

Türkiye Garanti Bankası Anonim Şirketi
Publicly Announced Unconsolidated Financial
Statements, Related Disclosures and Independent
Auditors' Report Thereon
as of and for the Six-Month Period Ended
30 June 2024
(*Convenience Translation of Financial Statements and Related
Disclosures and Footnotes Originally Issued in Turkish*)



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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 June 30, 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 six 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

Free provision amounting to thousand TL 8,000,000 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 in 2023. In relation to this matter, as stated in Section Five Part 5.4.5 of Explanations and Footnotes Related to the Unconsolidated Financial Statements, accompanying unconsolidated statement of profit or loss for the six-months period ended June 30, 2023, which is presented comparatively with the unconsolidated statement of profit or loss for the six-months period ended June 30, 2024, includes income arising from reversal of such free provision at an amount of thousand TL 2,000,000. 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 as of December 31, 2023 and unconsolidated statement of profit or loss for the six-months period ended June 30, 2023 which are presented comparatively with the accompanying unconsolidated financial statements prepared as of June 30, 2024.



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Qualified Conclusion

Based on our review, except for the effects of the matter referred in the basis of qualified conclusion paragraph on the unconsolidated Financial statements, nothing has come to our attention that causes us to believe that the accompanying unconsolidated financial statements do not give a true view of the financial position of the Bank as at June 30, 2024 and of the results of its unconsolidated operations and its unconsolidated cash flows for the six months 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

July 30, 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 SIX-MONTH PERIOD ENDED 30 June 2024

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The unconsolidated financial report for the six 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 six-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
Board of Directors
Chairman

Recep Baştuğ
General Manager

Aydın Güler
Executive Vice President
Finance and Treasury

Hakan Özdemir
Accounting and
Regulatory Reporting
Director

**Jorge Saenz - Azcunaga
Carranza**
Audit Committee Member

Ebru Oğan Knottnerus
Audit Committee Member

Belkıs Sema Yurdum
Audit Committee Member

The authorized contact person for questions on this financial report:
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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 30 June 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 Türkiye 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.

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 Martínez 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

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	Master	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 Türkiye,
- Developing economical and financial relations with foreign organizations,
- Dealing with all economic operations in compliance with the Banking Law.

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

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

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

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

None

2 Unconsolidated Financial Statements

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi
Balance Sheet (Statement of Financial Position)
At 30 June 2024

ASSETS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
		CURRENT PERIOD			PRIOR PERIOD		
		30 June 2024			31 December 2023		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		279,139,635	324,585,591	603,725,226	256,725,299	270,137,629	526,862,928
1.1 Cash and Cash Equivalents	5.1.1	202,005,451	286,876,149	488,881,600	193,830,153	236,644,393	430,474,546
1.1.1 Cash and Balances with Central Bank		199,779,927	150,631,099	350,411,026	167,131,437	161,313,654	328,445,091
1.1.2 Banks		2,665,981	109,559,275	112,225,256	1,419,269	64,005,751	65,425,020
1.1.3 Money Market Placements		-	26,991,342	26,991,342	26,444,388	12,094,686	38,539,074
1.1.4 Expected Credit Losses (-)		440,457	305,567	746,024	1,164,941	769,698	1,934,639
1.2 Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)	5.1.2	725,026	3,641,941	4,366,967	1,721,836	3,526,321	5,248,157
1.2.1 Government Securities		388,408	2,411,180	2,799,588	1,559,847	2,476,591	4,036,438
1.2.2 Equity Securities		134,955	111,719	246,674	96,942	109,913	206,855
1.2.3 Other Financial Assets		201,663	1,119,042	1,320,705	65,047	939,817	1,004,864
1.3 Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	5.1.3	69,053,434	26,392,899	95,446,333	56,758,784	23,515,294	80,274,078
1.3.1 Government Securities		68,382,317	24,550,288	92,932,605	56,110,960	21,868,778	77,979,738
1.3.2 Equity Securities		227,797	1,842,611	2,070,408	203,391	1,646,516	1,849,907
1.3.3 Other Financial Assets		443,320	-	443,320	444,433	-	444,433
1.4 Derivative Financial Assets	5.1.4	7,355,724	7,674,602	15,030,326	4,414,526	6,451,621	10,866,147
1.4.1 Derivative Financial Assets Measured at FVTPL		7,355,724	7,204,653	14,560,377	4,406,868	5,533,011	9,939,879
1.4.2 Derivative Financial Assets Measured at FVOCI		-	469,949	469,949	7,658	918,610	926,268
II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST		1,119,246,214	392,026,690	1,511,272,904	887,020,026	339,264,069	1,226,284,095
2.1 Loans	5.1.5	960,694,454	348,406,538	1,309,100,992	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	185,371,840	67,254,288	252,626,128	141,655,134	65,598,188	207,253,322
2.3.1 Government Securities		180,365,035	62,148,438	242,513,473	138,073,167	60,934,162	199,007,329
2.3.2 Other Financial Assets		5,006,805	5,105,850	10,112,655	3,581,967	4,664,026	8,245,993
2.4 Expected Credit Losses (-)		26,820,080	23,634,136	50,454,216	22,466,997	24,633,086	47,100,083
III. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	5.1.8	2,353,114	-	2,353,114	2,122,307	-	2,122,307
3.1 Asset Held for Resale		2,353,114	-	2,353,114	2,122,307	-	2,122,307
3.2 Assets of Discontinued Operations		-	-	-	-	-	-
IV. INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES		26,498,879	41,854,190	68,353,069	19,807,944	37,128,973	56,936,917
4.1 Associates (Net)	5.1.9	145,588	-	145,588	127,014	-	127,014
4.1.1 Associates Consolidated Under Equity Accounting		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		145,588	-	145,588	127,014	-	127,014
4.2 Subsidiaries (Net)	5.1.10	26,353,291	41,854,190	68,207,481	19,680,930	37,128,973	56,809,903
4.2.1 Unconsolidated Financial Investments in Subsidiaries		25,236,103	41,854,190	67,090,293	19,207,870	37,128,973	56,336,843
4.2.2 Unconsolidated Non-Financial Investments in Subsidiaries		1,117,188	-	1,117,188	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	23,910,500	747	23,911,247	18,927,274	756	18,928,030
VI. INTANGIBLE ASSETS (Net)	5.1.13	2,056,554	-	2,056,554	1,795,702	-	1,795,702
6.1 Goodwill		-	-	-	-	-	-
6.2 Others		2,056,554	-	2,056,554	1,795,702	-	1,795,702
VII. INVESTMENT PROPERTY (Net)	5.1.14	4,516,451	-	4,516,451	3,071,140	-	3,071,140
VIII. CURRENT TAX ASSET		-	-	-	-	-	-
IX. DEFERRED TAX ASSET	5.1.15	26,356,600	-	26,356,600	19,834,272	-	19,834,272
X. OTHER ASSETS (Net)	5.1.16	64,630,878	5,930,022	70,560,900	67,507,601	6,712,344	74,219,945
TOTAL ASSETS		1,548,708,825	764,397,240	2,313,106,065	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 30 June 2024

LIABILITIES AND SHAREHOLDERS' EQUITY	Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
		CURRENT PERIOD 30 June 2024			PRIOR PERIOD 31 December 2023		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	5.2.1	1,090,249,874	511,426,664	1,601,676,538	882,488,850	501,215,585	1,383,704,435
II. FUNDS BORROWED	5.2.2	1,117,112	45,432,811	46,549,923	995,541	43,062,614	44,058,155
III. MONEY MARKET FUNDS	5.2.3	27,226,531	89,722,088	116,948,619	110,181	43,343,975	43,454,156
IV. SECURITIES ISSUED (Net)	5.2.4	117,726	4,406,377	4,524,103	-	5,240,527	5,240,527
4.1 Bills		117,723	1,197,621	1,315,344	-	950,964	950,964
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		3	3,208,756	3,208,759	-	4,289,563	4,289,563
V. FUNDS		-	-	-	-	-	-
5.1 Borrowers' Funds		-	-	-	-	-	-
5.2 Others		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES MEASURED AT FVTPL	5.2.5	-	53,193,434	53,193,434	-	48,622,754	48,622,754
VII. DERIVATIVE FINANCIAL LIABILITIES	5.2.6	10,849,413	4,572,672	15,422,085	7,021,558	4,389,270	11,410,828
7.1 Derivative Financial Liabilities Measured at FVTPL		10,434,797	4,572,672	15,007,469	7,021,558	4,389,270	11,410,828
7.2 Derivative Financial Liabilities Measured at FVOCI		414,616	-	414,616	-	-	-
VIII. FACTORING PAYABLES		-	-	-	-	-	-
IX. LEASE PAYABLES (Net)	5.2.7	1,921,568	187,870	2,109,438	1,526,016	204,923	1,730,939
X. PROVISIONS	5.2.8	11,608,724	5,558,542	17,167,266	9,146,493	7,297,251	16,443,744
10.1 Restructuring Reserves		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		5,301,332	134,621	5,435,953	4,160,644	163,636	4,324,280
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		6,307,392	5,423,921	11,731,313	4,985,849	7,133,615	12,119,464
XI. CURRENT TAX LIABILITY	5.2.9	14,088,794	46,638	14,135,432	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	1,086,203	40,446,920	41,533,123	1,067,593	21,942,478	23,010,071
14.1 Borrowings		-	-	-	-	-	-
14.2 Other Debt Instruments		1,086,203	40,446,920	41,533,123	1,067,593	21,942,478	23,010,071
XV. OTHER LIABILITIES	5.2.12	108,143,755	12,383,265	120,527,020	84,802,789	13,079,390	97,882,179
XVI. SHAREHOLDERS' EQUITY	5.2.13	278,527,910	791,174	279,319,084	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		17,303,587	626,244	17,929,831	13,542,384	551,349	14,093,733
16.4 Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss		23,073,330	164,930	23,238,260	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		44,838,802	-	44,838,802	87,331,720	-	87,331,720
16.6.1 Prior Periods' Profit/Loss		-	-	-	-	-	-
16.6.2 Current Period's Net Profit/Loss		44,838,802	-	44,838,802	87,331,720	-	87,331,720
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,544,937,610	768,168,455	2,313,106,065	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 30 June 2024

	Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
		CURRENT PERIOD			PRIOR PERIOD		
		30 June 2024			31 December 2023		
	TL	FC	Total	TL	FC	Total	
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)							
I. GUARANTEES AND SURETIES	5.3.1	1,781,577,172	1,143,724,083	2,925,301,255	1,190,196,271	1,024,273,433	2,214,469,704
		298,685,220	203,080,198	501,765,418	222,242,700	179,224,208	401,466,908
1.1. Letters of guarantee		280,784,174	144,540,993	425,325,167	207,649,439	127,708,895	335,358,334
1.1.1. Guarantees subject to State Tender Law		-	4,883,372	4,883,372	-	4,358,146	4,358,146
1.1.2. Guarantees given for foreign trade operations		12,729,054	3,635,777	16,364,831	9,658,232	3,511,623	13,169,855
1.1.3. Other letters of guarantee		268,055,120	136,021,844	404,076,964	197,991,207	119,839,126	317,830,333
1.2. Bank acceptances		2,106,117	6,437,664	8,543,781	2,152,734	5,809,391	7,962,125
1.2.1. Import letter of acceptance		1,805,027	6,437,664	8,242,691	2,152,734	5,809,391	7,962,125
1.2.2. Other bank acceptances		301,090	-	301,090	-	-	-
1.3. Letters of credit		495,904	51,653,243	52,149,147	396,874	45,435,967	45,832,841
1.3.1. Documentary letters of credit		-	-	-	-	-	-
1.3.2. Other letters of credit		495,904	51,653,243	52,149,147	396,874	45,435,967	45,832,841
1.4. Guaranteed prefinancings		-	-	-	-	-	-
1.5. Endorsements		15,299,025	-	15,299,025	12,043,653	-	12,043,653
1.5.1. Endorsements to the Central Bank of Turkey		15,299,025	-	15,299,025	12,043,653	-	12,043,653
1.5.2. Other endorsements		-	-	-	-	-	-
1.6. Underwriting commitments		-	-	-	-	-	-
1.7. Factoring related guarantees		-	-	-	-	-	-
1.8. Other guarantees		-	448,298	448,298	-	269,955	269,955
1.9. Other sureties		-	-	-	-	-	-
II. COMMITMENTS	5.3.1	1,132,017,990	75,211,848	1,207,229,838	677,083,131	40,480,363	717,563,494
2.1. Irrevocable commitments		1,131,642,990	72,704,349	1,204,347,339	676,633,131	38,549,001	715,182,132
2.1.1. Asset purchase and sale commitments		6,415,620	60,258,254	66,673,874	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		86	28	114	-	27	27
2.1.4. Loan granting commitments		218,996,526	5,037,734	224,034,260	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		14,418,552	-	14,418,552	9,642,506	-	9,642,506
2.1.8. Tax and fund obligations on export commitments		1,353,692	-	1,353,692	858,088	-	858,088
2.1.9. Commitments for credit card limits		890,451,373	-	890,451,373	527,976,217	-	527,976,217
2.1.10. Commitments for credit cards and banking services related promotions		7,141	-	7,141	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		-	7,408,333	7,408,333	-	7,264,490	7,264,490
2.2. Revocable commitments		375,000	2,507,499	2,882,499	450,000	1,931,362	2,381,362
2.2.1. Revocable loan granting commitments		375,000	2,498,561	2,873,561	450,000	1,923,230	2,373,230
2.2.2. Other revocable commitments		-	8,938	8,938	-	8,132	8,132
III. DERIVATIVE FINANCIAL INSTRUMENTS	5.3.2	350,873,962	865,432,037	1,216,305,999	290,870,440	804,568,862	1,095,439,302
3.1. Derivative financial instruments held for risk management		8,171,015	67,403,977	75,574,992	120,000	43,424,244	43,544,244
3.1.1. Fair value hedges		-	51,811,546	51,811,546	-	18,064,746	18,064,746
3.1.2. Cash flow hedges		8,171,015	15,592,431	23,763,446	120,000	25,359,498	25,479,498
3.1.3. Net foreign investment hedges		-	-	-	-	-	-
3.2. Trading derivatives		342,702,947	798,028,060	1,140,731,007	290,750,440	761,144,618	1,051,895,058
3.2.1. Forward foreign currency purchases/sales		53,221,561	60,474,122	113,695,683	44,064,243	50,924,897	94,989,140
3.2.1.1. Forward foreign currency purchases		44,025,655	15,147,945	59,173,600	41,492,639	8,213,560	49,706,199
3.2.1.2. Forward foreign currency sales		9,195,906	45,326,177	54,522,083	2,571,604	42,711,337	45,282,941
3.2.2. Currency and interest rate swaps		281,947,013	573,631,973	855,578,986	235,539,790	557,920,634	793,460,424
3.2.2.1. Currency swaps-purchases		678,036	144,900,813	145,578,849	742,846	177,716,173	178,459,019
3.2.2.2. Currency swaps-sales		71,343,799	131,390,153	202,733,952	107,057,026	115,851,600	222,908,626
3.2.2.3. Interest rate swaps-purchases		104,962,589	148,670,503	253,633,092	63,869,959	132,176,430	196,046,389
3.2.2.4. Interest rate swaps-sales		104,962,589	148,670,504	253,633,093	63,869,959	132,176,431	196,046,390
3.2.3. Currency, interest rate and security options		7,089,137	6,947,885	14,037,022	8,043,347	10,179,512	18,222,859
3.2.3.1. Currency call options		4,225,209	2,908,137	7,133,346	4,855,929	4,135,798	8,991,727
3.2.3.2. Currency put options		2,863,928	4,039,748	6,903,676	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		445,236	422,898	868,134	3,103,060	2,891,172	5,994,232
3.2.4.1. Currency futures-purchases		-	415,259	415,259	3,103,060	1,393	3,104,453
3.2.4.2. Currency futures-sales		445,236	7,639	452,875	-	2,889,779	2,889,779
3.2.5. Interest rate futures		-	207,630	207,630	-	174,258	174,258
3.2.5.1. Interest rate futures-purchases		-	207,630	207,630	-	-	-
3.2.5.2. Interest rate futures-sales		-	-	-	-	174,258	174,258
3.2.6. Others		-	156,343,552	156,343,552	-	139,054,145	139,054,145
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		3,954,178,432	4,854,319,349	8,808,497,781	2,837,848,690	4,366,757,313	7,204,606,003
IV. ITEMS HELD IN CUSTODY		438,854,083	277,405,769	716,259,852	237,095,743	248,896,574	485,992,317
4.1. Customers' securities held		195,355,548	-	195,355,548	86,053,154	-	86,053,154
4.2. Investment securities held in custody		125,562,305	123,537,489	249,099,794	53,469,009	112,968,042	166,437,051
4.3. Checks received for collection		102,906,564	21,381,020	124,287,584	84,176,711	18,652,659	102,829,370
4.4. Commercial notes received for collection		11,686,287	4,349,626	16,035,913	9,978,246	4,164,229	14,142,475
4.5. Other assets received for collection		403,007	114,603,611	115,006,618	431,391	101,421,591	101,852,982
4.6. Assets received through public offering		-	776,940	776,940	-	708,084	708,084
4.7. Other items under custody		2,940,372	12,757,083	15,697,455	2,987,232	10,981,969	13,969,201
4.8. Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		3,515,324,349	4,576,913,580	8,092,237,929	2,600,752,947	4,117,860,739	6,718,613,686
5.1. Securities		27,330,018	29,404,546	56,734,564	22,744,099	15,334,708	38,078,807
5.2. Guarantee notes		23,156,248	57,431,816	80,588,064	22,704,829	51,809,602	74,514,431
5.3. Commodities		354,203	-	354,203	510,466	-	510,466
5.4. Warranties		-	-	-	-	-	-
5.5. Real estates		1,149,682,020	563,098,278	1,712,780,298	829,956,018	614,851,429	1,444,807,447
5.6. Other pledged items		2,314,801,860	3,926,978,940	6,241,780,800	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)		5,735,755,604	5,998,043,432	11,733,799,036	4,028,044,961	5,391,030,746	9,419,075,707

