(10,072,782)**	**188,327,757**	**-**	**22,316,490**	**255,334,649**

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 Cash Flows
For the period ended at 31 March 2024

STATEMENT OF CASH FLOWS		Footnotes	THOUSANDS OF TURKISH LIRA (TL)	
			CURRENT PERIOD 1 January 2024 31 March 2024	**PRIOR PERIOD 1 January 2023 31 March 2023**
A.	**CASH FLOWS FROM BANKING OPERATIONS**			
1.1	**Operating profit before changes in operating assets and liabilities**	**5.6**	**35,801,038**	**18,617,092**
1.1.1	Interests received		78,918,626	26,673,984
1.1.2	Interests paid		(58,528,852)	(13,996,521)
1.1.3	Dividend received		4,933	-
1.1.4	Fees and commissions received		26,965,999	8,033,527
1.1.5	Other income		11,363,381	8,530,370
1.1.6	Collections from previously written-off receivables		597,355	301,129
1.1.7	Cash payments to personnel and service suppliers		(15,994,438)	(9,308,856)
1.1.8	Taxes paid		557,879	(40,937)
1.1.9	Others		(8,083,845)	(1,575,604)
1.2	**Changes in operating assets and liabilities**	**5.6**	**(62,995,919)**	**58,728,444**
1.2.1	Net (increase) decrease in financial assets measured at FVTPL		(815,598)	(271,640)
1.2.2	Net (increase) decrease in due from banks		(62,035,062)	(3,098,715)
1.2.3	Net (increase) decrease in loans		(160,378,187)	(74,039,238)
1.2.4	Net (increase) decrease in other assets		(10,911,108)	(1,648,821)
1.2.5	Net increase (decrease) in bank deposits		1,402,729	1,305,214
1.2.6	Net increase (decrease) in other deposits		106,245,275	115,214,572
1.2.7	Net increase (decrease) in financial liabilities measured at FVTPL		-	-
1.2.8	Net increase (decrease) in funds borrowed		43,863,919	12,844,235
1.2.9	Net increase (decrease) in matured payables		-	-
1.2.10	Net increase (decrease) in other liabilities		19,632,113	8,422,837
I.	**Net cash flow from banking operations**	**5.6**	**(27,194,882)**	**77,345,536**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**			
II.	**Net cash flow from investing activities**	**5.6**	**(28,450,356)**	**(32,633,647)**
2.1	Cash paid for purchase of associates, subsidiaries and joint-ventures		-	-
2.2	Cash obtained from sale of associates, subsidiaries and joint-ventures		-	-
2.3	Purchases of tangible assets		(173,405)	(332,127)
2.4	Sales of tangible assets		61,816	86,219
2.5	Cash paid for purchase of financial assets measured at FVOCI		(6,326,301)	(4,706,359)
2.6	Cash obtained from sale of financial assets measured at FVOCI		2,535,456	6,736,332
2.7	Cash paid for purchase of financial assets measured at amortised cost		(33,117,933)	(36,010,510)
2.8	Cash obtained from sale of financial assets measured at amortised cost		8,570,011	1,592,798
2.9	Others		-	-
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**			
III.	**Net cash flow from financing activities**	**5.6**	**10,150,438**	**(11,295,580)**
3.1	Cash obtained from funds borrowed and securities issued		20,949,194	1,859,389
3.2	Cash used for repayment of funds borrowed and securities issued		(5,387,199)	(13,003,576)
3.3	Equity instruments issued		-	-
3.4	Dividends paid		(5,168,804)	-
3.5	Payments for financial leases		(242,753)	(151,393)
3.6	Others		-	-
IV.	**Effect of translation differences on cash and cash equivalents**	**5.6**	**4,690,376**	**2,440,699**
V.	**Net increase/(decrease) in cash and cash equivalents (I+II+III+IV)**	**5.6**	**(40,804,423)**	**35,857,008**
VI.	**Cash and cash equivalents at beginning of period**	**5.6**	**288,260,766**	**142,792,728**
VII.	**Cash and cash equivalents at end of period (V+VI)**	**5.6**	**247,456,343**	**178,649,736**

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 2024 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.

3.1.2 Other

Entities whose functional currency is the currency of a hyperinflationary economy present their financial statements in terms of the measuring unit current at the end of the reporting period according to "TAS 29 Financial Reporting in Hyperinflation Economies". Based on the announcement made by Public Oversight, Accounting and Auditing Standards Authority (POA) on 23 November 2023, entities applying Turkish Financial Reporting Standards (TFRSs) are required to present their financial statements by adjusting for the impact of inflation for the annual reporting period ending on or after 31 December 2023, in accordance with the accounting principles specified in TAS 29. In the same announcement, it was stated that institutions or organizations authorized to regulate and supervise in their respective scope might determine different transition dates for the implementation of inflation accounting, and in this context, Banking Regulation and Supervision Agency (BRSA) announced that financial statements of banks, financial leasing, factoring, financing, savings financing and asset management companies as of 31 December 2023 would not be subject to the inflation adjustment in accordance with BRSA Board decision on 12 December 2023. BRSA also announced that banks, financial leasing, factoring, financing, savings financing and asset management companies are required to apply inflation adjustment as of 1 January 2025 in accordance with BRSA Board decision on 11 January 2024.

Based on this, "TAS 29 Financial Reporting in Hyperinflation Economies" has not been applied in the unconsolidated financial statements as of 31 March 2024.

Sınıflandırma: **Açık**

In February 2019, POA issued TFRS 17, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 introduces a model that both measures insurance contract liabilities at their current balance sheet value and recognizes profit over the period in which the services are provided. With the announcement made by POA, the mandatory effective date of the Standard has been postponed to accounting periods beginning on or after 1 January 2025. Accordingly, the Bank has not applied the related standard in the unconsolidated financial statements of its subsidiary Garanti Emeklilik.

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 530,583,575 (31 December 2023: EUR 530,583,575) 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 14,975,406 (31 December 2023: TL 13,841,549), 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 31 March 2024. 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 fair value in the financial statements in accordance with TFRS 9.

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. The Bank uses off-shore market curve for swap and forward transactions with foreign institutions and uses the TLREF-based OIS ("Overnight Indexed Swap") market curve for swap and forward transactions with domestic institutions in order to reflect the fair value measurement 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 last quarter of 2023 and the Bank has calculated expected credit losses based on the updated model during 2023.

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:

(Thousands of Turkish Lira (TL))

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.

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 updated macroeconomic value estimates taken into account in the expected loss provision calculation are presented below as of 31 March 2024.

Date	GDP
31.12.2024	3.50%
31.12.2025	3.46%
31.12.2026	3.84%
31.12.2027	3.47%
31.12.2028	3.47%

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

A financial liability (or part of a financial liability) is removed from the statement of financial position only when the obligation is extinguished, so when the obligation specified in the contract is fulfilled, canceled or expired.

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.

(Thousands of Turkish Lira (TL))

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.

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.

(Thousands of Turkish Lira (TL))

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.

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:

	Current Period	**Prior Period**
Net Effective Discount Rate	3.00%	3.00%
Discount Rate	25.60%	25.60%
Estimated Real Salary/Limit Increase Rate	1.50%	1.50%
Inflation Rate	21.94%	21.94%

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.

(Thousands of Turkish Lira (TL))

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 A.Ş. 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:

	Current Period		Prior Period	
	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.

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.7456 "On the Formation of Additional Motor Vehicle Tax to Compensate the Economic Losses Caused by the Earthquakes That Occurred on 6 February 2023, Amending Certain Laws and the Decree Law No. 375, the corporate earnings of 2023 and later taxation periods this rate has been determined to be applied as 25% and 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 has been determined to be applied as 30%.

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 preemption rights 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. While 50% of earnings generated through sale of real estate held at least for two years by the institutions were 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, in accordance with the regulation introduced by Law No. 7456 "On the Formation of Additional Motor Vehicle Tax to Compensate the Economic Losses Caused by the Earthquakes That Occurred on 6 February 2023, Amending Certain Laws and the Decree Law No. 375, this article has been abolished and has been removed from entry into force of the law dated 15 July 2023. The exemption rate for real estates previously included in the assets of institutions has been determined as 25%.

All earnings generated through transfer of equity shares, founders' shares, redeemed shares and preemption 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 31 December 2021, 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/Ç 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, are not subject to inflation adjustment, and for the 2023 accounting period; are not subject to inflation adjustment as of the provisional tax periods, and the financial statements dated 31 December 2023 are 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 are to be shown in previous years' profit/loss accounts and does not affect the corporate tax base. According to Article 17 of the Law No. 7491 on Amendments to Certain Laws and Decree Laws published in the Official Gazette No. 32413 dated 28 December 2023, it has become law that profit/loss differences arising from the inflation adjustment to be made in the 2024 and 2025 accounting periods, including the provisional tax periods, do not be taken into account in determining the income of banks, companies within the scope of the Financial Leasing, Factoring, Financing and Savings Financing Companies Law No. 6361 dated 21 November 2012, payment and electronic money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies.

With the Communiqué Amending the General Communiqué on Tax Procedure Law (order no. 537) published in the Official Gazette numbered 32073 on 14 January 2023, the procedures and principles of the articles allowing the revaluation of real estates and depreciation units have been redrawn. By taking into consideration aforementioned Communiqué, the Bank, has been revaluated real estate and depreciation units within its balance sheet by providing conditions in the provisions of Tax Procedure Law's provisional Article 32 and duplicated Article 298/ç until 30 September 2023. Since the financial statements are subject to inflation adjustment as of 31 December 2023, real estates and depreciation units are not subject to revaluation as of 31 December 2023. Corporate tax is calculated by taking into account of real estates and depreciation units' amortized values until 30 September 2023.

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 amortization unless their balance sheets, income statements and accounting records used for tax calculations examined and prepared by an accountant and 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, in accordance with the regulation introduced by the Law No.7456 "On the Formation of Additional Motor Vehicle Tax to Compensate the Economic Losses Caused by the Earthquakes That Occurred on 6 February 2023, corporate income tax has been determined to be applied as 30% 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 31 March 2024, the Bank has calculated deferred tax at the rate of 30% for assets and liabilities.

According to the temporary article 33 of the Tax Procedure Law, the tax effects arising from the inflation adjustment of the financial statements dated 31 March 2024 are included in the deferred tax calculation as of 31 March 2024 regardless of whether the conditions for inflation adjustment are met.

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 31 March 2024, the Bank does not have any government incentives or grants (31 December 2023: None).

(Thousands of Turkish Lira (TL))

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.

Information on the business segments is as follows:

Current Period	**Retail Banking**	**Corporate Banking**	**Investment Banking**	**Other**	**Total Operations**
Net Interest Income	13,967,476	23,154,554	(35,813,368)	18,353,379	19,662,041
Net Fees And Commıssıons Income	15,261,696	3,520,298	(37,847)	(11,563)	18,732,584
Dividend Income	-	-	-	4,933	4,933
Net Tradıng Income/Losses (Net)	972,828	2,323,689	2,650,653	(1,072,244)	4,874,926
Other Operatıng Income (*)	1,274,911	229,127	40,452	346,259	1,890,749
Expected Credıt Losses (-) (*)	(5,279,898)	(335,664)	(5,459)	1,114,348	(4,506,673)
Other Provisions (-)	-	-	-	(11,568)	(11,568)
Personnel and Other Operatıng Expenses (-)	(12,305,447)	(4,261,728)	(673,254)	(1,463,312)	(18,703,741)
Income/Loss From Investments Under Equıty Accountıng	-	-	-	4,501,989	4,501,989
Net Operating Profit	**13,891,566**	**24,630,276**	**(33,838,823)**	**21,762,221**	**26,445,240**
Provision for Taxes	-	-	-	(4,128,750)	(4,128,750)
Net Profit	**13,891,566**	**24,630,276**	**(33,838,823)**	**17,633,471**	**22,316,490**
Segment Assets	444,099,190	729,043,429	766,382,079	162,762,697	2,102,287,395
Investments in Associates and Subsidiaries	-	-	-	62,693,784	62,693,784
Total Assets	**444,099,190**	**729,043,429**	**766,382,079**	**225,456,481**	**2,164,981,179**
Segment Liabilities	1,097,489,97	486,110,253	252,673,099	73,373,206	1,909,646,530
Shareholders' Equity	-	-	-	255,334,649	255,334,649
Total Liabilities and Shareholders'	**1,097,489,97**	**486,110,253**	**252,673,099**	**328,707,855**	**2,164,981,179**

(Thousands of Turkish Lira (TL))

Prior Period	Retail Banking	Corporate Banking	Investment Banking	Other	Total Operations
Net Interest Income	5,249,107	6,327,804	2,242,999	2,548,902	16,368,812
Net Fees And Commıssıons Income	4,382,091	1,860,402	(3,762)	(150,986)	6,087,745
Dividend Income	-	-	-	-	-
Net Tradıng Income/Losses (Net)	363,901	960,250	2,791,763	50,876	4,166,790
Other Operatıng Income (*)	136,427	82,131	21,702	1,038,754	1,279,014
Expected Credıt Losses (-) (*)	(2,590,753)	(213,075)	108,687	232,093	(2,463,048)
Other Provisions (-)	-	-	-	(18,910)	(18,910)
Personnel and Other Operatıng Expenses (-)	(5,955,427)	(1,925,420)	(209,242)	(2,358,344)	(10,448,433)
Income/Loss From Investments Under Equıty Accountıng	-	-	-	2,639,403	2,639,403
Net Operating Profit	**1,585,346**	**7,092,092**	**4,952,147**	**3,981,788**	**17,611,373**
Provision for Taxes	-	-	-	(1,876,298)	(1,876,298)
Net Profit	**1,585,347**	**7,092,092**	**4,952,148**	**2,105,488**	**15,735,075**
Segment Assets	384,029,917	637,673,190	697,619,193	153,796,119	1,873,118,419
Investments in Associates and Subsidiaries	-	-	-	56,936,917	56,936,917
Total Assets	**384,029,917**	**637,673,190**	**697,619,193**	**210,733,036**	**1,930,055,336**
Segment Liabilities	991,254,212	456,923,014	183,075,144	54,005,925	1,685,258,295
Shareholders' Equity	-	-	-	244,797,041	244,797,041
Total Liabilities and Shareholders'	**991,254,212**	**456,923,014**	**183,075,144**	**298,802,966**	**1,930,055,336**

(*) 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 27 March 2024, a decision has been made regarding appropriation of the unconsolidated net profit of the Bank deriving from operations in 2023 amounting to TL 87,331,720 and aforementioned distribution has been disclosed in Note 6.2.

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.

	31 March 2024	***31 March 2023***
Distributable net profit	22,316,490	15,735,075
Average number of issued common shares (thousand)	420,000,000	420,000,000
Earnings per share (amounts presented full TL)	0.05313	0.03746

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 2024 (2023: 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.

3.28 Other disclosures

None.

(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	188,327,757	114,095,795
Other Comprehensive Income according to TAS	53,390,680	49,880,332
Profit	22,316,490	87,331,720
Current Period's Profit	22,316,490	87,331,720
Prior Periods' Profit	-	-
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	15,630	10,734
Common Equity Tier I Capital Before Deductions	**269,034,991**	**256,303,015**
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 (-)	13,455,852	12,394,495
Leasehold Improvements on Operational Leases (-)	276,597	289,261
Goodwill Netted with Deferred Tax Liabilities	-	-
Other Intangible Assets Netted with Deferred Tax Liabilities Except Mortgage Servicing Rights	1,866,699	1,795,702
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	**15,599,148**	**14,479,458**
Total Common Equity Tier I Capital	**253,435,843**	**241,823,557**
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)	**253,435,843**	**241,823,557**
TIER II CAPITAL	-	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	31,178,680	14,072,230
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)	18,143,868	14,590,313
Total Deductions from Tier II Capital	**49,322,548**	**28,662,543**
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	**49,322,548**	**28,662,543**
Total Equity (Total Tier I and Tier II Capital)	**302,758,391**	**270,486,100**
Total Tier I Capital and Tier II Capital (Total Equity)	-	
Loans Granted against the Articles 50 and 51 of the Banking Law	100	1,168

(Thousands of Turkish Lira (TL))

	Current Period	***Prior Period***
Other items to be Defined by the BRSA	1,484	1,188
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)	**302,756,807**	**270,483,744**
Total Risk Weighted Assets	**1,674,928,364**	**1,314,732,290**
CAPITAL ADEQUACY RATIOS		
CET1 Capital Ratio (%)	15.13	18.39
Tier I Capital Ratio (%)	15.13	18.39
Capital Adequacy Ratio (%)	18.08	20.57
BUFFERS		
Total Additional CET1 Capital Requirement Ratio (a+b)	2.53	2.52
a) Capital Conservation Buffer Ratio (%)	2.50	2.50
b) Bank-specific Counter-Cyclical Capital Buffer Ratio (%)	0.03	0.02
Additional CET1 Capital Over Total Risk Weighted Assets Ratio Calculated According to the Article 4 of Capital Conservation and Counter-Cyclical Capital Buffers Regulation (%)	9.13	12.39
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	23,426,695	19,834,272
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)	42,915,087	41,377,808
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	18,143,868	14,590,313
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 regulation dated 12 December 2023 by the Banking Regulation and Supervision Agency, the amount subject to credit risk is calculated with the Central Bank foreign exchange buying rates as of 26 June 2023 and the net valuation differences of the securities in the securities portfolio whose fair value difference is reflected in other comprehensive income are negative. In this case, these differences are not taken into account in the equity amount to be used for the capital adequacy ratio.

As of 31 March 2024, 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 is at 17.09% as of 31 March 2024.

