Türkiye Garanti Bankası Anonim Şirketi
and Its Financial Subsidiaries

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

as of and for the Year Ended

31 December 2023

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

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Convenience Translation of the Auditor's Audit Report Originally Issued in Turkish

Independent Auditors' Report on Audit of Consolidated Financial Statements

To the General Assembly of Türkiye Garanti Bankası Anonim Şirketi;

Qualified Opinion

We have audited the consolidated statement of financial position of Türkiye Garanti Bankası A.Ş. ("the Bank") and its subsidiaries (collectively referred as "Group") at December 31, 2023 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the consolidated financial statements.

In our opinion, except for the effects of the matter on the consolidated financial statements described in the Basis for Qualified Opinion paragraph, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and consolidated financial performance and consolidated its cash flows for the year then ended in accordance with 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 Financial Reporting Standards ("TFRS") for those matters not regulated by the aforementioned regulations.

Basis of Qualified Opinion

As explained in Section Five Part 5.2.9.4 and 5.4.5, the accompanying consolidated financial statements as at December 31, 2023 include the impact of reversal of the free provision at an amount of Thousand TL 8,000,000 which was fully provided in prior years and reversed in current year by the Group management for the possible effects of the negative circumstances which may arise from the possible changes in the economy and market conditions which does not meet the recognition criteria of TAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

Our audit was conducted in accordance with "Regulation on independent audit of the Banks" published in the Official Gazette no.29314 dated April 2, 2015 by BRSA (BRSA Independent Audit Regulation) and Independent Auditing Standards ("ISA") which are the part of Turkish Auditing Standards issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with of Code of Ethics for Independent Auditors (Code of Ethics) published by POA and have fulfilled our other responsibilities in accordance with the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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Key Audit Matter	How the Key Audit Matter is addressed in our audit
Financial impact of TFRS 9 "Financial Instruments" standard and impairment on financial assets and related important disclosures	
As presented in Section III disclosure VIII, the Group recognizes expected credit losses of financial assets in accordance with TFRS 9 Financial Instruments standard. We considered impairment of financial assets as a key audit matter since: - Amount of on and off balance sheet items that are subject to expected credit loss calculation is material to the financial statements. - There are complex and comprehensive requirements of TFRS 9. - Policies implemented by the Group management include compliance risk to the regulations and other practices. - Processes of TFRS 9 are advanced and complex. - Judgements and estimates used in expected credit loss, complex and comprehensive. - Disclosure requirements of TFRS 9 are comprehensive and complex.	Our audit procedures included among others include: - Evaluating the appropriateness of accounting policies as to the requirements of TFRS 9, Group's past experience, local and global practices. - Reviewing and testing of processes which are used to calculate expected credit losses by involving our Information technology and process audit specialists. - Evaluation of the reasonableness and appropriateness of key judgments and estimates determined by management and the methods, judgments and data sources used in calculating expected loss, taking into account standard requirements, industry and global practices - Evaluating the alignment of the significant increase in credit risk determined during the calculation of expected credit losses, default definition, restructuring definition, probability of default, loss given default, exposure at default and macro-economic variables that are determined by the financial risk management experts with the Group's past performance, regulations, and other processes that has forward looking estimations. - Assessing the completeness and the accuracy of the data used for expected credit loss calculation. - Testing the mathematical accuracy of expected credit loss calculation on sample basis. - Evaluating the judgments and estimates used for the individually assessed financial assets. - Evaluating the necessity and accuracy of the updates made or required updates after the modeling process - Auditing of TFRS 9 disclosures.

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Pension Fund Obligations	How the Key Audit Matter is addressed in our audit
The Parent Bank's defined benefit pension 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 Parent Bank's employees are the members of this Fund. As disclosed in Section III disclosure 17 to the consolidated financial statements, the Plan is composed of benefits which are subject to transfer to Social Security Foundation ("SSF") as per the Social Security Law No. 5510 provisional article 20, and other social rights and pension benefits provided by the Bank that are not transferable to SSF. The Council of Ministers has been authorized to determine the transfer date. Following the transfer, the non-transferable social rights and pension benefits provided under the Plan will be covered by the funds and the institutions that employ the funds' members. As of 31 December 2023, the Parent Bank's transferrable liabilities are calculated by an independent actuary using the actuarial assumptions regulated by Law, and in accordance with the Decision of the Council of Ministers announced in the Official Gazette dated 15 December 2006 and No.26377. As of 31 December 2023, the Parent Bank's non-transferrable liabilities are also calculated by independent actuary. The valuation of the Pension Fund liabilities requires judgement in determining appropriate assumptions such as defining the transferrable social benefits, discount rates, salary increases, inflation levels, demographic assumptions, and the impact of changes in Pension Plan. Management uses independent actuaries to assist in assessing the uncertainty around these assumptions. Considering the subjectivity of key judgements and assumptions, plus the uncertainty around the transfer date and basis of the transfer calculation given the fact that the technical interest rate is prescribed under the law, we considered this to be a key audit matter.	It has been addressed whether there have been any significant changes in regulations governing pension liabilities, employee benefits plans during the period, that could lead to adjust the valuation of employee benefits. Support from actuarial auditor of another entity who is in the same audit network within our firm, has been taken to assess the appropriateness of the actuarial assumptions and calculations performed by the external actuary. Furthermore; the accuracy and adequacy of the footnotes in the consolidated financial statements of the Group have been evaluated.

Measurement of financial instruments (the fair value hierarchy of financial instruments determined as Level 3)	How the Key Audit Matter is addressed in our audit
The classification of the financial assets is based on the Group's business model and characteristics of the contractual cash flows in accordance with Standard. The fair value of the loan classified as financial assets measured at fair value through profit or loss according to business model is determined as Level 3 considering the significant unobservable inputs, assumptions and estimates used. Management assesses the significant unobservable inputs and uncertainties due to assumptions and estimates with the involvement of an independent valuation firm. The Group has also financial liabilities (securitization loans) which are accounted by using the fair value option on the initial recognition in order to eliminate any accounting mismatch in accordance with Standard. The fair value of the securitization loans which are accounted as financial liabilities measured at fair value through profit or loss are determined as Level 3 considering the significant unobservable inputs, assumptions and estimates used. As mentioned above, the measurement of financial instruments (the fair value hierarchy of financial instruments determined as Level 3) is determined as key audit matter considering high degree of judgements and assumptions	Our procedures for testing the fair value hierarchy of the financial instruments (the fair value hierarchy of financial instruments determined as Level 3) included below: We evaluated the design and implementation of the controls that the Group sets for the measurement of fair value of the relevant financial instruments. We assessed the policy of the measurement of financial instruments (the fair value hierarchy of financial instruments determined as Level 3) based on Standard and compared with the requirements of Standard. We involved our own valuation specialists to evaluate the significant unobservable inputs and assumptions used by the Group for the fair value calculation of the related instruments. We also evaluated the adequacy of the consolidated financial statements' disclosures related to the measurement of financial instruments determined as Level financial instruments (the fair value hierarchy 3).

Responsibilities of Management and Directors for the Consolidated Financial Statements

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

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

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

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

In an independent audit, the responsibilities of us as independent auditors are:

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

As part of an audit in accordance with BRSA Independent Audit Regulation and ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. (The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

1) In accordance with Article 402 paragraph 4 of the Turkish Commercial Code ("TCC") no 6102; no significant matter has come to our attention that causes us to believe that the Bank's bookkeeping activities and financial statements for the period January 1 – December 31, 2023 are not in compliance with the TCC and provisions of the Bank's articles of association in relation to financial reporting.

2) In accordance with Article 402 paragraph 4 of the TCC; the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.

The engagement partner who supervised and concluded this independent auditor's report is Damla Harman.

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

Damla Harman, SMMM
Partner

January 29, 2024
Istanbul, Turkey

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

TÜRKİYE GARANTİ BANKASI ANONİM ŞİRKETİ AND ITS FINANCIAL SUBSIDIARIES CONSOLIDATED FINANCIAL REPORT AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2023

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The consolidated financial report for the year-end 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 Parent Bank
2. Consolidated Financial Statements of Parent Bank
3. Accounting Policies
4. Consolidated Financial Position and Results of Operations, and Risk Management Applications of Group
5. Disclosures and Footnotes on Consolidated Financial Statements
6. Other Disclosures
7. Independent Auditors' Report

The consolidated subsidiaries and structured entities in the scope of this consolidated financial report are the followings:

Subsidiaries

1. Garanti Bank International NV
2. Garanti Emeklilik ve Hayat AŞ
3. Garanti Holding BV
4. Garanti Finansal Kiralama AŞ
5. Garanti Faktoring AŞ
6. Garanti Yatırım Menkul Kıymetler AŞ
7. Garanti Portföy Yönetimi AŞ
8. Garanti Ödeme Sistemleri AŞ

Structured Entities

1. Garanti Diversified Payment Rights Finance Company
2. RPV Company

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

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

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

The authorized contact person for questions on this financial report:

Name-Surname/Title: Handan SAYGIN/Director of Investor Relations
Phone no: 90 212 318 23 50
Fax no: 90 212 216 59 02

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SECTION TWO

Consolidated Financial Statements

SECTION THREE

Accounting Policies

SECTION FOUR

Consolidated Financial Position and Results of Operations and Risk Management

SECTION FIVE

Disclosures and Footnotes on Consolidated Financial Statements

SECTION SIX

Other Disclosures on Activities

SECTION SEVEN

Independent Auditors’ Report

1 General Information

1.1 History of Parent 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 office (31 December 2022: 829 domestic branches, 8 foreign branches and 1 representative office). The Bank's head office is located in Istanbul.

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

As of 31 December 2023, 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 agreement share transfer had been finalized. After the share transfer BBVA's interest in the share capital of the Bank is at 49.85%.

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

BBVA Group

BBVA is operating for more than 165 years, providing variety of wide spread financial and non-financial services to 71.5 million retail and commercial customers.
The Group's headquarter is in Spain, where the Group has concrete leadership in retail and commercial markets. BBVA adopting innovative, and customer and community oriented management style, besides banking, operates in insurance sector in Europe and portfolio management, private banking and investment banking in global markets.
BBVA which is the largest financial institution in Mexico and also a market leader in South America, operates in more than 25 countries with more than 121 thousand employees.