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

Türkiye Garanti Bankası Anonim Şirketi

Statement of Profit or Loss

For the period ended at 30 June 2024

INCOME AND EXPENSE ITEMS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)			
		CURRENT PERIOD 1 January 2024 - 30 June 2024	PRIOR PERIOD 1 January 2023 - 30 June 2023	CURRENT PERIOD 1 April 2024 - 30 June 2024	PRIOR PERIOD 1 April 2023 - 30 June 2023
I. INTEREST INCOME	5.4.1	213,413,635	74,982,083	116,695,928	41,400,994
1.1 Interest income on loans		159,930,036	54,517,501	87,490,824	30,250,653
1.2 Interest income on reserve deposits		11,209,042	249,026	7,767,771	242,029
1.3 Interest income on banks		2,736,234	605,345	742,493	363,528
1.4 Interest income on money market transactions		3,639,111	1,585,318	1,525,579	975,757
1.5 Interest income on securities portfolio		34,871,014	17,380,743	18,467,506	9,239,909
1.5.1 Financial assets measured at FVTPL		505,141	151,771	269,118	81,670
1.5.2 Financial assets measured at FVOCI		11,351,096	7,180,547	5,952,550	3,625,229
1.5.3 Financial assets measured at amortised cost		23,014,777	10,048,425	12,245,838	5,533,010
1.6 Financial lease interest income		-	-	-	-
1.7 Other interest income		1,028,198	644,150	701,755	329,118
II. INTEREST EXPENSE	5.4.2	167,556,267	43,197,438	90,500,601	25,985,161
2.1 Interest on deposits		154,625,410	37,931,453	81,965,472	23,311,020
2.2 Interest on funds borrowed		4,225,245	2,620,653	1,972,788	1,495,358
2.3 Interest on money market transactions		5,331,302	737,964	4,536,653	518,725
2.4 Interest on securities issued		1,777,718	910,118	993,449	444,909
2.5 Lease interest expense		221,146	122,824	118,671	66,929
2.6 Other interest expenses		1,375,446	874,426	913,568	148,220
III. NET INTEREST INCOME (I - II)		45,857,368	31,784,645	26,195,327	15,415,833
IV. NET FEES AND COMMISSIONS INCOME/EXPENSES	5.4.12	40,234,663	13,371,981	21,502,079	7,284,236
4.1 Fees and commissions received		58,835,990	17,926,504	31,869,991	9,892,977
4.1.1 Non-cash loans		2,127,326	1,269,152	1,120,009	702,660
4.1.2 Others		56,708,664	16,657,352	30,749,982	9,190,317
4.2 Fees and commissions paid		18,601,327	4,554,523	10,367,912	2,608,741
4.2.1 Non-cash loans		2,375	2,128	1,195	855
4.2.2 Others		18,598,952	4,552,395	10,366,717	2,607,886
V. DIVIDEND INCOME	5.4.3	105,544	10,122	100,611	10,122
VI. NET TRADING INCOME/LOSSES (Net)	5.4.4	1,548,695	17,342,825	(3,326,231)	13,176,035
6.1 Trading account income/losses		(783,196)	3,697,101	(429,672)	2,143,173
6.2 Income/losses from derivative financial instruments		(14,536,968)	(6,424,211)	(12,758,968)	(5,403,908)
6.3 Foreign exchange gains/losses		16,868,859	20,069,935	9,862,409	16,436,770
VII. OTHER OPERATING INCOME	5.4.5	23,979,697	13,296,754	11,650,416	4,766,384
VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)		111,725,967	75,806,327	56,122,202	40,652,610
IX. EXPECTED CREDIT LOSSES (-)	5.4.6	26,874,356	20,633,804	11,929,151	10,919,400
X. OTHER PROVISIONS (-)	5.4.6	38,479	46,895	26,911	27,985
XI. PERSONNEL EXPENSES (-)	5.4.7	15,047,349	7,547,623	7,684,779	3,921,001
XII. OTHER OPERATING EXPENSES (-)	5.4.7	24,101,567	13,354,493	12,760,396	6,532,682
XIII. NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		45,664,216	34,223,512	23,720,965	19,251,542
XIV. INCOME RESULTED FROM MERGERS		-	-	-	-
XV. INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING		9,372,627	5,565,744	4,870,638	2,926,341
XVI. GAIN/LOSS ON NET MONETARY POSITION		-	-	-	-
XVII. OPERATING PROFIT/LOSS BEFORE TAXES (XIII+...+XVI)	5.4.8	55,036,843	39,789,256	28,591,603	22,177,883
XVIII. PROVISION FOR TAXES OF CONTINUED OPERATIONS (±)	5.4.9	10,198,041	5,584,268	6,069,291	3,707,970
18.1 Current tax charge		16,191,693	9,260,760	9,327,728	5,648,731
18.2 Deferred tax charge (+)		1,051,014	2,402,178	(225,374)	1,586,998
18.3 Deferred tax credit (-)		(7,044,666)	(6,078,670)	(3,033,063)	(3,527,759)
XIX. NET OPERATING PROFIT/LOSS AFTER TAXES (XVII±XVIII)	5.4.10	44,838,802	34,204,988	22,522,312	18,469,913
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	44,838,802	34,204,988	22,522,312	18,469,913
Earnings per Share		0.10676	0.08144	0.05362	0.04398

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi
Statement of Profit or Loss and Other Comprehensive Income
For the period ended at 30 June 2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	THOUSANDS OF TURKISH LIRA (TL)	
	CURRENT PERIOD 1 January 2024 - 30 June 2024	PRIOR PERIOD 1 January 2023 - 30 June 2023
I. CURRENT PERIOD PROFIT/LOSS	44,838,802	34,204,988
II. OTHER COMPREHENSIVE INCOME	2,782,999	9,456,733
2.1 Other Income/Expense Items not to be Recycled to Profit or Loss	3,836,098	6,615,352
2.1.1 Revaluation Surplus on Tangible Assets	4,010,439	2,834,932
2.1.2 Revaluation Surplus on Intangible Assets	-	-
2.1.3 Defined Benefit Plans' Actuarial Gains/Losses	(583,148)	68,540
2.1.4 Other Income/Expense Items not to be Recycled to Profit or Loss	241,197	569,888
2.1.5 Deferred Taxes on Other Comprehensive Income not to be Recycled to Profit or Loss	167,610	3,141,992
2.2 Other Income/Expense Items to be Recycled to Profit or Loss	(1,053,099)	2,841,381
2.2.1 Translation Differences	2,464,333	8,974,675
2.2.2 Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI	(2,060,014)	(5,214,946)
2.2.3 Gains/losses from Cash Flow Hedges	(1,633,325)	1,698,987
2.2.4 Gains/Losses on Hedges of Net Investments in Foreign Operations	(1,102,022)	(4,315,227)
2.2.5 Other Income/Expense Items to be Recycled to Profit or Loss	(141,701)	(255,547)
2.2.6 Deferred Taxes on Other Comprehensive Income to be Recycled to Profit or Loss	1,419,630	1,953,439
III. TOTAL COMPREHENSIVE INCOME (I+II)	47,621,801	43,661,721

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi
Statement of Changes in Shareholders' Equity
For the period ended at 30 June 2024

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Footnotes	THOUSANDS OF TURKISH LIRA (TL)														
		Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves	Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss			Other Comprehensive Income/Expense Items Recycled to Profit or Loss				Profit Reserves	Prior Periods' Profit/Loss	Current Period's Net Profit/Loss	Total Shareholders' Equity
						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					
PRIOR PERIOD (01/01/2023-30/06/2023)																
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		-	-	-	-	6,008,402	51,405	555,545	8,974,675	(3,915,565)	(2,217,729)	1,094,478	(1,094,478)	34,204,988	43,661,721	
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		-	-	-	-	-	-	-	-	-	-	-	-	-	52,710	
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	-	-	-	(8,776,374)	
11.1 Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	(8,776,374)	
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	(150,379)	
11.3 Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Balances at end of the period (III+IV+...+X+XI)		4,200,000	11,880	-	772,554	10,958,382	(1,226,356)	1,172,571	24,767,276	5,633,925	(6,941,407)	114,069,737	-	34,204,988	187,623,550	
CURRENT PERIOD (01/01/2024-30/06/2024)																
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		-	-	-	-	3,990,411	(408,203)	253,890	2,464,333	(1,460,990)	(2,056,442)	-	-	44,838,802	47,621,801	
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		-	-	-	-	-	-	-	-	-	-	-	-	-	(13,099,758)	
11.1 Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	(13,099,758)	
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	18,524,141	(2,327,219)	1,732,909	31,887,801	2,291,732	(10,941,273)	188,327,757	-	44,838,802	279,319,084	

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 30 June 2024

STATEMENT OF CASH FLOWS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD 1 January 2024 30 June 2024	PRIOR PERIOD 1 January 2023 30 June 2023
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities	5.6	56,782,894	8,783,352
1.1.1 Interests received		187,874,449	62,632,466
1.1.2 Interests paid		(141,500,380)	(35,233,613)
1.1.3 Dividend received		105,544	10,122
1.1.4 Fees and commissions received		58,835,990	17,926,504
1.1.5 Other income		22,960,188	13,296,754
1.1.6 Collections from previously written-off receivables		1,325,892	652,445
1.1.7 Cash payments to personnel and service suppliers		(34,319,693)	(18,776,781)
1.1.8 Taxes paid		(14,790,784)	(9,301,109)
1.1.9 Others		(23,708,312)	(22,423,436)
1.2 Changes in operating assets and liabilities	5.6	(74,505,564)	116,956,054
1.2.1 Net (increase) decrease in financial assets measured at FVTPL		831,642	(1,605,634)
1.2.2 Net (increase) decrease in due from banks		(107,331,977)	(25,231,499)
1.2.3 Net (increase) decrease in loans		(256,470,287)	(221,578,323)
1.2.4 Net (increase) decrease in other assets		(15,684,953)	(10,879,768)
1.2.5 Net increase (decrease) in bank deposits		18,631,655	1,541,565
1.2.6 Net increase (decrease) in other deposits		194,836,809	333,837,427
1.2.7 Net increase (decrease) in financial liabilities measured at FVTPL		-	-
1.2.8 Net increase (decrease) in funds borrowed		68,753,990	26,669,274
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities		21,927,557	14,203,012
I. Net cash flow from banking operations	5.6	(17,722,670)	125,739,406
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash flow from investing activities	5.6	(47,916,478)	(38,116,313)
2.1 Cash paid for purchase of associates, subsidiaries and joint-ventures		(1,248,000)	(85,100)
2.2 Cash obtained from sale of associates, subsidiaries and joint-ventures		-	-
2.3 Purchases of tangible assets		(2,361,379)	(845,820)
2.4 Sales of tangible assets		742,813	246,673
2.5 Cash paid for purchase of financial assets measured at FVOCI		(41,949,398)	(19,579,237)
2.6 Cash obtained from sale of financial assets measured at FVOCI		29,244,627	17,919,088
2.7 Cash paid for purchase of financial assets measured at amortised cost		(42,783,732)	(44,690,345)
2.8 Cash obtained from sale of financial assets measured at amortised cost		10,438,591	8,918,428
2.9 Others		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flow from financing activities	5.6	11,862,007	(9,023,859)
3.1 Cash obtained from funds borrowed and securities issued		34,904,353	17,615,180
3.2 Cash used for repayment of funds borrowed and securities issued		(9,317,052)	(17,572,392)
3.3 Equity instruments issued		-	-
3.4 Dividends paid		(13,099,758)	(8,776,374)
3.5 Payments for financial leases		(625,536)	(290,273)
3.6 Others		-	-
IV. Effect of translation differences on cash and cash equivalents	5.6	3,628,767	23,705,845
V. Net increase/(decrease) in cash and cash equivalents (I+II+III+IV)	5.6	(50,148,374)	102,305,079
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	238,112,392	245,097,807

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 30 June 2024.

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 14,943,571 (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 30 June 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 contracts.

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 Türkiye'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:

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 30 June 2024.

Date	GDP
31.12.2024	3.50%
31.12.2025	3.47%
31.12.2026	3.79%
31.12.2027	3.45%
31.12.2028	3.54%

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 Türkiye (required reserves, free reserves, placements etc.)
- Loans with the counterparty of the Treasury of the Republic of Türkiye
- 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.

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.

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 Türkiye, 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.

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 Türkiye, 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 withholding tax rate on the dividend payments other than the ones paid to the nonresident institutions generating income in Türkiye 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 30 June 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 30 June 2024 are included in the deferred tax calculation as of 30 June 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 30 June 2024, the Bank does not have any government incentives or grants (31 December 2023: None).

3.23 Segment reporting

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

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

The Bank provides corporate banking products to international and national holdings in Türkiye 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 Türkiye’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:

<i>Current Period</i>	Retail Banking	Corporate/ Commercial Banking	Investment Banking	Other	Total Operations
Net Interest Income	31,489,892	48,762,905	(74,467,944)	40,072,515	45,857,368
Net Fees And Commissions Income	33,323,833	7,067,589	(13,337)	(143,422)	40,234,663
Dividend Income	-	-	-	105,544	105,544
Net Trading Income/Losses (Net)	2,046,910	2,413,562	(2,736,744)	(175,033)	1,548,695
Other Operating Income (*)	2,385,871	364,939	63,238	1,361,933	4,175,981
Expected Credit Losses (-) (*)	(11,624,169)	1,133,987	1,398,399	2,021,143	(7,070,640)
Other Provisions (-)	-	-	-	(38,479)	(38,479)
Personnel and Other Operating Expenses (-)	(25,869,097)	(8,163,446)	(1,286,011)	(3,830,362)	(39,148,916)
Income/Loss From Investments Under Equity Accounting	-	-	-	9,372,627	9,372,627
Net Operating Profit	31,753,240	51,579,536	(77,042,399)	48,746,466	55,036,843
Provision for Taxes	-	-	-	(10,198,041)	(10,198,041)
Net Profit	31,753,240	51,579,536	(77,042,399)	38,548,425	44,838,802
Segment Assets	479,992,970	778,653,804	819,909,376	166,196,846	2,244,752,996
Investments in Associates and Subsidiaries	-	-	-	68,353,069	68,353,069
Total Assets	479,992,970	778,653,804	819,909,376	234,549,915	2,313,106,065
Segment Liabilities	1,138,561,80	525,673,049	303,773,951	65,778,172	2,033,786,981
Shareholders’ Equity	-	-	-	279,319,084	279,319,084
Total Liabilities and Shareholders’	1,138,561,80	525,673,049	303,773,951	345,097,256	2,313,106,065

<i>Prior Period</i>	Retail Banking	Corporate/ Commercial Banking	Investment Banking	Other	Total Operations
Net Interest Income	12,755,220	18,236,955	(3,288,199)	4,080,669	31,784,645
Net Fees And Commissions Income	9,429,139	4,160,826	(4,744)	(213,240)	13,371,981
Dividend Income	-	-	-	10,122	10,122
Net Trading Income/Losses (Net)	1,171,244	7,975,068	6,840,947	1,355,566	17,342,825
Other Operating Income (*)	270,352	146,685	28,433	3,581,338	4,026,808
Expected Credit Losses (-) (*)	(5,137,044)	(6,486,633)	(677,426)	937,245	(11,363,858)
Other Provisions (-)	-	-	-	(46,895)	(46,895)
Personnel and Other Operating Expenses (-)	(11,995,834)	(3,703,448)	(444,978)	(4,757,856)	(20,902,116)
Income/Loss From Investments Under Equity Accounting	-	-	-	5,565,744	5,565,744
Net Operating Profit	6,493,077	20,329,453	2,454,033	10,512,693	39,789,256
Provision for Taxes	-	-	-	(5,584,268)	(5,584,268)
Net Profit	6,493,077	20,329,453	2,454,033	4,928,425	34,204,988
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 5.10.2.

3.25 Earnings per share

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

	<i>30 June 2024</i>	<i>30 June 2023</i>
Distributable net profit	44,838,802	34,204,988
Average number of issued common shares (thousand)	420,000,000	420,000,000
Earnings per share (amounts presented full TL)	0.10676	0.08144

In Türkiye, 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 Türkiye; 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.

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

	<i>Current Period</i>	<i>Prior Period</i>
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	55,508,019	49,880,332
Profit	44,838,802	87,331,720
Current Period's Profit	44,838,802	87,331,720
Prior Periods' Profit	-	-
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	25,851	10,734
Common Equity Tier I Capital Before Deductions	293,684,863	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 (-)	13,574,641	12,394,495
Leasehold Improvements on Operational Leases (-)	292,508	289,261
Goodwill Netted with Deferred Tax Liabilities	-	-
Other Intangible Assets Netted with Deferred Tax Liabilities Except Mortgage Servicing Rights	2,056,554	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 the 10% 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	15,923,703	14,479,458
Total Common Equity Tier I Capital	277,761,160	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)	277,761,160	241,823,557
TIER II CAPITAL		
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	26,557,280	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)	19,971,867	14,590,313
Total Deductions from Tier II Capital	46,529,147	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	46,529,147	28,662,543
Total Equity (Total Tier I and Tier II Capital)	324,290,307	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	3,621	1,168

	<i>Current Period</i>	<i>Prior Period</i>
Other items to be Defined by the BRSA	1,605	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)	324,285,081	270,483,744
Total Risk Weighted Assets	1,824,237,037	1,314,732,290
CAPITAL ADEQUACY RATIOS		
CET1 Capital Ratio (%)	15.23	18.39
Tier I Capital Ratio (%)	15.23	18.39
Capital Adequacy Ratio (%)	17.78	20.57
BUFFERS		
Total Additional CET1 Capital Requirement Ratio (a+b)	2.52	2.52
a) Capital Conservation Buffer Ratio (%)	2.50	2.50
b) Bank-specific Counter-Cyclical Capital Buffer Ratio (%)	0.02	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 (%)	9.23	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	26,356,600	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)	42,569,782	41,377,808
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	19,971,867	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 30 June 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 16.84% as of 30 June 2024.