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.	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	Regulation S ISIN/Common Code: Rule 144A ISIN/CUSIP: XS2773062471/277306247 US900148AF49/900148AF4
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.	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.
Regulatory treatment				
Subject to 10% deduction as of 1/1/2015	No	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	Eligible on unconsolidated and consolidated
Instrument type	Subordinated debt instruments (Notes)	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)	14,294 (31 December 2023: 13,069)	253 (31 December 2022: 253)	750 (31 December 2022: 750)	15,882
Nominal value of instrument (TL million)	23,823 (31 December 2023: 21,782)	253 (31 December 2022: 253)	750 (31 December 2022: 750)	15,882
Accounting classification of the instrument	34701 – Secondary Subordinated Loans	34601– Secondary Subordinated Loans	34601– Secondary Subordinated Loans	34701 – Secondary Subordinated Loans
Issuance date of instrument	23.05.2017	09.10.2019	14.02.2020	28.02.2024
Maturity structure of the instrument (demand/time)	Time	Time	Time	Time
Original maturity of the instrument	24.05.2027	07.10.2029	14.02.2030	28.02.2034
Issuer call subject to prior supervisory (BRSA) approval	No	Yes	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	28.02.2029-USD 500,000,000
Subsequent call dates, if applicable	-	-	-	-
Interest/dividend payment				
Fixed or floating coupon/dividend payments	Fixed	Floating	Floating	Fixed
Coupon rate and any related index	7.1770%	TLREF + 130 bps	TLREF + 250 bps	8.375%
Existence of any dividend payment restriction	None	None	None	None
Fully discretionary, partially discretionary or mandatory	-	-	-	-

Existence of step up or other incentive to redeem	None	None	None	None
Noncumulative or cumulative	None	None	None	None
Convertible into equity shares	None	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	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.	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.
If bond can be written-down, full or partial	Partially or fully	Partially or fully	Partially or fully	Partially or fully
If bond can be written-down, permanent or temporary	Continuously	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.	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 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.	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.	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	39,705,968	244,490	39,950,458	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	14,710,029	-	14,710,029	
Other Comprehensive Income/Expense Items to be Recycled to Profit/Loss	24,995,939	244,490	25,240,429	Items not included in the calculation as per Regulation's Article 9-1-f
Profit Reserves	188,327,757	-	188,327,757	
Profit or Loss	22,316,490	-	22,316,490	
Prior Periods' Profit/Loss	-	-	-	
Current Period Net Profit/Loss	22,316,490	-	22,316,490	
Deductions from Common Equity Tier I Capital (-)	-		2,143,296	Deductions from Common Equity Tier 1 Capital as per the Regulation
Common Equity Tier I Capital	**255,334,649**		**253,435,843**	
Subordinated Debts	-		-	
Deductions from Tier I Capital (-)	-		-	Deductions from Tier 1 Capital as per the Regulation
Tier I Capital	**-**		**253,435,843**	
Subordinated Debts			31,178,680	
12 Month ECL (Stage 1) and Lifetime ECL Significant Increase in Credit Risk (Stage 2)			18,143,868	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			**49,322,548**	
Deductions from Total Capital (-)			1,584	Deductions from Capital as per the Regulation
Total			**302,756,807**	

Within the scope of the measures announced by the BRSA on 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***	***Explanationofdifferences***
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	38,385,092	(888,521)	37,496,571	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	14,093,733	-	14,093,733	
Other Comprehensive Income/Expense Items to be Recycled to Profit/Loss	24,291,359	(888,521)	23,402,838	Items not included in the calculation as per Regulation’s Article 9-1-f
Profit Reserves	114,095,795	-	114,095,795	
Profit or Loss	87,331,720	-	87,331,720	
Prior Periods’ Profit/Loss	-	-	-	
Current Period Net Profit/Loss	87,331,720	-	87,331,720	
Deductions from Common Equity Tier I Capital (-)	-		2,084,963	Deductions from Common Equity Tier 1 Capital as per the Regulation
Common Equity Tier I Capital	**244,797,041**		**241,823,557**	
Subordinated Debts	-		-	
Deductions from Tier I Capital (-)	-		-	Deductions from Tier 1 Capital as per the Regulation
Tier I Capital	-		**241,823,557**	
Subordinated Debts			14,072,230	
12 Month ECL (Stage 1) and Lifetime ECL Significant Increase in Credit Risk (Stage 2)			14,590,313	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			**28,662,543**	
Deductions from Total Capital (-)			2,356	Deductions from Capital as per the Regulation
Total			**270,483,744**	

(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 31 March 2024, the Bank's net 'on balance sheet' foreign currency long position amounts to TL 117,496,132 (31 December 2023: TL 35,731,456 balance sheet Long position), net 'off-balance sheet' foreign currency long position amounts to TL 143,471,843 (31 December 2023: TL 60,861,462), while net foreign currency long position amounts to TL 25,975,711 (31 December 2023: TL 25,130,006).

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	34.2900	31.7640
Exchange rates for the days before balance sheet date;		
Day 1	34.2900	31.7640
Day 2	34.3220	31.7760
Day 3	34.3140	31.7300
Day 4	34.4180	31.7480
Day 5	34.5850	31.9080

	EUR	USD
Last 30-days arithmetical average rates	34.3865	31.6499

(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	58,947,553	91,440,359	33,641,908	184,029,820
Banks	15,545,858	41,532,529	10,295,846	67,374,233
Financial Assets Measured at Fair Value through Profit/Loss	313,870	2,906,531	-	3,220,401
Money Market Placements	-	13,338,433	-	13,338,433
Financial Assets Measured at Fair Value through Other Comprehensive Income	2,436,678	23,764,377	-	26,201,055
Loans (*)	155,978,065	169,098,617	6,468,397	331,545,079
Investments in Associates, Subsidiaries and Joint-Ventures	40,830,267	-	-	40,830,267
Financial Assets Measured at Amortised Cost	1,156,772	63,557,520	-	64,714,292
Derivative Financial Assets Held for Hedging Purpose	-	1,315,061	-	1,315,061
Tangible Assets	-	779	-	779
Intangible Assets	-	-	-	-
Other Assets (**)	(9,301,862)	(3,674,797)	136,220	(12,840,439)
Total Assets	**265,907,201**	**403,279,409**	**50,542,371**	**719,728,981**
Liabilities				
Bank Deposits	1,115,457	127,087	45,665	1,288,209
Foreign Currency Deposits	186,968,004	283,020,198	22,608,997	492,597,199
Money Market Funds	5,965,114	73,887,052	-	79,852,166
Other Fundings (***)	14,873,941	84,221,458	-	99,095,399
Securities Issued (****)	701,096	44,881,463	947,172	46,529,731
Miscellaneous Payables	4,291,249	4,858,817	253,654	9,403,720
Derivative Financial Liabilities Held for Hedging Purpose	-	18,316	-	18,316
Other Liabilities (*****)	5,083,413	11,745,974	91,610,988	108,440,375
Total Liabilities	**218,998,274**	**502,760,365**	**115,466,476**	**837,225,115**
Net 'On Balance Sheet' Position	**46,908,927**	**(99,480,956)**	**(64,924,105)**	**(117,496,134)**
Net 'Off-Balance Sheet' Position	**(22,070,063)**	**102,325,275**	**63,216,631**	**143,471,843**
Derivative Financial Assets	66,558,694	236,067,257	70,605,786	373,231,737
Derivative Financial Liabilities	88,628,757	133,741,982	7,389,155	229,759,894
Non-Cash Loans	-	-	-	-
Prior Period				
Total Assets	**239,302,150**	**375,622,410**	**37,579,768**	**652,504,328**
Total Liabilities	**185,863,206**	**409,110,114**	**93,262,465**	**688,235,785**
Net 'On Balance Sheet' Position	**53,438,944**	**(33,487,704)**	**(55,682,697)**	**(35,731,457)**
Net 'Off-Balance Sheet' Position	**(31,294,104)**	**37,961,335**	**54,194,231**	**60,861,462**
Derivative Financial Assets	31,199,424	148,598,552	58,404,082	238,202,058
Derivative Financial Liabilities	62,493,528	110,637,217	4,209,851	177,340,596
Non-Cash Loans	-	-	-	-

(*) The foreign currency-indexed loans amounting TL 181,111 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 52,866,250 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 90,092,727.

(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	124,561,411	-	-	-	-	246,478,691	371,040,102
Banks	7,842,009	-	-	-	-	61,431,550	69,273,559
Financial Assets Measured at Fair Value through Profit/Loss	260,576	2,101,289	170,879	1,864,142	616,297	1,063,435	6,076,618
Money Market Placements	6,329,485	6,886,876	-	-	-	122,072	13,338,433
Financial Assets Measured at Fair Value through Other Comprehensive Income	17,625,873	2,748,127	3,902,339	20,752,834	7,095,326	34,693,569	86,818,068
Loans	28,764,698	265,140,433	588,249,197	216,569,372	100,814,919	22,787,540	1,222,326,159
Financial Assets Measured at Amortised Cost	31,332,921	1,282,053	35,671,484	103,389,311	25,682,505	44,957,581	242,315,855
Other Assets (**)	-	-	-	-	-	153,792,385	153,792,385
Total Assets	**216,716,973**	**278,158,778**	**627,993,899**	**342,575,659**	**134,209,047**	**565,326,823**	**2,164,981,179**
Liabilities							
Bank Deposits	700,598	513	-	-	-	2,157,342	2,858,453
Other Deposits	383,795,218	179,591,182	189,488,011	1,106,433	-	748,981,429	1,502,962,273
Money Market Funds	79,133,051	27	952,925	-	-	41,136	80,127,139
Miscellaneous Payables	-	-	-	-	-	100,190,734	100,190,734
Securities Issued (***)	2,367,049	2,382,297	1,588,200	24,507,189	15,882,000	882,432	47,609,167
Other Fundings	86,891,840	11,521,942	1,422,486	546,379	-	66,359	100,449,006
Other Liabilities	64,861	156,101	398,529	1,163,263	199,535	328,802,118	330,784,407
Total Liabilities	**552,952,617**	**193,652,062**	**193,850,151**	**27,323,264**	**16,081,535**	**1,181,121,550**	**2,164,981,179**
On Balance Sheet Long Position	**-**	**84,506,716**	**434,143,748**	**315,252,395**	**118,127,512**	**-**	**952,030,371**
On Balance Sheet Short Position	**(336,235,644)**	**-**	**-**	**-**	**-**	**(615,794,727)**	**(952,030,371)**
Off-Balance Sheet Long Position	**40,267,936**	**97,209,510**	**26,150,744**	**57,433,330**	**36,212,354**	**-**	**257,273,874**
Off-Balance Sheet Short Position	**(29,373,853)**	**(68,940,081)**	**(51,183,286)**	**(71,312,358)**	**(38,505,689)**	**-**	**(259,315,267)**
Total Position	**(325,341,561)**	**112,776,145**	**409,111,206**	**301,373,367**	**115,834,177**	**(615,794,727)**	**(2,041,393)**

(*) 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	27,651,076	-	-	-	-	300,794,015	328,445,091
Banks	5,719,501	-	-	482,295	-	59,223,224	65,425,020
Financial Assets at Fair Value through Profit/Loss	858,152	19,071	1,320,133	1,888,890	237,082	924,829	5,248,157
Money Market Placements	32,116,927	-	6,296,925	-	-	125,222	38,539,074
Financial Assets Measured at Fair Value through Other Comprehensive Income	17,220,551	2,217,568	3,734,515	20,862,240	4,613,957	31,625,247	80,274,078
Loans	421,004,746	116,485,165	353,372,875	86,519,281	67,417,033	21,331,756	1,066,130,856
Financial Assets Measured at Amortised Cost	26,782,826	8,590,096	9,826,642	111,624,850	10,393,610	40,035,298	207,253,322
Other Assets (**)	-	-	-	-	-	138,739,738	138,739,738
Total Assets	**531,353,779**	**127,311,900**	**374,551,090**	**221,377,556**	**82,661,682**	**592,799,329**	**1,930,055,336**
Liabilities							
Bank Deposits	410,204	805	-	-	-	1,042,574	1,453,583
Other Deposits	405,031,572	145,741,074	189,713,203	77,067	-	641,687,936	1,382,250,852
Money Market Funds	42,566,108	-	871,290	-	-	16,758	43,454,156
Miscellaneous Payables	-	-	-	-	-	76,645,037	76,645,037
Securities Issued (***)	1,935,680	-	3,630,375	22,423,620	-	260,923	28,250,598
Other Fundings	65,607,144	7,449,374	4,804,672	267,318	14,508,429	43,972	92,680,909
Other Liabilities	53,455	123,726	319,189	1,051,781	182,787	303,589,263	305,320,201
Total Liabilities	**515,604,163**	**153,314,979**	**199,338,729**	**23,819,786**	**14,691,216**	**1,023,286,463**	**1,930,055,336**
On Balance Sheet Long Position	**15,749,616**	**-**	**175,212,361**	**197,557,770**	**67,970,466**	**-**	**456,490,213**
On Balance Sheet Short Position	**-**	**(26,003,079)**	**-**	**-**	**-**	**(430,487,134)**	**(456,490,213)**
Off-Balance Sheet Long Position	**41,844,700**	**53,594,350**	**53,656,262**	**41,158,812**	**33,404,663**	**-**	**223,658,787**
Off-Balance Sheet Short Position	**(31,266,471)**	**(35,866,946)**	**(49,773,738)**	**(73,240,325)**	**(35,425,950)**	**-**	**(225,573,430)**
Total Position	**26,327,845**	**(8,275,675)**	**179,094,885**	**165,476,257**	**65,949,179**	**(430,487,134)**	**(1,914,643)**

(*) 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	(2.03)	(0.17)	-	12.65
Banks	1.77	2.53		59.95
Financial Assets Measured at Fair Value through Profit/Loss	4.88	6.08	-	40.63
Money Market Placements	-	5.03	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	5.07	6.47	-	40.80
Loans	4.63	6.06	-	58.15
Financial Assets Measured at Amortised Cost	4.31	6.24	-	22.55
Liabilities				
Bank Deposits	3.97	-	-	59.62
Other Deposits	0.09	0.14	-	36.62
Money Market Funds	4.25	4.13	-	28.10
Miscellaneous Payables	-	-	-	-
Securities Issued	5.27	7.66	-	60.82
Other Fundings	7.35	8.16	-	48.68

Prior Period	EUR	USD	JPY	TL
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	-
Banks	2.51	2.53	-	44.00
Financial Assets at Fair Value through Profit/Loss	4.82	6.15	-	39.57
Money Market Placements	-	5.03	-	54.46
Financial Assets Measured at Fair Value through Other Comprehensive Income	4.58	6.33	-	44.04
Loans	4.31	10.14	-	47.36
Financial Assets Measured at Amortised Cost	4.31	6.10	-	24.21
Liabilities				
Bank Deposits	3.98	-	-	48.17
Other Deposits	0.09	0.15	-	33.00
Money Market Funds	-	3.71	-	19.27
Miscellaneous Payables	-	-	-	-
Securities Issued	5.27	7.19	-	50.15
Other Fundings	7.36	8.22	-	46.70

(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**	**62,143,488**	**62,143,488**	**29,490,380**
	Quoted Securities	979,096	979,096	29,490,380
2	**Investment in Shares- Grade B**	**811,151**	**811,151**	**26,778,520**
	Quoted Securities	785,710	785,710	26,778,520
3	**Investment in Shares- Grade C**	**2,617,273**	**2,617,273**	**-**
	Quoted Securities	-	-	-
4	**Investment in Shares- Grade D**	**86,427**	**86,427**	**-**
	Quoted Securities	-	-	-
5	**Investment in Shares- Grade E**	**1,014**	**1,014**	**-**
	Quoted Securities	-	-	-
6	**Investment in Shares- Grade F**	**48**	**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**	**56,447,077**	**56,447,077**	**2,711,252**
	Quoted Securities	837,976	837,976	2,711,252
2	**Investment in Shares- Grade B**	**702,258**	**702,258**	**2,384,623**
	Quoted Securities	676,817	676,817	2,384,623
3	**Investment in Shares- Grade C**	**2,237,116**	**2,237,116**	**-**
	Quoted Securities	-	-	-
4	**Investment in Shares- Grade D**	**77,754**	**77,754**	**-**
	Quoted Securities	-	-	-
5	**Investment in Shares- Grade E**	**1,014**	**1,014**	**-**
	Quoted Securities	-	-	-
6	**Investment in Shares- Grade F**	**48**	**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	-	1,649,996	1,649,996	-	-
3	Other Shares	-	42,939,203	42,939,203	-	-
	Total	**-**	**44,589,199**	**44,589,199**	**-**	**-**

(*) 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	-	1,624,992	1,624,992	-	-
3	Other Shares	-	37,958,264	37,958,264	-	-
	Total	**-**	**39,583,256**	**39,583,256**	**-**	**-**

(*) 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	2,003,451	2,003,451	160,276
3	Other Shares	63,655,770	55,861,930	4,468,954
	Total	**65,659,221**	**57,865,381**	**4,629,230**

	Prior Period			
	Portfolio	**Carrying Value**	**RWA Total**	**Minimum Capital Requirement**
1	Private Equity Investments	-	-	-
2	Quoted Shares	1,718,183	1,718,183	137,455
3	Other Shares	57,747,084	42,843,659	3,427,493
	Total	**59,465,267**	**44,561,842**	**3,564,948**

4.6 Liquidity risk management, liquidity coverage ratio and net stabled funding 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. Morover, Liquidity Contingency Plan for each subsidiaries has been documented and approved by their Board of Directors.

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 first quarter of 2024.