(Thousands of Turkish Lira (TL))

1.3 Information on Parent Bank's Board of Directors chairman and members, audit committee members, chief executive officer, executive vice presidents and their responsibilities and, if any, 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	42 years
Jorge Saenz Azcunaga Carranza	Vice Chairman Independent Member and Member of Audit Committee	24.03.2016	University	30 years
Recep Baştuğ	Member and CEO	06.09.2019	University	33 years
Sait Ergun Özen	Member	14.05.2003	University	36 years
Dr. Muammer Cüneyt Sezgin	Member	30.06.2004	PhD	35 years
Jaime Saenz de Tejada Pulido	Member	02.10.2014	University	31 years
Pablo Alfonso Pastor Munoz	Member	31.03.2021	Master	33 years
Rafael Salinas Martinez de Lecea	Member	08.05.2017	Master	32 years
Belkıs Sema Yurdum	Independent Member and Member of Audit Committee	30.04.2013	University	43 years
Avni Aydın Düren	Independent Member and Member of Audit Committee	17.06.2020	Master	32 years
Mevhibe Canan Özsoy	Independent Member	04.04.2019	Master	32 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	33 years
İlker Kuruöz	EVP-Engineering Services and Data	14.03.2018	Master	31 years
Mahmut Akten	EVP-Corporate, Investment Banking and Global Markets	17.01.2017	Master	24 years
Cemal Onaran	EVP-Commercial Banking	17.01.2017	University	32 years
Tuba Köseoğlu Okçu	EVP- Talent and Culture	12.09.2022	University	25 years
Aydın Güler	EVP- Finance and Treasury	03.02.2016	University	33 years
Murat Atay	Head of Credit Risk Management	01.01.2021	PhD	29 years
Ceren Acer Kezik	EVP-Retail Banking	06.06.2022	Master	12 years
Murat Çağrı Süzer	EVP-Payment Systems, Partnership, Customer Solutions and Digital Banking	06.06.2022	Master	16 years
Sibel Kaya	EVP- SME Banking	02.02.2021	University	25 years

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

1.4 Information on Parent Bank's qualified shareholders

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 Parent Bank's activities and services

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

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

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

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

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

1.6 Information on application differences between consolidation practices as per the Regulation on Preparation of Consolidated Financial Statements of Banks and as per the Turkish Accounting Standards, and entities subject to full or proportional consolidation or deducted from equity or not subject to any of these three methods

As per the Regulation on Preparation of Consolidated Financial Statements of Banks, the investments in financial subsidiaries are subject to consolidation whereas as per the Turkish Accounting Standards and Turkish Financial Reporting Standards, the investments in both financial and non-financial subsidiaries are subject to consolidation.

1.7 Current or likely actual or legal barriers to immediate transfer of equity or repayment of debts between Parent Bank and its subsidiaries

None.

2 Consolidated Financial Statements

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Subsidiaries
Consolidated Balance Sheet (Statement of Financial Position)
At 31 December 2023

	ASSETS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD 31 December 2023			PRIOR PERIOD 31 December 2022		
			TL	FC	Total	TL	FC	Total
I.	**FINANCIAL ASSETS (Net)**		**261,450,671**	**384,648,421**	**646,099,092**	**116,594,984**	**260,639,834**	**377,234,818**
1.1	**Cash and Cash Equivalents**	**5.1.1**	**195,895,964**	**328,410,486**	**524,306,450**	**44,684,945**	**226,814,796**	**271,499,741**
1.1.1	Cash and Balances with Central Bank		167,131,445	163,623,905	330,755,350	9,205,355	130,364,387	139,569,742
1.1.2	Banks		3,422,349	153,467,791	156,890,140	1,029,482	61,129,299	62,158,781
1.1.3	Money Market Placements		26,504,601	12,094,686	38,599,287	34,809,528	35,871,173	70,680,701
1.1.4	Expected Credit Losses (-)		1,162,431	775,896	1,938,327	359,420	550,063	909,483
1.2	**Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)**	**5.1.2**	**3,702,038**	**4,887,651**	**8,589,689**	**3,747,045**	**2,024,414**	**5,771,459**
1.2.1	Government Securities		1,559,847	3,797,552	5,357,399	1,144,328	1,369,671	2,513,999
1.2.2	Equity Securities		2,046,832	120,971	2,167,803	2,580,133	67,322	2,647,455
1.2.3	Other Financial Assets		95,359	969,128	1,064,487	22,584	587,421	610,005
1.3	**Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)**	**5.1.3**	**57,354,432**	**44,220,821**	**101,575,253**	**63,766,271**	**25,162,129**	**88,928,400**
1.3.1	Government Securities		56,706,609	23,236,403	79,943,012	63,312,355	13,784,771	77,097,126
1.3.2	Equity Securities		203,391	1,726,725	1,930,116	136,664	886,055	1,022,719
1.3.3	Other Financial Assets		444,432	19,257,693	19,702,125	317,252	10,491,303	10,808,555
1.4	**Derivative Financial Assets**	**5.1.4**	**4,498,237**	**7,129,463**	**11,627,700**	**4,396,723**	**6,638,495**	**11,035,218**
1.4.1	Derivative Financial Assets Measured at FVTPL		4,390,584	6,115,669	10,506,253	4,201,002	5,576,712	9,777,714
1.4.2	Derivative Financial Assets Measured at FVOCI		107,653	1,013,794	1,121,447	195,721	1,061,783	1,257,504
II.	**FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)**		**907,797,438**	**515,766,554**	**1,423,563,992**	**545,071,650**	**313,974,340**	**859,045,990**
2.1	**Loans**	**5.1.5**	**769,134,587**	**448,841,379**	**1,217,975,966**	**488,158,178**	**272,946,066**	**761,104,244**
2.2	**Lease Receivables**	**5.1.6**	**10,029,940**	**19,992,190**	**30,022,130**	**5,368,497**	**13,563,796**	**18,932,293**
2.3	**Factoring Receivables**	**5.1.7**	**9,955,846**	**1,637,780**	**11,593,626**	**8,499,216**	**1,043,186**	**9,542,402**
2.4	**Other Financial Assets Measured at Amortised Cost**	**5.1.8**	**141,655,134**	**74,727,731**	**216,382,865**	**62,454,628**	**47,565,228**	**110,019,856**
2.4.1	Government Securities		138,073,167	60,934,162	199,007,329	62,420,560	42,843,973	105,264,533
2.4.2	Other Financial Assets		3,581,967	13,793,569	17,375,536	34,068	4,721,255	4,755,323
2.5	**Expected Credit Losses (-)**		**22,978,069**	**29,432,526**	**52,410,595**	**19,408,869**	**21,143,936**	**40,552,805**
III.	**ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)**	**5.1.9**	**2,133,015**	**8,039**	**2,141,054**	**778,290**	**2,128**	**780,418**
3.1	Asset Held for Resale		2,133,015	8,039	2,141,054	778,290	2,128	780,418
3.2	Assets of Discontinued Operations		-	-	-	-	-	-
IV.	**INVESTMENTS IN ASSOCIATES,SUBSIDIARIES AND JOINT VENTURES**		**6,221,102**	**158,689**	**6,379,791**	**2,196,176**	**84,786**	**2,280,962**
4.1	**Associates (Net)**	**5.1.10**	**130,474**	**26**	**130,500**	**111,641**	**16**	**111,657**
4.1.1	Associates Consolidated Under Equity Accounting		-	-	-	-	-	-
4.1.2	Unconsolidated Associates		130,474	26	130,500	111,641	16	111,657
4.2	**Subsidiaries (Net)**	**5.1.11**	**6,090,628**	**158,663**	**6,249,291**	**2,084,535**	**84,770**	**2,169,305**
4.2.1	Unconsolidated Financial Investments in Subsidiaries		-	-	-	-	-	-
4.2.2	Unconsolidated Non-Financial Investments in Subsidiaries		6,090,628	158,663	6,249,291	2,084,535	84,770	2,169,305
4.3	**Joint Ventures (Net)**	**5.1.12**	**-**	**-**	**-**	**-**	**-**	**-**
4.3.1	Joint-Ventures Consolidated Under Equity Accounting		-	-	-	-	-	-
4.3.2	Unconsolidated Joint-Ventures		-	-	-	-	-	-
V.	**TANGIBLE ASSETS (Net)**	**5.1.13**	**20,425,129**	**1,527,851**	**21,952,980**	**10,868,068**	**919,939**	**11,788,007**
VI.	**INTANGIBLE ASSETS (Net)**	**5.1.14**	**1,983,956**	**564,293**	**2,548,249**	**1,108,330**	**154,692**	**1,263,022**
6.1	Goodwill		6,388	-	6,388	6,388	-	6,388
6.2	Others		1,977,568	564,293	2,541,861	1,101,942	154,692	1,256,634
VII.	**INVESTMENT PROPERTY (Net)**	**5.1.15**	**1,590,712**	**-**	**1,590,712**	**926,800**	**-**	**926,800**
VIII.	**CURRENT TAX ASSET**		**16,749**	**110,841**	**127,590**	**-**	**9,604**	**9,604**
IX.	**DEFERRED TAX ASSET**	**5.1.16**	**20,153,115**	**137,948**	**20,291,063**	**6,952,355**	**153,036**	**7,105,391**
X.	**OTHER ASSETS (Net)**	**5.1.17**	**70,637,295**	**6,381,277**	**77,018,572**	**38,675,419**	**4,468,052**	**43,143,471**
	TOTAL ASSETS		**1,292,409,182**	**909,303,913**	**2,201,713,095**	**723,172,072**	**580,406,411**	**1,303,578,483**

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

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Subsidiaries
Consolidated Balance Sheet (Statement of Financial Position)
At 31 December 2023