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

4.1.2 Items included in capital calculation

<i>Current Period</i>	<i>Information about instruments included in total capital calculation</i>			
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 Türkiye.	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 Türkiye.	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)	15,972
Nominal value of instrument (TL million)	23,823 (31 December 2023: 21,782)	253 (31 December 2022: 253)	750 (31 December 2022: 750)	15,972
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 Türkiye, 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 Türkiye, 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 incompliance 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.

4.1.3 Reconciliation of capital items to balance sheet

<i>Current Period</i>	<i>Carrying value</i>	<i>Amount of correction</i>	<i>Value of the capital report</i>	<i>Explanation of differences</i>
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	41,168,091	791,138	41,959,229	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	17,929,831	-	17,929,831	
Other Comprehensive Income/Expense Items to be Recycled to Profit/Loss	23,238,260	791,138	24,029,398	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	44,838,802	-	44,838,802	
Prior Periods' Profit/Loss	-	-	-	
Current Period Net Profit/Loss	44,838,802	-	44,838,802	
Deductions from Common Equity Tier I Capital (-)	-	-	2,349,062	Deductions from Common Equity Tier 1 Capital as per the Regulation
Common Equity Tier I Capital	279,319,084	-	277,761,160	
Subordinated Debts	-	-	-	
Deductions from Tier I Capital (-)	-	-	-	Deductions from Tier 1 Capital as per the Regulation
Tier I Capital	-	-	277,761,160	
Subordinated Debts	-	-	26,557,280	
12 Month ECL (Stage 1) and Lifetime ECL Significant Increase in Credit Risk (Stage 2)	-	-	19,971,867	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	-	-	46,529,147	
Deductions from Total Capital (-)	-	-	5,226	Deductions from Capital as per the Regulation
Total	-	-	324,285,081	

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.

<i>Prior Period</i>	<i>Carrying value</i>	<i>Amount of correction</i>	<i>Value of the capital report</i>	<i>Explanation of differences</i>
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	

4.2 Credit risk

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

4.3 Currency risk

Foreign currency position limit is set in compliance with the legal standard ratio of net foreign currency position. As of 30 June 2024, the Bank’s net ‘on balance sheet’ foreign currency long position amounts to TL 8,777,340 (31 December 2023: TL 35,731,456 balance sheet Long position), net ‘off-balance sheet’ foreign currency short position amounts to TL 36,664,198 (31 December 2023: TL 60,861,462), while net foreign currency short position amounts to TL 27,886,858 (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	34.2300	31.9430
<u>Exchange rates for the days before balance sheet date:</u>		
Day 1	34.2300	31.9430
Day 2	34.3540	32.0760
Day 3	34.2940	32.1080
Day 4	34.4580	32.1980
Day 5	34.4850	32.1360

	EUR	USD
Last 30-days arithmetical average rates	34.1536	31.7630

The Bank's currency risk:

<i>Current Period</i>	EUR	USD	Other FCs	Total
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Türkiye	42,751,467	69,340,882	38,538,750	150,631,099
Banks	43,419,739	39,161,540	26,977,996	109,559,275
Financial Assets Measured at Fair Value through Profit/Loss	862,356	2,779,585	-	3,641,941
Money Market Placements	-	26,991,342	-	26,991,342
Financial Assets Measured at Fair Value through Other Comprehensive Income	2,767,447	23,625,452	-	26,392,899
Loans (*)	166,817,304	174,958,689	6,890,494	348,666,487
Investments in Associates, Subsidiaries and Joint-Ventures	41,854,190	-	-	41,854,190
Financial Assets Measured at Amortised Cost	1,151,505	65,899,536	203,247	67,254,288
Derivative Financial Assets Held for Hedging Purpose	-	895,556	-	895,556
Tangible Assets	-	747	-	747
Intangible Assets	-	-	-	-
Other Assets (**)	(9,456,917)	(2,489,881)	104,131	(11,842,667)
Total Assets	290,167,091	401,163,448	72,714,618	764,045,157
Liabilities				
Bank Deposits	31,051	130,401	2,096	163,548
Foreign Currency Deposits	166,757,395	231,627,532	20,854,378	419,239,305
Money Market Funds	19,657,829	70,064,259	-	89,722,088
Other Fundings (***)	13,430,978	85,195,267	-	98,626,245
Securities Issued (****)	691,238	42,964,438	1,197,621	44,853,297
Miscellaneous Payables	3,146,179	3,980,022	205,569	7,331,770
Derivative Financial Liabilities Held for Hedging Purpose	-	148,978	-	148,978
Other Liabilities (*****)	5,155,878	13,854,110	93,727,278	112,737,266
Total Liabilities	208,870,548	447,965,007	115,986,942	772,822,497
Net 'On Balance Sheet' Position	81,296,543	(46,801,559)	(43,272,324)	(8,777,340)
Net 'Off-Balance Sheet' Position	(56,112,078)	50,635,717	42,140,559	36,664,198
Derivative Financial Assets	16,439,802	161,560,862	66,869,206	244,869,870
Derivative Financial Liabilities	72,551,880	110,925,145	24,728,647	208,205,672
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 259,949 (31 December 2023: TL 190,431) 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 53,193,434 (31 December 2023: TL 48,622,754) 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 92,023,811 (31 December 2023: TL 71,331,701).

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)

<i>Current Period</i>	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 Türkiye	146,814,617	-	-	-	-	203,596,409	350,411,026
Banks	42,261,757	-	-	-	-	69,963,499	112,225,256
Financial Assets Measured at Fair Value through Profit/Loss	77,564	283,138	442,004	1,943,818	641,240	979,203	4,366,967
Money Market Placements	19,962,163	-	6,996,536	-	-	32,643	26,991,342
Financial Assets Measured at Fair Value through Other Comprehensive Income	17,464,097	1,414,697	7,273,580	21,084,972	13,895,757	34,313,230	95,446,333
Loans	542,488,468	135,095,002	378,108,505	140,338,857	88,355,384	24,714,776	1,309,100,992
Financial Assets Measured at Amortised Cost	31,770,408	6,533,061	32,181,200	103,996,398	31,378,636	46,766,425	252,626,128
Other Assets (**)	-	-	-	-	-	161,938,021	161,938,021
Total Assets	800,839,074	143,325,898	425,001,825	267,364,045	134,271,017	542,304,206	2,313,106,065
Liabilities							
Bank Deposits	18,787,387	-	-	-	-	1,420,322	20,207,709
Other Deposits	519,446,333	206,956,053	148,623,257	3,388,129	-	703,055,057	1,581,468,829
Money Market Funds	115,794,689	704	958,290	-	-	194,936	116,948,619
Miscellaneous Payables	-	-	-	-	-	93,393,398	93,393,398
Securities Issued (***)	1,002,880	115,395	3,291,226	25,036,656	15,971,500	639,569	46,057,226
Other Fundings	75,621,498	5,147,728	18,039,059	877,407	-	57,665	99,743,357
Other Liabilities	66,474	159,330	453,651	1,245,722	184,260	353,177,490	355,286,927
Total Liabilities	730,719,261	212,379,210	171,365,483	30,547,914	16,155,760	1,151,938,437	2,313,106,065
On Balance Sheet Long Position	70,119,813	-	253,636,342	236,816,131	118,115,257	-	678,687,543
On Balance Sheet Short Position	-	(69,053,312)	-	-	-	(609,634,231)	(678,687,543)
Off-Balance Sheet Long Position	41,808,334	64,959,766	85,329,462	58,491,162	37,433,616	-	288,022,340
Off-Balance Sheet Short Position	(30,548,609)	(62,689,290)	(94,171,617)	(63,355,117)	(39,545,571)	-	(290,310,204)
Total Position	81,379,538	(66,782,836)	244,794,187	231,952,176	116,003,302	(609,634,231)	(2,287,864)

(*) 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.

<i>Prior Period</i>	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 Türkiye	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.

4.4.2 Average interest rates on monetary financial instruments (%)

<i>Current Period</i>	EUR	USD	JPY	TL
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Türkiye	(0.67)	(0.69)	-	25.01
Banks	3.68	2.28	-	59.86
Financial Assets Measured at Fair Value through Profit/Loss	3.91	6.48	-	41.11
Money Market Placements	-	5.06	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	5.45	6.39	-	33.49
Loans	7.48	9.58	-	63.81
Financial Assets Measured at Amortised Cost	4.38	6.25	-	22.99
Liabilities				
Bank Deposits	-	-	-	67.68
Other Deposits	0.09	0.15	-	44.10
Money Market Funds	3.00	4.01	-	65.84
Miscellaneous Payables	-	-	-	-
Securities Issued	5.27	7.69	-	66.15
Other Fundings	6.23	8.17	-	50.82

<i>Prior Period</i>	EUR	USD	JPY	TL
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Türkiye	-	-	-	-
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

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

<i>Current Period</i>		Comparison		
Equity Securities (shares)		Carrying Value	Fair Value^(*)	Market Value
1	Investment in Shares- Grade A	67,636,567	67,636,567	4,268,664
	Quoted Securities	1,172,394	1,172,394	4,268,664
2	Investment in Shares- Grade B	972,766	972,766	3,770,093
	Quoted Securities	947,325	947,325	3,770,093
3	Investment in Shares- Grade C	2,496,483	2,496,483	-
	Quoted Securities	-	-	-
4	Investment in Shares- Grade D	96,327	96,327	-
	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.

<i>Prior Period</i>		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.

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

<i>Current Period</i>		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	-	1,994,063	1,994,063	-	-
3	Other Shares	-	46,950,651	46,950,651	-	-
Total		-	48,944,714	48,944,714	-	-

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

<i>Prior Period</i>		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

<i>Current Period</i>		Carrying Value	RWA Total	Minimum Capital Requirement
Portfolio				
1	Private Equity Investments	-	-	-
2	Quoted Shares	2,347,517	2,347,517	187,801
3	Other Shares	68,855,688	60,950,614	4,876,049
Total		71,203,205	63,298,131	5,063,850

<i>Prior Period</i>		Carrying Value	RWA Total	Minimum Capital Requirement
Portfolio				
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 Türkiye 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. Moreover, 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 Türkiye 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 second 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 5.13% cash, 68.66% deposits in central banks and 26.21% 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 81.81% deposits, 11.07% funds borrowed and money market borrowings, 2.35% securities issued and 4.77% 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.

<i>Current Period</i>	Total Unweighted Value (Average) (*)		Total Weighted Value (Average) (*)	
	TL+FC	FC	TL+FC	FC
High-Quality Liquid Assets			494,732,432	224,528,638
1 Total high-quality liquid assets (HQLA)	494,732,432	224,528,638	494,732,432	224,528,638
Cash Outflows				
2 Retail deposits and deposits from small business customers, of which:	1,048,537,603	402,864,311	93,729,343	39,855,425
3 Stable deposits	222,488,344	8,620,118	11,124,417	431,006
4 Less stable deposits	826,049,259	394,244,193	82,604,926	39,424,419
5 Unsecured wholesale funding, of which:	385,836,029	196,283,207	202,497,126	118,962,563
6 Operational deposits	-	-	-	-
7 Non-operational deposits	282,299,390	131,923,948	130,640,199	55,401,169
8 Unsecured funding	103,536,639	64,359,259	71,856,927	63,561,394
9 Secured wholesale funding			-	-
10 Other cash outflows of which:	1,472,594,460	176,045,279	131,056,342	49,447,679
11 Outflows related to derivative exposures and other collateral requirements	21,428,442	27,884,613	21,428,442	27,884,613
12 Outflows related to restructured financial instruments	-	-	-	-
13 Payment commitments and other off-balance sheet commitments granted for debts to financial markets	1,451,166,018	148,160,666	109,627,900	21,563,066
14 Other revocable off-balance sheet commitments and contractual obligations	8,827	8,827	440	440
15 Other irrevocable or conditionally revocable off-balance sheet obligations	69,892,126	66,951,854	3,494,606	3,347,593
16 Total Cash Outflows			430,777,857	211,613,700
Cash Inflows				
17 Secured receivables	-	-	-	-
18 Unsecured receivables	221,991,717	51,939,772	145,392,693	42,173,435
19 Other cash inflows	5,028,041	57,618,085	5,028,041	57,618,085
20 Total Cash Inflows	227,019,758	109,557,857	150,420,734	99,791,520
21 Total HQLA			494,732,432	224,528,638
22 Total Net Cash Outflows			280,357,123	111,865,533
23 Liquidity Coverage Ratio (%)			177.24	213.49

(*) The average of last six 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:

<i>Current Period</i>	Highest	Date	Lowest	Date	Average
TL+FC	211.36	16.04.2024	140.94	27.06.2024	177.24
FC	354.97	15.04.2024	135.74	30.06.2024	213.49

<i>Prior Period</i>	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 six 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:

<i>Prior Period</i>	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

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 Türkiye	40,013,726	307,794,148	2,602,983	169	-	-	-	350,411,026
Banks	69,943,774	42,281,482	-	-	-	-	-	112,225,256
Financial Assets Measured at Fair Value through Profit/Loss	891,446	38,964	289,054	449,730	2,011,864	685,909	-	4,366,967
Money Market Placements	-	19,974,250	-	7,017,092	-	-	-	26,991,342
Financial Assets Measured at Fair Value through Other Comprehensive Income	2,070,408	-	2,527,863	13,554,050	49,396,479	27,897,533	-	95,446,333
Loans	6,367,258	340,621,695	198,678,327	415,273,012	234,036,020	48,083,525	66,041,155	1,309,100,992
Financial Assets Measured at Amortised Cost	-	203,352	12,310,269	40,747,730	137,886,633	61,478,144	-	252,626,128
Other Assets (*)	25,341,391	7,451,682	1,696,912	3,017,766	4,427,641	4,244,228	115,758,401	161,938,021
Total Assets	144,628,003	718,365,573	218,105,408	480,059,549	427,758,637	142,389,339	181,799,556	2,313,106,065
Liabilities								
Bank Deposits	1,339,244	18,868,465	-	-	-	-	-	20,207,709
Other Deposits	642,989,117	542,991,459	220,369,629	167,863,887	7,250,964	3,773	-	1,581,468,829
Other Fundings	-	7,982,092	288,590	31,614,415	7,152,310	52,705,950	-	99,743,357
Money Market Funds	-	115,966,757	714	981,148	-	-	-	116,948,619
Securities Issued (**)	-	-	117,723	3,314,167	25,225,425	17,399,911	-	46,057,226
Miscellaneous Payables	93,393,391	7	-	-	-	-	-	93,393,398
Other Liabilities (***)	18,607,925	6,325,684	6,263,547	3,315,458	6,979,820	2,700,984	311,093,509	355,286,927
Total Liabilities	756,329,677	692,134,464	227,040,203	207,089,075	46,608,519	72,810,618	311,093,509	2,313,106,065
Liquidity Gap	(611,701,674)	26,231,109	(8,934,795)	272,970,474	381,150,118	69,578,721	(129,293,953)	-
Net Off-Balance Sheet Position	-	777,443	(1,894,234)	(579,483)	(1,195,542)	225,745	-	(2,666,071)
Derivative Financial Assets	-	162,058,313	78,269,560	62,054,381	28,408,072	4,149,273	-	334,939,599
Derivative Financial Liabilities	-	161,280,870	80,163,794	62,633,864	29,603,614	3,923,528	-	337,605,670
Non-Cash Loans	-	74,711,276	7,828,031	11,065,947	3,406,023	-	1,611,983,979	1,708,995,256
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.

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				
	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	Total Weighted Amount
Available stable funding					
1 Capital Instruments	328,031,080	-	-	25,554,400	353,585,480
2 Tier 1 Capital and Tier 2 Capital	328,031,080	-	-	25,554,400	353,585,480
3 Other Capital Instruments	-	-	-	-	-
4 Real-person and Retail Customer Deposits	463,480,558	638,452,431	42,054,406	2,194,376	1,042,799,787
5 Stable Deposits	103,874,131	119,849,723	983,907	16,102	213,487,670
6 Less Stable Deposits	359,606,426	518,602,708	41,070,499	2,178,275	829,312,116
7 Other Obligations	180,853,560	383,453,767	35,964,382	61,813,413	290,382,246
8 Operational deposits	-	-	-	-	-
9 Other Obligations	180,853,560	383,453,767	35,964,382	61,813,413	290,382,246
10 Liabilities equivalent to interconnected assets					
11 Other Liabilities					
12 Derivative liabilities			5,265,504		
13 All other equity not included in the above categories	155,728,699	-	-	-	-
14 Available stable funding					1,686,767,512
Required stable funding					
15 High Quality Liquid Assets					54,827,733
16 Deposits held at financial institutions for operational purposes	-	-	-	-	-
17 Performing Loans	59,249,245	796,015,091	229,775,889	290,730,198	762,544,005

18	Encumbered loans to financial institutions, where the loan is secured against Level 1 assets	-	27,133,255	-	-	14,579,509
19	Unencumbered loans to financial institutions or encumbered loans that are not secured against Level 1 assets	59,249,245	8,234,665	6,593,208	10,068,549	26,858,739
20	Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	-	759,929,468	217,641,277	249,521,670	696,496,159
21	<i>Loans with a risk weight of less than or equal to 35%</i>	-	-	1,941,187	2,860,886	2,830,170
22	Residential mortgages	-	-	2,276,905	24,887,533	17,315,349
23	<i>Residential mortgages with a risk weight of less than or equal to 35%</i>	-	-	2,276,905	24,887,533	17,315,349
24	Securities that are not in default and do not qualify as HQLA and exchange-traded equities	-	717,704	3,264,499	6,252,446	7,294,249
25	Assets equivalent to interconnected liabilities					
26	Other Assets	-	-	-	-	240,668,803
27	Physical traded commodities, including gold	12,419,883				12,419,883
28	Initial margin posted or given guarantee fund to central counterparty			-		-
29	Derivative Assets			9,698,841		9,698,841
30	Derivative Liabilities before the deduction of the variation margin			1,533,800		1,533,800
31	Other Assets not included above	217,016,279	-	-	-	217,016,279
32	Off-balance sheet commitments		140,051,831	163,868,994	1,329,870,206	81,689,552
33	Total Required stable funding					1,139,730,093
34	Net Stable Funding Ratio (%)					148.00

As of 30 June 2024, NSFR is calculated as 148.00% (31 December 2023 : 161.90%). Considering the amounts to which the consideration rate is applied, Capital items corresponds to 21.0% of Available Stable Funding amount (31 December 2023 : 20.2%) and Real Person and Retail Customer Deposits corresponds to 61.8% of Available Stable Funding amount. (31 December 2023 : 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 66.9% (31 December 2023 : 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 second 3 months of 2024 is shown in the table below.