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 4.77% cash, 59.68% deposits in central banks and 35.55% 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 82.10% deposits, 9.84% funds borrowed and money market borrowings, 2.60% securities issued and 5.46% 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				**544,184,463**	**232,731,566**
1	Total high-quality liquid assets (HQLA)	544,184,463	232,731,566	544,184,463	232,731,566
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which:	1,005,273,685	381,911,028	89,993,597	38,191,103
3	Stable deposits	210,675,425	-	10,533,771	-
4	Less stable deposits	794,598,260	381,911,028	79,459,826	38,191,103
5	Unsecured wholesale funding, of which:	341,468,400	164,940,959	171,083,266	86,317,707
6	Operational deposits	-	-	-	-
7	Non-operational deposits	259,271,343	136,626,127	115,479,776	58,131,280
8	Unsecured funding	82,197,057	28,314,832	55,603,490	28,186,427
9	Secured wholesale funding			-	-
10	Other cash outflows of which:	1,196,015,219	161,199,716	107,877,147	45,141,659
11	Outflows related to derivative exposures and other collateral requirements	16,538,170	24,831,393	16,538,170	24,831,393
12	Outflows related to restructured financial instruments	-	-	-	-
13	Payment commitments and other off-balance sheet commitments granted for debts to financial markets	1,179,477,049	136,368,323	91,338,977	20,310,266
14	Other revocable off-balance sheet commitments and contractual obligations	8,535	8,535	426	426
15	Other irrevocable or conditionally revocable off-balance sheet obligations	64,601,936	61,532,784	3,230,097	3,076,639
16	**Total Cash Outflows**			**372,184,533**	**172,727,534**
Cash Inflows					
17	Secured receivables	-	-	-	-
18	Unsecured receivables	195,280,935	62,120,961	132,182,746	51,398,558
19	Other cash inflows	4,219,442	23,445,770	4,219,442	23,445,770
20	**Total Cash Inflows**	**199,500,377**	**85,566,731**	**136,402,188**	**74,844,328**
21	**Total HQLA**			**544,184,463**	**232,731,566**
22	**Total Net Cash Outflows**			**235,782,345**	**99,089,269**
23	**Liquidity Coverage Ratio (%)**			**232.32**	**261.76**

(*) 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 first quarter of 2024:

Current Period	Highest	Date	Lowest	Date	Average
TL+FC	275.14	28.02.2024	182.40	31.03.2024	232.32
FC	570.18	17.01.2024	162.99	21.03.2024	261.76

(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				**489,456,690**	**201,522,515**
1	Total high-quality liquid assets (HQLA)	489,456,690	201,522,515	489,456,690	201,522,515
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which:	875,136,121	356,394,699	80,085,469	35,639,470
3	Stable deposits	148,562,872	-	7,428,144	-
4	Less stable deposits	726,573,249	356,394,699	72,657,325	35,639,470
5	Unsecured wholesale funding, of which:	316,838,389	134,563,546	163,670,838	63,921,189
6	Operational deposits	-	-	-	-
7	Non-operational deposits	248,856,686	121,927,658	117,266,115	51,515,227
8	Unsecured funding	67,981,703	12,635,888	46,404,723	12,405,962
9	Secured wholesale funding			-	-
10	Other cash outflows of which:	934,941,472	147,120,731	90,121,132	39,526,518
11	Outflows related to derivative exposures and other collateral requirements	15,149,595	20,600,313	15,149,595	20,600,313
12	Outflows related to restructured financial instruments	-	-	-	-
13	Payment commitments and other off-balance sheet commitments granted for debts to financial markets	919,791,877	126,520,418	74,971,537	18,926,205
14	Other revocable off-balance sheet commitments and contractual obligations	7,814	7,814	390	390
15	Other irrevocable or conditionally revocable off-balance sheet obligations	52,758,748	49,859,819	2,637,937	2,492,991
16	**Total Cash Outflows**			**336,515,766**	**141,580,558**
Cash Inflows					
17	Secured receivables	-	-	-	-
18	Unsecured receivables	158,341,767	44,975,967	106,618,552	36,405,312
19	Other cash inflows	2,381,738	31,710,507	2,381,738	31,710,507
20	**Total Cash Inflows**	**160,723,505**	**76,686,474**	**109,000,290**	**68,115,819**
21	**Total HQLA**			**489,456,690**	**201,522,515**
22	**Total Net Cash Outflows**			**227,515,476**	**73,464,739**
23	**Liquidity Coverage Ratio (%)**			**215.71**	**285.52**

(*) 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 2023:

Prior Period	Highest	Date	Lowest	Date	Average
TL+FC	237.22	23.10.2023	186.64	10.11.2023	215.71
FC	435.94	29.11.2023	202.60	09.10.2023	285.52

(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	76,723,229	293,596,259	720,614	-	-	-	-	371,040,102
Banks	61,425,058	7,848,501	-	-	-	-	-	69,273,559
Financial Assets Measured at Fair Value through Profit/Loss	914,154	56,437	854,430	239,115	2,052,878	1,959,604	-	6,076,618
Money Market Placements	-	6,338,211	7,000,222	-	-	-	-	13,338,433
Financial Assets Measured at Fair Value through Other Comprehensive Income	2,165,084	-	2,207,665	6,471,076	55,348,626	20,625,617	-	86,818,068
Loans	4,367,026	299,975,586	180,545,580	410,303,599	213,584,735	50,336,572	63,213,061	1,222,326,159
Financial Assets Measured at Amortised Cost	-	589,246	6,926,959	41,620,546	139,517,519	53,661,585	-	242,315,855
Other Assets (*)	23,716,854	9,698,008	823,433	2,621,501	5,731,145	3,718,737	107,482,707	153,792,385
Total Assets	**169,311,405**	**618,102,248**	**199,078,903**	**461,255,837**	**416,234,903**	**130,302,115**	**170,695,768**	**2,164,981,179**
Liabilities								
Bank Deposits	2,155,349	702,587	517	-	-	-	-	2,858,453
Other Deposits	678,871,017	398,385,881	194,017,021	214,041,522	17,642,709	4,123	-	1,502,962,273
Other Fundings	-	4,633,591	14,793,277	20,072,285	8,539,253	52,410,600	-	100,449,006
Money Market Funds	-	79,160,924	27	966,188	-	-	-	80,127,139
Securities Issued (**)	-	1,380,332	2,437,658	1,611,460	25,125,960	17,053,757	-	47,609,167
Miscellaneous Payables	100,190,727	7	-	-	-	-	-	100,190,734
Other Liabilities (***)	16,529,099	6,010,042	5,558,117	1,977,558	7,923,366	3,029,408	289,756,817	330,784,407
Total Liabilities	**797,746,192**	**490,273,364**	**216,806,617**	**238,669,013**	**59,231,288**	**72,497,888**	**289,756,817**	**2,164,981,179**
Liquidity Gap	**(628,434,787)**	**127,828,884**	**(17,727,714)**	**222,586,824**	**357,003,615**	**57,804,227**	**(119,061,049)**	**-**
Net Off-Balance Sheet Position	**-**	**(1,982,008)**	**(2,515,205)**	**2,922,726**	**(1,082,163)**	**113,109**	**-**	**(2,543,541)**
Derivative Financial Assets	-	275,621,671	110,465,122	64,811,522	25,427,659	3,730,887	-	480,056,861
Derivative Financial Liabilities	-	277,603,679	112,980,327	61,888,796	26,509,822	3,617,778	-	482,600,402
Non-Cash Loans	-	54,965,936	13,605,054	12,155,493	3,277,182	-	1,353,115,526	1,437,119,191
Prior Period								
Total Assets	**279,283,986**	**417,895,970**	**168,821,791**	**432,914,321**	**374,013,152**	**103,664,526**	**153,461,590**	**1,930,055,336**
Total Liabilities	**677,074,152**	**469,832,798**	**156,828,404**	**250,981,111**	**51,403,431**	**51,598,379**	**272,337,061**	**1,930,055,336**
Liquidity Gap	**(397,790,166)**	**(51,936,828)**	**11,993,387**	**181,933,210**	**322,609,721**	**52,066,147**	**(118,875,471)**	**-**
Net Off-Balance Sheet Position	**-**	**(1,068,856)**	**2,384,028**	**3,163,880**	**(1,130,181)**	**70,700**	**-**	**3,419,571**
Derivative Financial Assets	-	210,778,855	28,428,006	59,425,022	20,836,970	3,141,877	-	322,610,730
Derivative Financial Liabilities	-	211,847,711	26,043,978	56,261,142	21,967,151	3,071,177	-	319,191,159
Non-Cash Loans	-	32,805,590	11,864,641	14,237,923	3,651,882	-	1,056,470,366	1,119,030,402

(*) 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))

4.6.4 Net Stable Funding Ratio

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

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

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

Current Period		a	b	c	ç	d
		Unweighted Amount According to Residual Maturity				Total Weighted Amount
		Non Maturity	Residual maturity of less than 6 months	Residual maturity of six months and longer but less than one year	Residual maturity of one year or more	
Available stable funding						
1	Capital Instruments	295,705,179	-	-	31,178,680	326,883,859
2	Tier 1 Capital and Tier 2 Capital	295,705,179	-	-	31,178,680	326,883,859
3	Other Capital Instruments	-	-	-	-	-
4	Real-person and Retail Customer Deposits	493,296,567	565,114,035	43,348,398	1,091,949	1,002,210,572
5	Stable Deposits	92,373,210	99,936,922	566,989	17,238	183,249,643
6	Less Stable Deposits	400,923,357	465,177,113	42,781,408	1,074,710	818,960,930
7	Other Obligations	187,733,966	287,842,730	34,227,836	61,756,126	261,201,188
8	Operational deposits	-	-	-	-	-
9	Other Obligations	187,733,966	287,842,730	34,227,836	61,756,126	261,201,188
10	Liabilities equivalent to interconnected assets					
11	Other Liabilities					
12	Derivative liabilities			4,200,532		
13	All other equity not included in the above categories	151,842,678	-	-	-	-
14	**Available stable funding**					**1,590,295,619**
Required stable funding						
15	High Quality Liquid Assets					46,638,675
16	Deposits held at financial institutions for operational purposes	-	-	-	-	-
17	Performing Loans	50,627,764	741,284,544	238,967,375	296,729,279	714,559,794

(Thousands of Turkish Lira (TL))

18	Encumbered loans to financial institutions, where the loan is secured against Level 1 assets	-	13,338,433	-	-	12,967,648
19	Unencumbered loans to financial institutions or encumbered loans that are not secured against Level 1 assets	50,627,764	29,766,727	6,121,906	9,775,867	24,895,993
20	Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	-	697,553,484	221,560,179	228,511,119	652,740,743
21	*Loans with a risk weight of less than or equal to 35%*	-	-	5,048,870	5,203,075	5,906,434
22	Residential mortgages	-	-	2,120,215	23,135,927	16,098,460
23	*Residential mortgages with a risk weight of less than or equal to 35%*	-	-	2,120,215	23,135,927	16,098,460
24	Securities that are not in default and do not qualify as HQLA and exchange-traded equities	-	625,900	1,995,988	6,967,365	7,856,949
25	Assets equivalent to interconnected liabilities	-	-	-	-	-
26	Other Assets	-	-	-	-	199,629,732
27	Physical traded commodities, including gold	8,536,507				8,536,507
28	Initial margin posted or given guarantee fund to central counterparty		-			-
29	Derivative Assets		10,959,539			10,959,539
30	Derivative Liabilities before the deduction of the variation margin		1,418,345			1,418,345
31	Other Assets not included above	178,715,341	-	-	-	178,715,341
32	Off-balance sheet commitments		132,412,530	154,208,931	1,095,212,679	69,091,707
33	**Total Required stable funding**					1,029,919,908
34	**Net Stable Funding Ratio (%)**					154.41

As of 31.03.2024, NSFR is calculated as 154.41% (previous period: 161.90%). Considering the amounts to which the consideration rate is applied, Capital items corresponds to 20.6% of Available Stable Funding amount (previous period: 20.2%) and Real Person and Retail Customer Deposits corresponds to 63.0% of Available Stable Funding amount. (previous period: 63.0%), where those two refers to items to which the highest consideration rates are applied within the scope of the legislation.

Performing Receivables, which have the largest share in Required Stable Funding, constitute 69.4% (previous period: 69.5%) of Required Stable Fund amount.

Factors such as the development of major balance sheet items such as Loans and Deposits, the change in balance sheet maturity structure and asset encumbrance are effective in the development of the ratio between the periods.

NSFR ratio development in the first 3 months of 2024 is shown in the table below.

Period	***Ratio***
31 January 2024	160.81%
29 February 2024	160.67%
31 March 2024	154.41%
3 Month Average	158.63%

(Thousands of Turkish Lira (TL))

Previous Period		a	b	c	ç	d
		Unweighted Amount According to Residual Maturity				Total Weighted Amount
		Non Maturity	Residual maturity of less than 6 months	Residual maturity of six months and longer but less than one year	Residual maturity of one year or more	
Available stable funding						
1	Capital Instruments	279,606,228	-	-	14,072,230	293,678,458
2	Tier 1 Capital and Tier 2 Capital	279,606,228	-	-	14,072,230	293,678,458
3	Other Capital Instruments	-	-	-	-	-
4	Real-person and Retail Customer Deposits	427,070,573	545,091,489	34,886,475	117,207	914,568,837
5	Stable Deposits	84,136,880	77,741,753	507,808	6,900	154,273,674
6	Less Stable Deposits	342,933,693	467,349,736	34,378,667	110,307	760,295,162
7	Other Obligations	160,015,670	237,919,138	39,608,354	58,090,870	242,917,146
8	Operational deposits	-	-	-	-	-
9	Other Obligations	160,015,670	237,919,138	39,608,354	58,090,870	242,917,146
10	Liabilities equivalent to interconnected assets					
11	Other Liabilities					
12	Derivative liabilities		332,564			
13	All other equity not included in the above categories	118,615,734	-	-	-	-
14	**Available stable funding**					1,451,164,441
Required stable funding						
15	High Quality Liquid Assets					44,882,399
16	Deposits held at financial institutions for operational purposes	-	-	-	-	-
17	Performing Loans	47,081,142	682,945,741	221,044,362	250,816,937	622,816,084
18	Encumbered loans to financial institutions, where the loan is secured against Level 1 assets	-	38,539,074	-	-	14,401,421
19	Unencumbered loans to financial institutions or encumbered loans that are not secured against Level 1 assets	47,081,142	29,691,355	4,900,035	6,075,988	20,041,880
20	Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	-	599,438,313	207,592,107	189,524,609	563,932,400
21	*Loans with a risk weight of less than or equal to 35%*	-	10,059,539	4,413,732	3,509,430	9,517,765
22	Residential mortgages	-	2,271,928	2,027,346	21,520,136	16,137,726
23	*Residential mortgages with a risk weight of less than or equal to 35%*	-	2,271,928	2,027,346	21,520,136	16,137,726
24	Securities that are not in default and do not qualify as HQLA and exchange-traded equities	-	673,604	83,796	8,666,637	8,302,656
25	Assets equivalent to interconnected liabilities					

(Thousands of Turkish Lira (TL))

26	Other Assets	-	-	-	-	174,629,587
27	Physical traded commodities, including gold	5,416,802				5,416,802
28	Initial margin posted or given guarantee fund to central counterparty		-			-
29	Derivative Assets		10,507,343			10,507,343
30	Derivative Liabilities before the deduction of the variation margin		1,137,637			1,137,637
31	Other Assets not included above	157,567,806	-	-	-	157,567,806
32	Off-balance sheet commitments		126,908,515	110,787,965	842,308,962	54,000,272
33	**Total Required stable funding**					896,328,342
34	**Net Stable Funding Ratio (%)**					161.90

NSFR ratio development in the last 3 months of 2023 is shown in the table below.

Period	***Ratio***
31 October 2023	160.35%
30 November 2023	159.69%
31 December 2023	161.90%
3 Month Average	160.65%

(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 7.14% (31 December 2023: 7.68%). While the capital increased by 10.18% mainly as a result of increase in net profits, total risk amount increased by 18.41%. Therefore, the current period leverage ratio decreased by 53 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)	2,068,239,094	1,811,527,026
2	(Assets deducted in determining Tier I capital)	(2,127,894)	(1,406,999)
3	Total on-balance sheet risks (sum of lines 1 and 2)	2,066,111,200	1,810,120,027
Derivative financial instruments and credit derivatives			
4	Replacement cost associated with all derivative instruments and credit derivatives	11,085,391	11,074,670
5	Add-on amounts for PFE associated with all derivative instruments and credit derivatives	59,958,197	58,713,309
6	Total risks of derivative financial instruments and credit derivatives (sum of lines 4 to 5)	71,043,588	69,787,979
Securities or commodity financing transactions (SCFT)			
7	Risks from SCFT assets (excluding on-balance sheet)	14,732,792	16,885,134
8	Risks from brokerage activities related exposures	-	-
9	Total risks related with securities or commodity financing transactions (sum of lines 7 to 8)	14,732,792	16,885,134
Other off-balance sheet transactions			
10	Gross notional amounts of off-balance sheet transactions	1,370,101,205	1,077,215,338
11	(Adjustments for conversion to credit equivalent amounts)	(3,223,487)	(2,227,561)
12	Total risks of off-balance sheet items (sum of lines 10 and 11)	1,366,877,718	1,074,987,777
Capital and total risks			
13	Tier I capital	251,307,105	228,090,668
14	Total risks (sum of lines 3, 6, 9 and 12)	3,518,765,298	2,971,780,917
Leverage ratio			
15	Leverage ratio	7.14	7.68

(*) 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 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.

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.

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 March 2021 and numbered 31425, the Bank prepares a Recovery Plan and reports the Plan to BRSA.

The Recovery Plan describes; the "precautionary measures" 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 measures 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) (*)	1,422,579,932	1,148,512,191	113,806,395
2	Of which standardised approach (SA)	1,422,579,932	1,148,512,191	113,806,395
3	Of which internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	28,929,512	18,713,155	2,314,361
5	Of which standardised approach for counterparty credit risk (SA-CCR)	28,929,512	18,713,155	2,314,361
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	35,647,729	31,268,911	2,851,818
17	Of which standardised approach (SA)	35,647,729	31,268,911	2,851,818
18	Of which internal model approaches (IMM)	-	-	-
19	Operational risk	187,771,191	116,238,033	15,021,695
20	Of which basic indicator approach	187,771,191	116,238,033	15,021,695
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)	**1,674,928,364**	**1,314,732,290**	**133,994,269**

(*) 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	5,446,306	22,206,268	4,233,937	27,096,656
Central Bank of Turkey	181,561,476	153,284,773	162,896,000	128,798,019
Others	2,500	8,538,779	1,500	5,418,979
Total	**187,010,282**	**184,029,820**	**167,131,437**	**161,313,654**

Balances with the Central Bank of Turkey

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Unrestricted Demand Deposits	76,224,586	26,507,300	118,744,114	18,836,780
Unrestricted Time Deposits	46,000,000	-	27,434,800	-
Restricted Time Deposits	59,336,890	126,777,473	16,717,086	109,961,239
Total	**181,561,476**	**153,284,773**	**162,896,000**	**128,798,019**

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 31 December 2022 and numbered 32060, the facility for maintain Turkish lira reserve requirements in standard gold and scrap gold has been terminated as of 23 June 2023

The required reserve rates for TL liabilities vary between 0% and 25% for TL deposits and other liabilities according to their maturities as of 31 March 2024 (31 December 2023: 0% and 30% for all TL liabilities); the reserve rates for foreign currency liabilities vary between 5% and 30% for deposit and other foreign currency liabilities according to their maturities as of 31 March 2024 (31 December 2023: 5% and 30% for all foreign currency liabilities). As of 18 August 2023, execution of 5 points higher foreign currency reserve requirement ratios for the banks with a "TL Deposit Share" ratio below 60%, calculated separately for real and legal person deposit portfolio has been terminated.