	LIABILITIES AND SHAREHOLDERS' EQUITY	Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD 31 December 2023			PRIOR PERIOD 31 December 2022		
			TL	FC	Total	TL	FC	Total
I.	**DEPOSITS**	**5.2.1**	**878,028,393**	**726,902,316**	**1,604,930,709**	**424,860,771**	**483,878,688**	**908,739,459**
II.	**FUNDS BORROWED**	**5.2.2**	**6,059,032**	**54,380,527**	**60,439,559**	**5,959,345**	**39,897,378**	**45,856,723**
III.	**MONEY MARKET FUNDS**	**5.2.3**	**3,732,294**	**52,262,264**	**55,994,558**	**1,806,883**	**22,492,126**	**24,299,009**
IV.	**SECURITIES ISSUED (NET)**	**5.2.4**	**1,563,225**	**9,579,727**	**11,142,952**	**1,184,471**	**16,423,718**	**17,608,189**
4.1	Bills		1,563,225	950,964	2,514,189	494,963	990,538	1,485,501
4.2	Asset Backed Securities		-	-	-	-	-	-
4.3	Bonds		-	8,628,763	8,628,763	689,508	15,433,180	16,122,688
V.	**FUNDS**		**-**	**-**	**-**	**-**	**-**	**-**
5.1	Borrowers' Funds		-	-	-	-	-	-
5.2	Others		-	-	-	-	-	-
VI.	**FINANCIAL LIABILITIES MEASURED AT FVTPL**	**5.2.5**	**-**	**49,046,956**	**49,046,956**	**-**	**32,020,818**	**32,020,818**
VII.	**DERIVATIVE FINANCIAL LIABILITIES**	**5.2.6**	**6,797,534**	**4,771,691**	**11,569,225**	**4,984,444**	**5,967,916**	**10,952,360**
7.1	Derivative Financial Liabilities Measured at FVTPL		6,787,369	4,715,309	11,502,678	4,954,713	5,961,041	10,915,754
7.2	Derivative Financial Liabilities Measured at FVOCI		10,165	56,382	66,547	29,731	6,875	36,606
VIII.	**FACTORING LIABILITIES**	**5.2.7**	**-**	**-**	**-**	**-**	**-**	**-**
IX.	**LEASE LIABILITIES (Net)**	**5.2.8**	**1,534,855**	**738,171**	**2,273,026**	**1,071,865**	**387,385**	**1,459,250**
X.	**PROVISIONS**	**5.2.9**	**11,511,923**	**10,067,042**	**21,578,965**	**8,382,488**	**13,093,913**	**21,476,401**
10.1	Restructuring Reserves		-	-	-	-	-	-
10.2	Reserve for Employee Benefits		4,494,360	410,348	4,904,708	3,478,801	274,427	3,753,228
10.3	Insurance Technical Provisions (Net)		1,930,022	2,251,747	4,181,769	1,392,752	877,772	2,270,524
10.4	Other Provisions		5,087,541	7,404,947	12,492,488	3,510,935	11,941,714	15,452,649
XI.	**CURRENT TAX LIABILITY**	**5.2.10**	**10,779,309**	**921,272**	**11,700,581**	**7,755,761**	**294,566**	**8,050,327**
XII.	**DEFERRED TAX LIABILITY**	**5.2.10**	**50,916**	**78,453**	**129,369**	**129,591**	**68,237**	**197,828**
XIII.	**LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)**	**5.2.11**	**-**	**-**	**-**	**-**	**-**	**-**
13.1	Asset Held for Sale		-	-	-	-	-	-
13.2	Assets of Discontinued Operations		-	-	-	-	-	-
XIV.	**SUBORDINATED DEBTS**	**5.2.12**	**1,067,593**	**22,571,810**	**23,639,403**	**1,021,983**	**14,223,946**	**15,245,929**
14.1	Borrowings		-	629,332	629,332	-	177,086	177,086
14.2	Other Debt Instruments		1,067,593	21,942,478	23,010,071	1,021,983	14,046,860	15,068,843
XV.	**OTHER LIABILITIES**	**5.2.13**	**87,711,744**	**15,934,530**	**103,646,274**	**52,080,998**	**12,467,072**	**64,548,070**
XVI.	**SHAREHOLDERS' EQUITY**	**5.2.14**	**243,912,127**	**1,709,391**	**245,621,518**	**152,453,361**	**670,759**	**153,124,120**
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		14,748,655	551,033	15,299,688	4,362,383	199,038	4,561,421
16.4	Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss		23,045,196	407,846	23,453,042	20,091,780	(177,731)	19,914,049
16.5	Profit Reserves		113,838,518	750,512	114,589,030	63,133,332	649,452	63,782,784
16.5.1	Legal Reserves		2,938,316	544,305	3,482,621	1,855,184	287,765	2,142,949
16.5.2	Status Reserves		-	-	-	-	-	-
16.5.3	Extraordinary Reserves		110,645,558	-	110,645,558	61,173,883	-	61,173,883
16.5.4	Other Profit Reserves		254,644	206,207	460,851	104,265	361,687	465,952
16.6	Profit/Loss		86,374,997	-	86,374,997	59,396,697	-	59,396,697
16.6.1	Prior Periods' Profit/Loss		-	-	-	1,111,319	-	1,111,319
16.6.2	Current Period's Net Profit/Loss		86,374,997	-	86,374,997	58,285,378	-	58,285,378
16.7	Minority Interest		920,327	-	920,327	484,735	-	484,735
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**1,252,748,945**	**948,964,150**	**2,201,713,095**	**661,691,961**	**641,886,522**	**1,303,578,483**

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

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Subsidiaries
Consolidated Off-Balance Sheet Items
At 31 December 2023

		Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD 31 December 2023			PRIOR PERIOD 31 December 2022		
			TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)			**1,189,910,715**	**1,156,829,806**	**2,346,740,521**	**671,097,930**	**891,778,505**	**1,562,876,435**
I.	**GUARANTEES AND SURETIES**	**5.3.1**	**222,242,700**	**197,667,566**	**419,910,266**	**109,607,909**	**122,760,648**	**232,368,557**
1.1	Letters of guarantee		207,649,439	136,086,694	343,736,133	103,006,476	84,083,930	187,090,406
1.1.1	Guarantees subject to State Tender Law		-	4,358,146	4,358,146	-	3,426,185	3,426,185
1.1.2	Guarantees given for foreign trade operations		9,658,232	5,605,753	15,263,985	4,397,754	2,191,958	6,589,712
1.1.3	Other letters of guarantee		197,991,207	126,122,795	324,114,002	98,608,722	78,465,787	177,074,509
1.2	Bank acceptances		2,152,734	5,809,391	7,962,125	496,948	3,421,615	3,918,563
1.2.1	Import letter of acceptance		2,152,734	5,809,391	7,962,125	496,948	3,421,615	3,918,563
1.2.2	Other bank acceptances		-	-	-	-	-	-
1.3	Letters of credit		396,874	53,151,881	53,548,755	746,185	34,313,538	35,059,723
1.3.1	Documentary letters of credit		-	-	-	-	-	-
1.3.2	Other letters of credit		396,874	53,151,881	53,548,755	746,185	34,313,538	35,059,723
1.4	Guaranteed prefinancings		-	-	-	-	-	-
1.5	Endorsements		12,043,653	-	12,043,653	5,358,300	295,471	5,653,771
1.5.1	Endorsements to the Central Bank of Turkey		12,043,653	-	12,043,653	5,358,300	295,471	5,653,771
1.5.2	Other endorsements		-	-	-	-	-	-
1.6	Underwriting commitments		-	-	-	-	-	-
1.7	Factoring related guarantees		-	-	-	-	-	-
1.8	Other guarantees		-	2,619,600	2,619,600	-	646,094	646,094
1.9	Other sureties		-	-	-	-	-	-
II.	**COMMITMENTS**	**5.3.1**	**676,681,739**	**72,210,677**	**748,892,416**	**218,307,341**	**31,192,316**	**249,499,657**
2.1	Irrevocable commitments		674,580,826	58,063,745	732,644,571	215,581,203	19,686,627	235,267,830
2.1.1	Asset purchase and sale commitments		4,282,615	30,021,807	34,304,422	5,186,628	13,131,771	18,318,399
2.1.2	Deposit purchase and sale commitments		-	-	-	-	-	-
2.1.3	Share capital commitments to associates and subsidiaries		-	27	27	-	6,102	6,102
2.1.4	Loan granting commitments		131,818,877	17,216,978	149,035,855	66,318,811	4,373,698	70,692,509
2.1.5	Securities issuance brokerage commitments		-	-	-	-	-	-
2.1.6	Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7	Commitments for cheque payments		9,642,506	-	9,642,506	5,515,488	-	5,515,488
2.1.8	Tax and fund obligations on export commitments		858,088	-	858,088	342,576	-	342,576
2.1.9	Commitments for credit card limits		527,973,745	3,560,443	531,534,188	138,214,417	1,949,586	140,164,003
2.1.10	Commitments for credit cards and banking services related promotions		4,995	-	4,995	3,283	-	3,283
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		-	7,264,490	7,264,490	-	225,470	225,470
2.2	Revocable commitments		2,100,913	14,146,932	16,247,845	2,726,138	11,505,689	14,231,827
2.2.1	Revocable loan granting commitments		450,000	11,508,753	11,958,753	614,415	8,683,209	9,297,624
2.2.2	Other revocable commitments		1,650,913	2,638,179	4,289,092	2,111,723	2,822,480	4,934,203
III.	**DERIVATIVE FINANCIAL INSTRUMENTS**	**5.3.2**	**290,986,276**	**886,951,563**	**1,177,937,839**	**343,182,680**	**737,825,541**	**1,081,008,221**
3.1	Derivative financial instruments held for risk management		5,396,976	70,927,092	76,324,068	6,845,713	63,054,448	69,900,161
3.1.1	Fair value hedges		-	34,448,844	34,448,844	-	18,740,678	18,740,678
3.1.2	Cash flow hedges		5,396,976	36,478,248	41,875,224	6,845,713	44,313,770	51,159,483
3.1.3	Net foreign investment hedges		-	-	-	-	-	-
3.2	Trading derivatives		285,589,300	816,024,471	1,101,613,771	336,336,967	674,771,093	1,011,108,060
3.2.1	Forward foreign currency purchases/sales		44,064,524	53,291,477	97,356,001	28,750,548	36,107,056	64,857,604
3.2.1.1	Forward foreign currency purchases		41,460,609	9,430,315	50,890,924	26,847,707	6,125,174	32,972,881
3.2.1.2	Forward foreign currency sales		2,603,915	43,861,162	46,465,077	1,902,841	29,981,882	31,884,723
3.2.2	Currency and interest rate swaps		228,622,855	611,282,078	839,904,933	242,486,045	484,949,862	727,435,907
3.2.2.1	Currency swaps-purchases		787,243	201,350,022	202,137,265	14,428,681	193,137,881	207,566,562
3.2.2.2	Currency swaps-sales		107,058,336	139,612,409	246,670,745	130,336,228	94,361,813	224,698,041
3.2.2.3	Interest rate swaps-purchases		60,388,638	135,159,823	195,548,461	48,860,568	98,725,084	147,585,652
3.2.2.4	Interest rate swaps-sales		60,388,638	135,159,824	195,548,462	48,860,568	98,725,084	147,585,652
3.2.3	Currency, interest rate and security options		8,287,254	10,179,512	18,466,766	61,410,164	66,783,796	128,193,960
3.2.3.1	Currency call options		4,855,929	4,135,798	8,991,727	56,297,080	5,668,401	61,965,481
3.2.3.2	Currency put options		3,187,418	6,043,714	9,231,132	4,988,213	55,625,430	60,613,643
3.2.3.3	Interest rate call options		-	-	-	-	3,423,170	3,423,170
3.2.3.4	Interest rate put options		-	-	-	-	2,066,795	2,066,795
3.2.3.5	Security call options		111,270	-	111,270	1,558	-	1,558
3.2.3.6	Security put options		132,637	-	132,637	123,313	-	123,313
3.2.4	Currency futures		3,578,801	3,344,243	6,923,044	1,095,258	966,375	2,061,633
3.2.4.1	Currency futures-purchases		3,578,801	1,393	3,580,194	1,014,417	79,016	1,093,433
3.2.4.2	Currency futures-sales		-	3,342,850	3,342,850	80,841	887,359	968,200
3.2.5	Interest rate futures		-	174,258	174,258	-	-	-
3.2.5.1	Interest rate futures-purchases		-	-	-	-	-	-
3.2.5.2	Interest rate futures-sales		-	174,258	174,258	-	-	-
3.2.6	Others		1,035,866	137,752,903	138,788,769	2,594,952	85,964,004	88,558,956
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)			**3,025,305,395**	**5,199,237,676**	**8,224,543,071**	**1,763,916,306**	**2,929,814,698**	**4,693,731,004**
IV.	**ITEMS HELD IN CUSTODY**		**396,628,687**	**255,511,184**	**652,139,871**	**223,862,156**	**175,855,978**	**399,718,134**
4.1	Customers' securities held		245,361,373	-	245,361,373	142,781,394	-	142,781,394
4.2	Investment securities held in custody		53,469,009	112,968,042	166,437,051	24,555,572	86,675,159	111,230,731
4.3	Checks received for collection		84,305,832	19,520,939	103,826,771	50,307,847	13,539,627	63,847,474
4.4	Commercial notes received for collection		9,979,379	4,188,461	14,167,840	5,291,418	2,181,164	7,472,582
4.5	Other assets received for collection		431,391	101,448,674	101,880,065	381,599	64,271,009	64,652,608
4.6	Assets received through public offering		-	708,084	708,084	-	452,123	452,123
4.7	Other items under custody		3,081,703	16,676,984	19,758,687	544,326	8,736,896	9,281,222
4.8	Custodians		-	-	-	-	-	-
V.	**PLEDGED ITEMS**		**2,628,676,708**	**4,943,726,492**	**7,572,403,200**	**1,540,054,150**	**2,753,958,720**	**4,294,012,870**
5.1	Securities		24,257,437	22,920,878	47,178,315	16,399,213	11,846,706	28,245,919
5.2	Guarantee notes		22,707,329	83,177,929	105,885,258	22,882,786	52,708,119	75,590,905
5.3	Commodities		510,466	-	510,466	799,406	-	799,406
5.4	Warranties		-	4,580,995	4,580,995	-	1,663,667	1,663,667
5.5	Real estates		831,298,980	832,365,207	1,663,664,187	366,121,707	434,988,472	801,110,179
5.6	Other pledged items		1,749,902,496	4,000,681,483	5,750,583,979	1,133,851,038	2,252,751,756	3,386,602,794
5.7	Pledged items-depository		-	-	-	-	-	-
VI.	**CONFIRMED BILLS OF EXCHANGE AND SURETIES**		-	-	-	-	-	-
	TOTAL OFF-BALANCE SHEET ITEMS (A+B)		**4,215,216,110**	**6,356,067,482**	**10,571,283,592**	**2,435,014,236**	**3,821,593,203**	**6,256,607,439**