<i>Period</i>	<i>Ratio</i>
30 April 2024	148.06%
31 May 2024	148.40%
30 June 2024	148.00%
3 Month Average	148.15%

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	670,614,274	214,603,284	225,787,370	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	<i>Loans with a risk weight of less than or equal to 35%</i>	-	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	<i>Residential mortgages with a risk weight of less than or equal to 35%</i>	-	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					

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.

<i>Period</i>	<i>Ratio</i>
31 October 2023	160.35%
30 November 2023	159.69%
31 December 2023	161.90%
3 Month Average	160.65%

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 six-month periods is 6.73% (31 December 2023: 7.68%). While the capital increased by 16.84% mainly as a result of increase in net profits, total risk amount increased by 33.16%. Therefore, the current period leverage ratio decreased by 94 basis points compared to prior period.

		<i>Current Period</i> (*)	<i>Prior Period</i> (*)
On-balance sheet assets			
1	On-balance sheet items (excluding derivative financial instruments and credit derivatives but including collateral)	2,212,858,559	1,811,527,026
2	(Assets deducted in determining Tier I capital)	(2,336,034)	(1,406,999)
3	Total on-balance sheet risks (sum of lines 1 and 2)	2,210,522,525	1,810,120,027
Derivative financial instruments and credit derivatives			
4	Replacement cost associated with all derivative instruments and credit derivatives	12,712,523	11,074,670
5	Add-on amounts for PFE associated with all derivative instruments and credit derivatives	67,699,466	58,713,309
6	Total risks of derivative financial instruments and credit derivatives (sum of lines 4 to 5)	80,411,989	69,787,979
Securities or commodity financing transactions (SCFT)			
7	Risks from SCFT assets (excluding on-balance sheet)	36,040,159	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)	36,040,159	16,885,134
Other off-balance sheet transactions			
10	Gross notional amounts of off-balance sheet transactions	1,632,950,793	1,077,215,338
11	(Adjustments for conversion to credit equivalent amounts)	(2,587,505)	(2,227,561)
12	Total risks of off-balance sheet items (sum of lines 10 and 11)	1,630,363,288	1,074,987,777
Capital and total risks			
13	Tier I capital	266,492,834	228,090,668
14	Total risks (sum of lines 3, 6, 9 and 12)	3,957,337,961	2,971,780,917
Leverage ratio			
15	Leverage ratio	6.73	7.68

(*) Amounts in the table are six-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 absorb 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 to is managed by providing an 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.

4.10.1.2 Risk weighted amounts

		Risk Weighted Amounts		Minimum Capital Requirements
		<i>Current Period</i>	<i>Prior Period</i>	<i>Current Period</i>
1	Credit risk (excluding counterparty credit risk) (CCR) (*)	1,566,868,415	1,148,512,191	125,349,473
2	Of which standardised approach (SA)	1,566,868,415	1,148,512,191	125,349,473
3	Of which internal rating-based (IRB) approach		-	
4	Counterparty credit risk	30,880,939	18,713,155	2,470,475
5	Of which standardised approach for counterparty credit risk (SA-CCR)	30,880,939	18,713,155	2,470,475
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	38,716,492	31,268,911	3,097,319
17	Of which standardised approach (SA)	38,716,492	31,268,911	3,097,319
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)	1,824,237,037	1,314,732,290	145,938,962

(*) 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

4.10.3.1 General information on credit risk

4.10.3.1.1 General qualitative information on credit risk

The Bank's credit risk management policies; under the relevant legislation in line with the Bank's credit strategy approved by the board of directors are created based on the prudence, sustainability and customer credit worthiness principles. Credit risk is managed on a portfolio basis considering the risk/return balance and asset quality of the Bank in the scope of the principles specified in the credit risk policy documents.

Credit risk management is a structured process where credit risks are consistently assessed, quantified and monitored. In order to take the right decision, during the credit process which begins with the application of the customer and includes the phases of determination of the customer's credibility, collateralization, loan configuration, approval and usage, monitoring and closing the exposure, all required financial and non-financial information and documents intended to identify the customer are collected in a centralized database, with this information the customer's financial strength is analyzed, credit risk analysis is done. Thus before a loan is granted, it is ensured that risks are well-understood, sufficient evaluation has been done and after the loan is granted the loan is monitored, controlled and reported.

Diversification to avoid concentrations are performed while determining the Bank's credit risk profile. Credit portfolios are evaluated depending upon the credit type, managed aggregately during their life cycle. Customer selection is made in accordance with the policies and strategies, affordability of the borrower to fulfil on a timely basis all financial obligations with his expected cash flows from foreseeable specific transactions or from its regular operations; without depending upon guarantors, bails or pledged assets is predicated. Necessary risk rating/scoring models are developed, reviewed, and validated for the different portfolios of the Bank. These models are created by ensuring the best separation of the customers in terms of their credibility and grading them using the objective criteria. The outputs of the internal rating and scoring models that developed based on the each portfolio are an important part of the loan approval process.

Loan based assessment, allocation and monitoring are carried out within the framework of related processes by related units in the credit group. Credit proposals, on the basis of the determined amount and in the framework of levels of authority, are concluded after being evaluated by the regional credit offices, loans units and committees of headoffice, if required by the credit committee and the board of directors. The credit approval authority can be transferred starting from the board of directors by notifying in written form.

Each unit operating in credit risk management is responsible for identifying risks arising from its own process, activities and systems, informing senior management and taking necessary action to reduce risk level.

The general risk policy including the risk appetite and indicators is determined by the board of directors. Risk management is handled, in order to reach the determined targets, by carrying out a continuous monitoring process with a proper classification of risks and customers in scope of the effective management mentality. The limit framework and delegation rules are specified by establishing proper decision systems in order to assess the risks correctly. Optimum limit levels are determined by taking into account the loss and returns during the limit setting process.

Organizational structure related to credit risk management and control functions is detailed below: Units within the scope of credit risk management; Corporate and Specialized Loans, Commercial Loans, Retail Loans Evaluation, Retail Risk Strategies, Commercial Risk Strategies, Corporate and Commercial Loans Restructuring, Risk Planning Monitoring and Reporting, Risk Solutions, Strategy and Performance, Credit Risk Management Advanced Analytics Discipline.

In addition, decisions regarding the credit policy in the corporate governance framework are taken by the relevant committees. In this context, there are Wholesale Credit Risk Committee, Retail Credit

Risk Committee, Risk Management Committee, Risk Technology and Analytics Committee, Credit Restructuring Committee, NPL and Collection Committee, Credit Admission Committee, and Risk Committee. Allocated limits and conditions that exceeding the limits with their usage, evaluations regarding major risks and non-performing loans with high risk, information regarding NPLs, the data regarding the portfolios of subsidiaries are reported to senior management on a regular basis.

The Risk Management measures, monitors and reports credit risks by using validated probability of defaults obtained from the Bank's rating models, loss that is caused by defaulted customer and credit conversion factors. The Bank's internal capital is calculated and adequacy is assessed by considering stress tests and scenario analysis. Also, by considering optimum risk return balance, expectations regarding economic outlook the limits are determined for credit portfolios. Risk based analyses are executed, credit concentrations are monitored and the results are presented to senior management.

The Bank carries out on-site and central controls regarding credit risk by Internal Control Unit. Internal Control Unit, which is in the second line of defense, carries out on-site collateral and contract controls and centralized remote examinations in branches and business/support units, which are involved in credit risk management. In addition, as a second line control specialist, Risk Management Control which reports to the Head of Risk Management conducts periodic controls and assessments on credit risk management on compliance with the Bank's credit risk policies, rules and procedures.

4.10.3.1.2 Credit quality of assets

	<i>Current Period</i>	<i>Gross carrying value as per TAS</i>		<i>Allowances/amortisation and impairments</i>	<i>Net values</i>
		<i>Defaulted</i>	<i>Non-defaulted</i>		
1	Loans	24,994,346	1,727,504,642	16,006,064	1,736,492,924
2	Debt securities	-	346,002,053	-	346,002,053
3	Off-balance sheet exposures	4,110,446	531,541,188	2,375,508	533,276,126
4	Total	29,104,792	2,605,047,883	18,381,572	2,615,771,103

	<i>Prior Period</i>	<i>Gross carrying value as per TAS</i>		<i>Allowances/amortisation and impairments</i>	<i>Net values</i>
		<i>Defaulted</i>	<i>Non-defaulted</i>		
1	Loans	21,653,653	1,431,167,516	14,645,696	1,438,175,473
2	Debt securities	-	285,677,492	-	285,677,492
3	Off-balance sheet exposures	5,075,660	421,284,336	3,443,434	422,916,562
4	Total	26,729,313	2,138,129,344	18,089,130	2,146,769,527

4.10.3.1.3 Changes in stock of default loans and debt securities

	<i>Current Period</i>	<i>Prior Period</i>
1 Defaulted loans and debt securities at end of the previous reporting period	21,653,653	17,612,512
2 Loans and debt securities defaulted since the last reporting period	13,323,888	13,787,119
3 Receivables back to non-defaulted status	-	(18,382)
4 Amounts written off	(5,582,115)	(2,212,166)
5 Other changes	(4,401,080)	(7,515,430)
6 Defaulted loans and debt securities at end of the reporting period	24,994,346	21,653,653

4.10.3.1.4 Additional disclosure related to the credit quality of assets

Not prepared in compliance with the communicate "Risk Management Related Disclosures to be Announced to Public by Banks".

4.10.3.2 Credit risk mitigation

4.10.3.2.1 Qualitative disclosure on credit risk mitigation techniques

The Bank assesses the cash flow of the activity or investment subject to credit as the primary repayment source during the credit assignment process.

Calculating the value of the collateral depends on margins determined according to market and FX risks. Standard margins in use throughout the Bank are specific to type of the collateral and changes according to the currency of the collateral.

If credit assignment is conditioned to a collateral extension, the data of the collaterals must be entered to the banking information system. Operational transactions are handled by centralized Operation unit (ABACUS). During the credit utilization, compliance of all conditions between credit decision and credit utilization (such as collateral conditions) are controlled systematically.

The Bank monitors up to date value of the collaterals by type. Credit monitoring process involves the control of the balance between the value of the collateral and risk besides creditworthiness of the customer.

Within the context of capital adequacy ratio calculation, The Bank's credit risk exposure and mitigation techniques used in order to reduce the exposure level are taken into account according to the principles stated in the related regulation. The Bank applies credit risk mitigation according to the comprehensive method that includes risk mitigation calculations considering the volatility-adjusted values of financial collaterals. The standardized risk weights are applied to the rest of the loans and receivables that remained unprotected after credit risk mitigation techniques. Financial collaterals, that are composed of cash or cash equivalents, real estate mortgages, high quality securities and Credit Guarantee Fund suretyship having Treasury guarantee, have been used in credit risk mitigation.

4.10.3.2.2 Credit risk mitigation techniques

	<i>Current Period</i>	<i>Exposures unsecured: carrying amount as per TAS</i>	<i>Exposures secured by collateral</i>	<i>Collateralized amount of exposures secured by collateral</i>	<i>Exposures secured by financial guarantees</i>	<i>Collateralized amount of exposures secured by financial guarantees</i>	<i>Exposures secured by credit derivatives</i>	<i>Collateralized amount of exposures secured by credit derivatives</i>
1	Loans	1,635,600,302	100,892,622	95,257,853	1,932,164	1,932,164	-	-
2	Debt securities	346,002,053	-	-	-	-	-	-
3	Total	1,981,602,355	100,892,622	95,257,853	1,932,164	1,932,164	-	-
4	Of which defaulted(*)	24,994,346	-	-	-	-	-	-

(*)The defaulted amount is given as gross.

	<i>Prior Period</i>	<i>Exposures unsecured: carrying amount as per TAS</i>	<i>Exposures secured by collateral</i>	<i>Collateralized amount of exposures secured by collateral</i>	<i>Exposures secured by financial guarantees</i>	<i>Collateralized amount of exposures secured by financial guarantees</i>	<i>Exposures secured by credit derivatives</i>	<i>Collateralized amount of exposures secured by credit derivatives</i>
1	Loans	1,300,133,897	138,041,576	133,671,331	2,263,897	2,263,897	-	-
2	Debt securities	285,677,492	-	-	-	-	-	-
3	Total	1,585,811,389	138,041,576	133,671,331	2,263,897	2,263,897	-	-
4	Of which defaulted(*)	21,653,653	-	-	-	-	-	-

(*)The defaulted amount is given as gross.

4.10.3.3 Credit risk under standardised approach

4.10.3.3.1 Qualitative disclosures on banks' use of external credit ratings under the standardised approach for credit risk

Qualitative disclosures on banks' use of external credit ratings under the standardised approach for credit risk An international rating firm, Fitch Ratings' external risk ratings and JCR Avrasya Derecelendirme A.Ş. international ratings are used to determine the risk weights of the risk categories as per the Article 6 of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

The international risk ratings are used for the exposures to central governments and central banks, whereas for central governments and central banks that are not rated by Fitch Ratings, the published country ratings as announced by the Organisation for Economic Cooperation and Development (OECD) are used.

According to the regulation on capital adequacy, external risk ratings are used only for the exposures to banks and brokerage houses and to corporates where the counterparties are resident in abroad, to determine their risk weights. According to BRSA decision No.8875 dated 21 February 2020, for the assignment of risk weights to TL denominated receivables from domestic Banks, brokerage houses and Corporates JCR Avrasya Derecelendirme A.Ş. international ratings are used. Other domestic receivables are considered as unrated in the calculation of capital adequacy.

In the determination of risk weights; if a relevant rating is available then such rating, but if it is an unrated exposure then the rating available for the issuer is used.

Rating notes issued by Fitch Ratings are presented in the table below, as per credit quality levels and risk weights per risk classes:

<i>Credit Quality Level</i>	<i>Fitch Ratings long term credit rating</i>	<i>Risk Classes</i>			
		<i>Exposures to Central Governments or Central Banks</i>	<i>Exposures to Banks and Brokerage Houses</i>		<i>Exposures to Corporates</i>
			<i>Exposures with Original Maturities Less Than 3 Months</i>	<i>Exposures with Original Maturities More Than 3 Months</i>	
1	AAA to AA-	0%	20%	20%	20%
2	A+ to A-	20%	20%	50%	50%
3	BBB+ to BBB-	50%	20%	50%	100%
4	BB+ to BB-	100%	50%	100%	100%
5	B+ to B-	100%	50%	100%	150%
6	CCC+ and below	150%	150%	150%	150%

4.10.3.3.2 Credit risk exposure and credit risk mitigation techniques

	<i>Current Period</i>	<i>Exposures before CCF and CRM</i>		<i>Exposures post-CCF and CRM</i>		<i>RWA and RWA density</i>	
		<i>On-balance sheet amount</i>	<i>Off-balance sheet amount</i>	<i>On-balance sheet amount</i>	<i>Off-balance sheet amount</i>	<i>RWA</i>	<i>RWA density</i>
	<i>Risk classes</i>						
1	Exposures to sovereigns and their central banks	679,630,904	3,871,626	681,563,070	2,938,346	14,364,378	2.10%
2	Exposures to regional and local governments	852,503	72,963	852,504	36,481	444,492	50.00%
3	Exposures to administrative bodies and non-commercial entities	2,736,520	493,044	2,735,811	109,449	2,845,261	100.00%
4	Exposures to multilateral development banks	168	114	168	-	-	-
5	Exposures to international organizations	-	-	-	-	-	-
6	Exposures to banks and brokerage houses	96,816,721	63,502,658	76,501,510	17,297,916	28,329,681	30.20%
7	Exposures to corporates	482,755,604	451,178,497	431,391,477	241,735,850	604,131,876	89.75%
8	Retail exposures	429,059,850	1,084,992,594	417,365,455	35,287,921	342,279,240	75.62%
9	Exposures secured by residential property	31,266,197	176,102	31,259,781	94,703	10,974,070	35.00%
10	Exposures secured by commercial property	35,175,905	12,064,324	35,098,745	7,314,713	26,608,913	62.74%
11	Past-due items	8,079,844	220	8,079,844	-	5,200,780	64.37%
12	Exposures in high-risk categories	248,212,389	21,241,676	248,208,532	779,986	412,385,264	165.62%
13	Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-
14	Short-term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-
15	Exposures in the form of collective investment undertakings	-	-	-	-	-	-
16	Other exposures	86,653,268	-	86,653,268	-	56,661,212	65.39%
17	Shares	62,643,248	-	62,643,248	-	62,643,248	100.00%
18	Total	2,163,883,121	1,637,593,818	2,082,353,413	305,595,365	1,566,868,415	65.62%