As of 27 October 2023, an additional reserve requirement ratio of 4 percent to be maintained in Turkish lira at all maturities for deposits denominated in foreign currency (excluding foreign bank deposits and precious metal accounts). Additional reserve requirement rates have been excluded from the reserve requirement commission application by the decision of the CBRT.

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

As of 10 November 2023, Reserve requirement commission practice has been changed to be followed in two items, the commission according to the Renewal and transition rate to TL and the commission according to the share of TL deposits. According to the renewal and TL transition rate practice, the commission rate for banks whose conversion rate is below 100% will be applied between 6% and 8%

according to current Renewal and TL transition rate, and for banks with a conversion rate of 100% and above, the commission rate will not be applied when the TL transition rate is 10% and above, the renewal rate is 75% and above, and the commission rate will be calculated as much as the deficient portion for banks that fall below the target at any of these rates. As of 23 December 2023, the renewal rate target has been abolished and TL transition rate has been increased from 10% to 15%. According to the Reserve requirement commission practice based on Turkish Lira Deposit Share, the TL share rate will be calculated separately for the real person and the legal entity. If the difference between the TL share calculation for real persons compared to the calculation period four weeks ago remains below 3.5%, the commission rate will be applied 2%. If the TL share calculated for legal entities remains below the TL share calculated according to the date of 18 August 2023, the commission rate will be applied 1%. The commission amount will be calculated in USD, based on maintained foreign currency reserve requirement.

As of 19 January 2024, the Renewal and TL transition rate target in Reserve requirement commission practice has been reduced from 100 percent to 95 percent, and the additional reserve requirement ratio for deposits denominated in foreign currency (excluding foreign bank deposits and precious metal accounts) has been increased from 4 to 8 percent.

As of 20 January 2024, remuneration practice has been introduced based on the FC Protected TL Deposit reserve requirement amounts (for banks with the Renewal and TL transition rate at least 90%) and based on time deposits up to 3 months reserve requirement amounts (taking into account TL transition rate for banks with the Renewal and TL transition rate at least 90%) As of 16 March 2024, demand and term deposits up to 1 month have also been added to the deposit maturity group, where remuneration will be applied taking into account TL transition rate.

As of 01 March 2024, It has been decided that 25% of the TL Reserve Requirement amount held on average in CBRT accounts will be established as blocked and remaining 75% can be continued to be held as average in CBRT accounts.

As of 16 March 2024, the commission practice according to the share of Turkish Lira deposits has been changed. If the difference compared to the calculation period four weeks ago remains below 1 percentage point for TL share calculation for real persons, a 3% commission rate will be applied. If the difference compared to the calculation period four weeks ago remains below 0.5 percentage point for TL share calculation for legal entities, a 1% commission rate will be applied. The commission amount to be paid will be calculated in USD based on the reserve requirement amount to be established for foreign currency deposit liabilities.

Effective from the calculation date of March 29, 2024, if the growth rate of cash loans exceeds 2% compared to the calculation date four weeks ago, the excess amount of loans will be subject to the reserve requirement in Turkish lira as blocked.

(Thousands of Turkish Lira (TL))

5.1.1.2 Banks

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Banks				
Domestic banks	354,766	17,440	324,234	103,185
Foreign banks	1,544,560	67,356,793	1,095,035	63,902,566
Foreign head offices and branches	-	-	-	-
Total	**1,899,326**	**67,374,233**	**1,419,269**	**64,005,751**

The placements at foreign banks include blocked accounts amounting TL 9,599,313 (31 December 2023: TL 10,345,342) of which TL 206,627 (31 December 2023: TL 182,656) kept at the central banks of Malta, TL 1,004,410 (31 December 2023: TL 1,095,895) kept at Turkish Republic of Northern Cyprus and TL 8,388,276 (31 December 2023: TL 9,066,791) kept at various banks as collateral.

5.1.1.3 Receivables from reserve repo transactions

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Domestic Transactions	**-**	**-**	**26,444,388**	**-**
Central Bank of Turkey	-	-	-	-
Banks	-	-	26,444,388	-
Others	-	-	-	-
Foreign Transactions	**-**	**13,338,433**	**-**	**12,094,686**
Central banks	-	-	-	-
Banks	-	13,338,433	-	12,094,686
Others	-	-	-	-
Total	**-**	**13,338,433**	**26,444,388**	**12,094,686**

5.1.1.4 Expected credit losses for cash and cash equivalents

Current Period	*Stage 1*	*Stage 2*	*Stage 3*	*Total*
Balances at Beginning of Period	**1,934,639**	**-**	**-**	**1,934,639**
Additions during the Period (+)	1,130,081	-	-	1,130,081
Disposals (-)	(1,515,170)	-	-	(1,515,170)
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	76,241	-	-	76,241
Balances at End of Period	**1,625,791**	**-**	**-**	**1,625,791**

Prior Period	*Stage 1*	*Stage 2*	*Stage 3*	*Total*
Balances at Beginning of Period	**897,282**	**4,039**	**-**	**901,321**
Additions during the Period (+)	4,512,253	-	-	4,512,253
Disposals (-)	(3,751,119)	(4,047)	-	(3,755,166)
Transfer to 12 month ECL (Stage1)	6	(6)	-	-
Transfer to lifetime ECL Significant Increase in Credit Risk (Stage 2)	(6)	6	-	-
Transfer to lifetime ECL Impaired Credits (Stage 3)	-	-	-	-
Foreign Currency Differences	276,223	8	-	276,231
Balances at End of Period	**1,934,639**	**-**	**-**	**1,934,639**

(Thousands of Turkish Lira (TL))

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	2,673,060	2,124,426	1,559,847	2,476,591
Equity Securities	118,618	113,802	96,942	109,913
Other Financial Assets (*)	64,539	982,173	65,047	939,817
Total	**2,856,217**	**3,220,401**	**1,721,836**	**3,526,321**

(*) Loans whose contractual conditions are inconsistent with a basic lending agreement (consideration for the time value of money and credit risk are typically the most significant elements of interest) are measured at fair value through profit or loss. As of 31 March 2024, loans with a fair value of TL 54,791 (31 December 2023: TL 54,850) have been classified under other financial assets.

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	16,043,358	4,738,729	9,563,340	3,603,425
Assets subject to Repurchase Agreements	27,838,002	505,067	15,891,877	460,420
Total	**43,881,360**	**5,243,796**	**25,455,217**	**4,063,845**

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

	Current Period	*Prior Period*
Debt Securities	**52,903,998**	**49,176,461**
Quoted at Stock Exchange	52,903,998	49,176,461
Unquoted at Stock Exchange	-	-
Common Shares/Investment Fund	**20,625**	**19,619**
Quoted at Stock Exchange	4,491	4,491
Unquoted at Stock Exchange	16,134	15,128
Value Increase/Impairment Losses (-)	**33,893,445**	**31,077,998**
Total	**86,818,068**	**80,274,078**

Expected losses of TL 345,725 (31 December 2023: TL 363,833) are accounted under shareholders' equity for financial assets measured at fair value through other comprehensive income.

(Thousands of Turkish Lira (TL))

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	1,008,270	133,023	809,247	49,155
Swap Transactions	5,257,407	7,352,034	3,536,008	5,158,778
Futures	-	203	-	-
Options	55,967	32,670	61,613	30,252
Others	-	-	-	-
Total	**6,321,644**	**7,517,930**	**4,406,868**	**5,238,185**

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	-	426,735	-	294,826
Cash Flow Hedges	16,587	888,326	7,658	918,610
Net Foreign Investment Hedges	-	-	-	-
Total	**16,587**	**1,315,061**	**7,658**	**1,213,436**

As of 31 March 2024, 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	76,045,257	1,331,648	18,316	43,544,244	1,221,094	-
-TL	120,000	16,587	-	120,000	7,658	-
-FC	75,925,257	1,315,061	18,316	43,424,244	1,213,436	-
Currency Swaps	20,151,027	-	89,002	-	-	-
-TL	10,275,705	-	89,002	-	-	-
-FC	9,875,322	-	-	-	-	-
Cross Currency Swaps	-	-	-	-	-	-
-TL	-	-	-	-	-	-
-FC	-	-	-	-	-	-
Currency Forwards	-	-	-	-	-	-
-TL	-	-	-	-	-	-
-FC	-	-	-	-	-	-
Total	**96,196,284**	**1,331,648**	**107,318**	**43,544,244**	**1,221,094**	**-**

(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 securities	Interest rate risk	(357,677)	426,735	-	(6,896)
Interest Rate Swaps	Fixed-rate securities issued	Interest rate risk	(28,099)	-	(18,315)	(46,414)

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	-	-	-	-
Interest Rate Swaps	Fixed-rate securities	Interest rate risk	(218,867)	294,826	-	85,667

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 deposit	Cash flow risk resulted from change in market interest rates	904,913	-	222,706	141,621	715,630
Cross Currency Swaps	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates	-	(89,002)	-	-	-
Currency Swaps	Expected investment /Operational expenses	Cash flow risk resulted from foreign currency exchange rates	-	-	-	-	-
Currency Forwards	Mile payments	Cash flow risk resulted from foreign currency exchange rates	-	-	-	-	-
Spot Position	Expected investment /Operational expenses	Cash flow risk resulted from foreign currency exchange rates	-	-	(666,192)	-	-

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 5,425 and the amount recognized in Equity is TL 360,346.

Prior 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 deposit	Cash flow risk resulted from change in market interest rates	926,268	-	460,021	486,012	154,520
Cross Currency Swaps	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates	-	-	293,253	-	-
Currency Swaps	Expected investment /Operational expenses	Cash flow risk resulted from foreign currency exchange rates	-	-	104,510	-	-
Spot Position	Mile payments	Cash flow risk resulted from foreign currency exchange rates	-	-	-	-	-

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 (678,975) and the amount recognized in Equity is TL (613,194).

(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	**-**	**3,163,364**	**-**	**3,876,578**
Corporates	-	3,163,364	-	3,876,578
Individuals	-	-	-	-
Indirect Lendings to Shareholders	**110,224**	**15,993**	**116,371**	**48**
Loans to Employees	**1,678,836**	**1,523**	**1,301,580**	**21**
Total	**1,789,060**	**3,180,880**	**1,417,951**	**3,876,647**

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	**1,070,277,688**	**81,411,236**	**40,381,381**	**7,198,267**
Working Capital Loans	110,303,671	3,869,469	3,766,922	920,365
Export Loans	134,318,819	3,693,917	39,676	105,383
Import Loans	-	-	-	-
Loans to Financial Sector	34,073,926	53,307	-	-
Consumer Loans	182,736,809	18,610,936	975,861	6,088
Credit Cards	248,073,751	33,054,156	6,480,734	-
Others	360,770,712	22,129,451	29,118,188	6,166,431
Specialization Loans	**-**	**-**	**-**	**-**
Other Receivables	**-**	**-**	**-**	**-**
Total	**1,070,277,688**	**81,411,236**	**40,381,381**	**7,198,267**

(*) Non-performing loans are not included.

Prior Period Cash Loans (*)	Performing Loans	Loans under Follow-up		
		Non-restructured	Restructured	
			Revised Contract Terms	Refinanced
Loans	**922,800,316**	**79,617,605**	**26,630,569**	**15,428,713**
Working Capital Loans	92,485,487	3,296,041	2,082,874	2,772,095
Export Loans	115,045,151	5,082,766	45,305	106,199
Import Loans	-	-	-	-
Loans to Financial Sector	30,457,432	419	-	-
Consumer Loans	164,769,011	16,555,937	850,052	4,313
Credit Cards	207,256,870	30,695,523	3,322,427	-
Others	312,786,365	23,986,919	20,329,911	12,546,106
Specialization Loans	**-**	**-**	**-**	**-**
Other Receivables	**-**	**-**	**-**	**-**
Total	**922,800,316**	**79,617,605**	**26,630,569**	**15,428,713**

(*) 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)	401,064,928	278,773,890	389,243,747	1,195,123	790,308,675	279,969,013
Loans under Follow-up (Stage 2)	25,674,709	50,036,486	53,248,837	30,852	78,923,546	50,067,338
Total Stage 1 and 2 Loans	**426,739,637**	**328,810,376**	**442,492,584**	**1,225,975**	**869,232,221**	**330,036,351**
Expected Credit losses-Stage 1-2 (-)	5,134,817	22,898,171	5,071,566	361	10,206,383	22,898,532
Total Non-performing Loans (Stage 3)	**15,413,459**	**1,271,145**	**6,316,511**	**56,472**	**21,729,970**	**1,327,617**
Expected Credit losses-Stage 3 (-)	10,262,784	955,990	3,763,453	41,106	14,026,237	997,096

Prior Period	Corporate/ Commercial Loans		Consumer Loans		Total	
	TL	FC	TL	FC	TL	FC
Performing Loans (Stage 1)	340,427,094	244,149,962	337,205,493	1,017,767	677,632,587	245,167,729
Loans under Follow-up (Stage 2)	25,731,614	50,083,548	45,836,022	25,703	71,567,636	50,109,251
Total Stage 1 and 2 Loans	**366,158,708**	**294,233,510**	**383,041,515**	**1,043,470**	**749,200,223**	**295,276,980**
Expected Credit losses-Stage 1-2 (-)	4,989,431	22,182,927	4,226,748	188	9,216,179	22,183,115
Total Non-performing Loans (Stage 3)	**12,618,597**	**2,999,035**	**6,013,069**	**22,952**	**18,631,666**	**3,021,987**
Expected Credit losses-Stage 3 (-)	8,855,850	2,083,859	3,690,857	15,130	12,546,707	2,098,989

	Current Period		*Prior Period*	
	Performing Loans	Loans Under Follow-Up	Performing Loans	Loans Under Follow-Up
12-Month ECL (Stage 1)	5,335,805	-	4,776,616	-
Significant Increase in Credit Risk (Stage 2)	-	27,769,110	-	26,622,678

As of 31 March 2024, loans amounting to TL 10,702,711 are benefited as collateral under funding transactions (31 December 2023: TL 8,965,137).

Collaterals received for loans under follow-up;

Current Period	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	5,695,637	19,082	-	5,714,719
Loans Collateralized by Mortgages/Shares/Credit Guarantee Fund Sureties	24,494,461	2,897,128	-	27,391,589
Loans Collateralized by Pledged Assets	5,418,058	1,143,561	-	6,561,619
Loans Collateralized by Cheques and Notes	202,209	5,383	-	207,592
Loans Collateralized by Other Collaterals	31,834,546	10,461,384	-	42,295,930
Unsecured Loans	2,218,198	5,066,347	39,534,890	46,819,435
Total	**69,863,109**	**19,592,885**	**39,534,890**	**128,990,884**

Prior Period	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	5,799,024	61,349	-	5,860,373
Loans Collateralized by Mortgages/Shares/Credit Guarantee Fund Sureties	21,752,350	2,674,776	-	24,427,126
Loans Collateralized by Pledged Assets	5,258,187	656,305	-	5,914,492
Loans Collateralized by Cheques and Notes	164,567	6,642	-	171,209
Loans Collateralized by Other Collaterals	35,403,547	9,926,953	-	45,330,500
Unsecured Loans	1,870,960	4,084,277	34,017,950	39,973,187
Total	**70,248,635**	**17,410,302**	**34,017,950**	**121,676,887**

(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	243,250	2,193,089	2,456,021	4,892,360
61-90 days	132,509	633,146	1,095,312	1,860,967
Others	69,487,350	16,766,650	35,983,557	122,237,557
Total	**69,863,109**	**19,592,885**	**39,534,890**	**128,990,884**

Prior Period	**Corporate/ Commercial Loans**	**Consumer Loans**	**Credit Cards**	**Total**
31-60 days	173,179	2,135,211	1,989,160	4,297,550
61-90 days	107,651	726,276	821,297	1,655,224
Others	69,967,805	14,548,815	31,207,493	115,724,113
Total	**70,248,635**	**17,410,302**	**34,017,950**	**121,676,887**

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	**68,751,118**	**96,031,218**	**164,782,336**
Housing Loans	75,397	37,685,950	37,761,347
Automobile Loans	6,003,137	7,113,882	13,117,019
General Purpose Loans	62,672,584	51,231,386	113,903,970
Other	-	-	-
Consumer Loans – FC-indexed	**-**	**139,137**	**139,137**
Housing Loans	-	139,137	139,137
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans – FC	**883**	**104,225**	**105,108**
Housing Loans	356	64,433	64,789
Automobile Loans	-	27,719	27,719
General Purpose Loans	527	12,073	12,600
Other	-	-	-
Retail Credit Cards – TL	**236,960,047**	**2,402,520**	**239,362,567**
With Installment	114,281,189	2,402,520	116,683,709
Without Installment	122,678,858	-	122,678,858
Retail Credit Cards – FC	**1,106,505**	**-**	**1,106,505**
With Installment	-	-	-
Without Installment	1,106,505	-	1,106,505
Personnel Loans – TL	**468,037**	**231,016**	**699,053**
Housing Loan	-	420	420
Automobile Loans	155	501	656
General Purpose Loans	467,882	230,095	697,977
Other	-	-	-
Personnel Loans - FC-indexed	**-**	**-**	**-**
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans – FC	**-**	**-**	**-**
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards – TL	**903,829**	**1,602**	**905,431**
With Installment	374,078	1,602	375,680
Without Installment	529,751	-	529,751
Personnel Credit Cards – FC	**14,362**	**-**	**14,362**
With Installment	-	-	-
Without Installment	14,362	-	14,362
Deposit Accounts– TL (Real persons)	**36,544,070**	-	**36,544,070**
Deposit Accounts– TL (Personnel)	**59,990**		**59,990**
Deposit Accounts– FC (Real persons)	-	-	-
Total	**344,808,841**	**98,909,718**	**443,718,559**

(Thousands of Turkish Lira (TL))