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

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Subsidiaries
Consolidated Statement of Profit or Loss
At 31 December 2023

	INCOME AND EXPENSE ITEMS	Footnotes	THOUSANDS OF TURKISH LIRA (TL) CURRENT PERIOD 1 January 2023- 31 December 2023	PRIOR PERIOD 1 January 2022- 31 December 2022
I.	INTEREST INCOME	5.4.1	233,566,637	132,800,968
1.1	Interest income on loans		162,139,970	85,245,876
1.2	Interest income on reserve deposits		498,240	296,237
1.3	Interest income on banks		5,596,569	718,077
1.4	Interest income on money market transactions		4,637,906	2,760,820
1.5	Interest income on securities portfolio		54,052,934	41,555,705
1.5.1	Financial assets measured at FVTPL		593,524	234,465
1.5.2	Financial assets measured at FVOCI		21,106,469	20,461,672
1.5.3	Financial assets measured at amortised cost		32,352,941	20,859,568
1.6	Financial lease income		4,163,540	1,565,010
1.7	Other interest income		2,477,478	659,243
II.	INTEREST EXPENSE (-)	5.4.2	147,200,186	44,708,341
2.1	Interest on deposits		131,507,584	34,307,435
2.2	Interest on funds borrowed		8,228,429	3,184,986
2.3	Interest on money market transactions		2,856,006	1,105,104
2.4	Interest on securities issued		3,036,749	3,068,434
2.5	Lease interest expense		291,295	173,890
2.6	Other interest expenses		1,280,123	2,868,492
III.	NET INTEREST INCOME (I - II)		86,366,451	88,092,627
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSES	5.4.12	43,500,624	18,146,320
4.1	Fees and commissions received		60,066,697	25,181,084
4.1.1	Non-cash loans		3,440,414	1,908,133
4.1.2	Others		56,626,283	23,272,951
4.2	Fees and commissions paid (-)		16,566,073	7,034,764
4.2.1	Non-cash loans		67,557	71,015
4.2.2	Others		16,498,516	6,963,749
V.	DIVIDEND INCOME	5.4.3	104,640	94,753
VI.	NET TRADING INCOME/LOSSES (Net)	5.4.4	32,094,651	10,512,298
6.1	Trading account income/losses		455,267	1,811,255
6.2	Income/losses from derivative financial instruments		(15,625,457)	(22,119,071)
6.3	Foreign exchange gains/losses		47,264,841	30,820,114
VII.	OTHER OPERATING INCOME	5.4.5	37,257,646	16,465,378
VIII.	TOTAL OPERATING PROFIT (III+IV+V+VI+VII)		199,324,012	133,311,376
IX.	EXPECTED CREDIT LOSSES (-)	5.4.6	39,154,209	26,005,040
X.	OTHER PROVISIONS (-)	5.4.6	331,894	3,736,002
XI.	PERSONNEL EXPENSES (-)		20,849,382	10,141,331
XII.	OTHER OPERATING EXPENSES (-)	5.4.7	35,204,209	17,425,279
XIII.	NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		103,784,318	76,003,724
XIV.	INCOME RESULTED FROM MERGERS		-	-
XV.	INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING		3,276,903	984,028
XVI.	GAIN/LOSS ON NET MONETARY POSITION		-	-
XVII.	PROFIT/LOSS BEFORE TAXES (XIII+...+XVI)	5.4.8	107,061,221	76,987,752
XVIII.	PROVISION FOR TAXES (±)	5.4.9	20,154,005	18,477,446
18.1	Current tax charge		29,961,124	20,844,000
18.2	Deferred tax charge (+)		5,748,174	5,475,653
18.3	Deferred tax credit (-)		(15,555,293)	(7,842,207)
XIX.	NET OPERATING PROFIT/LOSS AFTER TAXES (XVII±XVIII)	5.4.10	86,907,216	58,510,306
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	86,907,216	58,510,306
25.1	Equity holders of the bank		86,374,997	58,285,378
25.2	Minority interest		532,219	224,928
	Earnings per Share		0.20565	0.13877

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Subsidiaries
Consolidated Statement of Profit or Loss and Other Comprehensive Income
At 31 December 2023

	STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD 1 January 2023 - 31 December 2023	**PRIOR PERIOD 1 January 2022 - 31 December 2022**
I.	CURRENT PERIOD PROFIT/LOSS	86,907,216	58,510,306
II.	OTHER COMPREHENSIVE INCOME	14,404,657	15,521,002
2.1	**Other Income/Expense Items not to be Recycled to Profit or Loss**	**10,862,237**	**2,795,413**
2.1.1	Revaluation Surplus on Tangible Assets	7,811,622	4,180,166
2.1.2	Revaluation Surplus on Intangible Assets	-	-
2.1.3	Defined Benefit Plans' Actuarial Gains/Losses	(838,865)	(1,231,593)
2.1.4	Other Income/Expense Items not to be Recycled to Profit or Loss	1,010,207	217,330
2.1.5	Deferred Taxes on Other Comprehensive Income not to be Recycled to Profit or Loss	2,879,273	(370,490)
2.2	**Other Income/Expense Items to be Recycled to Profit or Loss**	**3,542,420**	**12,725,589**
2.2.1	Translation Differences	13,136,027	5,096,504
2.2.2	Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI	(7,611,180)	11,217,796
2.2.3	Gains/losses from Cash Flow Hedges	441,592	1,310,591
2.2.4	Gains/Losses on Hedges of Net Investments in Foreign Operations	(6,470,988)	(2,464,715)
2.2.5	Other Income/Expense Items to be Recycled to Profit or Loss	158,931	(5,084)
2.2.6	Deferred Taxes on Other Comprehensive Income to be Recycled to Profit or Loss	3,888,038	(2,429,503)
III.	TOTAL COMPREHENSIVE INCOME (I+II)	101,311,873	74,031,308