	<i>Prior Period</i>	<i>Exposures before CCF and CRM</i>		<i>Exposures post-CCF and CRM</i>		<i>RWA and RWA density</i>	
		<i>On-balance sheet amount</i>	<i>Off-balance sheet amount</i>	<i>On-balance sheet amount</i>	<i>Off-balance sheet amount</i>	<i>RWA</i>	<i>RWA density</i>
	<i>Risk classes</i>						
1	Exposures to sovereigns and their central banks	545,533,084	489,093	547,796,968	101,347	5,857,744	1.07%
2	Exposures to regional and local governments	1,179,635	93,420	1,179,636	46,708	613,172	50.00%
3	Exposures to administrative bodies and non-commercial entities	3,309,395	700,692	3,309,070	75,957	3,385,028	100.00%
4	Exposures to multilateral development banks	612	284	612	-	-	-
5	Exposures to international organizations	-	-	-	-	-	-
6	Exposures to banks and brokerage houses	88,376,495	42,935,491	54,503,077	15,003,562	20,637,744	29.69%
7	Exposures to corporates	374,602,640	316,759,970	309,630,654	169,122,863	425,880,966	88.96%
8	Retail exposures	342,128,048	677,588,976	318,522,236	30,414,970	284,383,282	81.50%
9	Exposures secured by residential property	26,955,913	163,475	26,947,430	90,325	9,463,214	35.00%
10	Exposures secured by commercial property	16,411,658	9,238,263	16,336,308	5,608,057	13,756,585	62.69%
11	Past-due items	6,487,692	1,470	6,487,692	-	4,153,349	64.02%
12	Exposures in high-risk categories	179,789,844	1,189,923	179,781,259	603,183	296,804,377	164.54%
13	Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-
14	Short-term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-
15	Exposures in the form of collective investment undertakings	-	-	-	-	-	-
16	Other exposures	64,013,264	-	64,013,264	-	39,485,257	61.68%
17	Shares	44,091,473	-	44,091,473	-	44,091,473	100.00%
18	Total	1,692,879,753	1,049,161,057	1,572,599,679	221,066,972	1,148,512,191	64.03%

4.10.3.3 Exposures by asset classes and risk weights

	<i>Regulatory portfolio Current Period</i>	0%	2%	10%	20%	25%	35%	50%	75%	100%	150%	250 %	Others	<i>Total risk amount (post-CCF and CRM)</i>
1	Exposures to sovereigns and their central banks	647,483,985	-	-	28,316,264	-	-	83	-	8,701,084	-	-	-	684,501,416
2	Exposures to regional and local government	-	-	-	-	-	-	888,985	-	-	-	-	-	888,985
3	Exposures to administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	2,845,260	-	-	-	2,845,260
4	Exposures to multilateral development banks	168	-	-	-	-	-	-	-	-	-	-	-	168
5	Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to banks and brokerage houses	-	101,403	-	71,266,909	-	-	16,713,685	-	5,717,429	-	-	-	93,799,426
7	Exposures to corporates	-	-	-	42,082,582	-	-	70,658,772	-	560,385,973	-	-	-	673,127,327
8	Retail exposures	-	-	-	9	-	-	328	441,495,783	11,157,256	-	-	-	452,653,376
9	Exposures secured by residential property	-	-	-	-	-	31,354,484	-	-	-	-	-	-	31,354,484
10	Exposures secured by commercial property	-	-	-	-	-	-	31,609,090	-	10,804,368	-	-	-	42,413,458
11	Past-due items	-	-	-	-	-	-	5,758,131	-	2,321,713	-	-	-	8,079,844
12	Exposures in high-risk categories	-	-	-	-	-	-	162,687	-	398,143	173,858,983	-	74,568,705	248,988,518
13	Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Exposures in the form of collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Shares	-	-	-	-	-	-	-	-	62,643,248	-	-	-	62,643,248
17	Other exposures	29,990,544	-	-	1,890	-	-	-	-	56,660,834	-	-	-	86,653,268
18	Total	677,474,697	101,403	-	141,667,654	-	31,354,484	125,791,761	441,495,783	721,635,308	173,858,983	-	74,568,705	2,387,948,778

	<i>Regulatory portfolio Prior Period</i>	<i>0%</i>	<i>2%</i>	<i>10%</i>	<i>20%</i>	<i>25%</i>	<i>35%</i>	<i>50%</i>	<i>75%</i>	<i>100%</i>	<i>150%</i>	<i>250%</i>	<i>Others</i>	<i>Total risk amount (post- CCF and CRM)</i>
1	Exposures to sovereigns and their central banks	541,949,922	-	-	113,259	-	-	82	-	5,835,052	-	-	-	547,898,315
2	Exposures to regional and local government	-	-	-	-	-	-	1,226,342	-	2	-	-	-	1,226,344
3	Exposures to administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	3,385,027	-	-	-	3,385,027
4	Exposures to multilateral development banks	612	-	-	-	-	-	-	-	-	-	-	-	612
5	Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to banks and brokerage houses	-	57,503	-	52,450,425	-	-	13,704,406	-	3,294,305	-	-	-	69,506,639
7	Exposures to corporates	-	-	-	36,687,947	-	-	47,044,387	-	395,021,183	-	-	-	478,753,517
8	Retail exposures	-	-	-	1	-	-	10,359	258,194,934	90,731,912	-	-	-	348,937,206
9	Exposures secured by residential property	-	-	-	-	-	27,037,755	-	-	-	-	-	-	27,037,755
10	Exposures secured by commercial property	-	-	-	-	-	-	16,375,559	-	5,568,806	-	-	-	21,944,365
11	Past-due items	-	-	-	-	-	-	4,668,690	-	1,819,002	-	-	-	6,487,692
12	Exposures in high-risk categories	-	-	-	-	-	-	400,078	-	69,919	128,571,970	-	51,342,475	180,384,442
13	Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Exposures in the form of collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Shares	-	-	-	-	-	-	-	-	44,091,473	-	-	-	44,091,473
17	Other exposures	24,526,925	-	-	1,352	-	-	-	-	39,484,987	-	-	-	64,013,264
18	Total	566,477,459	57,503	-	89,252,984	-	27,037,755	83,429,903	258,194,934	589,301,668	128,571,970	-	51,342,475	1,793,666,651

4.10.4 Counterparty credit risk

4.10.4.1 Qualitative disclosure on counterparty credit risk

Counterparty credit risk management policies include evaluating and monitoring risk developments, taking necessary measures, setting risk limits, ensuring that the risks remain within the limits, and establishing required reporting, control and audit mechanisms by using the methods aligned with both international standards and local regulations. The policies regarding counterparty credit risk measurement, monitoring, and limit settings are defined by the board of directors.

Counterparty credit risk arising from derivative transactions is periodically being monitored and reported by the Market Risk and Credit Risk Control units on product, country, counterparty and counterparty type basis.

International framework agreements (ISDA, CSA, GMRA, etc.) are being used through collateral and margin call mechanisms in order to mitigate the counterparty credit risk.

4.10.4.2 Counterparty credit risk (CCR) approach analysis

	<i>Current Period</i>	<i>Replacement cost</i>	<i>Potential future exposure</i>	<i>EEPE(Effective Expected Positive Exposure)</i>	<i>Alpha used for computing regulatory EAD</i>	<i>EAD post-CRM</i>	<i>RWA</i>
1	Standardised Approach - CCR (for derivatives)	10,757,628	3,597,174		1.4	20,096,723	8,794,641
2	Internal Model Method (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)			-	-	-	-
3	Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
4	Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					13,179,918	12,236,477
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					-	-
6	Total						21,031,118

	<i>Prior Period</i>	<i>Replacement cost</i>	<i>Potential future exposure</i>	<i>EEPE(Effective Expected Positive Exposure)</i>	<i>Alpha used for computing regulatory EAD</i>	<i>EAD post-CRM</i>	<i>RWA</i>
1	Standardised Approach - CCR (for derivatives)	7,367,207	2,886,413		1.4	14,355,068	6,178,855
2	Internal Model Method (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)			-	-	-	-
3	Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					-	-
4	Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					5,291,090	4,741,482
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					-	-
6	Total						10,920,337

4.10.4.3 Capital requirement for credit valuation adjustment (CVA)

	<i>Current Period</i>		<i>Prior Period</i>	
	<i>EAD post-CRM</i>	<i>RWA</i>	<i>EAD post-CRM</i>	<i>RWA</i>
Total portfolios subject to the Advanced CVA capital obligation	-	-	-	-
1 (i) VaR component (including the 3×multiplier)		-		-
2 (ii) Stressed VaR component (including the 3×multiplier)		-		-
3 All portfolios subject to the Standardised CVA capital obligation	20,096,723	9,849,821	14,355,068	7,792,818
4 Total subject to the CVA capital obligation	20,096,723	9,849,821	14,355,068	7,792,818

4.10.4.4 CCR exposures by risk class and risk weights

<i>Current Period</i>	<i>Risk weight</i>									
<i>Regulatory portfolio</i>	<i>0%</i>	<i>2%</i>	<i>10%</i>	<i>20%</i>	<i>50%</i>	<i>75%</i>	<i>100%</i>	<i>150%</i>	<i>Other</i>	<i>Total credit exposure</i>
Exposures to sovereigns and their central banks	702,768	-	-	-	-	-	-	-	-	702,768
Exposures to regional and local governments	-	-	-	-	-	-	-	-	-	-
Exposures to administrative bodies and non-commercial entities	-	-	-	-	-	-	27	-	-	27
Exposures to multilateral development banks	132,652	-	-	-	-	-	-	-	-	132,652
Exposures to international organizations	-	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	-	1,765,348	-	4,005,715	8,272,062	-	24,560	-	-	14,067,685
Exposures to corporates	-	40,294	-	2,550,672	504,246	-	15,249,047	-	-	18,344,259
Retail exposures	-	-	-	-	-	29,251	-	-	-	29,251
Other assets	-	-	-	-	-	-	-	-	-	-
Total	835,420	1,805,642	-	6,556,387	8,776,308	29,251	15,273,634	-	-	33,276,642

<i>Prior Period</i>	<i>Risk weight</i>									
<i>Regulatory portfolio</i>	<i>0%</i>	<i>2%</i>	<i>10%</i>	<i>20%</i>	<i>50%</i>	<i>75%</i>	<i>100%</i>	<i>150%</i>	<i>Other</i>	<i>Total credit exposure</i>
Exposures to sovereigns and their central banks	629,427	-	-	-	-	-	-	-	-	629,427
Exposures to regional and local governments	-	-	-	-	-	-	-	-	-	-
Exposures to administrative bodies and non-commercial entities	-	-	-	-	-	-	7	-	-	7
Exposures to multilateral development banks	95,155	-	-	-	-	-	-	-	-	95,155
Exposures to international organizations	-	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	-	770,072	-	2,634,676	7,243,067	-	33,068	-	-	10,680,883
Exposures to corporates	-	516,511	-	1,119,925	220,223	-	6,363,780	-	-	8,220,439
Retail exposures	-	-	-	-	-	20,247	-	-	-	20,247
Other assets	-	-	-	-	-	-	-	-	-	-
Total	724,582	1,286,583	-	3,754,601	7,463,290	20,247	6,396,855	-	-	19,646,158

4.10.4.5 Collaterals for CCR

<i>Current Period</i>	<i>Collateral for derivative transactions</i>				<i>Collateral for other transactions</i>	
	<i>Fair value of collateral received</i>		<i>Fair value of collateral given</i>		<i>Fair value of collateral received</i>	<i>Fair value of collateral given</i>
	<i>Segregated</i>	<i>Unsegregated</i>	<i>Segregated</i>	<i>Unsegregated</i>		
Cash-domestic currency	-	-	-	-	17,882,058	-
Cash-foreign currency	-	-	-	-	74,713,727	-
Domestic sovereign debts	-	-	-	-	-	99,940,714
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	-	-	-	92,595,785	99,940,714

<i>Prior Period</i>	<i>Collateral for derivative transactions</i>				<i>Collateral for other transactions</i>	
	<i>Fair value of collateral received</i>		<i>Fair value of collateral given</i>		<i>Fair value of collateral received</i>	<i>Fair value of collateral given</i>
	<i>Segregated</i>	<i>Unsegregated</i>	<i>Segregated</i>	<i>Unsegregated</i>		
Cash-domestic currency	-	-	-	-	109,947	-
Cash-foreign currency	-	-	-	-	29,298,335	-
Domestic sovereign debts	-	-	-	-	-	32,465,564
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	-	-	-	29,408,282	32,465,564

4.10.4.6 Credit derivatives

	<i>Current Period</i>		<i>Prior Period</i>	
	<i>Protection bought</i>	<i>Protection sold</i>	<i>Protection bought</i>	<i>Protection sold</i>
Notionals				
Single-name credit default swaps	-	-	-	-
Index credit default swaps	-	-	-	-
Total return swaps	-	51,448,194	-	48,167,816
Credit options	-	-	-	-
Other credit derivatives	-	-	-	-
Total Notionals	-	51,448,194	-	48,167,816
Fair Values	-	849,440	-	(361,463)
Positive fair values (asset)	-	849,440	-	104,007
Negative fair values (liability)	-	-	-	(465,470)

4.10.4.7 Exposures to central counterparties

	<i>Current Period</i>		<i>Prior Period</i>	
	<i>EAD (post-CRM)</i>	<i>RWA</i>	<i>EAD (post-CRM)</i>	<i>RWA</i>
Exposures to QCCPs (total)		36,113		25,732
Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	-	-	-	-
(i) OTC derivatives	1,805,641	36,113	1,286,582	25,732
(ii) Exchange-traded derivatives	-	-	-	-
(iii) Securities financing transactions	-	-	-	-
(iv) Netting sets where cross-product netting has been approved	-	-	-	-
Segregated initial margin	-		-	
Non-segregated initial margin	-	-	-	-
Pre-funded default fund contributions	-	-	-	-
Unfunded default fund contributions	-	-	-	-
Exposures to non-QCCPs (total)		-		-
Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-	-	-
(i) OTC derivatives	-	-	-	-
(ii) Exchange-traded derivatives	-	-	-	-
(iii) Securities financing transactions	-	-	-	-
(iv) Netting sets where cross-product netting has been approved	-	-	-	-
Segregated initial margin	-		-	
Non-segregated initial margin	-	-	-	-
Pre-funded default fund contributions	-	-	-	-

4.10.5 Securitisations

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

4.10.6 Market risk

4.10.6.1 Qualitative disclosure on market risk

Market risk is managed in accordance with the strategies and policies defined by the Bank. The Bank takes economic climate, market and liquidity conditions and their effects on market risk, the structure of portfolio subject to market risk, the sufficiency of the Bank’s definition, measurement, evaluation, monitoring, reporting, control and mitigation of market risk and the availability of the related processes into account while defining the market risk management. Market risk strategies and policies are reviewed by the board of directors and related top management by considering financial performance, capital required for market risk, and the existing market developments. Market risk for internal use, implementation fundamentals and procedures are being developed on bank-only and consolidated level in consideration of the size and complexity of the operations.

Market risk is managed through measuring the risks in parallel with the international standards, setting the limits, capital reserving and additionally through mitigating via hedging transactions.

The Market Risk function under Market Risk and Structural Risk Control Unit monitors the activities of Treasury Unit via risk reports and the limits approved by the board of directors.

Market Risk, which is defined as the risk arising from the price fluctuations in balance sheet and off-balance sheet trading positions, is being calculated and reported daily via Value at Risk (VaR) Model.

4.10.6.2 Market risk under standardised approach

		RWA	
		Current Period	Prior Period
	Outright products	38,273,079	30,782,998
1	Interest rate risk (general and specific)	8,712,813	6,702,525
2	Equity risk (general and specific)	1,559,454	1,356,886
3	Foreign exchange risk	26,942,175	22,303,538
4	Commodity risk	1,058,637	420,049
	Options	443,413	485,913
5	Simplified approach	-	-
6	Delta-plus method	443,413	485,913
7	Scenario approach	-	-
8	Securitisation	-	-
9	Total	38,716,492	31,268,911

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”.

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

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	6,441,460	18,440,970	4,233,937	27,096,656
Central Bank of Türkiye	193,331,967	119,767,947	162,896,000	128,798,019
Others	6,500	12,422,182	1,500	5,418,979
Total	199,779,927	150,631,099	167,131,437	161,313,654

Balances with the Central Bank of Türkiye

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Unrestricted Demand Deposits	120,539,987	681,072	118,744,114	18,836,780
Unrestricted Time Deposits	-	-	27,434,800	-
Restricted Time Deposits	72,791,980	119,086,875	16,717,086	109,961,239
Total	193,331,967	119,767,947	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 3% and 33% for TL deposits and other liabilities according to their maturities as of 30 June 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 30 June 2024 (31 December 2023: 5% and 30% for all foreign currency liabilities).

The additional reserve requirement ratio of 8 percent to be maintained in Turkish lira for deposits denominated in foreign currency (excluding foreign bank deposits and precious metal accounts)

Starting from 20 January 2024, the Remuneration practice has been introduced for banks that are above the targets for the Renewal and TL conversation rate and TL conversation rate. The remuneration amounts will be paid on the maintained FX Protected TL Deposits and other TL deposits reserve requirement amounts.

As of 30 June 2024, the Reserve requirement commission practice has been implemented in two items for banks that are above the conversation targets. First, the commission according to the Renewal and TL conversation rate. Second, the commission according to the share of TL deposit. The commission will be paid on the maintained foreign currency deposits reserve requirement amounts.

5.1.1.2 Banks

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Banks				
Domestic banks	383,454	156,476	324,234	103,185
Foreign banks	2,282,527	109,402,799	1,095,035	63,902,566
Foreign head offices and branches	-	-	-	-
Total	2,665,981	109,559,275	1,419,269	64,005,751

The placements at foreign banks include blocked accounts amounting TL 44,181,151 (31 December 2023: TL 10,345,342) of which TL 34,427,226 (31 December 2023: TL 182,656) kept at the central banks of Malta, TL 1,068,089 (31 December 2023: TL 1,095,895) kept at Turkish Republic of Northern Cyprus and TL 8,685,836 (31 December 2023: TL 9,066,791) kept at various banks as collateral.