Prior Period	**Short-Term**	**Medium and Long-Term**	**Total**
Consumer Loans – TL	**57,388,311**	**96,368,124**	**153,756,435**
Housing Loans	67,341	34,590,153	34,657,494
Automobile Loans	5,789,742	7,683,692	13,473,434
General Purpose Loans	51,531,228	54,094,279	105,625,507
Other	-	-	-
Consumer Loans – FC-indexed	**-**	**144,156**	**144,156**
Housing Loans	-	144,156	144,156
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans – FC	**661**	**95,639**	**96,300**
Housing Loans	438	64,080	64,518
Automobile Loans	-	21,650	21,650
General Purpose Loans	223	9,909	10,132
Other	-	-	-
Retail Credit Cards – TL	**198,816,741**	**1,392,418**	**200,209,159**
With Installment	93,821,503	1,392,418	95,213,921
Without Installment	104,995,238	-	104,995,238
Retail Credit Cards – FC	**933,902**	**-**	**933,902**
With Installment	-	-	-
Without Installment	933,902	-	933,902
Personnel Loans – TL	**323,878**	**215,077**	**538,955**
Housing Loan	-	477	477
Automobile Loans	40	590	630
General Purpose Loans	323,838	214,010	537,848
Other	-	-	-
Personnel Loans - FC-indexed	**-**	**-**	**-**
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans – FC	**-**	**-**	**-**
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards – TL	**747,843**	**1,500**	**749,343**
With Installment	283,369	1,500	284,869
Without Installment	464,474	-	464,474
Personnel Credit Cards – FC	**13,268**	**-**	**13,268**
With Installment	-	-	-
Without Installment	13,268	-	13,268
Deposit Accounts– TL (Real persons)	**27,643,453**	-	**27,643,453**
Deposit Accounts– TL (Personnel)	**14**		**14**
Deposit Accounts– FC (Real persons)	-	-	**-**
Total	**285,868,071**	**98,216,914**	**384,084,985**

(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	**20,807,660**	**41,026,667**	**61,834,327**
Real Estate Loans	12,794	732,012	744,806
Automobile Loans	5,258,671	23,014,812	28,273,483
General Purpose Loans	15,536,195	17,279,843	32,816,038
Other	-	-	-
Installment-based Commercial Loans - FC-indexed	**-**	**37,466**	**37,466**
Real Estate Loans	-	33,314	33,314
Automobile Loans	-	-	-
General Purpose Loans	-	4,152	4,152
Other	-	-	-
Installment-based Commercial Loans – FC	**24,981**	**2,182,706**	**2,207,687**
Real Estate Loans	-	-	-
Automobile Loans	24,981	2,148,332	2,173,313
General Purpose Loans	-	34,374	34,374
Other	-	-	-
Corporate Credit Cards – TL	**45,598,445**	**421,775**	**46,020,220**
With Installment	13,108,624	421,775	13,530,399
Without Installment	32,489,821	-	32,489,821
Corporate Credit Cards – FC	**199,556**	**-**	**199,556**
With Installment	-	-	-
Without Installment	199,556	-	199,556
Deposit Accounts– TL (Corporates)	**8,090,923**	**-**	8,090,923
Deposit Accounts– FC (Corporates)	**-**	**-**	-
Total	**74,721,565**	**43,668,614**	**118,390,179**

Prior Period	Short-Term	Medium and Long-Term	Total
Installment-based Commercial Loans – TL	**19,887,705**	**26,766,866**	**46,654,571**
Real Estate Loans	4,998	672,917	677,915
Automobile Loans	5,295,144	16,695,316	21,990,460
General Purpose Loans	14,587,563	9,398,633	23,986,196
Other	-	-	-
Installment-based Commercial Loans - FC-indexed	**-**	**40,177**	**40,177**
Real Estate Loans	-	34,845	34,845
Automobile Loans	-	-	-
General Purpose Loans	-	5,332	5,332
Other	-	-	-
Installment-based Commercial Loans – FC	**29,660**	**1,974,990**	**2,004,650**
Real Estate Loans	-	-	-
Automobile Loans	29,660	1,936,993	1,966,653
General Purpose Loans	-	37,997	37,997
Other	-	-	-
Corporate Credit Cards – TL	**38,845,506**	**344,223**	**39,189,729**
With Installment	9,447,695	344,223	9,791,918
Without Installment	29,397,811	-	29,397,811
Corporate Credit Cards – FC	**179,419**	**-**	**179,419**
With Installment	-	-	-
Without Installment	179,419	-	179,419
Deposit Accounts– TL (Corporates)	**5,939,213**	**-**	5,939,213
Deposit Accounts– FC (Corporates)	**-**	**-**	-
Total	**64,881,503**	**29,126,256**	**94,007,759**

(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	1,190,231,604	1,036,959,376
Foreign Loans	9,036,968	7,517,827
Total	**1,199,268,572**	**1,044,477,203**

(*) Non-performing loans are not included.

5.1.5.8 Loans to associates and subsidiaries

	Current Period	***Prior Period***
Direct Lending	15,835,611	14,220,203
Indirect Lending	-	-
Total	**15,835,611**	**14,220,203**

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

	Current Period	***Prior Period***
Substandard Loans - Limited Collectibility	2,474,662	3,006,699
Doubtful Loans	3,377,898	2,384,643
Uncollectible Loans	9,170,773	9,254,354
Total	**15,023,333**	**14,645,696**

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)	399,487	400,156	5,947,193
Restructured Loans and Receivables	399,487	400,156	5,947,193
Prior Period			
(Gross Amounts before Provisions)	281,913	387,394	6,418,485
Restructured Loans and Receivables	281,913	387,394	6,418,485

(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	**5,634,614**	**3,968,074**	**12,050,965**
Additions (+)	5,887,789	43,547	572,814
Transfer from Other NPL Categories (+)	-	3,637,508	2,840,661
Transfer to Other NPL Categories (-)	5,239,425	1,238,744	-
Collections during the Period (-)	840,772	586,983	676,036
Write down / Write-offs (-) (*)(**)	-	-	1,098,511
Debt Sale (-) (***)	492,771	207,525	1,324,999
Corporate and Commercial Loans	11,726	6,669	81,737
Retail Loans	229,256	101,689	808,580
Credit Cards	251,789	99,167	434,682
Other(****)	-	-	-
Foreign Currency Differences	496	10,637	116,248
Balances at End of Period	**4,949,931**	**5,626,514**	**12,481,142**
Provisions (-)	2,474,662	3,377,898	9,170,773
Net Balance on Balance Sheet	**2,475,269**	**2,248,616**	**3,310,369**

Prior Period	Group III Substandard Loans	Group IV Doubtful Loans	Group V Uncollectible Loans
Balances at End of Prior Period	**1,459,088**	**1,835,487**	**14,317,937**
Additions (+)	12,945,317	119,396	722,406
Transfer from Other NPL Categories (+)	-	7,332,391	4,254,992
Transfer to Other NPL Categories (-)	7,332,391	4,254,992	-
Collections during the Period (-)	1,459,030	1,117,942	5,553,056
Write down / Write-offs (-)(*) (**)	-	-	1,265,556
Debt Sale (-) (***)	-	-	946,610
Corporate and Commercial Loans	-	-	382,356
Retail Loans	-	-	313,671
Credit Cards	-	-	250,583
Other (****)	-	-	(18,382)
Foreign Currency Differences	21,630	53,734	539,234
Balances at End of Period	**5,634,614**	**3,968,074**	**12,050,965**
Provisions (-)	3,006,699	2,384,643	9,254,354
Net Balance on Balance Sheet	**2,627,915**	**1,583,431**	**2,796,611**

(*) 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 13,627,574 as of 31 March 2024 (31 December 2023: TL 12,390,541). As of 31 March 2024, the Bank's NPL ratio is measured as 2.97% (31 December 2023: 3.16%) instead of 1.89% (31 December 2023: 2.03%) when the calculation is made by taking into account the loans written off.

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

(****) Includes receivables which are not default again at 31 December 2023.

(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	**58,719**	**223,455**	**7,180,278**
Provisions (-)	33,940	170,699	5,246,962
Net Balance at Balance Sheet	**24,779**	**52,756**	**1,933,316**
Prior Period			
Balance at End of Period	**1,586,526**	**102,396**	**6,357,376**
Provisions (-)	949,992	98,763	5,033,742
Net Balance at Balance Sheet	**636,534**	**3,633**	**1,323,634**

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)	**2,475,269**	**2,248,616**	**3,310,369**
Loans to Individuals and Corporates (Gross)	4,949,931	5,626,514	12,481,142
Provision (-)	2,474,662	3,377,898	9,170,773
Loans to Individuals and Corporates (Net)	2,475,269	2,248,616	3,310,369
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other loans (gross)	-	-	-
Provision (-)	-	-	-
Other Loans (Net)	-	-	-
***Prior Period* (Net)**	**2,627,915**	**1,583,431**	**2,796,611**
Loans to Individuals and Corporates (Gross)	5,634,614	3,968,074	12,050,965
Provision (-)	3,006,699	2,384,643	9,254,354
Loans to Individuals and Corporates (Net)	2,627,915	1,583,431	2,796,611
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 Substandard Loans	Group IV Doubtful Loans	Group V Uncollectible Loans
Current Period (Net)	**327,006**	**212,918**	**214,443**
Interest accruals and valuation differences	657,547	522,381	663,024
Provision (-)	330,541	309,463	448,581
Prior Period (Net)	**239,896**	**128,583**	**176,480**
Interest accruals and valuation differences	483,512	317,794	673,139
Provision (-)	243,616	189,211	496,659

Collaterals received for non-performing loans

Current Period	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	64,956	108	-	65,064
Loans Collateralized by Mortgages	5,348,037	152,594	-	5,500,631
Loans Collateralized by Pledged Assets	747,581	31,089	-	778,670
Loans Collateralized by Cheques and Notes	122,868	1,131	-	123,999
Loans Collateralized by Other Collaterals	4,480,676	4,582,660	-	9,063,336
Unsecured Loans	695,454	1,459,641	5,370,792	7,525,887
Total	**11,459,572**	**6,227,223**	**5,370,792**	**23,057,587**

Prior Period	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	44,879	184	-	45,063
Loans Collateralized by Mortgages	5,241,064	139,096	-	5,380,160
Loans Collateralized by Pledged Assets	772,761	25,940	-	798,701
Loans Collateralized by Cheques and Notes	134,874	1,343	-	136,217
Loans Collateralized by Other Collaterals	4,763,459	4,511,920	-	9,275,379
Unsecured Loans	680,787	1,187,022	4,150,324	6,018,133
Total	**11,637,824**	**5,865,505**	**4,150,324**	**21,653,653**

5.1.5.11 Expected credit loss for loans

Current Period	*Stage 1*	*Stage 2*	*Stage 3*	*Total*
Balances at End of Prior Period	**4,776,616**	**26,622,678**	**14,645,696**	**46,044,990**
Additions during the Period (+)	2,587,644	4,376,265	1,978,987	8,942,896
Disposals (-)	(3,071,992)	(2,525,502)	63,601	(5,533,893)
Debt Sales (-)	-	-	(2,025,294)	(2,025,294)
Write-offs (-)	-	-	(1,098,511)	(1,098,511)
Transfer to Stage1	1,590,368	(1,583,486)	(6,882)	-
Transfer to Stage 2	(614,124)	618,996	(4,872)	-
Transfer to Stage 3	(14,919)	(1,354,131)	1,369,050	-
Foreign Currency Differences	82,212	1,614,290	101,558	1,798,060
Balances at End of Period	**5,335,805**	**27,769,110**	**15,023,333**	**48,128,248**

(Thousands of Turkish Lira (TL))

Prior Period	***Stage 1***	***Stage 2***	***Stage 3***	***Total***
Balances at End of Prior Period	**3,681,287**	**20,163,273**	**12,722,252**	**36,566,812**
Additions during the Period (+)	7,841,590	16,705,112	4,349,704	28,896,406
Disposals (-)	(12,991,049)	(9,355,031)	(4,389,005)	(26,735,085)
Debt Sales (-)	-	-	(927,716)	(927,716)
Write-offs (-)	-	-	(1,265,556)	(1,265,556)
Transfer to Stage 1	7,946,757	(7,935,551)	(11,206)	-
Transfer to Stage 2	(2,037,909)	2,046,388	(8,479)	-
Transfer to Stage 3	(40,465)	(3,636,221)	3,676,686	-
Foreign Currency Differences	376,405	8,634,708	499,016	9,510,129
Balances at End of Period	**4,776,616**	**26,622,678**	**14,645,696**	**46,044,990**

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	89,784,435	24,307,350	68,545,597	23,010,874
Investments subject to Repurchase	70,231,169	1,993,557	35,973,781	963,355
Total	**160,015,604**	**26,300,907**	**104,519,378**	**23,974,229**

5.1.7.2 Government securities measured at amortised cost

	Current Period	***Prior Period***
Government Bonds	223,740,621	188,885,709
Treasury Bills	319,996	365,097
Other Government Securities	9,707,011	9,756,523
Total	**233,767,628**	**199,007,329**

5.1.7.3 Financial assets measured at amortised cost

	Current Period	***Prior Period***
Debt Securities	**200,967,275**	**170,133,225**
Quoted at Stock Exchange	195,618,228	165,163,112
Unquoted at Stock Exchange	5,349,047	4,970,113
Valuation Increase/(Decrease)	41,348,580	37,120,097
Total	**242,315,855**	**207,253,322**

(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	**207,253,322**	**108,227,855**
Foreign Currency Differences On Monetary Assets	6,286,127	26,179,723
Purchases during the Period	33,117,933	70,889,060
Disposals through Sales/Redemptions	(8,570,010)	(15,725,009)
Valuation Effect	4,228,483	17,681,693
Balances at End of Period	**242,315,855**	**207,253,322**

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	**1,055,093**	-	-	**1,055,093**
Additions during the Period (+)	176,351	1,629	-	177,980
Disposal (-)	(206,907)	(310)	-	(207,217)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	(61)	61	-	-
Transfer to Stage 3	-	-		-
Foreign Currency Differences	29,435	-	-	29,435
Balances at End of Period	**1,053,911**	**1,380**	**-**	**1,055,291**

Prior Period	*Stage 1*	*Stage 2*	*Stage 3*	*Total*
Balances at End of Prior Period	**472,532**	-	-	**472,532**
Additions during the Period (+)	691,943	-	-	691,943
Disposal (-)	(222,141)	-	-	(222,141)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Foreign Currency Differences	112,759	-	-	112,759
Balances at End of Period	**1,055,093**	**-**	**-**	**1,055,093**

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	**2,124,413**	**769,757**
Accumulated Depreciation (-)	**(2,106)**	**(2,175)**
Net Book Value	**2,122,307**	**767,582**
End of Current Period		
Additions	141,593	1,444,904
Disposals (Cost)	(29,991)	(90,248)
Disposals (Accumulated Depreciation)	-	69
Impairment Losses	-	-
Depreciation Expense for Current Period (-)	-	-
Cost	**2,236,015**	**2,124,413**
Accumulated Depreciation (-)	**(2,106)**	**(2,106)**
Net Book Value	**2,233,909**	**2,122,307**

(Thousands of Turkish Lira (TL))

5.1.8.2 Investments in subsidiaries and associates to be disposed

None.

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 / Türkiye	4.98	4.98
2	Yatırım Finansman Menkul Değerler A.Ş. (1)	İstanbul / Türkiye	0.77	0.77
3	İstanbul Takas ve Saklama Bankası A.Ş.(1)	İstanbul / Türkiye	4.95	4.97
4	Borsa İstanbul A.Ş. (2)	İstanbul / Türkiye	0.30	0.34
5	KKB Kredi Kayıt Bürosu A.Ş.(1)	İstanbul / Türkiye	9.09	9.09
6	TCMB (2)	Ankara / Türkiye	2.48	2.48
7	Kredi Garanti Fonu A.Ş (1)	Ankara / Türkiye	1.49	1.49
8	JCR Avrasya Derecelendirme A.Ş.(1)	İstanbul / Türkiye	2.86	2.86
9	Birleşik İpotek Finansmanı A.Ş. (1)	İstanbul / Türkiye	8.33	8.33
10	İhracatı Geliştirme A.Ş. (1)	İstanbul / Türkiye	1.16	1.16

	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	3,534,105	2,669,477	789,979	997,600	-	1,355,227	163,900	-
2	5,666,888	705,698	118,464	157,947	38,751	111,806	(8,052)	-
3	121,341,014	7,280,762	352,806	4,594,751	378,167	3,639,129	1,732,121	-
4	91,710,707	9,454,794	837,195	552,580	-	3,583,577	1,754,959	-
5	1,602,207	309,184	685,517	48,131	1,029	204,592	(1,800)	-
6	3,575,062,693	84,895,025	1,148,976	135,246,966	31,372,141	72,029,068	57,483,159	-
7	4,440,345	2,170,510	43,068	393,112	-	878,840	311,631	-
8	352,333	283,702	17,721	64,267	2,359	148,440	100,751	-
9	179,458	101,196	978	23,785	23,224	30,600	18,653	-
10	7,248,953	7,169,849	23,515	2,007,906	22,718	1,916,637	1,151,536	-

(1) Financial information is as of 31 December 2023.
(2) Financial information is as of 31 December 2022.
(*) 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	**127,014**	**110,939**
Movements during the Period	**8,493**	**16,075**
Acquisitions(*)	-	-
Bonus Shares Received	-	15,547
Dividends from Current Year Profit	-	-
Sales	-	-
Increase in Market Values	-	-
Impairment Reversals/(Losses)	8,493	528
Balance at End of Period	**135,507**	**127,014**
Capital Commitments	-	-
Share Percentage at the End of Period (%)	-	-

(Thousands of Turkish Lira (TL))

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	109,950	101,457

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	-	-
Valued at Fair Value	135,507	127,014

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

None.