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Subsidiaries
Consolidated Statement of Changes in Shareholders' Equity
At 31 December 2023

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Footnotes	THOUSANDS OF TURKISH LIRA (TL)															
						Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss			Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss								
		Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves	Revaluation surplus on tangible and intangible assets	Defined Benefit Plans' Actuarial Gains/Losses	Others	Foreign Currency Translation Differences	Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI	Others	Profit Reserves	Prior Periods' Profit/Loss	Current Period's Net Profit/Loss	Shareholders' Equity Before Minority Interest	Minority Interest	Total Shareholders' Equity
PRIOR PERIOD (01/01/2022-31/12/2022)																	
I. Balances at Beginning of Period		**4,200,000**	**11,880**	**-**	**772,554**	**2,013,061**	**(420,279)**	**259,473**	**10,662,419**	**432,618**	**(3,903,334)**	**51,937,355**	**14,015,592**	**-**	**79,981,339**	**319,516**	**80,300,855**
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**	**2,013,061**	**(420,279)**	**259,473**	**10,662,419**	**432,618**	**(3,903,334)**	**51,937,355**	**14,015,592**	**-**	**79,981,339**	**319,516**	**80,300,855**
IV. Total Comprehensive Income		-	-	-	-	**3,392,083**	**(895,253)**	**212,336**	**5,096,504**	**8,278,644**	**(652,802)**	**13,283**	**75,569**	**58,285,378**	**73,805,742**	**225,566**	**74,031,308**
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		-	-	-	-	-	-	-	-	-	-	**159,635**	-	-	**159,635**	-	**159,635**
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	**11,672,511**	**(12,979,842)**	-	**(1,307,331)**	**(60,347)**	**(1,367,678)**
11.1 Dividends		-	-	-	-	-	-	-	-	-	-	-	(1,307,331)	-	(1,307,331)	(60,347)	(1,367,678)
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	11,615,304	(11,615,304)	-	-	-	-
11.3 Others		-	-	-	-	-	-	-	-	-	-	57,207	(57,207)	-	-	-	-
Balances at end of the period (III+IV+…+X+XI)		**4,200,000**	**11,880**	**-**	**772,554**	**5,405,144**	**(1,315,532)**	**471,809**	**15,758,923**	**8,711,262**	**(4,556,136)**	**63,782,784**	**1,111,319**	**58,285,378**	**152,639,385**	**484,735**	**153,124,120**
CURRENT PERIOD (01/01/2023-31/12/2023)																	
I. Balances at Beginning of Period		**4,200,000**	**11,880**	**-**	**772,554**	**5,405,144**	**(1,315,532)**	**471,809**	**15,758,923**	**8,711,262**	**(4,556,136)**	**63,782,784**	**59,396,697**	**-**	**152,639,385**	**484,735**	**153,124,120**
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**	**5,405,144**	**(1,315,532)**	**471,809**	**15,758,923**	**8,711,262**	**(4,556,136)**	**63,782,784**	**59,396,697**	**-**	**152,639,385**	**484,735**	**153,124,120**
IV. Total Comprehensive Income		-	-	-	-	**10,566,832**	**(679,421)**	**850,856**	**13,136,027**	**(5,374,246)**	**(4,222,788)**	**125,960**	-	**86,374,997**	**100,778,217**	**533,656**	**101,311,873**
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		-	-	-	-	-	-	-	-	-	-	**59,963**	-	-	**59,963**	-	**59,963**
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	**50,620,323**	**(59,396,697)**	-	**(8,776,374)**	**(98,064)**	**(8,874,438)**
11.1 Dividends		-	-	-	-	-	-	-	-	-	-	-	(8,776,374)	-	(8,776,374)	(98,064)	(8,874,438)
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	50,469,944	(50,469,944)	-	-	-	-
11.3 Others		-	-	-	-	-	-	-	-	-	-	150,379	(150,379)	-	-	-	-
Balances at end of the period (III+IV+…+X+XI)		**4,200,000**	**11,880**	**-**	**772,554**	**15,971,976**	**(1,994,953)**	**1,322,665**	**28,894,950**	**3,337,016**	**(8,778,924)**	**114,589,030**	**-**	**86,374,997**	**244,701,191**	**920,327**	**245,621,518**

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Subsidiaries
Consolidated Statement of Cash Flows
At 31 December 2023

	STATEMENT OF CASH FLOWS	Footnotes	THOUSANDS OF TURKISH LIRA (TL) CURRENT PERIOD 1 January 2023- 31 December 2023	PRIOR PERIOD 1 January 2022 - 31 December 2022
A.	**CASH FLOWS FROM BANKING OPERATIONS**			
1.1	**Operating profit before changes in operating assets and liabilities**	5.6	**66,133,364**	**49,955,024**
1.1.1	Interests received		187,873,524	99,876,690
1.1.2	Interests paid		(119,578,694)	(41,065,229)
1.1.3	Dividend received		104,640	94,753
1.1.4	Fees and commissions received		60,066,697	25,181,084
1.1.5	Other income		36,631,135	16,465,378
1.1.6	Collections from previously written-off receivables		1,243,439	1,128,155
1.1.7	Cash payments to personnel and service suppliers		(49,368,711)	(24,091,382)
1.1.8	Taxes paid		(22,318,643)	(19,598,015)
1.1.9	Others		(28,520,023)	(8,036,410)
1.2	**Changes in operating assets and liabilities**	5.6	**125,147,661**	**(4,190,540)**
1.2.1	Net (increase) decrease in financial assets measured at FVTPL		(3,179,253)	1,893,974
1.2.2	Net (increase) decrease in due from banks		(107,305,948)	(28,393,354)
1.2.3	Net (increase) decrease in loans		(474,488,834)	(288,025,288)
1.2.4	Net (increase) decrease in other assets		(13,004,493)	(23,002,919)
1.2.5	Net increase (decrease) in bank deposits		493,712	(628,755)
1.2.6	Net increase (decrease) in other deposits		646,431,490	320,551,256
1.2.7	Net increase (decrease) in financial liabilities measured at FVTPL		-	-
1.2.8	Net increase (decrease) in funds borrowed		37,902,018	(16,382,443)
1.2.9	Net increase (decrease) in matured payables		-	-
1.2.10	Net increase (decrease) in other liabilities		38,298,969	29,796,989
I.	**Net cash flow from banking operations**	5.6	**191,281,025**	**45,764,484**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**			
II.	**Net cash flow from investing activities**	5.6	**(81,762,372)**	**(55,251,240)**
2.1	Cash paid for purchase of associates, subsidiaries and joint-ventures		(523,268)	(190,817)
2.2	Cash obtained from sale of associates, subsidiaries and joint-ventures		-	-
2.3	Purchases of tangible assets		(5,114,979)	(2,129,907)
2.4	Sales of tangible assets		861,366	304,441
2.5	Cash paid for purchase of financial assets measured at FVOCI		(61,920,157)	(38,131,583)
2.6	Cash obtained from sale of financial assets measured at FVOCI		45,053,183	30,593,423
2.7	Cash paid for purchase of financial assets measured at amortised cost		(84,231,627)	(51,352,248)
2.8	Cash obtained from sale of financial assets measured at amortised cost		24,113,110	5,655,451
2.9	Others		-	-
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**			
III.	**Net cash flow from financing activities**		**10,446,228**	**25,669,509**
3.1	Cash obtained from funds borrowed and securities issued		60,266,160	45,196,947
3.2	Cash used for repayment of funds borrowed and securities issued		(40,161,142)	(17,677,704)
3.3	Equity instruments issued		-	-
3.4	Dividends paid		(8,776,374)	(1,307,331)
3.5	Payments for leases		(882,416)	(542,403)
3.6	Others		-	-
IV.	**Effect of translation differences on cash and cash equivalents**	5.6	**23,957,309**	**10,819,461**
V.	**Net increase/(decrease) in cash and cash equivalents (I+II+III+IV)**	5.6	**143,922,190**	**27,002,214**
VI.	**Cash and cash equivalents at beginning of period**	5.6	**149,464,537**	**122,462,323**
VII.	**Cash and cash equivalents at end of period (V+VI)**	5.6	**293,386,727**	**149,464,537**

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

Türkiye Garanti Bankası Anonim Şirketi
Statement of Profit Distribution (*)
For The Year Ended 31 December 2023