5.1.1.3 Receivables from reserve repo transactions

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Domestic Transactions	-	-	26,444,388	-
Central Bank of Türkiye	-	-	-	-
Banks	-	-	26,444,388	-
Others	-	-	-	-
Foreign Transactions	-	26,991,342	-	12,094,686
Central banks	-	-	-	-
Banks	-	26,991,342	-	12,094,686
Others	-	-	-	-
Total	-	26,991,342	26,444,388	12,094,686

5.1.1.4 Expected credit losses for cash and cash equivalents

<i>Current Period</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
Balances at Beginning of Period	1,934,639	-	-	1,934,639
Additions during the Period (+)	1,775,729	1	-	1,775,730
Disposals (-)	(3,042,269)	-	-	(3,042,269)
Transfer to 12 month ECL (Stage1)	2	(2)	-	-
Transfer to lifetime ECL Significant Increase in Credit Risk (Stage 2)	(1)	1	-	-
Transfer to lifetime ECL Impaired Credits (Stage 3)	-	-	-	-
Foreign Currency Differences	77,924	-	-	77,924
Balances at End of Period	746,024	-	-	746,024

<i>Prior Period</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
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

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	388,408	2,411,180	1,559,847	2,476,591
Equity Securities	134,955	111,719	96,942	109,913
Other Financial Assets (*)	201,663	1,119,042	65,047	939,817
Total	725,026	3,641,941	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 30 June 2024, loans with a fair value of TL 55,678 (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	8,537,447	4,970,212	9,563,340	3,603,425
Assets subject to Repurchase Agreements	29,566,740	498,577	15,891,877	460,420
Total	38,104,187	5,468,789	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	61,776,915	49,176,461
Quoted at Stock Exchange	61,776,915	49,176,461
Unquoted at Stock Exchange	-	-
Common Shares/Investment Fund	26,971	19,619
Quoted at Stock Exchange	4,491	4,491
Unquoted at Stock Exchange	22,480	15,128
Value Increase/Impairment Losses (-)	33,642,447	31,077,998
Total	95,446,333	80,274,078

Expected losses of TL 187,022 (31 December 2023: TL 363,833) are accounted under shareholders' equity for financial assets measured at fair value through other comprehensive income.

5.1.4 Derivative financial assets

5.1.4.1 Positive differences on derivative financial assets measured at FVTPL

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	3,392,388	238,887	809,247	49,155
Swap Transactions	3,824,176	6,521,022	3,536,008	5,158,778
Futures	-	-	-	-
Options	139,160	19,137	61,613	30,252
Others	-	-	-	-
Total	7,355,724	6,779,046	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	-	425,607	-	294,826
Cash Flow Hedges	-	469,949	7,658	918,610
Net Foreign Investment Hedges	-	-	-	-
Total	-	895,556	7,658	1,213,436

As of 30 June 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	60,225,800	895,556	148,978	43,544,244	1,221,094	-
-TL	-	-	-	120,000	7,658	-
-FC	60,225,800	895,556	148,978	43,424,244	1,213,436	-
Currency Swaps	15,349,192	-	414,616	-	-	-
-TL	8,171,015	-	414,616	-	-	-
-FC	7,178,177	-	-	-	-	-
Cross Currency Swaps	-	-	-	-	-	-
-TL	-	-	-	-	-	-
-FC	-	-	-	-	-	-
Currency Forwards	-	-	-	-	-	-
-TL	-	-	-	-	-	-
-FC	-	-	-	-	-	-
Total	75,574,992	895,556	563,594	43,544,244	1,221,094	-

5.1.4.3 Fair value hedge accounting

<i>Current Period</i>		Type of Risk	Fair Value Change of Hedged Item	Net Fair Value Change of Hedging Item		Statement of profit or loss Effect (gains/losses from derivative financial instruments)
Hedging Item	Hedged Item			Asset	Liability	
Interest Rate Swaps	Fixed-rate securities	Interest rate risk	(354,919)	425,607	-	(5,271)
Interest Rate Swaps	Fixed-rate securities issued	Interest rate risk	58,691	-	(148,979)	(90,288)

<i>Prior Period</i>		Type of Risk	Fair Value Change of Hedged Item	Net Fair Value Change of Hedging Item		Statement of profit or loss Effect (gains/losses from derivative financial instruments)
Hedging Item	Hedged Item			Asset	Liability	
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	469,949	-	187,676	123,788	35,882
Cross Currency Swaps	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates	-	(414,616)	-	-	-
Currency Swaps	Expected investment /Operational expenses	Cash flow risk resulted from foreign currency exchange rates	-	-	-	-	-
Spot Position	Mile payments	Cash flow risk resulted from foreign currency exchange rates	-	-	(473,502)	-	-

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 (11,035) and the amount recognized in Equity is TL 1,212,676.

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).

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	-	3,344,344	-	3,876,578
Corporates	-	3,344,344	-	3,876,578
Individuals	-	-	-	-
Indirect Lendings to Shareholders	9,201	48	116,371	48
Loans to Employees	1,800,965	1,523	1,301,580	21
Total	1,810,166	3,345,915	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	1,137,151,043	96,297,452	43,659,781	6,998,370
Working Capital Loans	110,613,869	3,781,555	2,172,220	865,272
Export Loans	134,578,391	3,265,960	40,132	51,037
Import Loans	-	-	-	-
Loans to Financial Sector	34,060,075	184,227	-	-
Consumer Loans	200,529,104	23,646,834	1,193,662	6,489
Credit Cards	263,312,109	39,560,125	10,281,717	-
Others	394,057,495	25,858,751	29,972,050	6,075,572
Specialization Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	1,137,151,043	96,297,452	43,659,781	6,998,370

(*) 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.

<i>Current Period</i>	Corporate/ Commercial Loans		Consumer Loans		Total	
	TL	FC	TL	FC	TL	FC
Performing Loans (Stage 1)	424,622,079	293,799,998	416,944,188	1,784,778	841,566,267	295,584,776
Loans under Follow-up (Stage 2)	28,255,021	51,503,058	67,164,225	33,299	95,419,246	51,536,357
Total Stage 1 and 2 Loans	452,877,100	345,303,056	484,108,413	1,818,077	936,985,513	347,121,133
Expected Credit losses-Stage 1-2 (-)	4,615,316	22,499,979	6,800,738	359	11,416,054	22,500,338
Total Non-performing Loans (Stage 3)	16,197,696	1,233,516	7,511,245	51,889	23,708,941	1,285,405
Expected Credit losses-Stage 3 (-)	10,494,977	944,103	4,533,273	33,711	15,028,250	977,814

<i>Prior Period</i>	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

	<i>Current Period</i>		<i>Prior Period</i>	
	Performing Loans	Loans Under Follow-Up	Performing Loans	Loans Under Follow-Up
12-Month ECL (Stage 1)	5,731,571	-	4,776,616	-
Significant Increase in Credit Risk (Stage 2)	-	28,184,821	-	26,622,678

As of 30 June 2024, loans amounting to TL 8,463,458 are benefited as collateral under funding transactions (31 December 2023: TL 8,965,137).

Collaterals received for loans under follow-up;

<i>Current Period</i>	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	5,515,077	17,338	-	5,532,415
Loans Collateralized by Mortgages/Shares/Credit Guarantee Fund Sureties	26,237,586	3,601,495	-	29,839,081
Loans Collateralized by Pledged Assets	5,510,300	881,738	-	6,392,038
Loans Collateralized by Cheques and Notes	295,035	6,148	-	301,183
Loans Collateralized by Other Collaterals	29,242,801	13,323,836	-	42,566,637
Unsecured Loans	5,465,977	7,016,430	49,841,842	62,324,249
Total	72,266,776	24,846,985	49,841,842	146,955,603

<i>Prior Period</i>	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

Delinquency periods of loans under follow-up;

<i>Current Period</i>	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
31-60 days	490,016	3,167,206	3,857,384	7,514,606
61-90 days	347,633	1,140,451	2,184,868	3,672,952
Others	71,429,127	20,539,328	43,799,590	135,768,045
Total	72,266,776	24,846,985	49,841,842	146,955,603

<i>Prior Period</i>	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.

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	77,707,902	97,955,771	175,663,673
Housing Loans	74,759	40,109,313	40,184,072
Automobile Loans	6,781,930	6,580,653	13,362,583
General Purpose Loans	70,851,213	51,265,805	122,117,018
Other	-	-	-
Consumer Loans – FC-indexed	-	106,939	106,939
Housing Loans	-	106,939	106,939
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans – FC	565	101,584	102,149
Housing Loans	180	58,912	59,092
Automobile Loans	-	29,982	29,982
General Purpose Loans	385	12,690	13,075
Other	-	-	-
Retail Credit Cards – TL	254,283,066	3,594,815	257,877,881
With Installment	101,492,957	3,594,815	105,087,772
Without Installment	152,790,109	-	152,790,109
Retail Credit Cards – FC	1,693,191	-	1,693,191
With Installment	-	-	-
Without Installment	1,693,191	-	1,693,191
Personnel Loans – TL	506,095	242,234	748,329
Housing Loan	-	1,632	1,632
Automobile Loans	506	299	805
General Purpose Loans	505,589	240,303	745,892
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	954,419	2,173	956,592
With Installment	318,464	2,173	320,637
Without Installment	635,955	-	635,955
Personnel Credit Cards – FC	22,737	-	22,737
With Installment	-	-	-
Without Installment	22,737	-	22,737
Deposit Accounts– TL (Real persons)	48,681,692	-	48,681,692
Deposit Accounts– TL (Personnel)	73,307	-	73,307
Deposit Accounts– FC (Real persons)	-	-	-
Total	383,922,974	102,003,516	485,926,490

<i>Prior Period</i>	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

5.1.5.5 *Installment based commercial loans and corporate credit cards*

<i>Current Period</i>	Short-Term	Medium and Long-Term	Total
Installment-based Commercial Loans – TL	23,574,973	51,107,810	74,682,783
Real Estate Loans	37,743	735,329	773,072
Automobile Loans	4,922,618	26,336,359	31,258,977
General Purpose Loans	18,614,612	24,036,122	42,650,734
Other	-	-	-
Installment-based Commercial Loans - FC-indexed	-	31,012	31,012
Real Estate Loans	-	27,754	27,754
Automobile Loans	-	-	-
General Purpose Loans	-	3,258	3,258
Other	-	-	-
Installment-based Commercial Loans – FC	34,138	2,502,151	2,536,289
Real Estate Loans	-	-	-
Automobile Loans	28,255	2,455,464	2,483,719
General Purpose Loans	5,883	46,687	52,570
Other	-	-	-
Corporate Credit Cards – TL	51,878,178	521,185	52,399,363
With Installment	13,657,463	521,185	14,178,648
Without Installment	38,220,715	-	38,220,715
Corporate Credit Cards – FC	204,187	-	204,187
With Installment	-	-	-
Without Installment	204,187	-	204,187
Deposit Accounts– TL (Corporates)	11,984,966	-	11,984,966
Deposit Accounts– FC (Corporates)	-	-	-
Total	87,676,442	54,162,158	141,838,600

<i>Prior Period</i>	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

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 (*)

	<i>Current Period</i>	<i>Prior Period</i>
Domestic Loans	1,273,784,312	1,036,959,376
Foreign Loans	10,322,334	7,517,827
Total	1,284,106,646	1,044,477,203

(*) Non-performing loans are not included.

5.1.5.8 Loans to associates and subsidiaries

	<i>Current Period</i>	<i>Prior Period</i>
Direct Lending	16,854,791	14,220,203
Indirect Lending	-	-
Total	16,854,791	14,220,203

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

	<i>Current Period</i>	<i>Prior Period</i>
Substandard Loans - Limited Collectibility	3,065,748	3,006,699
Doubtful Loans	3,724,002	2,384,643
Uncollectible Loans	9,216,314	9,254,354
Total	16,006,064	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	Doubtful Loans	Uncollectible
	Loans		Loans
Current Period			
(Gross Amounts before Provisions)	742,868	437,215	5,492,272
Restructured Loans and Receivables	742,868	437,215	5,492,272
Prior Period			
(Gross Amounts before Provisions)	281,913	387,394	6,418,485
Restructured Loans and Receivables	281,913	387,394	6,418,485

Movements in non-performing loans groups

<i>Current Period</i>	Group III	Group IV	Group V
	Substandard Loans	Doubtful Loans	Uncollectible Loans
Balances at End of Prior Period	5,634,614	3,968,074	12,050,965
Additions (+)	12,372,131	77,197	874,560
Transfer from Other NPL Categories (+)	-	8,099,428	4,625,974
Transfer to Other NPL Categories (-)	9,701,146	3,024,256	-
Collections during the Period (-)	1,651,985	1,277,854	1,603,873
Write down / Write-offs (-) ^(*) ^(**)	-	-	1,338,918
Debt Sale (-) ^(***)	505,660	1,593,243	2,144,294
Corporate and Commercial Loans	11,864	50,120	115,843
Retail Loans	238,368	746,817	1,260,982
Credit Cards	255,428	796,306	767,469
Other ^(****)	-	-	-
Foreign Currency Differences	164	10,793	121,675
Balances at End of Period	6,148,118	6,260,139	12,586,089
Provisions (-)	3,065,748	3,724,002	9,216,314
Net Balance on Balance Sheet	3,082,370	2,536,137	3,369,775

<i>Prior Period</i>	Group III	Group IV	Group V
	Substandard Loans	Doubtful Loans	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 13,741,435 as of 30 June 2024 (31 December 2023: TL 12,390,541). As of 30 June 2024, the Bank's NPL ratio is measured as 1.91% (31 December 2023: 3.16%) instead of 2.93% (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.

Non-performing loans in foreign currencies

	Group III	Group IV	Group V
	Substandard Loans and Receivables	Doubtful Loans and Receivables	Uncollectible Loans and Receivables
<i>Current Period</i>			
Balance at End of Period	7,983	278,448	6,559,995
Provisions (-)	4,555	207,513	4,808,109
Net Balance at Balance Sheet	3,428	70,935	1,751,886
<i>Prior Period</i>			
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
<i>Current Period (Net)</i>			
Loans to Individuals and Corporates (Gross)	6,148,118	6,260,139	12,586,089
Provision (-)	3,065,748	3,724,002	9,216,314
Loans to Individuals and Corporates (Net)	3,082,370	2,536,137	3,369,775
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other loans (gross)	-	-	-
Provision (-)	-	-	-
Other Loans (Net)	-	-	-
<i>Prior Period (Net)</i>			
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)	-	-	-

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)	457,261	309,289	254,483
Interest accruals and valuation differences	909,971	746,834	773,701
Provision (-)	452,710	437,545	519,218
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	53,274	109	-	53,383
Loans Collateralized by Mortgages	5,155,623	192,576	-	5,348,199
Loans Collateralized by Pledged Assets	645,820	38,260	-	684,080
Loans Collateralized by Cheques and Notes	113,728	1,035	-	114,763
Loans Collateralized by Other Collaterals	4,349,110	4,845,643	-	9,194,753
Unsecured Loans	660,493	1,776,419	7,162,256	9,599,168
Total	10,978,048	6,854,042	7,162,256	24,994,346

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 (+)	5,459,108	11,191,335	4,700,745	21,351,188
Disposals (-)	(6,365,133)	(6,482,388)	(1,732,722)	(14,580,243)
Debt Sales (-)	-	-	(3,399,206)	(3,399,206)
Write-offs (-)	-	-	(1,338,918)	(1,338,918)
Transfer to Stage1	3,281,384	(3,268,028)	(13,356)	-
Transfer to Stage 2	(1,477,944)	1,486,847	(8,903)	-
Transfer to Stage 3	(26,259)	(3,019,930)	3,046,189	-
Foreign Currency Differences	83,799	1,654,307	106,539	1,844,645
Balances at End of Period	5,731,571	28,184,821	16,006,064	49,922,456

<i>Prior Period</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
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

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Collateralised/Blocked Investments	32,557,380	24,050,259	68,545,597	23,010,874
Investments subject to Repurchase	105,375,610	1,060,240	35,973,781	963,355
Total	137,932,990	25,110,499	104,519,378	23,974,229

5.1.7.2 Government securities measured at amortised cost

	<i>Current Period</i>	<i>Prior Period</i>
Government Bonds	232,302,533	188,885,709
Treasury Bills	682,949	365,097
Other Government Securities	9,527,991	9,756,523
Total	242,513,473	199,007,329

5.1.7.3 Financial assets measured at amortised cost

	<i>Current Period</i>	<i>Prior Period</i>
Debt Securities	209,122,109	170,133,225
Quoted at Stock Exchange	203,399,989	165,163,112
Unquoted at Stock Exchange	5,722,120	4,970,113
Valuation Increase/(Decrease)	43,504,019	37,120,097
Total	252,626,128	207,253,322

5.1.7.4 Movement of financial assets measured at amortised cost

	<i>Current Period</i>	<i>Prior Period</i>
Balances at Beginning of Period	207,253,322	108,227,855
Foreign Currency Differences On Monetary Assets	6,643,743	26,179,723
Purchases during the Period	42,783,732	70,889,060
Disposals through Sales/Redemptions	(10,438,591)	(15,725,009)
Valuation Effect	6,383,922	17,681,693
Balances at End of Period	252,626,128	207,253,322

5.1.7.5 Expected credit loss for financial assets measured at amortised cost

<i>Current Period</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
Balances at End of Prior Period	1,055,093	-	-	1,055,093
Additions during the Period (+)	227,565	1,629	-	229,194
Disposal (-)	(780,819)	(310)	-	(781,129)
Transfer to Stage 1	1,380	(1,380)	-	-
Transfer to Stage 2	(61)	61	-	-
Transfer to Stage 3	-	-	-	-
Foreign Currency Differences	28,602	-	-	28,602
Balances at End of Period	531,760	-	-	531,760

<i>Prior Period</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
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

	<i>Current Period</i>	<i>Prior Period</i>
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	304,840	1,444,904
Disposals (Cost)	(74,301)	(90,248)
Disposals (Accumulated Depreciation)	-	69
Impairment Losses	268	-
Depreciation Expense for Current Period (-)	-	-
Cost	2,355,221	2,124,413
Accumulated Depreciation (-)	(2,107)	(2,106)
Net Book Value	2,353,114	2,122,307

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	3,849,876	3,495,927	972,747	217,892	-	424,331	1,465,187	-
2	6,507,678	792,317	155,761	5,568	2,112	4,986	12,306	-
3	161,505,023	8,929,473	390,209	2,107,185	147,948	1,654,125	91,335	-
4	133,521,145	15,942,618	4,958,094	652,475	663,074	6,319,881	3,583,577	-
5	1,452,661	498,628	759,820	18,995	761	190,914	33,517	-
6	6,923,835,943	(799,836,149)	1,501,756	243,921,120	42,282,548	(818,182,864)	72,021,888	-
7	5,241,820	2,376,390	50,642	142,656	-	205,880	108,044	-
8	366,742	277,843	22,637	24,738	2,509	(15,193)	11,843	-
9	137,083	126,314	8,377	3,348	31,201	4,642	(4,166)	-
10	8,016,435	7,930,609	22,900	788,557	-	760,760	268,561	-

(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	18,574	16,075
Acquisitions(*)	-	-
Bonus Shares Received	-	15,547
Dividends from Current Year Profit	-	-
Sales	-	-
Increase in Market Values	-	-
Impairment Reversals/(Losses)	18,574	528
Balance at End of Period	145,588	127,014
Capital Commitments	-	-
Share Percentage at the End of Period (%)	-	-

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	120,031	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	145,588	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.