(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	4,696,863	15,049,505	357,848	517,159	205,423
Share Premium	-	444,878	-	-	-
Share Cancellation Profits	-	-	-	-	-
Legal Reserves	4,610,451	2,322,841	7,568,115	1,432,864	5,245,543
Other Comprehensive Income according to TAS	16,723,315	69,255	-	16,329	-
Current and Prior Periods' Profits	903,759	249,987	1,096,265	881,770	1,107,315
Minority interest	-	-	-	-	73,212
Common Equity Tier I Capital Before Deductions	**26,934,388**	**18,136,466**	**9,022,228**	**2,848,122**	**6,631,493**
Deductions From Common Equity Tier I Capital					
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	155,853	2,378,989	9,964	25,361	12,288
Leasehold Improvements on Operational Leases (-)	-	1,408	-	39	980
Goodwill and Other Intangible Assets and Related Deferred Taxes (-)	268,340	2,067,625	36,112	102,071	33,952
Net Deferred Tax Asset/Liability (-)	-	-	-	-	-
Total Deductions from Common Equity Tier I Capital	**424,193**	**4,448,022**	**46,076**	**127,471**	**47,220**
Total Common Equity Tier I Capital	**26,510,195**	**13,688,444**	**8,976,152**	**2,720,651**	**6,584,273**
Total Deductions From Tier I Capital	**-**	**-**	**-**	**-**	**-**
Total Tier I Capital	**26,510,195**	**13,688,444**	**8,976,152**	**2,720,651**	**6,584,273**
TIER II CAPITAL	**-**	**667,851**	**-**	**-**	**-**
TOTAL CAPITAL	**26,510,195**	**14,356,295**	**8,976,152**	**2,720,651**	**6,584,273**

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	4,404,445	14,111,599	357,848	517,159	205,423
Share Premium	-	417,152	-	-	-
Share Cancellation Profits	-	-	-	-	-
Legal Reserves	2,047,721	1,628,468	3,252,083	875,903	2,026,697
Other Comprehensive Income according to TAS	15,386,589	28,055	-	40,830	-
Current and Prior Periods' Profits	2,557,920	662,355	4,316,031	2,156,961	3,218,844
Minority interest	-	-	-	-	67,579
Common Equity Tier I Capital Before Deductions	**24,396,675**	**16,847,629**	**7,925,962**	**3,590,853**	**5,518,543**
Deductions From Common Equity Tier I Capital					
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	136,690	2,387,369	9,964	25,361	12,288
Leasehold Improvements on Operational Leases (-)	-	1,008	-	51	1,088
Goodwill and Other Intangible Assets and Related Deferred Taxes (-)	241,842	1,935,810	28,710	79,889	21,986
Net Deferred Tax Asset/Liability (-)	-	-	-	-	-
Total Deductions from Common Equity Tier I Capital	**378,532**	**4,324,187**	**38,674**	**105,301**	**35,362**
Total Common Equity Tier I Capital	**24,018,143**	**12,523,442**	**7,887,288**	**3,485,552**	**5,483,181**
Total Deductions From Tier I Capital	**-**	**-**	**-**	**-**	**-**
Total Tier I Capital	**24,018,143**	**12,523,442**	**7,887,288**	**3,485,552**	**5,483,181**
TIER II CAPITAL	**-**	**642,937**	**-**	**-**	**-**
TOTAL CAPITAL	**24,018,143**	**13,166,379**	**7,887,288**	**3,485,552**	**5,483,181**

(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.	İstanbul / Türkiye	99.96	100.00
2	Garanti Kültür A.Ş.	İstanbul / Türkiye	100.00	100.00
3	Garanti Konut Finansmanı Danışmanlık Hizmetleri A.Ş.(*)	İstanbul / Türkiye	100.00	100.00
4	Garanti Finansal Kiralama A.Ş.	İstanbul / Türkiye	100.00	100.00
5	Garanti Faktoring A.Ş.	İstanbul / Türkiye	81.84	81.84
6	Garanti Yatırım Menkul Kıymetler A.Ş.	İstanbul / Türkiye	100.00	100.00
7	Garanti Portföy Yönetimi A.Ş.	İstanbul / Türkiye	100.00	100.00
8	Garanti Emeklilik A.Ş.	İstanbul / Türkiye	84.91	84.91
9	Garanti Bank International Nv	Amsterdam / Hollanda	100.00	100.00
10	Garanti Holding Bv	Amsterdam / Hollanda	100.00	100.00
11	Garanti Ödeme Ve Elektronik Para Hizmetleri A.Ş.	İstanbul / Türkiye	50.00	100.00
12	Garanti BBVA Finansal Teknoloji A.Ş.	İstanbul / Türkiye	100.00	100.00

Financial data presented in the table below is as of 31 March 2024.

	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	635,458	397,024	318	33,647	-	75,211	26,231	-
2	17,711	(134)	991	-	-	(474)	25	-
3	2,967	1,548	-	410	-	-	(525)	-
4	32,256,118	9,642,394	49,606	1,289,987	-	1,096,264	690,703	-
5	12,157,970	2,013,076	47,201	1,293,481	-	278,993	167,937	-
6	11,237,125	6,569,257	97,125	1,009,182	-	1,122,462	631,275	-
7	1,094,359	686,586	20,175	73,306	-	153,602	60,056	-
8	14,147,117	2,822,760	114,159	527,694	147,341	881,770	371,329	-
9	200,526,208	26,795,372	1,142,644	2,825,123	101,405	903,752	486,866	-
10	13,490,852	13,488,829	-	-	-	(754)	(439)	-
11	217,009	200,544	130,578	9,153	113	(14,342)	18,297	-
12	447,653	447,593	-	329	-	234	(642)	-

(*) Financial information is as of 31 December 2023.

(*) 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	**56,809,903**	**28,984,541**
Movements during the Period	**5,748,374**	**27,825,362**
Acquisitions (*)	-	593,000
Bonus Shares Received	260,263	508,558
Earnings from Current Year Profit	4,501,989	13,958,392
Sales/Liquidations	-	-
Reclassification of Shares	-	-
Increase/(Decrease) in Market Values	(1,541,886)	(865,455)
Currency Differences on Foreign Subsidiaries	2,528,008	13,630,867
Impairment Reversals/(Losses)	-	-
Balance at End of Period	**62,558,277**	**56,809,903**
Capital Commitments	-	-
Share Percentage at the End of Period (%)	-	-

(*)As of 31 December 2023, the Bank has participated to a new company establishment named Garanti BBVA Finansal Teknolojiler A.Ş. as a founding shareholder in exchange for 100,00 shares with a nominal value of TL 1 (full amount) amounting to TL 100 and the company capital amounting to TL 100 has been increased to TL 448,000 and the Bank has participated with a share of TL 447,900 corresponding to its share in the capital.

As of 31 December 2023, capital of Garanti Ödeme Sistemleri A.Ş. amounting to TL 56,000 has been increased to TL 98,500 through paid-in capital increase and the Bank has participated in exchange for 42,500,000 shares with a nominal value of TL 1 (full amount) amounting to TL 42,500 corresponding to its share in the capital. As of 31 December 2023, capital of Garanti Ödeme ve Elektronik Para Hizmetleri A.Ş. amounting to TL 110,000 has been increased to TL 195,000 through paid-in capital increase and the Bank has participated in exchange for 42,500,000 shares with a nominal value of TL 1 (full amount) amounting to TL 42,500 corresponding to its share in the capital. As of 31 December 2023, capital of Garanti Ödeme Sistemleri A.Ş amounting to TL 98,500 has been increased to TL 128,500 through paid-in capital increase and the Bank has participated in exchange for 30,000,000 shares with a nominal value of TL 1 (full amount) amounting to TL 30,000 corresponding to its share in the capital. As of 31 December 2023, capital of Garanti Ödeme ve Elektronik Para Hizmetleri A.Ş amounting to TL 195,000 has been increased to TL 255,000 through paid-in capital increase and the Bank has participated in exchange for 30,000,000 shares with a nominal value of TL 1 (full amount) amounting to TL 30.000 corresponding to its share in the capital.

5.1.10.4 Sectoral distribution of investments in subsidiaries

Subsidiaries	*Current Period*	*Prior Period*
Banks	26,795,344	24,281,298
Insurance Companies	2,401,564	3,027,560
Factoring Companies	1,647,549	1,419,212
Leasing Companies	9,642,323	8,267,623
Finance Companies	-	-
Other Subsidiaries	22,071,497	19,814,210

5.1.10.5 Quoted consolidated investments in subsidiaries

	Current Period	*Prior Period*
Quoted at Domestic Stock Exchange	1,647,549	1,419,212
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 (*)	62,558,277	56,809,903

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

(Thousands of Turkish Lira (TL))

5.1.10.7 Investments in subsidiaries disposed during the current period

None.

5.1.10.8 Investments in subsidiaries acquired during the current period

None.

5.1.11 Investments in Joint-Ventures

None.

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	**3,071,140**	**1,815,310**
Additions	36	13,659
Disposals	-	-
Transfers	-	-
Fair Value Change	-	1,242,171
Net Book Value at End of Period	**3,071,176**	**3,071,140**

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.

(Thousands of Turkish Lira (TL))

5.1.15 Deferred tax asset

As of 31 March 2024, the Bank has a deferred tax asset of TL 23,426,695 (31 December 2023: TL 19,834,272) calculated as the net amount remaining after netting of tax deductible timing differences and taxable timing differences.

As of 31 March 2024, the Bank has no deferred tax assets calculated on financial losses or tax deductions and exemptions; however, the Bank has a deferred tax asset of TL 26,739,931 (31 December 2023: TL 24,390,710) 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 3,313,236 (31 December 2023: TL 4,556,438).

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 (*)	6,565,302	1,968,991	5,946,643	1,783,393
Stages 1&2 Credit Losses	42,511,722	12,717,359	40,964,485	12,246,423
Differences between the Carrying Values and Taxable Values of Financial Assets (**)(****)	6,393,036	2,330,102	1,244,102	720,822
Revaluation Differences on Real Estates(***)(****)	11,299,440	3,534,289	8,947,586	2,761,066
Differences Between Book Value and Tax Value of Fixed Assets (***)(****)	6,950,112	2,085,034	5,597,977	1,679,393
Other	2,560,286	790,920	2,090,427	643,175
Deferred Tax Asset	**76,279,898**	**23,426,695**	**64,791,220**	**19,834,272**

(*) 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.
(***) Includes deferred tax assets resulting from inflation adjustments within the scope of the provisions of Provisional Article 33. of the Tax Procedure Law.
(****) The deferred tax effect from inflation adjustment between TAS29 and Tax Procedure Tax law is included.

5.1.16 Other Assets

	Current Period		***Prior Period***	
	TL	**FC**	**TL**	**FC**
Derivative Financial Assets (Derivative Guarantees)	789,985	2,078,319	548,843	2,593,973
Receivables From Clearing Transactions	20,753,126	94,287	20,098,805	42,326
Prepaid Expenses(*)	25,213,928	1,570	22,657,205	1,437
Cash Guarantees Given	33,478	2,460,119	31,892	2,295,585
Receivables From Forward Sale of Assets	1,137	-	1,137	-
Other(**)	23,212,961	1,964,197	24,169,719	1,779,023
Total	**70,004,615**	**6,598,492**	**67,507,601**	**6,712,344**

(*)The related item mainly includes salary promotion payments.
(**)As of 31 March 2024, the foreign exchange valuation differences amounting to TL 19,656,723 (31 December 2023: TL 22,616,675) calculated as of the balance sheet date related to the foreign exchange protected deposit accounts opened 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 numbered 31696 and by the Republic of Turkey Ministry of Treasury and Finance dated 24 December 2921 are included in other assets.

(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	**82,118,134**	**-**	**9,383,061**	**155,217,235**	**102,138,187**	**187,416,32**	**95,786,865**	**802**	**632,060,613**
Foreign Currency Deposits	**427,348,156**	**-**	**13,386,865**	**39,752,741**	**2,298,148**	**6,983,103**	**2,778,196**	**49,990**	**492,597,199**
Residents in Turkey	404,868,449	-	12,937,522	36,518,760	2,050,548	2,465,266	1,830,929	45,575	460,717,049
Residents in Abroad	22,479,707	-	449,343	3,233,981	247,600	4,517,837	947,267	4,415	31,880,150
Public Sector Deposits	**7,842,192**	**-**	**329**	**23,854**	**58,612**	**10**	**-**	**-**	**7,924,997**
Commercial Deposits	**70,901,249**	**-**	**59,240,002**	**33,532,197**	**22,364,754**	**44,439,567**	**36,990,038**	**-**	**267,467,807**
Other	**2,027,101**	**-**	**646,580**	**2,522,359**	**45,616**	**1,919,875**	**5,670,164**	**-**	**12,831,695**
Precious Metal Deposits	**88,634,185**	**-**	**-**	**271,575**	**268,655**	**238,667**	**666,880**	**-**	**90,079,962**
Bank Deposits(*)	**2,155,349**	**-**	**701,390**	**1,642**	**-**	**-**	**72**	**-**	**2,858,453**
Central Bank of Turkey	794,521	-	-	-	-	-	-	-	794,521
Domestic Banks	15,086	-	-	-	-	-	-	-	15,086
Foreign Banks	1,328,816	-	701,390	1,642	-	-	72	-	2,031,920
Special Financial Institutions	16,926	-	-	-	-	-	-	-	16,926
Other	-	-	-	-	-	-	-	-	-
Total(**)	**681,026,366**	**-**	**83,358,227**	**231,321,603**	**127,173,972**	**240,997,55**	**141,892,21**	**50,792**	**1,505,820,726**

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	**78,386,994**	**-**	**9,121,384**	**154,088,675**	**184,964,88**	**91,388,659**	**83,958,627**	**732**	**601,909,960**
Foreign Currency Deposits	**365,966,273**	**-**	**15,570,212**	**37,980,410**	**3,734,278**	**3,975,010**	**2,134,973**	**46,615**	**429,407,771**
Residents in Turkey	345,181,276	-	15,198,003	34,729,513	3,492,865	2,612,827	1,183,468	42,635	402,440,587
Residents in Abroad	20,784,997	-	372,209	3,250,897	241,413	1,362,183	951,505	3,980	26,967,184
Public Sector Deposits	**5,733,715**	**-**	**21,768**	**16,522**	**431,264**	**10**	**-**	**-**	**6,203,279**
Commercial Deposits	**64,472,176**	**-**	**76,388,770**	**21,547,708**	**31,767,987**	**33,500,962**	**33,450,311**	**-**	**261,127,914**
Other	**1,461,220**	**-**	**897,636**	**3,708,224**	**337,886**	**122,889**	**5,757,727**	**-**	**12,285,582**
Precious Metal Deposits	**70,023,287**	**-**	**-**	**287,245**	**316,133**	**82,885**	**606,796**	**-**	**71,316,346**
Bank Deposits(*)	**1,042,123**	**-**	**407,980**	**25**	**-**	**-**	**3,455**	**-**	**1,453,583**
Central Bank of Turkey	15,356	-	-	-	-	-	-	-	15,356
Domestic Banks	15,558	-	-	25	-	-	-	-	15,583
Foreign Banks	996,146	-	407,980	-	-	-	3,455	-	1,407,581
Special Financial Institutions	15,063	-	-	-	-	-	-	-	15,063
Other	-	-	-	-	-	-	-	-	-
Total(**)	**587,085,788**	**-**	**102,407,750**	**217,628,809**	**221,552,43**	**129,070,41**	**125,911,88**	**47,347**	**1,383,704,435**

(*) Includes Interbank precious metal accounts.
(**) As of 31 March 2024, the Bank has a total of TL 348,903,657 (31 December 2023: TL 366,592,635) foreign exchange-protected deposit instrument of which TL 322,450,113 (31 December 2023: TL 321,050,116) 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 26,453,544 (31 December 2023: TL 45,542,519) 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 19,656,723 (31 December 2023: TL : 22,616,675) regarding the foreign exchange-protected deposit instrument calculated as of the balance sheet date are included in deposits.

(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)	182,460,286	154,958,120	439,032,204	435,826,886
Foreign Currency Saving Deposits	126,111,181	91,378,516	174,532,623	163,747,502
Other Saving Deposits	52,503,191	37,991,025	34,361,413	30,724,467
Foreign Branches' Deposits Under Foreign Insurance Coverage	2,701,652	2,497,951	3,377,801	2,794,926
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)	37,768,432	30,582,173	230,178,388	227,878,368
Foreign Currency Commercial Deposits	11,774,435	7,532,111	172,054,931	159,760,820
Other Commercial Deposits	252,552	148,418	2,740,650	2,383,691
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-

(*) The amount of deposits subject to insurance is TL 650 for the current period (Prior period is TL 400).
(**) With the regulation published in the Official Gazette dated 27 August 2022 and numbered 31936, commercial deposits were included in the scope of insurance.

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	59,897	57,737
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	296,812	207,667
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	11,647,861	10,295,697
Deposits and Other Accounts held by Main Shareholder with Qualified Shareholders and Corporates Under Their Control	7,118,282	6,547,426
Official Institutions Deposits and Other Accounts	8,024,298	6,746,816
Credit and Financial Institutions Deposits	2,749,897	2,668,626

(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	1,353,607	924,896	995,541	820,884
Foreign Banks, Institutions and Funds	-	45,304,253	-	42,241,730
Total	**1,353,607**	**46,229,149**	**995,541**	**43,062,614**

5.2.2.1 Maturities of funds borrowed

	Current Period		***Prior Period***	
	TL	**FC**	**TL**	**FC**
Short-Term	1,192,198	2,701,798	995,541	2,508,835
Medium and Long-Term	161,409	43,527,351	-	40,553,779
Total	**1,353,607**	**46,229,149**	**995,541**	**43,062,614**

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	**109,815**	**79,852,166**	**109,834**	**43,343,975**
Financial Institutions and Organizations	1,933	78,111,014	1,193	42,469,072
Other Institutions and Organizations	35,775	966,183	36,534	874,903
Individuals	72,107	774,969	72,107	-
Foreign Transactions	**165,158**	**-**	**347**	**-**
Financial Institutions and Organizations	164,247	-	-	-
Other Institutions and Organizations	26	-	-	-
Individuals	885	-	347	-
Total	**274,973**	**79,852,166**	**110,181**	**43,343,975**

5.2.4 *Securities issued*

Current Period	**TL**		**FC**	
	Short-Term	**Medium and Long-Term**	**Short-Term**	**Medium and Long-Term**
Nominal	-	-	1,364,169	4,656,300
Cost	-	-	1,364,169	4,649,874
Carrying Value	-	-	1,380,332	4,750,209

Prior Period	**TL**		**FC**	
	Short-Term	**Medium and Long-Term**	**Short-Term**	**Medium and Long-Term**
Nominal	-	-	932,800	4,273,435
Cost	-	-	932,800	4,267,410
Carrying Value (*)	-	-	950,964	4,289,563

(*) 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 50,335,000 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**	**TL**	**FC**
Funds Borrowed	-	52,866,250	-	48,622,754
Total	**-**	**52,866,250**	**-**	**48,622,754**

In accordance with TFRS 9, the Bank classified a part of borrowings obtained through DPR amounting to USD 1,634,562,500 (31 December 2023: USD 1,658,500,000) as financial liability at fair value through profit/loss at the initial recognition in order to eliminate the accounting mismatch.