	STATEMENT OF PROFIT DISTRIBUTION	THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD (**) 31 December 2023	PRIOR PERIOD 31 December 2022
I.	**DISTRIBUTION OF CURRENT YEAR PROFIT**		
1.1	CURRENT PERIOD PROFIT	103,047,477	75,602,805
1.2	TAXES AND LEGAL DUTIES PAYABLE (-)	15,715,757	17,093,647
1.2.1	Corporate tax (income tax)	15,715,757	17,093,647
1.2.2	Withholding tax	-	-
1.2.3	Other taxes and duties	-	-
A.	**NET PROFIT FOR THE PERIOD (1.1-1.2)**	**87,331,720**	**58,509,158**
1.3	ACCUMULATED LOSSES (-)	-	-
1.4	FIRST LEGAL RESERVES (-)	-	-
1.5	OTHER STATUTORY RESERVES (-)	-	150,379
B.	**NET PROFIT AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5)]**	**-**	**58,358,779**
1.6	FIRST DIVIDEND TO SHAREHOLDERS (-)	-	210,000
1.6.1	To owners of ordinary shares	-	210,000
1.6.2	To owners of privileged shares	-	-
1.6.3	To owners of redeemed shares	-	-
1.6.4	To profit sharing bonds	-	-
1.6.5	To holders of profit and loss sharing certificates	-	-
1.7	DIVIDENDS TO PERSONNEL (-)	-	-
1.8	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9	SECOND DIVIDEND TO SHAREHOLDERS (-)	-	8,566,374
1.9.1	To owners of ordinary shares	-	8,566,374
1.9.2	To owners of privileged shares	-	-
1.9.3	To owners of redeeemed shares	-	-
1.9.4	To profit sharing bonds	-	-
1.9.5	To holders of profit and loss sharing certificates	-	-
1.10	STATUS RESERVES (-)	-	-
1.11	EXTRAORDINARY RESERVES	-	49,582,405
1.12	OTHER RESERVES	-	-
1.13	SPECIAL FUNDS	-	-
II.	**DISTRIBUTION OF RESERVES**		
2.1	APPROPRIATED RESERVES	-	-
2.2	DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.2.1	To owners of ordinary shares	-	-
2.2.2	To owners of privileged shares	-	-
2.2.3	To owners of redeemed shares	-	-
2.2.4	To profit sharing bonds	-	-
2.2.5	To holders of profit and loss sharing certificates	-	-
2.3	DIVIDENDS TO PERSONNEL (-)	-	-
2.4	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III.	**EARNINGS PER SHARE**		
3.1	TO OWNERS OF ORDINARY SHARES	0.20793	0.13931
3.2	TO OWNERS OF ORDINARY SHARES (%)	2,079.33	1,393.08
3.3	TO OWNERS OF PRIVILEGED SHARES	-	-
3.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV.	**DIVIDEND PER SHARE**		
4.1	TO OWNERS OF ORDINARY SHARES	-	-
4.2	TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3	TO OWNERS OF PRIVILEGED SHARES	-	-
4.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(*) Profit Distribution Statement has been prepared according to unconsolidated financial statements.
(**) Decision regarding the 2023 profit distribution will be held at General Assembly meeting.

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

3 Accounting Policies

3.1 Basis of presentation

The Bank and its consolidated financial subsidiaries prepare their consolidated 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 consolidated financial statements are prepared in accordance with the historical cost basis except for financial assets and liabilities at fair value through profit or loss, financial assets measured at fair value through other comprehensive income, and real estates which are presented on a fair value basis.

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 with 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 3.29.

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 2023 have no material effect on the financial statements, financial performance, and on the Bank's accounting policies. New and revised Turkish Accounting Standards issued but not yet effective as of the finalization date of the financial statements have no material effect on the financial statements, financial performance, and on the Bank's accounting policies.

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

3.1.2 Other

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.

Based on this, "TAS 29 Financial Reporting in Hyperinflation Economies" has not been applied in the consolidated financial statements as of 31 December 2023.

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 2024. Accordingly, the Group has not applied the related standard in the consolidated 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 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 and its financial subsidiaries have access to longer-term borrowings via borrowings from abroad.

In order to manage the interest rate risk arising from short-term deposits, the Bank and its financial subsidiaries are 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 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 income statement. 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.

It may classify the 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 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 the management of the 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 are evaluated with the Bank’s spot purchase rates for the Parent Bank and domestic financial subsidiaries, and the differences are recorded as foreign exchange gain or loss in the income statement.

During the consolidation of foreign subsidiaries, the assets and liabilities are translated into TL at exchange rates ruling at the balance sheet date, and the income and expenses in income statement are translated into TL using monthly average exchange rates. Foreign exchange differences arising from the translation of income and expenses and other equity items are recognized in "other comprehensive income/expense items to be recycled to profit or loss under the shareholders' equity.

In the current period, net investment hedge amounting to EUR 530,583,575 (31 December 2022: EUR 501,598,663) is applied 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 14,903,297 (31 December 2022: TL 7,771,551), arising from conversion of both foreign currency investments and long-term foreign currency borrowings are accounted under capital reserves and other comprehensive income/expense items to be recycled to profit/loss, respectively under equity as of 31 December 2023. There is no ineffective portion arising from net investment hedge accounting.

3.3 Information on consolidated subsidiaries

As of 31 December 2023, Türkiye Garanti Bankası Anonim Şirketi and the following financial subsidiaries are consolidated in the accompanying consolidated financial statements; Garanti Bank International (GBI), Garanti Finansal Kiralama AŞ (Garanti Finansal Kiralama), Garanti Yatırım Menkul Kıymetler AŞ (Garanti Yatırım), Garanti Portföy Yönetimi AŞ (Garanti Portföy), Garanti Emeklilik ve Hayat AŞ (Garanti Emeklilik), Garanti Faktoring AŞ (Garanti Faktoring), Garanti Ödeme Sistemleri AŞ (GÖSAŞ) and Garanti Holding BV (Garanti Holding).

Garanti Finansal Kiralama was established in 1990 to perform financial lease activities and all related transactions and contracts. The company's head office is in Istanbul. The Bank increased its shareholding to 100% through a further acquisition of 0.04% of the company's shares on 21 October 2014.

Garanti Faktoring was established in 1990 to perform import, export and domestic factoring activities. The company's head office is in Istanbul. The Bank owns 81.84% of Garanti Faktoring shares including the shares acquired in the market, T. İhracat Kredi Bankası AŞ owns 9.78% of the company's shares and the remaining 8.38% shares are held by public.

GBI was established in October 1990 to perform banking activities abroad. The head office of this bank is in Amsterdam. It is wholly owned by the Bank.

Garanti Yatırım was established in 1991 to perform brokerage activities for marketable securities, valuable papers and documents representing financial values or financial commitments of issuing parties other than securities. The company's head office is in Istanbul. It is wholly owned by the Bank. Garanti Yatırım Ortaklığı AŞ that Garanti Yatırım participated by 3.61%, has been consolidated in the accompanying consolidated financial statements due to the company's right to elect all the members of the Board of Directors as resulted from its privilege in election of board members.

In 1992, it was decided to operate life and health branches under a different company and accordingly Garanti Hayat Sigorta AŞ was established. Garanti Hayat Sigorta AŞ was converted into a private pension company in compliance with the legislation early in 2003 and its name was changed as Garanti Emeklilik ve Hayat AŞ. Following the sale transactions that took place on 21 June 2007, the Bank's ownership in Garanti Emeklilik decreased to 84.91%. The head office of this company is in Istanbul.

Garanti Portföy was established in June 1997 to manage the customer portfolios by using the capital market products in compliance with the principles and rules of the regulations regarding the company's purpose of establishment and the portfolio management agreements signed with the customers. The company's head office is in Istanbul. It is wholly owned by the Bank.

Garanti Ödeme Sistemleri was incorporated in 1999. It offers the infrastructure required clearing and reconciliation transactions among participants. It constitutes, operates and develops the system, platform and infrastructures ensuring or supporting any and all types of payments or money transfers without having to use cash.

Garanti Holding was established in December 2007 in Amsterdam and all its shares was purchased by the Bank from Doğuş Holding AŞ in May 2010. On 27 January 2011 the consolidated subsidiary's legal named changed to Garanti Holding BV from D Netherlands BV.

Garanti Diversified Payment Rights Finance Company and RPV Company are structured entities established for the Parent Bank's securitization transactions, and consolidated in the accompanying consolidated financial statements. The Bank or any of its subsidiaries does not have any shareholding interests in these companies.

Non-financial subsidiaries owned by the Bank and its subsidiaries within the scope of consolidation are accounted by using the equity method as defined in TAS 28 "Investments in Associates and Joint Ventures".

3.4 Forwards, options and other derivative transactions

3.4.1 Derivative financial assets

Derivative financial assets measured at fair value through profit or loss

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

Derivatives are initially recorded at their fair values. The related transaction costs are recognized in income statement at the date they incur. The changes in their fair values are recorded on balance sheet under "the portion of derivative financial assets measured at fair value through profit and loss" or "the portion of derivative financial liabilities measured at fair value through profit and loss", respectively depending on the fair values being positive or negative. Fair value changes for derivatives are recorded in the account of "income/losses from derivative transactions" under statement of profit or loss.

Within the scope of TFRS 13 Fair Value Measurement standard; (i) if there is a significant decrease in the volume or level of activity for that asset or liability in relation to normal market activity for the asset or liability (or similar assets or liabilities); (ii) when the transaction or quoted price does not represent fair value; and/or (iii) when a price for a similar asset requires significant adjustment to make it comparable to the asset being measured, or (iv) when the price is stable, an adjustment to the transactions or quoted prices is made and this adjustment is reflected to the fair value measurement. In this context, the point is determined within the range that is most representative of fair value under current market conditions. Starting from 31 December 2021 until 31 December 2022, the Parent Bank used the TLREF-based OIS ("Overnight Indexed Swap") market curve in order to reflect the fair value measurement more for CBRT swap transactions and performed the necessary fair value measurement adjustments. Starting from 1 January 2023, the Parent Bank started to use off-shore market curve for swap and forward transactions with foreign institutions and the Bank started to use 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 followed in 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 and its consolidated financial subsidiaries do 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 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. It is entered 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 and its consolidated financial subsidiaries continue to apply hedge accounting in accordance with TAS 39 in this context.

The Bank and its consolidated financial subsidiaries enter 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 financial assets 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 are presented in the statement of financial position together with the fixed-rate loan, and in case of the fixed-rate financial assets at fair value through other comprehensive income, such changes are reclassified from shareholders' equity to statement of profit or loss.

Derivative financial assets measured at fair value through other comprehensive income

The Bank and its consolidated financial subsidiaries enter 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 "accumulated other comprehensive income or expense to be reclassified to profit or loss" in shareholders' equity, and the ineffective portion is recognised in income statement. The changes recognized 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.

Effectiveness tests are performed 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 ranges of 80%-125% of effectiveness.

The hedge accounting is discontinued when the hedging instrument expires, is exercised, sold, or is 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 "accumulated other comprehensive income or expense to be reclassified 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

General

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, it is identified 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, it is amortised 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 income of the period after the acquisition is recorded as interest income in the financial statements.

If the expectations for the cash flows in the financial asset are revised for reasons other than the credit risk, the amendment is reflected in the carrying amount of the asset and in the related income statement line and is amortized over the estimated life of the financial asset.

If the financial asset is impaired and classified as a non-performing receivable, it is applied the 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.