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	4,688,653	15,023,171	357,848	517,159	205,423
Share Premium	-	444,099	-	-	-
Share Cancellation Profits	-	-	-	-	-
Legal Reserves	4,610,335	2,321,081	7,568,115	1,432,864	5,245,543
Other Comprehensive Income according to TAS	16,697,470	78,528	-	-	-
Current and Prior Periods' Profits	1,757,742	528,319	2,102,756	1,954,177	2,285,856
Minority interest	-	-	-	-	81,309
Common Equity Tier I Capital Before Deductions	27,754,200	18,395,198	10,028,719	3,904,200	7,818,131
Deductions From Common Equity Tier I Capital					
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	173,244	2,381,029	9,964	27,509	12,288
Leasehold Improvements on Operational Leases (-)	-	1,540	-	27	872
Goodwill and Other Intangible Assets and Related Deferred Taxes (-)	273,244	2,092,229	44,509	128,011	71,931
Net Deferred Tax Asset/Liability (-)	-	-	-	-	-
Total Deductions from Common Equity Tier I Capital	446,488	4,474,798	54,473	155,547	85,091
Total Common Equity Tier I Capital	27,307,712	13,920,400	9,974,246	3,748,653	7,733,040
Total Deductions From Tier I Capital	-	-	-	-	-
Total Tier I Capital	27,307,712	13,920,400	9,974,246	3,748,653	7,733,040
TIER II CAPITAL	-	986,439	-	-	-
TOTAL CAPITAL	27,307,712	14,906,839	9,974,246	3,748,653	7,733,040

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

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	80.53	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 30 June 2024.

	Total Assets	Shareholder s' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
1	706,286	525,609	334	82,160	-	191,511	42,875	-
2	14,956	451	1,792	-	-	111	67	-
3	2,967	1,548	-	410	-	-	(525)	-
4	32,847,662	10,131,682	57,267	2,779,608	-	1,840,138	1,408,218	-
5	11,137,909	2,427,139	56,582	2,786,397	-	693,057	481,039	-
6	9,272,137	7,743,121	142,702	2,196,214	4,725	2,296,325	1,299,635	-
7	1,307,059	933,814	29,981	177,320	-	400,829	159,597	-
8	14,055,447	3,876,691	137,437	1,166,955	413,748	1,954,177	845,161	-
9	212,226,265	27,556,827	1,141,640	6,930,403	254,074	1,757,752	1,113,968	-
10	13,466,938	13,464,473	-	-	-	(1,506)	(1,418)	-
11	600,040	583,347	161,540	24,179	614	(31,534)	(2,260)	-
12	1,313,124	1,313,032	-	18,295	-	17,673	(21)	-

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

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

5.1.10.3 Movement of investments in subsidiaries

	<i>Current Period</i>	<i>Prior Period</i>
Balances at Beginning of Period	56,809,903	28,984,541
Movements during the Period	11,397,578	27,825,362
Acquisitions (*)	1,248,000	593,000
Bonus Shares Received	260,263	508,558
Earnings from Current Year Profit	9,372,627	13,958,392
Sales/Liquidations	-	-
Reclassification of Shares	-	-
Increase/(Decrease) in Market Values	(1,947,645)	(865,455)
Currency Differences on Foreign Subsidiaries	2,464,333	13,630,867
Impairment Reversals/(Losses)	-	-
Balance at End of Period	68,207,481	56,809,903
Capital Commitments	-	-
Share Percentage at the End of Period (%)	-	-

(*)Capital of Garanti BBVA Finansal Teknolojiler A.Ş. amounting to TL 448,000 has been increased to TL 1,296,000 through paid-in capital increase with the Board of Directors Decision No. 4 dated 3 June 2024.

Capital of Garanti Ödeme ve Elektronik Para Hizmetleri A.Ş. amounting to TL 255,000 has been increased to TL 655,000 through paid-in capital increase with the Board of Directors Decision No. 2024/4 dated 16 May 2024. the Bank has participated the total of paid-in capital increase in exchange for 400,000,000 shares with a nominal value of TL 1 (full amount) amounting to TL 400,000 corresponding to its share in the capital. As a result of paid-in capital increase, the Bank's share capital in Garanti Ödeme ve Elektronik Para Hizmetleri A.Ş. has increased to 80.53% 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	<i>Current Period</i>	<i>Prior Period</i>
Banks	27,556,834	24,281,298
Insurance Companies	3,292,728	3,027,560
Factoring Companies	1,986,438	1,419,212
Leasing Companies	10,303,183	8,267,623
Finance Companies	-	-
Other Subsidiaries	25,068,298	19,814,210

5.1.10.5 Quoted consolidated investments in subsidiaries

	<i>Current Period</i>	<i>Prior Period</i>
Quoted at Domestic Stock Exchange	1,986,438	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 (*)	68,207,481	56,809,903

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

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	54	13,659
Disposals	-	-
Transfers	-	-
Fair Value Change	1,445,257	1,242,171
Net Book Value at End of Period	4,516,451	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.

5.1.15 Deferred tax asset

As of 30 June 2024, the Bank has a deferred tax asset of TL 26,356,600 (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 30 June 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 27,341,709 (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 985,109 (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.

	<i>Current Period</i>		<i>Prior Period</i>	
	Tax Base	Deferred Tax Amount	Tax Base	Deferred Tax Amount
Provisions (*)	7,367,797	2,209,739	5,946,643	1,783,393
Stages 1&2 Credit Losses	42,277,263	12,655,965	40,964,485	12,246,423
Differences between the Carrying Values and Taxable Values of Financial Assets (**)(****)	18,873,170	5,840,900	1,244,102	720,822
Revaluation Differences on Real Estates(***)(****)	8,463,263	2,768,743	8,947,586	2,761,066
Differences Between Book Value and Tax Value of Fixed Assets (***)(****)	7,236,224	2,170,867	5,597,977	1,679,393
Other	2,358,244	710,386	2,090,427	643,175
Deferred Tax Asset	86,575,961	26,356,600	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 TAS 29 and Tax Procedure Tax law is included.

5.1.16 Other Assets

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Derivative Financial Assets (Derivative Guarantees)	813,853	1,823,047	548,843	2,593,973
Receivables From Clearing Transactions	22,615,865	87,488	20,098,805	42,326
Prepaid Expenses(*)	35,970,334	1,578	22,657,205	1,437
Cash Guarantees Given	35,324	2,268,499	31,892	2,295,585
Receivables From Forward Sale of Assets	1,137	-	1,137	-
Other(**)	5,194,365	1,749,410	24,169,719	1,779,023
Total	64,630,878	5,930,022	67,507,601	6,712,344

(*)The related item mainly includes salary promotion payments.

(**)As of 30 June 2024, the foreign exchange valuation differences amounting to TL 2,005,489 (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 Türkiye Ministry of Treasury and Finance dated 24 December 2021 are included in other assets.

5.2 Liabilities

5.2.1 Maturity profile of deposits

<i>Current Period</i>	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	94,416,718	-	8,940,259	224,847,046	151,355,008	160,981,777	76,481,575	865	717,023,242
Foreign Currency Deposits	370,801,502	-	8,422,982	33,607,752	1,970,033	2,762,736	1,630,207	44,093	419,239,305
Residents in Türkiye	349,333,493	-	8,108,937	30,627,871	1,728,579	2,584,965	734,145	39,572	393,157,562
Residents in Abroad	21,468,009	-	314,045	2,979,881	241,454	177,771	896,062	4,521	26,081,743
Public Sector Deposits	8,442,870	-	983	98,174	299	10	-	-	8,542,336
Commercial Deposits	76,428,468	-	100,932,032	54,378,381	29,709,335	35,885,285	25,227,224	-	322,560,725
Other	2,079,928	-	1,855,378	2,410,360	459,174	2,473,115	12,816,957	-	22,094,912
Precious Metal Deposits	90,819,631	-	-	281,010	245,827	31,861	629,980	-	92,008,309
Bank Deposits(*)	1,339,244	-	18,867,778	-	687	-	-	-	20,207,709
Central Bank of Türkiye	15,502	-	-	-	-	-	-	-	15,502
Domestic Banks	14,990	-	18,153,291	-	-	-	-	-	18,168,281
Foreign Banks	1,290,132	-	714,487	-	687	-	-	-	2,005,306
Special Financial Institutions	18,620	-	-	-	-	-	-	-	18,620
Other	-	-	-	-	-	-	-	-	-
Total(**)	644,328,361	-	139,019,412	315,622,723	183,740,363	202,134,777	116,785,94	44,958	1,601,676,538

<i>Prior Period</i>	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 Türkiye	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 Türkiye	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 30 June 2024, the Bank has a total of TL 293,915,664 (31 December 2023: TL 366,592,635) foreign exchange-protected deposit instrument of which TL 288,545,149 (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 5,370,516 (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 2,005,489 (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.

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)	212,260,704	154,958,120	501,421,045	435,826,886
Foreign Currency Saving Deposits	112,829,002	91,378,516	136,131,596	163,747,502
Other Saving Deposits	52,821,959	37,991,025	35,500,155	30,724,467
Foreign Branches' Deposits Under Foreign Insurance Coverage	2,892,070	2,497,951	3,120,914	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)	40,253,493	30,582,173	302,226,047	227,878,368
Foreign Currency Commercial Deposits	10,771,912	7,532,111	155,394,325	159,760,820
Other Commercial Deposits	233,617	148,418	3,315,152	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 Türkiye 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	25,878	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	525,550	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 Türkiye	-	-

Commercial Deposits	Current Period	Prior Period
Deposits and Other Accounts held at Foreign Branches	11,599,388	10,295,697
Deposits and Other Accounts held by Main Shareholder with Qualified Shareholders and Corporates Under Their Control	6,987,457	6,547,426
Official Institutions Deposits and Other Accounts	8,606,179	6,746,816
Credit and Financial Institutions Deposits	3,955,935	2,668,626

5.2.2 Funds borrowed

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Central Bank of Türkiye	-	-	-	-
Domestic Banks and Institutions	1,117,112	1,120,795	995,541	820,884
Foreign Banks, Institutions and Funds	-	44,312,016	-	42,241,730
Total	1,117,112	45,432,811	995,541	43,062,614

5.2.2.1 Maturities of funds borrowed

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Short-Term	892,543	2,754,234	995,541	2,508,835
Medium and Long-Term	224,569	42,678,577	-	40,553,779
Total	1,117,112	45,432,811	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.

5.2.3 Money market funds

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Domestic Transactions	27,226,129	89,722,088	109,834	43,343,975
Financial Institutions and Organizations	27,123,664	88,740,940	1,193	42,469,072
Other Institutions and Organizations	33,633	981,148	36,534	874,903
Individuals	68,832	-	72,107	-
Foreign Transactions	402	-	347	-
Financial Institutions and Organizations	-	-	-	-
Other Institutions and Organizations	-	-	-	-
Individuals	402	-	347	-
Total	27,226,531	89,722,088	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	115,393	1	1,182,988	3,189,155
Cost	115,393	3	1,182,988	3,182,740
Carrying Value	117,723	3	1,197,621	3,208,756

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

5.2.5 Financial liabilities measured at fair value through profit/loss

	Current Period		Prior Period	
	TL	FC	TL	FC
Funds Borrowed	-	53,193,434	-	48,622,754
Total	-	53,193,434	-	48,622,754

In accordance with TFRS 9, the Bank classified a part of borrowings obtained through DPR amounting to USD 1,610,625,000 (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 30 June 2024, the accumulated fair value change of the related financial liabilities amounted to TL (796,501) (31 December 2023: TL 409,726) and the corresponding gains/losses recognised in the statement of profit/loss mounted to TL (1,206,227) (31 December 2023: TL (1,509,783)). The carrying value of the related financial liability amounted to TL 53,193,434 (31 December 2023: TL 48,622,755).

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	513,968	95,604	220,865	88,552
Swap Transactions	9,765,285	4,301,411	6,611,254	4,236,373
Futures	-	782	-	808
Options	155,544	25,896	189,439	63,537
Others	-	-	-	-
Total	10,434,797	4,423,693	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	-	148,979	-	-
Cash Flow Hedges	414,616	-	-	-
Net Foreign Investment Hedges	-	-	-	-
Total	414,616	148,979	-	-

5.2.7 Lease liabilities (Net)

5.2.7.1 Operational lease liabilities

	<i>Current Period</i>		<i>Prior Period</i>	
	Gross	Net	Gross	Net
Up to 1 Year	1,044,447	673,995	726,953	493,255
1-4 Years	1,725,576	1,113,535	1,383,619	938,819
More than 4 Years	498,841	321,908	440,463	298,865
Total	3,268,864	2,109,438	2,551,035	1,730,939

As of 30 June 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 30.0%, 0.3% and 3.4% (31 December 2023: 24.1%, 0.3% and 3.2%) respectively.

5.2.8 Provisions

5.2.8.1 Reserve for employee severance indemnity

	<i>Current Period</i>	<i>Prior Period</i>
Balances at Beginning of Period	2,222,135	1,944,077
Expenses During the Period	394,708	624,013
Actuarial Gain/Loss	-	984,663
Payments During the Period	(79,273)	(1,330,618)
Balances at End of Period	2,537,570	2,222,135

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

None.

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

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

5.2.8.4 Other provisions

	<i>Current Period</i>	<i>Prior Period</i>
Reserve for Employee Benefits	5,435,953	4,324,280
Provision for Promotion Expenses of Credit Cards	1,304,935	885,218
Provision for Lawsuits	521,778	682,214
Provision for Non-Cash Loans	9,609,661	10,168,407
Other Provisions	294,939	383,625
Total	17,167,266	16,443,744

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	(711,039)	(766,105)
Total expense recognized in the statement of profit or loss	127,891	768,544
Amount recognized in the shareholders’ equity	583,148	(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.

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

5.2.9 Tax liability

5.2.9.1 Current tax liability

5.2.9.1.1 Tax liability

As of 30 June 2024, the corporate tax liability amounts to TL 8,954,371 (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 30 June 2024, TL 15,133,061 (31 December 2023: TL 23,335,328) of total current period tax expense amounting to TL 16,191,693 (31 December 2023: TL 25,613,766) has been classified in the statement of profit or loss and TL (1,058,632) (31 December 2023: TL (2,278,438)) has been classified in equity.

5.2.9.1.2 Taxes payable

	<i>Current Period</i>	<i>Prior Period</i>
Corporate Taxes Payable	8,954,371	6,583,138
Taxation on Securities Income	1,314,463	517,070
Taxation on Real Estates Income	16,035	11,295
Banking Insurance Transaction Tax	3,065,432	1,960,786
Foreign Exchange Transaction Tax	36,486	44,982
Value Added Tax Payable	272,422	245,479
Others	437,623	312,819
Total	14,096,832	9,675,569

5.2.9.1.3 Premiums

	<i>Current Period</i>	<i>Prior Period</i>
Social Security Premiums-Employees	773	720
Social Security Premiums-Employer	949	884
Bank Pension Fund Premium-Employees	349	256
Bank Pension Fund Premium-Employer	430	285
Pension Fund Membership Fees and Provisions-Employees	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employees	11,845	7,467
Unemployment Insurance-Employer	23,882	15,133
Others	372	193
Total	38,600	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..

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

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Payables from credit card transactions	80,795,520	892,782	64,698,502	487,267
Payables from clearing transactions	18,230,225	132,342	13,021,047	213,123
Other	9,118,010	11,358,141	7,083,240	12,379,000
Total	108,143,755	12,383,265	84,802,789	13,079,390

5.2.13 Shareholders' equity

5.2.13.1 Paid-in capital

	<i>Current Period</i>	<i>Prior Period</i>
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.

5.2.13.8 Securities value increase fund

	Current Period		Prior Period	
	TL	FC	TL	FC
Investments in Associates, Subsidiaries and Joint-Ventures	32,134,388	(344,440)	29,773,633	(319,249)
Valuation difference	246,587	(344,440)	350,165	(319,249)
Exchange rate difference	31,887,801	-	29,423,468	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	3,548,889	329,814	4,800,522	313,326
Valuation difference	2,608,557	329,814	3,984,143	313,326
Exchange rate difference	940,332	-	816,379	-
Total	35,683,277	(14,626)	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	1,189,489	423,333	1,011,095	360,766
Real Estates	18,524,141	202,911	14,533,730	190,583
Defined Benefit Plans' Actuarial Gains/Losses	(2,327,219)	-	(1,919,018)	-
Other	(82,824)	-	(83,423)	-
Total	17,303,587	626,244	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.	1,399	1,399
İhracatı Geliştirme A.Ş.	15,512	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.	148	7
Total	25,851	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

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 66,673,874 (31 December 2023: TL 29,804,548), commitments for cheque payments of TL 14,418,552 (31 December 2023: TL 9,642,506) and commitments for credit card limits of TL 890,451,373 (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	144,540,993	127,708,895
Letters of Guarantee in TL	280,784,174	207,649,439
Letters of Credit	52,149,147	45,832,841
Bills of Exchange and Acceptances	8,543,781	7,962,125
Endorsements	15,299,025	12,043,653
Other Guarantees	448,298	269,955
Total	501,765,418	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	1,943,216	4,780,967	3,444,224	10,168,407
Additions during the Period (+)	1,970,643	2,092,416	57,313	4,120,372
Disposals (-)	(2,397,817)	(1,507,010)	(1,273,810)	(5,178,637)
Sales (-)	-	-	-	-
Write-offs (-)	-	-	-	-
Transfer to Stage 1	1,110,482	(1,109,051)	(1,431)	-
Transfer to Stage 2	(174,880)	269,072	(94,192)	-
Transfer to Stage 3	(405)	(19,043)	19,448	-
Foreign Currency Differences	35,426	240,137	223,956	499,519
Provisions at End of Period	2,486,665	4,747,488	2,375,508	9,609,661

<i>Prior Period</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
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 4,110,446 (31 December 2023: TL 5,075,660) is made for unliquidated non-cash loans of TL 2,375,506 (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”.