As of 31 March 2024, the accumulated fair value change of the related financial liabilities amounted to TL 55,715 (31 December 2023: TL 409,726) and the corresponding gains/losses recognised in the statement of profit/loss mounted to TL (354,011) (31 December 2023: TL (1,509,783)). The carrying value of the related financial liability amounted to TL 52,866,249 (31 December 2023: TL 48,622,755).

(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	403,339	94,730	220,865	88,552
Swap Transactions	8,946,349	4,393,063	6,611,254	4,236,373
Futures	-	571	-	808
Options	234,943	32,141	189,439	63,537
Others	-	-	-	-
Total	**9,584,631**	**4,520,505**	**7,021,558**	**4,389,270**

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	-	18,315	-	-
Cash Flow Hedges	89,002	-	-	-
Net Foreign Investment Hedges	-	-	-	-
Total	**89,002**	**18,315**	-	-

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	934,828	616,696	726,953	493,255
1-4 Years	1,570,051	1,035,745	1,383,619	938,819
More than 4 Years	500,004	329,847	440,463	298,865
Total	**3,004,883**	**1,982,288**	**2,551,035**	**1,730,939**

As of 31 March 2024, 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 27.6%, 0.3% and 3.2% (31 December 2023: 24.1%, 0.3% and 3.2%) respectively.

5.2.8 Provisions

5.2.8.1 Reserve for employee severance indemnity

	Current Period	*Prior Period*
Balances at Beginning of Period	**2,222,135**	**1,944,077**
Expenses During the Period	197,354	624,013
Actuarial Gain/Loss	-	984,663
Payments During the Period	(48,179)	(1,330,618)
Balances at End of Period	**2,371,310**	**2,222,135**

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

None.

(Thousands of Turkish Lira (TL))

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	4,690,676	4,324,280
Provision for Promotion Expenses of Credit Cards	1,085,599	885,218
Provision for Lawsuits	678,825	682,214
Provision for Non-Cash Loans	9,318,651	10,168,407
Other Provisions	265,937	383,625
Total	**16,039,688**	**16,443,744**

(Thousands of Turkish Lira (TL))

Recognized liability for defined benefit plan obligations

The Bank obtained an actuarial report dated 31 December 2023 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 16,844,450 at 31 December 2023 as details are given in the table below.

Furthermore, an actuarial report was prepared as of 31 December 2023 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 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 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 4,990,468 remains as of 31 December 2023 as details are given in the table below.

	31.12.2023	***31.12.2022***
Transferable Pension and Medical Benefits:		
Net present value of pension benefits transferable to SSF	(10,106,552)	(5,662,430)
Net present value of medical benefits and health premiums transferable to SSF	4,156,378	2,107,010
General administrative expenses	(361,006)	(173,942)
Present Value of Pension and Medical Benefits Transferable to SSF (1)	**(6,311,180)**	**(3,729,362)**
Fair Value of Plan Assets (2)	**23,155,630**	**15,883,530**
Asset Surplus over Transferable Benefits ((2)-(1)=(3))	**16,844,450**	**12,154,168**
Non-Transferable Benefits:		
Other pension benefits	(5,440,430)	(3,428,501)
Other medical benefits	(6,413,552)	(2,860,977)
Total Non-Transferable Benefits (4)	**(11,853,982)**	**(6,289,478)**
Asset Surplus over Total Benefits ((3)-(4)=(5))	**4,990,468**	**5,864,690**

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

	Current Period	***Prior Period***
Balance at Beginning of Period	-	-
Actual contributions paid during the period	(509,037)	(766,105)
Total expense recognized in the statement of profit or loss	63,945	768,544
Amount recognized in the shareholders' equity	445,092	(2,439)
Balance at End of Period	-	-

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

	31.12.2023	***31.12.2022***
	%	**%**
Discount Rate (*)	25.60	17.79
Inflation Rate (*)	21.94	14.36
Estimated Real Salary/Limit Increase Rate	1.50	1.50
Medical Cost Trend Rate	26.14	18.56
Future Pension Increase Rate (*)	21.94	14.36

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

(Thousands of Turkish Lira (TL))

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%	(6.20)	(9.40)	(7.90)
Discount rate -0.5%	6.90	10.90	9.10
Medical inflation rate +0.5%	-	9.20	5.00
Medical inflation rate -0.5%	-	(8.20)	(4.40)

Retirement Indemnities	**Sensitivity of Past Service Liability**	**Sensitivity of Normal Cost**
Assumption change	**%**	**%**
Discount rate +0.5%	(6.70)	(7.80)
Discount rate -0.5%	7.30	8.60
Inflation rate +0.5%	7.00	(4.00)
Inflation rate -0.5%	(6.50)	4.20

(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 31 March 2024, the corporate tğax liability amounts to TL 13,079,872 (31 December 2023: TL 6,583,138) 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 31 March 2024 , TL 6,103,752 of total current period tax expense amounting to TL 6,863,965 (31 December 2023: TL 25,613,766) has been classified in the statement of profit or loss and TL (760,213) (31 December 2023: TL (2,278,438)) has been classified in equity.

5.2.9.1.2 Taxes payable

	Current Period	*Prior Period*
Corporate Taxes Payable	13,079,872	6,583,138
Taxation on Securities Income	764,895	517,070
Taxation on Real Estates Income	16,051	11,295
Banking Insurance Transaction Tax	2,445,918	1,960,786
Foreign Exchange Transaction Tax	96,657	44,982
Value Added Tax Payable	250,728	245,479
Others	430,791	312,819
Total	**17,084,912**	**9,675,569**

5.2.9.1.3 Premiums

	Current Period	*Prior Period*
Social Security Premiums-Employees	763	720
Social Security Premiums-Employer	936	884
Bank Pension Fund Premium-Employees	313	256
Bank Pension Fund Premium-Employer	387	285
Pension Fund Membership Fees and Provisions-Employees	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employees	11,520	7,467
Unemployment Insurance-Employer	23,238	15,133
Others	282	193
Total	**37,439**	**24,938**

5.2.9.2 Deferred tax liability

As of balance sheet date, the Bank has no deferred tax liability (31 December 2023: 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	78,261,243	634,124	64,698,502	487,267
Payables from clearing transactions	15,385,130	196,691	13,021,047	213,123
Other	15,732,220	16,074,304	7,083,240	12,379,000
Total	**109,378,593**	**16,905,119**	**84,802,789**	**13,079,390**

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	25,000,000

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	**32,559,387**	**(300,006)**	**29,773,633**	**(319,249)**
Valuation difference	607,910	(300,006)	350,165	(319,249)
Exchange rate difference	31,951,477	-	29,423,468	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	**4,271,759**	**505,945**	**4,800,522**	**313,326**
Valuation difference	3,339,077	505,945	3,984,143	313,326
Exchange rate difference	932,682	-	816,379	-
Total	**36,831,146**	**205,939**	**34,574,155**	**(5,923)**

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	1,164,904	511,185	1,011,095	360,766
Real Estates	15,144,141	203,203	14,533,730	190,583
Defined Benefit Plans' Actuarial Gains/Losses	(2,230,580)	-	(1,919,018)	-
Other	(82,824)	-	(83,423)	-
Total	**13,995,641**	**714,388**	**13,542,384**	**551,349**

5.2.13.10 Bonus shares of associates, subsidiaries and joint-ventures

	Current Period	*Prior Period*
Bankalararası Kart Merkezi A.Ş.	5,782	5,782
Garanti Yatırım Menkul Değerler AŞ	942	942
Yeni Gimat Gayrimenkul Yatırım Ortaklığı A.Ş.	860	860
JCR Avrasya Derecelendirme A.Ş.	1399	1,399
İhracatı Geliştirme A.Ş.	5,432	536
Kredi Kayıt Bürosu AŞ	481	481
Garanti Ödeme Sistemleri AŞ	401	401
Kömür İşletmeleri A.Ş.	295	295
Doğuş Gayrimenkul Yatırım Ortaklığı AŞ	22	22
Yatırım Finansman Menkul Değerler AŞ	9	9
Dati Yatırım Holding A.Ş.	7	7
Total	**15,630**	**10,734**

5.2.13.11 Legal reserves

	Current Period	*Prior Period*
I. Legal Reserve	961,534	961,534
II. Legal Reserve	2,800,566	1,511,590
Special Reserves	-	-
Total	**3,762,100**	**2,473,124**

5.2.13.12 Extraordinary and other profit reserves

	Current Period	*Prior Period*
Legal reserves that was allocated to be in compliance with the decisions made on the Annual General Assembly	184,565,657	111,622,671

(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 45,306,394 (31 December 2023: TL 29,804,548), commitments for cheque payments of TL 14,925,676 (31 December 2023: TL 9,642,506) and commitments for credit card limits of TL 699,747,099 (31 December 2023: TL 527,976,217).

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	143,670,585	127,708,895
Letters of Guarantee in TL	252,774,437	207,649,439
Letters of Credit	54,223,400	45,832,841
Bills of Exchange and Acceptances	9,030,664	7,962,125
Endorsements	11,835,753	12,043,653
Other Guarantees	451,190	269,955
Total	**471,986,029**	**401,466,908**

Expected losses for non-cash loans and irrevocable commitments

Current Period	*Stage 1*	*Stage 2*	*Stage 3*	*Total*
Balances at Beginning of Period	**1,943,207**	**4,780,976**	**3,444,223**	**10,168,406**
Additions during the Period (+)	1,103,565	1,003,582	47,064	2,154,211
Disposals (-)	(1,354,980)	(947,892)	(1,175,836)	(3,478,708)
Sales (-)	-	-	-	-
Write-offs (-)	-	-	-	-
Transfer to Stage 1	622,890	(621,778)	(1,112)	-
Transfer to Stage 2	(72,725)	166,838	(94,113)	-
Transfer to Stage 3	(206)	(7,956)	8,162	-
Foreign Currency Differences	35,842	226,007	212,893	474,742
Provisions at End of Period	**2,277,593**	**4,599,777**	**2,441,281**	**9,318,651**

Prior Period	*Stage 1*	*Stage 2*	*Stage 3*	*Total*
Balances at Beginning of Period	**1,043,125**	**2,910,569**	**1,771,347**	**5,725,041**
Additions during the Period (+)	2,572,883	5,549,305	271,117	8,393,305
Disposals (-)	(2,832,397)	(2,616,718)	(474,799)	(5,923,914)
Sales (-)	-	-	-	-
Write-offs (-)	-	-	-	-
Transfer to Stage 1	1,430,698	(1,430,308)	(390)	-
Transfer to Stage 2	(348,945)	438,045	(89,100)	-
Transfer to Stage 3	(456)	(1,106,096)	1,106,552	-
Foreign Currency Differences	78,308	1,036,170	859,497	1,973,975
Provisions at End of Period	**1,943,216**	**4,780,967**	**3,444,224**	**10,168,407**

Lifetime expected credit loss (Stage 3) of TL 4,091,975 (31 December 2023: TL 5,075,660) is made for unliquidated non-cash loans of TL 2,441,282 (31 December 2023: TL 3,444,223) 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	110,466,314	88,460,211
With Original Maturity of 1 Year or Less	18,430,459	10,550,318
With Original Maturity of More Than 1 Year	92,035,855	77,909,893
Other Non-Cash Loans	361,519,715	313,006,697
Total	**471,986,029**	**401,466,908**

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	45,118,892	2,818,145	11,353,577	968,790
Medium and long-term loans	18,298,758	4,755,033	8,878,521	2,764,831
Loans under follow-up	596,062	1,293	277,448	23,681
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	**64,013,712**	**7,574,471**	**20,509,546**	**3,757,302**

(*) 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	1,463,416	24,519	-	12,261
Domestic Banks	28,017	-	6,546	-
Foreign Banks	7,197	470,592	1,760	221,250
Foreign Head Offices and Branches	-	-	-	-
Total	**1,498,630**	**495,111**	**8,306**	**233,511**

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	180,519	55,504	49,121	20,980
Financial Assets Measured at Fair Value through Other Comprehensive Income	5,020,653	377,893	3,339,171	216,147
Financial Assets Measured at Amortised Cost	9,686,829	1,082,110	3,822,752	692,663
Total	**14,888,001**	**1,515,507**	**7,211,044**	**929,790**

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 31 March 2024, the valuation of such securities has been calculated according to the annual inflation forecast of 40%. In case the CPI forecast increases or decreases by 1%, profit before taxes as of 31 March 2024 will increase or decrease by approximately TL 179,101.

5.4.1.4 Interest income received from associates and subsidiaries

	Current Period	*Prior Period*
Interest Received from Investments in Associates and Subsidiaries	1,439,029	507,880

(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	**109,066**	**773,382**	**40,587**	**369,025**
Central Bank of Turkey	-	-	-	-
Domestic Banks	109,066	24,557	40,587	13,160
Foreign Banks	-	748,825	-	355,865
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	1,370,009	-	715,683
Total	**109,066**	**2,143,391**	**40,587**	**1,084,708**

(*) 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	616,645	246,235

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	647	62,238	-	-	-	-	-	62,885
Saving Deposits	-	767,125	16,877,522	18,665,826	14,064,914	4,310,251	-	54,685,638
Public Sector Deposits	-	832	2,336	13,592	-	-	-	16,760
Commercial Deposits	-	6,728,714	3,074,665	2,802,917	2,931,867	1,328,661	-	16,866,824
Other	-	81,668	330,711	42,449	44,146	477,884	-	976,858
"7 Days Notice" Deposits	-	-	-	-	-	-	-	-
Total TL	**647**	**7,640,577**	**20,285,234**	**21,524,784**	**17,040,927**	**6,116,796**	**-**	**72,608,965**
Foreign Currency								
Foreign Currency Deposits	-	4,743	1,292	44	36,967	956	74	44,076
Bank Deposits	-	6,850	-	-	-	-	-	6,850
"7 Days Notice" Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	47	-	47
Total FC	**-**	**11,593**	**1,292**	**44**	**36,967**	**1,003**	**74**	**50,973**
Grand Total	**647**	**7,652,170**	**20,286,526**	**21,524,828**	**17,077,894**	**6,117,799**	**74**	**72,659,938**

(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	473	34,727	-	-	-	-	-	35,200
Saving Deposits	-	175,690	8,016,149	558,778	70,575	717,636	-	9,538,828
Public Sector Deposits	-	379	1,932	28	-	-	-	2,339
Commercial Deposits	-	1,414,956	2,578,499	176,958	174,499	165,695	-	4,510,607
Other	-	20,386	242,906	93,046	31,400	22,002	-	409,740
"7 Days Notice" Deposits	-	-	-	-	-	-	-	-
Total TL	**473**	**1,646,138**	**10,839,486**	**828,810**	**276,474**	**905,333**	**-**	**14,496,714**
Foreign Currency								
Foreign Currency Deposits	-	2,777	70,844	19,583	12,592	11,479	41	117,316
Bank Deposits	-	2,426	-	-	-	-	-	2,426
"7 Days Notice" Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	1,426	62	36	2,453	-	3,977
Total FC	**-**	**5,203**	**72,270**	**19,645**	**12,628**	**13,932**	**41**	**123,719**
Grand Total	**473**	**1,651,341**	**10,911,756**	**848,455**	**289,102**	**919,265**	**41**	**14,620,433**

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.

5.4.2.7 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	**128,969,628**	**46,650,863**
Trading Account Income	194,275	1,660,827
Gains from Derivative Financial Instruments	10,168,365	7,974,107
Foreign Exchange Gains	118,606,988	37,015,929
Losses (-)	**124,094,702**	**42,484,073**
Trading Account Losses	547,799	106,899
Losses from Derivative Financial Instruments	11,946,365	8,994,410
Foreign Exchange Losses	111,600,538	33,382,764
Total	**4,874,926**	**4,166,790**

TL 3,587,693 (31 March 2023: TL 1,574,830) of foreign exchange gains and TL 7,896,023 (31 March 2023: TL 1,959,288) 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	**10,720,473**	**7,631,264**
Stage 1 Provisions	4,861,182	3,852,368
Stage 2 Provisions	2,555,963	2,609,555
Stage 3 Provisions	3,021,387	789,433
Others	281,941	379,908
Revenues from Sale of Assets	**982,261**	**8,809**
Others	**626,547**	**890,297**
Total	**12,329,281**	**8,530,370**

5.4.6 Expected credit losses and other provisions

	Current Period	*Prior Period*
Expected Credit Losses	**14,945,205**	**9,714,404**
12-Month ECL (Stage 1)	4,582,031	3,110,020
Lifetime ECL Significant Increase in Credit Risk (Stage 2)	5,276,273	5,565,821
Lifetime ECL Impaired Credits (Stage 3)	5,086,901	1,038,563
Other Provisions	**11,568**	**18,910**
Impairment Losses on Securities	-	-
Financial Assets Measured at Fair Value through Profit/Loss	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-
Impairment Losses on Associates, Subsidiaries and Joint-ventures	-	-
Associates	-	-
Subsidiaries	-	-
Joint-ventures	-	-
Others	11,568	18,910
Total	**14,956,773**	**9,733,314**

(Thousands of Turkish Lira (TL))

5.4.7 Other operating expenses

	Current Period	*Prior Period*
Reserve for Employee Termination Benefits	197,354	121,149
Defined Benefit Obligation	-	-
Impairment Losses on Tangible Assets	-	-
Depreciation Expenses of Tangible Assets	384,919	199,531
Impairment Losses on Intangible Assets	-	-
Impairment Losses on Goodwill	-	-
Amortisation Expenses of Intangible Assets	97,544	62,533
Impairment Losses on Investments Accounted under Equity Method	-	-
Impairment Losses on Assets to be Disposed	-	-
Depreciation Expenses of Right-of-use Assets	168,326	110,936
Impairment Losses on Assets Held for Sale	-	-
Other Operating Expenses	7,756,577	5,126,351
Operational Lease related Expenses (*)	126,348	73,816
Repair and Maintenance Expenses	105,116	42,436
Advertisement Expenses	502,877	110,022
Other Expenses (**)	7,022,236	4,900,077
Loss on Sale of Assets	1,577	34
Others (***)	2,734,874	1,201,277
Total	**11,341,171**	**6,821,811**

(*) Includes lease related expenses out of the scope of TFRS 16.
(**) Prior period Includes the cash donation payment amounting to TL 650,000 made to the Republic of Turkey Ministry of Interior Disaster and Emergency Management Presidency due to the earthquake disaster.
(***) Includes Saving Deposits Insurance Fund related expenses of TL 782,542 (31 March 2023: TL 503,001) 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

As of 31 March 2024, the Bank recorded a tax expense of TL 6,863,965 (31 March 2023: tax income of TL 3,612,029) and a deferred tax income of TL 2,735,215 (31 March 2023: deferred tax income of TL 1,735,731).