Financial lease activities

Total of minimum rental payments including interests and principals are recorded under "financial lease receivables" as gross. The difference, i.e. the interest, between the total of rental payments and the cost of the related tangible asset is recorded under "unearned income". When the rent payment incurs, the rent amount is deducted from "financial lease receivables"; and the interest portion is recorded as interest income in the income statement.

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

It shall be recognised a financial asset or a financial liability in its statement of financial position when, and only when, an 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 for 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, financial assets or financial liabilities are measured at fair value. At initial recognition, financial asset or a financial liability exclusive the ones at fair value through profit or loss are measured 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 the business model

As per TFRS 9, the business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The 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 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 expectations at the date that it is assessed the business model, that does not give rise to a prior period error in the financial statements nor does it change the classification of the remaining financial assets held in that business model as long as it is considered all relevant information that was available at the time that it made the business model assessment. However, when the business model is assessed for newly originated or newly purchased financial assets, it must be considered information about how cash flows were realised in the past, along with all other relevant information.

The 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: It may be held 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 is 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, a financial asset is classified 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

All financial assets are classified 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 or loss.

Financial investments and loans measured at amortised cost

Financial investments and loans are measured 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 losses calculated for the relevant financial assets in accordance with TFRS 9 are presented in Note 5.1.8.5.

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 losses calculated for the relevant financial assets in accordance with TFRS 9 are presented in Note 5.1.5.11.

Financial assets measured at fair value through other comprehensive income

As per TFRS 9, 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 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 cost by using the discounting method with effective interest rate, that approximates to fair value, for floating-rate securities; and by using valuation models or discounted cash flow techniques for fixed-rate securities.

Unrecognised gains/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 income statement.

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 sale of such debt securities are sold 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 sale price and the recognized interest income is transferred to "trading account income/losses".

The Bank also 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 based on the effective interest rate method which is calculated according to 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 guideline. The estimated inflation rate according to the Central Bank of Turkey's and the Bank's expectations, may be updated during the year when it is considered necessary.

Equity instruments measured at fair value through other comprehensive income

At initial recognition, it can be made 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. Such election is made on an instrument-by-instrument basis.

Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss. However, the cumulative gain or loss shall be transferred to prior period's profit or loss. Dividends on such investments are recognised in profit or 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 income statement. Interest income earned on trading securities and the difference between their acquisition costs and amortized costs are recorded as interest income in the income statement. The differences between the amortized costs and the fair values of such securities are recorded under trading account income/losses in the income statement. In cases where such securities are sold before their maturities, the gains/losses on such sales are recorded under trading account income/losses.

It is classified certain loans and securities issued at their origination dates, as financial assets/liabilities, irrevocably at fair value through profit or loss 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 increases 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

Loss allowance for expected credit losses is recognised 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 or 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, it shall be assessed whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, it shall be used 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, it shall be measured 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, it is measured loss allowance regarding such instrument at an amount equal to lifetime expected credit losses.

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

It is 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 aforementioned policy is presented in note 3.8.3.

The 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

Expected credit losses are calculated 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, which is usually set at 12 months, given certain characteristics. Based on TFRS 9, it is used 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.

Internal rating systems are used 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, it is considered three scenarios (base scenario, bad scenario, good scenario). Each of these three scenarios is associated with different probability of default, loss given default and exposure at 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 there is 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. It is calculated 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, it is calculated 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, it is accounted for lifetime expected credit losses. The methodology is similar to stage 2 and the probability of default is taken into account as 100%.

It is considered 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 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 it is considered that a debt is unlikely to be paid. Whenever it is considered 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 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, financial instruments are grouped 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 common credit risk characteristics include, but are not limited to, the following:

- Customer type (retail or corporate/commercial)
- 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, a certain portion of commercial and corporate loans is assessed individually in accordance with the internal policies in the calculation of the expected credit losses based on TFRS 9. Such calculations are made 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, it shall be considered 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. Such assessment is made 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 internal policies, TFRS 9 models are updated once a year. The related model update was made in the last quarter of 2023 and has calculated credit losses provision is continued to calculated based on the updated model during 2023.

As of 31 March 2023, due to the magnitude 7.7 and 7.5 quakes respectively in southern part of Turkey which effect 10 provinces (5 of them severely and 5 of them partially), the Parent Bank has classified the loans and receivables in disaster zone from stage 1 to stage 2 regarding assessment of significant increase in credit risk and calculated an allowance for the lifetime expected credit losses. As of 31 December 2023, an additional expected credit loss has been calculated for a portion of the related loans and receivables based on the Parent Bank's internal assessment.

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 drawdown 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 when becoming 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

In accordance with TFRS 9, 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 shall be applied. 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 and its financial subsidiaries subject to consolidation offer 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 entities are exposed to credit losses with the contractual notice. For this reason, it is calculated 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 reduction or removal of undrawn limits.

When determining the period over which it is expected to be exposed to credit risk, but for which expected credit losses would not be mitigated by normal credit risk management actions, it is considered 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 it is expected to be taken once the credit risk on the financial instrument has increased, such as the reduction or removal of undrawn limits.

It is calculated expected credit losses on the revolving products of retail and corporate customers by considering 3 to 5 years.

It is made assessment of significant increase in credit risk of revolving loans by considering qualitative and quantitative criteria considered for other credit products as explained in disclosure 3.8.3.

3.8.2 Forward-looking macroeconomic information

Forward-looking macroeconomic information is incorporated into credit risk parameters during assessment of significant increases in credit risk and expected credit loss calculation. The incorporation of forward-looking information into the credit risk parameters consists of the following steps:

Step 1: It is made 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, it is applied the methods of credit risk parameters reflection and forward-looking impact inclusion into the parameters.

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

(Thousands of Turkish Lira (TL))

The Parent Bank takes into account different scenarios in the calculation of expected credit loss by evaluating the current economic conditions and expert opinions. Accordingly, the updated macroeconomic value estimates taken into account in the expected loss provision calculation are presented below as of 31 December 2023.

Date	GDP
31.12.2023	4.5%
31.12.2024	3.5%
31.12.2025	3.5%
31.12.2026	3.8%
31.12.2027	3.5%
31.12.2028	3.5%

3.8.3 Significant increase in credit risk

Qualitative and quantitative assessments are performed regarding assessment of significant increase in credit risk.

Qualitative assessment:

It is classified 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.

It is classified 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 fulfill its contractual cash flow obligations.

It is not considered 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 other financial instruments or relative to the credit risk of the jurisdiction within which it is operated.

If it is determined that a financial instrument has a low credit risk as of the reporting date, it is assumed that the credit risk of the financial instrument has not increased significantly following its first recognition in the financial statements.

It is defined 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 are defined as having low credit risk based on TFRS 9 are as follows:

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

3.8.5 Disclosures on write down policy

The amendment with respect to the regulation on the Principles and Procedures Regarding the Classification of Loans and Reserves Set Aside for These Loans entered into force with its publication in the Official Gazette No.30961 on 27 November 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 Disclosures about 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 and its consolidated financial subsidiaries have legally enforceable rights 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 the 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 it is retained control of the asset, it is continued to recognize the remaining portion of the asset and liabilities arising from such asset.

When it is retained 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 a financial asset without any change in the contractual terms

It is derecognised 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, it shall be reclassified 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 is changed the business model for managing financial assets.

3.9.4 Restructuring and refinancing of financial instruments

It may be changed 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 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, in 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, 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 1 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 management’s future intentions, either at market prices or using discounting method with internal rate of return. 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 Markets 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 Markets” and the related expense accruals are accounted.

3.11 Assets held for sale, assets of 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 business classified as sold or held for sale. The operating results of the discontinued operations are disclosed separately in income statement. The Bank or its financial subsidiaries have no discontinued operations.

3.12 Goodwill and other intangible assets

The intangible assets consist of goodwill, software, intangible rights and other intangible assets.

Goodwill and other intangible assets are recorded at cost in accordance 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 and its financial subsidiaries' 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 over their estimated useful lives based on their inflation-adjusted costs on a straight-line basis.

Goodwill represents the excess of the total acquisition costs over the shares owned in the net assets of the acquired company at the date of acquisition. The "net goodwill" resulted from the acquisition of the investment and to be included in the consolidated balance sheet, is calculated based on the financial statements of the investee company as adjusted according to the required accounting principles. If any goodwill is computed at consolidation, it is recorded under intangible assets on the asset side of the consolidated balance sheet as an asset. It is assessed to identify whether there is any indication of impairment. If any such indication exists, the necessary provision is recorded as an expense in the income statement. The goodwill is not amortized.

Estimated useful lives of the intangible assets except for goodwill, 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 is 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.

(Thousands of Turkish Lira (TL))

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 expenses.

There are no restrictions such as pledges, mortgages or any other restriction on tangible assets.

The depreciation rates and 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 the 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 right-of-use asset is measured by applying a cost model. To apply the cost model, the right-of-use asset is measured at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability.

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

3.14 Leasing activities

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

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

Based on TFRS 16, at the commencement date, the lease liability is measured 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 lease liability is measured 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 lease liability is remeasured to reflect changes to the lease payments. The amount of the remeasurement of the lease liability is recognised as an adjustment to the right-of-use asset.

The lease liability is remeasured 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, an unchanged discount rate is used.

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification, the lease liability is remeasured 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 carrying amount of the right-of-use asset is decreased to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. Any gain or loss relating to the partial or full termination of the lease is recognised 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 or its financial subsidiaries. If an inflow of economic benefits has become probable, then the contingent asset is disclosed in the footnotes of 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 labor law in Turkey, the entities are required to pay certain amounts to the employees who retired or were fired except for resignations or misbehaviors specified in the Turkish Labor Law.

(Thousands of Turkish Lira (TL))

Accordingly, the Bank and its financial subsidiaries subject to the labor law, 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%	17.79%
Estimated Real Salary/Limit Increase Rate	1.50%	1.50%
Inflation Rate	21.94%	14.36%

In the above table, the effective rates are presented for the Bank and its financial subsidiaries subject to the labor law, whereas the rates applied for the calculations differ according to the employee's 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 TAS19.