5.3.1.3 Non-cash loans

	<i>Current Period</i>	<i>Prior Period</i>
Non-Cash Loans against Cash Risks	114,603,303	88,460,211
With Original Maturity of 1 Year or Less	14,726,641	10,550,318
With Original Maturity of More Than 1 Year	99,876,662	77,909,893
Other Non-Cash Loans	387,162,115	313,006,697
Total	501,765,418	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.

5.4 Statement of Profit or Loss

5.4.1 Interest income

5.4.1.1 Interest income from loans (*)

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Interest income received from loans				
Short-term loans	101,677,354	5,338,868	24,855,268	2,878,399
Medium and long-term loans	42,179,633	9,408,289	18,862,289	7,269,100
Loans under follow-up	1,298,619	27,273	623,746	28,699
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	145,155,606	14,774,430	44,341,303	10,176,198

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

5.4.1.2 Interest income from banks

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Central Bank of Türkiye	1,698,093	39,980	-	39,272
Domestic Banks	65,592	3	39,088	-
Foreign Banks	15,706	916,860	3,613	523,372
Foreign Head Offices and Branches	-	-	-	-
Total	1,779,391	956,843	42,701	562,644

5.4.1.3 Interest income from securities portfolio

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Financial Assets Measured at Fair Value through Profit or Loss	416,994	88,147	108,717	43,054
Financial Assets Measured at Fair Value through Other Comprehensive Income	10,614,547	736,549	6,652,115	528,432
Financial Assets Measured at Amortised Cost	20,906,142	2,108,635	8,458,931	1,589,494
Total	31,937,683	2,933,331	15,219,763	2,160,980

As disclosed in the accounting policies, the Bank values CPI-indexed government bonds in its securities portfolio according to the reference index on the issue date and the index that is calculated according to the expected inflation rate. The inflation rate used during the valuation is being updated during the year when it is considered necessary. As of 30 June 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 30 June 2024 will increase or decrease by approximately TL 361,360.

5.4.1.4 Interest income received from associates and subsidiaries

	<i>Current Period</i>	<i>Prior Period</i>
Interest Received from Investments in Associates and Subsidiaries	3,033,619	1,280,903

5.4.2 Interest Expenses

5.4.2.1 Interest expenses on funds borrowed (*)

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	248,615	1,431,926	72,145	825,460
Central Bank of Türkiye	-	-	-	-
Domestic Banks	248,615	40,980	72,145	28,145
Foreign Banks	-	1,390,946	-	797,315
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	2,544,704	-	1,723,048
Total	248,615	3,976,630	72,145	2,548,508

(*) 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	1,384,551	699,495

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

Account Description	Demand Deposits	Time Deposits					Accumulating Deposit Accounts	Total
		Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over		
Turkish Lira								
Bank Deposits	1,509	906,492	-	-	-	-	-	908,001
Saving Deposits	-	1,443,266	37,588,179	27,787,754	33,391,894	10,834,285	-	111,045,378
Public Sector Deposits	-	951	5,051	15,802	-	-	-	21,804
Commercial Deposits	-	14,844,742	7,903,385	4,830,311	7,923,728	3,974,532	-	39,476,698
Other	-	197,259	758,496	316,554	319,465	1,485,890	-	3,077,664
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Total TL	1,509	17,392,710	46,255,111	32,950,421	41,635,087	16,294,707	-	154,529,545
Foreign Currency								
Foreign Currency Deposits	-	7,854	3,268	81	72,519	1,852	102	85,676
Bank Deposits	-	10,102	-	-	-	-	-	10,102
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	87	-	87
Total FC	-	17,956	3,268	81	72,519	1,939	102	95,865
Grand Total	1,509	17,410,666	46,258,379	32,950,502	41,707,606	16,296,646	102	154,625,410

<i>Prior Period</i>	Demand Deposits	Time Deposits					Accumulat ing Deposit Accounts	Total
		Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over		
Turkish Lira								
Bank Deposits	1,011	78,102	-	-	-	-	-	79,113
Saving Deposits	-	346,512	20,237,431	1,760,720	182,939	2,075,005	-	24,602,607
Public Sector Deposits	-	786	4,019	58	-	-	-	4,863
Commercial Deposits	-	3,711,704	7,041,621	512,481	274,386	390,137	-	11,930,329
Other	-	45,642	712,547	202,437	54,861	40,667	-	1,056,154
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Total TL	1,011	4,182,746	27,995,618	2,475,696	512,186	2,505,809	-	37,673,066
Foreign Currency								
Foreign Currency Deposits	-	31,833	119,861	62,028	13,582	21,144	98	248,546
Bank Deposits	-	2,983	-	-	-	-	-	2,983
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	980	216	30	5,632	-	6,858
Total FC	-	34,816	120,841	62,244	13,612	26,776	98	258,387
Grand Total	1,011	4,217,562	28,116,459	2,537,940	525,798	2,532,585	98	37,931,453

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.

5.4.4 Trading income/losses

	<i>Current Period</i>	<i>Prior Period</i>
Income	274,801,099	175,322,599
Trading Account Income	772,631	4,085,854
Gains from Derivative Financial Instruments	20,817,982	21,479,060
Foreign Exchange Gains	253,210,486	149,757,685
Losses (-)	273,252,404	157,979,774
Trading Account Losses	1,555,827	388,753
Losses from Derivative Financial Instruments	35,354,950	27,903,271
Foreign Exchange Losses	236,341,627	129,687,750
Total	1,548,695	17,342,825

TL 3,831,228 (30 June 2023: TL 2,773,673) of foreign exchange gains and TL 2,790,399 (30 June 2023: TL 10,851,816) 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.

	<i>Current Period</i>	<i>Prior Period</i>
Reversal of Prior Years’ Provisions	20,414,284	11,674,180
Stage 1 Provisions	7,364,039	4,830,499
Stage 2 Provisions	7,046,898	2,963,201
Stage 3 Provisions	5,392,779	1,476,246
Others (*)	610,568	2,404,234
Revenues from Sale of Assets	1,056,129	49,173
Others	2,509,284	1,573,401
Total	23,979,697	13,296,754

(*) Includes income arising from reversal of free provision amounting to TL 2,000,000 in the prior period

5.4.6 Expected credit losses and other provisions

	<i>Current Period</i>	<i>Prior Period</i>
Expected Credit Losses	26,874,356	20,633,804
12-Month ECL (Stage 1)	5,966,227	4,769,934
Lifetime ECL Significant Increase in Credit Risk (Stage 2)	10,921,339	12,762,968
Lifetime ECL Impaired Credits (Stage 3)	9,986,790	3,100,902
Other Provisions	38,479	46,895
Impairment Losses on Securities	-	-
<i>Financial Assets Measured at Fair Value through Profit/Loss</i>	-	-
<i>Financial Assets Measured at Fair Value through Other Comprehensive Income</i>	-	-
Impairment Losses on Associates, Subsidiaries and Joint-ventures	-	-
<i>Associates</i>	-	-
<i>Subsidiaries</i>	-	-
<i>Joint-ventures</i>	-	-
Others	38,479	46,895
Total	26,912,835	20,680,699

5.4.7 Other operating expenses

	<i>Current Period</i>	<i>Prior Period</i>
Reserve for Employee Termination Benefits	394,708	425,146
Defined Benefit Obligation	-	-
Impairment Losses on Tangible Assets	-	-
Depreciation Expenses of Tangible Assets	786,906	432,311
Impairment Losses on Intangible Assets	-	-
Impairment Losses on Goodwill	-	-
Amortisation Expenses of Intangible Assets	198,132	127,111
Impairment Losses on Investments Accounted under Equity Method	-	-
Impairment Losses on Assets to be Disposed	-	-
Depreciation Expenses of Right-of-use Assets	385,841	238,257
Impairment Losses on Assets Held for Sale	-	-
Other Operating Expenses	17,498,812	10,063,416
<i>Operational Lease related Expenses (*)</i>	230,312	153,842
<i>Repair and Maintenance Expenses</i>	208,533	100,377
<i>Advertisement Expenses</i>	1,222,323	339,603
<i>Other Expenses (**)</i>	15,837,644	9,469,594
Loss on Sale of Assets	29,620	211
Others (***)	4,807,548	2,068,041
Total	24,101,567	13,354,493

(*) 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 Türkiye Ministry of Interior Disaster and Emergency Management Presidency due to the earthquake disaster.

(***) Includes Saving Deposits Insurance Fund related expenses of TL 1,619,404 (30 June 2023: TL 1,078,849) 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 30 June 2024, the Bank recorded a tax expense of TL 16,191,693 (30 June 2023: tax income of TL 9,260,760) and a deferred tax income of TL 5,993,652 (30 June 2023: deferred tax income of TL 3,676,492).

Deferred tax benefit/charge on timing differences:

Deferred tax benefit/(charge) on timing differences	<i>Current Period</i>	<i>Prior Period</i>
Increase in tax deductible timing differences (+)	(3,243,536)	(5,201,009)
Decrease in tax deductible timing differences (-)	587,468	1,115,405
Increase in taxable timing differences (-)	463,546	1,286,773
Decrease in taxable timing differences (+)	(3,801,130)	(877,661)
Total	(5,993,652)	(3,676,492)

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	<i>Current Period</i>	<i>Prior Period</i>
(Increase)/Decrease in Tax Deductible Timing Differences (net)	(2,656,068)	(4,085,604)
(Increase)/Decrease in Taxable Timing Differences (net)	(3,337,584)	409,112
(Increase)/Decrease in Tax Losses (net)	-	-
(Increase)/Decrease in Tax Deductions and Exemptions (net)	-	-
Total	(5,993,652)	(3,676,492)

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

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

5.4.11 Net profit/loss

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

None.

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

None.

5.4.12 Components of other items in statement of profit/loss

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

5.5 Statement of changes in shareholders' equity

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

5.6 Statement of Cash Flows

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

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	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
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	22,156,663	6,031,454	70,880	3,344,344	56,512	20,635
Interest and Commission Income	3,199,152	14,999	219	-	1,810	-

Prior Period

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
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	1,454,106	14,223	9,480	-	1,957	-

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	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
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	6,429,656	4,961,030	114,045	71,462	14,538,076	7,676,484
Interest Expense	1,216,549	515,208	160	63	2,202,020	766,375

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	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions at Fair Value Through Profit/(Loss):						
Balance at beginning of period	30,112,236	10,342,968	58,710,468	46,634,311	-	-
Balance at end of period	41,735,774	30,112,236	77,784,032	58,710,468	-	-
Total Profit/(Loss)	(664,739)	569,600	441,851	626,790	-	-
Transactions for Hedging:						
Balance at beginning of period	-	-	-	-	-	-
Balance at end of period	-	-	-	-	-	-
Total Profit/(Loss)	-	-	-	-	-	-

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 18,893,992 (31 December 2023: TL 14,229,275) compose 1.29% (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 22,284,055 (31 December 2023: TL 19,831,412) compose 0.96% (31 December 2023: 1.03%) of the Bank's total assets. The non-cash loans of the risk group amounting TL 9,396,433 (31 December 2023: TL 9,712,294) compose 1.87% (31 December 2023: 2.42%) of the Bank's total non-cash loans.

The deposits of the risk group amounting TL 21,081,774 (31 December 2023: TL 16,464,945) compose 1.32% (31 December 2023: 1.19%) of the Bank's total deposits.

The funds borrowed by the Bank from its risk group amounting TL 61,969,120 (31 December 2023: TL 57,310,453) compose 62.13% (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 1,168,839 (31 December 2023: TL 784,183).

A total rent income of TL 38,302 (30 June 2023: TL 24,742) was recognized for the real estates rented to the related parties.

Operating expenses for TL 607,171 (30 June 2023: TL 279,454) were incurred for the IT services rendered by the related parties. Banking services fees of TL 103,875 (30 June 2023: TL 116,435) were recognized from the related parties.

Insurance brokerage fee of TL 1,289,447 (30 June 2023: TL 592,888), shares brokerage fee of TL 648,443 (30 June 2023: TL 372,228), and fixed-rate securities brokerage fee of TL 30,061 (30 June 2023: TL 15,321) were received from the subsidiaries.

Operating expenses of TL 44,191 (30 June 2023: TL 37,254) 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 203,169 as of 30 June 2024 (30 June 2023: TL 103,147).

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.

5.10 Other Disclosures on Activities of the Bank

5.10.1 Bank’s latest international risk ratings

MOODY’S (July 2024)

Outlook	Positive
Long-Term FC Deposit	Ba3(Positive)
Long-Term TL Deposit	Ba3(Positive)
Short-Term FC Deposit	Not Prime
Short-Term TL Deposit	Not Prime
Baseline Credit Assessment - BCA	b1
Adjusted BCA	ba3
Senior Unsecured Rating (Regular Bond)	B2 (hyb)
Senior Unsecured Rating (Medium-Term Note Program)	(P) Ba3
National Scale Rating (NSR) Long Term Deposit	Aaa.tr
National Scale Rating (NSR) Short Term	TR-1

FITCH RATINGS (June 2024)

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

JCR EURASIA RATINGS (September 2023)

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

5.10.2 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)

5.10.3 Other disclosures

None.

6 Disclosures on Limited Review Report

6.1 Bank's latest international risk ratings

The unconsolidated financial statements of the Bank as of 30 June 2024, have been reviewed by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member firm of Ernst&Young Global Limited) and a limited review report dated 30 July 2024, is presented before the accompanying financial statements.

6.2 Dividends

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 30 June 2024. Based on the unconsolidated financials, the Bank's **net income** in the first 6 months of the year recorded as TL 44 billion 838 million 802 thousand. **Asset size** reached to TL 2 trillion 313 billion 106 million 65 thousand and the Bank's contribution to the economy through cash and non-cash **loans** increased to TL 1 trillion 785 billion 872 million 64 thousand. Actively managing the funding base, customer deposits continued to be the main funding source with 68% share in the total funding base. Customer deposit base reached to TL 1 trillion 581 billion 471 million 568 thousand with 14.4% growth in the first 6 months of the year. Preserving the strong capital stance, Bank's capital adequacy ratio was realized at 16.8%*. The Bank delivered an **ROAE** (Return on Average Equity) of 34.3% and an **ROAA** (Return on Average Assets) of 4.2%.

**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 Türkiye 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 the environment. 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 Türkiye'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 30.06.2024	Prior Period 31.12.2023	Change %
Total Assets	2,313,106,065	1,930,055,336	19.8%
Loans	1,309,100,992	1,066,130,856	22.8%
- Performing Loans	1,284,106,646	1,044,477,203	22.9%
- Non-Performing Loans	24,994,346	21,653,653	15.4%
Customer Deposits	1,581,471,568	1,382,248,655	14.4%
Shareholders' Equity	279,319,084	244,797,041	14.1%

Selected P&L Items (Thousands TL)	Current Period 30.06.2024	Prior Period 30.06.2023	Change %
Net Interest Income	45,857,368	31,784,645	44.3%
Operating Expenses	39,148,916	20,902,116	87.3%
- HR Cost	15,047,349	7,547,623	99.4%
- Other Operating Expenses	24,101,567	13,354,493	80.5%
Net Fees&Commissions	40,234,663	13,371,981	200.9%
Net Income	44,838,802	34,204,988	31.1%

Selected Financial Ratios	Current Period 30.06.2024	Prior Period 31.12.2023	Change (bps)
Performing Loans/Assets	55.5%	54.1%	140
Deposits/Assets	68.4%	71.6%	(325)
Return on Average Equity	34.3%	44.9%	(1060)
Return on Average Assets	4.2%	5.6%	(143)
Non-Performing Loans Ratio	1.9%	2.0%	(12)
Capital Adequacy Ratio	16.8%	18.3%	(147)

Market Shares	Current Period 30.06.2024	Prior Period 31.12.2023	Change (bps)
Performing Loans	10.8%	10.4%	35
TL Performing Loans	11.8%	10.7%	110
FC Performing Loans	8.8%	9.8%	(99)
Customer Deposits	10.6%	10.4%	25
TL Customer Deposits	11.2%	10.9%	37
FC Customer Deposits	9.7%	9.7%	-

Garanti with Numbers	Current Period 30.06.2024	Prior Period 31.12.2023	Change %
Branch Network	805	805	-
Number of Employees	18,977	18,965	0.1%
ATM	5,649	5,511	2.5%
POS*	847,776	808,478	4.9%
Number of Customers	26,478,266	25,351,113	4.4%
Number of Digital Customers**	15,890,145	15,046,929	5.6%
Number of Credit Card Customers	11,124,785	10,486,454	6.1%

*Includes shared and virtual POS.

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

7.2 The amendments in the Articles of Association during period of 01.01.2024 - 30.06.2024

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:
<p>CAPITAL AND SHARES: Article 7 –</p> <p>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.</p> <p>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.</p> <p>The issued capital amount of 4,200,000,000 TL has been fully paid-up.</p> <p>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.</p>	<p>CAPITAL AND SHARES: Article 7-</p> <p>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.</p> <p>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.</p> <p>The issued capital amount of 4,200,000,000 TL has been fully paid-up.</p> <p>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.</p>

<p>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.</p> <p>Shares representing the capital of the Bank shall be monitored within the frame of the dematerialization principles.</p> <p>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.</p>	<p>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.</p> <p>Shares representing the capital of the Bank shall be monitored within the frame of the dematerialization principles.</p> <p>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.</p>
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7.3 Announcements regarding important developments in the period of 01.01.2024 - 30.06.2024

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 30 June 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.