Deferred tax benefit/charge on timing differences:

Deferred tax benefit/(charge) on timing differences	*Current Period*	*Prior Period*
Increase in tax deductible timing differences (+)	(2,290,749)	(1,636,617)
Decrease in tax deductible timing differences (-)	641,778	636,521
Increase in taxable timing differences (-)	634,610	178,659
Decrease in taxable timing differences (+)	(1,720,854)	(914,294)
Total	**(2,735,215)**	**(1,735,731)**

(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)	(1,648,971)	(1,000,096)
(Increase)/Decrease in Taxable Timing Differences (net)	(1,086,244)	(735,635)
(Increase)/Decrease in Tax Losses (net)	-	-
(Increase)/Decrease in Tax Deductions and Exemptions (net)	-	-
Total	**(2,735,215)**	**(1,735,731)**

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.

(Thousands of Turkish Lira (TL))

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.

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	18,831,820	5,818,234	486,087	3,876,578	26,577	17,480
Balance at end of period	21,086,324	6,015,454	1,392,291	3,163,364	47,178	32,755
Interest and Commission Income	**1,557,654**	**8,234**	**121**	**-**	**1,332**	**-**

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	24,526,131	3,843,369	387,611	2,467,095	14,198	16,647
Balance at end of period	18,831,820	5,818,234	486,087	3,876,578	26,577	17,480
Interest and Commission Income	**4,501,215**	**32,407**	**9,822**	**-**	**3,333**	**-**

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	4,961,030	3,073,602	71,462	33,165	7,676,484	6,304,682
Balance at end of period	6,740,913	4,961,030	78,791	71,462	10,808,416	7,676,484
Interest Expense	**524,595**	**164,458**	**78**	**36**	**771,118**	**316,895**

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	16,396,398	4,178,614	35,888,320	46,634,311	-	-
Balance at end of period	32,305,495	16,396,398	69,818,200	35,888,320	-	-
Total Profit/(Loss)	**(665,240)**	**46,037**	**422,395**	**(49,065)**	**441**	**8,511**
Transactions for Hedging:						
Balance at beginning of period	-	-	-	-	-	-
Balance at end of period	-	-	-	-	-	-
Total Profit/(Loss)	**-**	**-**	**121**	**(288)**	**-**	**-**

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 15,845,482 (31 December 2023: TL 14,229,275) compose 1.30% (31 December 2023: 1.33%) of the Bank's total cash loans and 0.73% (31 December 2023: 0.74%) of the Bank's total assets. The total loans and similar receivables amounting TL 22,525,793 (31 December 2023: TL 19,831,412) compose 1.04% (31 December 2023: 1.03%) of the Bank's total assets. The non-cash loans of the risk group amounting TL 9,211,575 (31 December 2023: TL 9,712,294) compose 1.95% (31 December 2023: 2.42%) of the Bank's total non-cash loans.

The deposits of the risk group amounting TL 17,628,120 (31 December 2023: TL 16,464,945) compose 1.17% (31 December 2023: 1.19%) of the Bank's total deposits.

The funds borrowed by the Bank from its risk group amounting TL 61,985,655 (31 December 2023: TL 57,310,453) compose 61.71% (31 December 2023: 61.84%) 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 1,082,873 (31 December 2023: TL 784,183).

A total rent income of TL 18,921 (31 March 2023: TL 12,109) was recognized for the real estates rented to the related parties.

Operating expenses for TL 303,582 (31 March 2023: TL 151,903) were incurred for the IT services rendered by the related parties. Banking services fees of TL 27,961 (31 March 2023: TL 9,439) were recognized from the related parties.

Insurance brokerage fee of TL 620,729 (31 March 2023: TL 269,282), shares brokerage fee of TL 373,047 (31 March 2023: TL 217,437), and fixed-rate securities brokerage fee of TL 10,815 (31 March 2023: TL 12,668) were received from the subsidiaries.

Operating expenses of TL 21,858 (31 March 2023: TL 20,218) 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 102,171 as of 31 March 2024 (31 March 2023: TL 52,097).

5.7.2.3 Other matters not required to be disclosed

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.

6 Disclosures on Limited Review Report

6.1 Bank's latest international risk ratings

MOODY'S *(January 2024)*

Outlook	Positive
Long-Term FC Deposit	B3(Stable)
Long-Term TL Deposit	B3(Stable)
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)	B3 (Stable)
Senior Unsecured Rating (Medium-Term Note Program)	(P) B3
Long-Term National Scale Rating (NSR)	A1.tr
Short-Term NSR	TR-2

FITCH RATINGS (*March 2024*)

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

JCR EURASIA RATINGS *(September 2023)*

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

(Thousands of Turkish Lira (TL))

6.2 Dividends

As per the decision made at the annual general assembly of shareholders of the parent Bank on 27 March 2024, the distribution of the net profit of the year 2023, was as follows;

2023 PROFIT DISTRIBUTION TABLE	
2023 Net Profit	**87,331,720**
A- I. Legal reserve (Turkish Commercial Code 519/1) at 5%	-
Undistributable funds	(17,700)
B- First dividend at 5% of the paid-in capital	(210,000)
C- Extraordinary reserves at 5% after above deductions	(4,356,086)
D- Second dividend to the shareholders	(12,889,758)
E- Extraordinary reserves	(68,569,200)
F- II. Legal reserve (Turkish Commercial Code 519/2)	(1,288,976)

6.3 Other disclosures

None.

7 Interim Activity Report

(Amounts are expressed in Turkish Lira (TL))

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 31 March 2024. Based on the unconsolidated financials, the Bank's **net income** in the first 3 months of the year recorded as TL 22 billion 316 million 490 thousand. **Asset size** reached to TL 2 trillion 164 billion 981 million 179 thousand and the Bank's contribution to the economy through cash and non-cash **loans** increased to TL 1 trillion 671 billion 254 million 601 thousand. Actively managing the funding base, customer deposits continued to be the main funding source with 69% share in the total funding base. Customer deposit base reached to TL 1 trillion 502 billion 962 million 273 thousand with 8,7% growth in the first 3 months of the year. Preserving the strong capital stance, Bank's capital adequacy ratio was realized at 17.1%*. The Bank delivered an **ROAE** (Return on Average Equity) of 35.9%and an **ROAA** (Return on Average Assets) of 4.4%.
**Calculated without the forbearance introduced by BRSA*

Commenting on the topic, **Garanti BBVA, Chairman Süleyman Sözen** stated that "We started 2024 with strong financial results. The Central Bank's tight monetary stance to curb inflation and the regulations continue to impact the growth and balance sheet of the banking sector. However, we view the steps taken in this economic rebalancing process very positively.

The increasing share of foreign investors in both debt and equity markets indicates rising interest. In fact, our $500 million Tier 2 issuance we realized in February received more than eight times demand from investors, making it the most cost-effective sub-debt issuance by a Turkish bank in recent years.

Our ROAE realized as 36% in the first quarter of the year. The most important item supporting this return was core banking income, which demonstrates our sustainable revenue generation capacity. We focus on growing our assets through loans, increasing our customer base, and strengthening our customer relationships. 1 out of 2 banking customers in Turkey is also a Garanti BBVA customer. We are the bank with the largest customer base in credit cards and digital banking. We are among the top two banks in Net Promoter Scores across all segments. Our sustained commitment to enhancing customer experience, leveraging innovative technologies, cultivating a competent workforce, and pursuing a capital-focused growth strategy has been the foundation of our financial and non-financial successes.

As we grow, we also consider our impact we create on the society and theenvironment. We already have important commitments that guide us in this regard. We will reduce our exposure to coal in our portfolio to zero by 2040 at the latest. Taking this commitment a step further, we have announced our decarbonization targets for 2030 in other carbon-intensive sectors such as energy, automotive, iron and steel, and cement.

In relation to our pledge to provide a minimum financing of TL 400 billion by 2025 for sustainable transformation, as of March 2024, we have already allocated TL 165 billion.

Meeting the evolving needs of our customers in the most effective and innovative way will continue to be our priority. On this occasion, I would like to thank my colleagues, our valued customers, shareholders, and all other stakeholders."

Commenting on the topic, Garanti BBVA CEO Recep Baştuğ said: "The year 2024 is characterized by the continuation of the rebalancing process in the economy that has started last year. In the first three months of the year, banks' balance sheets have witnessed the natural consequences of monetary tightening policies. While loan growth remained within regulatory limits, pressure on funding costs continued. Remaining part of the year will be a period where the fight against inflation and simplification will come to the forefront. Although high interest rates will continue to curb inflation, we expect to see the results of sound and healthy policies, especially in the second half of the year. We believe that if inflation falls to the levels targeted by the Central Bank, the current tightening measures can be eased in a controlled manner.

Increased predictability, as a result of the right steps taken in the economy,is also positively influencing foreign investors' interest. We anticipate that the pace of decline in FC-protected deposit base, which currently holds a significant weight in our balance sheets, will accelerate due to high rates offered for TL deposits and the exchange rate being at reasonable levels."

Baştuğ continued his words as follows: " In February, Garanti BBVA had issued a $500 million Tier that attracted strong international investor interest. The transaction was priced at US Treasury + 409 bps (%8.375), making it the most cost-effective sub-debt issuance by a bank in recent years. We consider the increasing issuances of Turkish banks and the higher foreign demand to these issuances as positive developments for the sector.

As a bank, we focus on sustainability, with two main pillars emerging: combating the climate crisis and fostering inclusive growth. Promoting green transformation and increasing awareness in this field are among our top priorities. Additionally, our cumulative financing for renewable energy investments exceeds $6 billion. Today, 1 out of 4 wind energy plants is financed by Garanti BBVA, positions us as the market leader. Since 2006, our commitment to supporting women entrepreneurs has been an inspiration for new programs in the banking sector and other industries. Financing support provided within the scope of the programs for women entrepreneurs has surpassed 200 billion TL in the last 5 years. We place great importance on the entrepreneurship field, which is one of our strategic priorities, covering a wide range from women entrepreneurship to technology entrepreneurship.

We aim to spread our sustainability strategy to all segments of society with the support of digitalization. While the number of our active digital customers has reached 15.5 million, the share of non-branch channels in main transactions has increased to 98%. In the future, we anticipate that artificial intelligence will strengthen the sector's ability to provide customer-centric and personalized services.
With our robust capital structure and sustainable growth strategy, Garanti BBVA will continue to contribute to Turkey's economic and social development. I extend my thanks to all my colleagues who contributed successfully to our first quarter results, as well as to all our stakeholders who have placed their trust and support in us."

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 (Thousands TL)	**Current Period 31.03.2024**	**Prior Period 31.12.2023**	**Change** %
Total Assets	2,164,981,179	1,930,055,336	%12.2
Loans	1,222,326,159	1,066,130,856	%14.7
- Performing Loans	1,199,268,572	1,044,477,203	%14.8
- Non-Performing Loans	23,057,587	21,653,653	%6.5
Customer Deposits	1,502,962,273	1,382,248,655	%8.7
Shareholders' Equity	255,334,649	244,797,041	%4.3

Selected P&L Items (Thousands TL)	**Current Period 31.03.2024**	**Prior Period 31.03.2023**	**Change** %
Net Interest Income	19,662,041	16,368,812	%20.1
Operating Expenses	18,703,741	10,448,433	%79.0
- HR Cost	7,362,570	3,626,622	%103.0
- Other Operating Expenses	11,341,171	6,821,811	%66.2
Net Fees&Commissions	18,732,584	6,087,745	%207.7
Net Income	22,316,490	15,735,075	%41.8

Selected Financial Ratios	**Current Period 31.03.2024**	**Prior Period 31.12.2023**	**Change** (bps)
Performing Loans/Assets	%55.4	%54.1	128
Deposits/Assets	%69.4	%71.6	(220)
Return on Average Equity	%35.9	%44.9	(898)
Return on Average Assets	%4.4	%5.6	(121)
Non-Performing Loans Ratio	%1.9	%2.0	(14)
Capital Adequacy Ratio	%17.1	%18.3	(121)

Market Shares	**Current Period 31.03.2024**	**Prior Period 31.12.2023**	**Change** (bps)
Performing Loans	%10.8	%10.4	38
TL Performing Loans	%11.4	%10.7	71
FC Performing Loans	%9.6	%9.8	(26)
Customer Deposits	%10.8	%10.4	42
TL Customer Deposits	%11.6	%10.9	68
FC Customer Deposits	%9.9	%9.7	22

Garanti with Numbers	**Current Period 31.03.2024**	**Prior Period 31.12.2023**	**Change** %
Branch Network	805	805	-
Number of Employees	18,977	18,965	%0.1
ATM	5,541	5,511	%0.5
POS*	820,792	808,478	%1.5
Number of Customers	25,904,930	25,351,113	%2.2
Number of Digital Customers**	15,487,854	15,046,929	%2.9
Number of Credit Card Customers	10,801,767	10,486,454	%3.0

*Includes shared and virtual POS.

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

(Thousands of Turkish Lira (TL))

7.2 The amendments in the Articles of Association during period of 01.01.2024 - 31.03.2024

The Ordinary General Shareholders' Meeting of the Bank for the 2023 accounting period was held on 27 March 2024, on Wednesday, at 10:00a.m., at the address of Levent, Nispetiye Mahallesi, Aytar Caddesi No:2 34340 Besiktas-ISTANBUL and it is resolved that Article 7 of the Articles of Association of the Bank be amended in order to increase the Registered Capital Ceiling amount from 10,000,000,000 Turkish Liras to 25,000,000,000 Turkish Liras and extend the date of the Registered Capital Ceiling permission until the end of the year 2028.

The old and the amended new article in the Articles of Association are listed below.

CURRENT TEXT:	NEW TEXT:
CAPITAL AND SHARES: **Article 7 –** A) The Bank has accepted the registered capital system pursuant to the former Capital Market Law No. 2499 and adopted registered capital system under the permission of the Capital Markets Board no. 83/1049 dated August 25th, 1999. The Bank's registered capital amounts to 10,000,000,000 TL and its issued capital amounts to 4,200,000,000 TL. B) The Bank's issued capital has been divided into 420,000,000,000 shares each having a nominal value of 1.-Kr; and 182 shares of them are bearer shares and the remaining 419,999,999,818 shares are registered shares. The issued capital amount of 4,200,000,000 TL has been fully paid-up. The permission of the registered capital ceiling that was granted by the Capital Markets Board is valid between the years 2020 and 2024 (5 Years). At the end of 2024, even though the permitted registered capital ceiling has not been reached, in order for the Board of Directors to adopt a resolution regarding the capital increase, it is mandatory to obtain a permission from the Capital Markets Board for the ceiling that was previously permitted or for a new ceiling amount and to receive an authorization from the General Assembly for a new time period not exceeding 5 years. If such authorization could not be obtained, the capital increase shall not be made by the board of directors' resolution. The Board of Directors shall be authorized, without being bound by the provisions of the Turkish Commercial Code regarding the increase in the capital stock, to increase the paid-in capital stock up to the registered capital stock ceiling mentioned hereinabove by issuing new shares between the years 2020 and 2024, in accordance with the provisions of the Capital Market Law.	**CAPITAL AND SHARES:** **Article 7-** A) The Bank has accepted the registered capital system pursuant to the former Capital Market Law No. 2499 and adopted registered capital system under the permission of the Capital Markets Board no. 83/1049 dated August 25th, 1999. The Bank's registered capital amounts to 25,000,000,000 TL and its issued capital amounts to 4,200,000,000 TL. B) The Bank's issued capital has been divided into 420.000.000.000 shares each having a nominal value of 1.-Kr; and 182 shares of them are bearer shares and the remaining 419,999,999,818 shares are registered shares. The issued capital amount of 4,200,000,000 TL has been fully paid-up. The permission of the registered capital ceiling that was granted by the Capital Markets Board is valid between the years 2024 and 2028 (5 Years). At the end of 2028, even though the permitted registered capital ceiling has not been reached, in order for the Board of Directors to adopt a resolution regarding the capital increase, it is mandatory to obtain a permission from the Capital Markets Board for the ceiling that was previously permitted or for a new ceiling amount and to receive an authorization from the General Assembly for a new time period not exceeding 5 years. If such authorization could not be obtained, the capital increase shall not be made by the board of directors' resolution. The Board of Directors shall be authorized, without being bound by the provisions of the Turkish Commercial Code regarding the increase in the capital stock, to increase the paid-in capital stock up to the registered capital stock ceiling mentioned hereinabove by issuing new shares between the years 2024 and 2028, in accordance with the provisions of the Capital Market Law.

(Thousands of Turkish Lira (TL))

The Board of Directors shall also be authorized to resolve to issue shares above the nominal value and to restrict the rights of shareholders for obtaining new shares. The right to restrict obtaining new shares shall not be used by any means that may result in inequality between shareholders. Shares representing the capital of the Bank shall be monitored within the frame of the dematerialization principles. Holders of 182 bearer shares not converted into registered shares shall not use any shareholding right excluding the right to dividends, according to the Banking Law. The shareholding rights of these shares except the right to dividends shall be utilized by the Savings Deposit Insurance Fund until these shares shall be converted to registered shares.	The Board of Directors shall also be authorized to resolve to issue shares above the nominal value and to restrict the rights of shareholders for obtaining new shares. The right to restrict obtaining new shares shall not be used by any means that may result in inequality between shareholders. Shares representing the capital of the Bank shall be monitored within the frame of the dematerialization principles. Holders of 182 bearer shares not converted into registered shares shall not use any shareholding right excluding the right to dividends, according to the Banking Law. The shareholding rights of these shares except the right to dividends shall be utilized by the Savings Deposit Insurance Fund until these shares shall be converted to registered shares.

7.3 Announcements regarding important developments in the period of 01.01.2024 - 31.03.2024

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 31 March 2024. 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 2023 Integrated Annual Report that was published on the Public Disclosure Platform, the Bank's website, Garanti BBVA Investor Relations website and at https://www.garantibbvainvestorrelations.com/en/images/pdf/GBFR23_entegre_ENG.PDF.

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 2024. 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.