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 the employees and the employer as required by Social Security Law No. 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, is 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-year period set by the Council of Ministers on 14 March 2011 as explained above, as per the Article No. 51 of the Law No. 6645, published in the Official Gazette No. 29335 dated 23 April 2015, the Article No. 20 of the Law No. 5510 was amended giving the Council of Ministers the authority to determine the date of transfer without defining any timeline.

b) Other benefits not transferable to SSF

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

The actuarial gains/losses are recognised under shareholders’ equity as per the revised TAS19. On 3 March 2023, the Group has recognised the necessary changes in the retirement pay liability and pension plans in the consolidated financial statements in accordance with the Law No. 5510 on the Amendment of the Social Security and General Health Insurance Law No. 5510 and the Decree Law No. 375 (known as the "Early Retirement Law") published in the Official Gazette.

The consolidated subsidiaries do not have retirement benefit plans for their employees. The retirement-related benefits of the employees of the consolidated subsidiaries are subject to SSF in case of domestic investees and to the legislations of the related countries in case of foreign investee companies. There are no obligations not reflected in the accompanying consolidated financial statements.

3.18 Insurance technical reserves and technical income and expense

3.18.1 Insurance technical reserves

The Group’s insurance subsidiaries adopted TFRS 4, Insurance Contracts (“TFRS 4”). TFRS 4 requires that all contracts issued by insurance companies be classified as either insurance contracts or investment contracts. Contracts with significant insurance risk are considered insurance contracts. Insurance risk is defined as risk, other than financial risk, transferred from the holder of a contract to the issuer. TFRS 4 permits a company to continue with its previously adopted accounting policies with regard to recognition and measurement of insurance contracts. Only in case of presentation of more reliable figures a change in accounting policy shall be carried out.

Contracts issued by insurance companies without significant insurance risk are considered investment contracts. Investment contracts are accounted for in accordance with TFRS 9 Financial Instruments standard.

Insurance technical provisions on the consolidated financial statements consist of, reserve for unearned premiums, reserve for unexpired risk, and provision for outstanding claims and mathematical provisions.

3.18.2 Insurance technical income and expense

In insurance companies, premium income is obtained subsequent to the share of reinsurers in policy income is diminished.

Claims are recorded in expense on accrual basis. Outstanding loss provisions are recognized for the claims reported but not paid yet and for the claims that incurred but not reported. Reinsurers' share of claims paid and outstanding loss is offset in these provisions.

3.19 Taxation

3.19.1 Corporate tax

While corporate tax which is applied to corporate earnings at the rate of 20% in Turkey, in accordance with the regulation introduced by the Law No.7456 "On the Formation of Additional Motor Vehicle Tax to Compensate the Economic Losses Caused by the Earthquakes That Occurred on 6 February 2023, Amending Certain Laws and the Decree Law No. 375, the corporate earnings of 2023 and later taxation periods this rate has been determined to be applied as 25% and for the banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies this rate has been determined to be applied as 30%.

This rate is applied to tax base which is calculated by adding certain non-deductible expenses for tax purposes and deducting certain exemptions (like dividend income) and other deductions on accounting income. If there is no dividend distribution, no further tax charges are made.

Dividends paid to the resident institutions and the institutions working through local offices or representatives in Turkey are not subject to withholding tax. As per the decisions No. 2009/14593 and 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 Turkey through their operations or permanent representatives and the resident institutions has been changed to 10% from 15% by the Presidential decision published in the Official Gazette No. 31697 dated 22 December 2021. In applying the withholding tax rates on dividend payments to the nonresident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

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

In accordance with the Turkish tax legislation, the 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 the date of 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 2023, 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 periods 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 will be subject to inflation adjustment regardless of whether the inflation adjustment conditions are met or not. Profit/loss difference arising from inflation adjustment in the financial statements 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.

According to Law No. 7440 on Restructuring of Certain Receivables and Amending Certain Laws published in the Official Gazette (dated on March 12, 2023 and numbered 32130), corporate tax payers are to be calculating additional tax in order to be indicated in corporate income tax returns of the year 2022. With the regulation of Law No. 5520 on the "Corporate Tax Law" and other tax regulations, an additional tax of 10% will be calculated based on the exemption and deduction amounts subject to deduction from corporate income and the tax bases subject to reduced corporate tax within the scope of Article 32/A of the same law and with the exception regulated in subparagraph (a) of the first paragraph of Article 5 of the Law No. 5520, an additional tax of 5% will be calculated based on exempted dividends and earnings from abroad. The first partial payment of this additional taxes is to be paid within the payment period of the corporate income tax, and the second partial payment is to be paid in the fourth month following this period.

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 are 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.

ax applications for foreign financial subsidiaries

THE NETHERLANDS

In the Netherlands, corporate income tax is levied at the rate of 19% for tax profits up to EUR 200,000 and 25.80% for the excess part over this amount on the worldwide income of resident companies, which is determined by modifying accounting income for certain exclusions and allowances for tax purposes for the related year. Based on the unilateral decree for the avoidance of double taxation between Turkey and The Netherlands, the dividend taxation is 0% percent under certain conditions. Under the Dutch taxation system up to 2022, tax losses incurred in fiscal years 2019 up to and including 2021 can be carried forward six fiscal years after the year in which they occur.

Tax losses relating to fiscal years 2018 and earlier can be carried forward nine fiscal years. As of 2022, losses of previous years no longer vaporize but can be carried forward indefinitely. However, the losses can only be used up to an amount of EUR 1 mln, or if the profit exceeds EUR 1 mln, the amount of losses that can be offset is EUR 1 mln plus 50% of the excess of the profit over EUR 1 mln. Companies must file their tax returns within five months following the end of the tax year to which they relate, unless the company applies for an extension (normally an additional eleven months).

Tax returns are open for five years from the date of the filing deadline the tax return during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings. The corporate income tax for the Germany branch is 30%.

ROMANIA

The applicable corporate tax rate in Romania is 16%. The taxation system in Romania is continuously developing and is subject to varying interpretations and constant changes, which may become rarely retroactive. In Romania, tax periods remain open for tax audits for maximum seven years, depending on the reporting year. Tax losses can be carried forward to offset against future taxable income for seven years.

3.19.2 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 3.19.1, in accordance with the regulation introduced by the Law No.7456 "On the Formation of Additional Motor Vehicle Tax to Compensate the Economic Losses Caused by the Earthquakes That Occurred on 6 February 2023, corporate income tax has been determined to be applied as 30% for the banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies. Therefore, as of 31 December 2023, the Bank has calculated deferred tax at the rate of 30% for assets and liabilities.

According to the Provisional Article 33 of the Tax Procedure Law, in the financial statements dated 31 December 2023, the tax effects arising from the subject of inflation correction of the corporate tax are included in the deferred tax calculation as of 31 December 2023.

If transactions and events are recorded in the income statement, then the related tax effects are also recognized in the income statement. 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 of the Bank and its consolidated subsidiaries are reported as net in their individual financial statements.

In compliance with TAS 12, the deferred tax assets and liabilities of the consolidated subsidiaries are presented on the asset and liability sides of financial statements separately, without any offsetting.

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.

3.19.3 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 on 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.

3.20 Funds borrowed

The Parent 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.

3.21 Share and 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 as "share premium" under shareholders' equity.

3.22 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.

3.23 Government incentives

None.

3.24 Segment reporting

The Parent 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 Parent Bank provides service packages to its corporate, commercial and retail customers including deposits, 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 Parent Bank also utilizes alternative delivery channels intensively.

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

Additionally, the Parent 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, chequebooks, Turkish Lira and foreign currency deposits, investment accounts, internet banking and call-center, debit cards and bill payment modules.

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

(Thousands of Turkish Lira (TL))

Information on the business segments on a consolidated basis is as follows:

Current Period	**Retail Banking**	**Corporate Banking**	**Investment Banking**	**Other**	**Total Operations**
Net Interest Income	30,777,006	61,481,533	(32,296,228)	26,404,140	86,366,451
Net Fees And Commıssıons Income	31,782,555	10,291,411	(48,148)	1,474,806	43,500,624
Dividend Income	-	-	-	104,640	104,640
Net Tradıng Income/Losses (Net)	2,598,612	11,793,324	13,819,248	3,883,467	32,094,651
Other Operatıng Income (*)	(672,019)	1,463,388	48,425	16,475,473	17,315,267
Expected Credıt Losses (*)	(8,115,384)	(10,506,201)	(897,798)	307,553	(19,211,830)
Other Provisions	3,074	-	-	(334,968)	(331,894)
Personnel and Other Operatıng Expenses	(28,278,668)	(9,565,021)	(1,051,829)	(17,158,073)	(56,053,591)
Income/Loss From Investments Under Equıty Accountıng	-	-	-	3,276,903	3,276,903
Net Operating Profit	**28,095,176**	**64,958,434**	**(20,426,330)**	**34,433,941**	**107,061,221**
Provision for Taxes	-	-	-	(20,154,005)	(20,154,005)
Net Profit	**28,095,176**	**64,958,434**	**(20,426,330)**	**14,279,936**	**86,907,216**
Segment Assets	409,958,201	756,249,560	693,748,254	335,377,289	2,195,333,304
Investments in Associates and Subsidiaries	-	-	-	6,379,791	6,379,791
Total Assets	**409,958,201**	**756,249,560**	**693,748,254**	**341,757,080**	**2,201,713,095**
Segment Liabilities	1,095,394,269	555,777,835	179,022,937	125,896,536	1,956,091,577
Shareholders' Equity	-	-	-	245,621,518	245,621,518
Total Liabilities and Shareholders' Equity	**1,095,394,269**	**555,777,835**	**179,022,937**	**371,518,054**	**2,201,713,095**

Prior Period	**Retail Banking**	**Corporate Banking**	**Investment Banking**	**Other**	**Total Operations**
Net Interest Income	17,561,494	25,368,095	33,879,998	11,283,040	88,092,627
Net Fees And Commıssıons Income	11,991,324	5,479,738	(204,215)	879,473	18,146,320
Dividend Income	-	-	-	94,753	94,753
Net Tradıng Income/Losses (Net)	577,165	6,594,384	(609,055)	3,949,804	10,512,298
Other Operatıng Income (*)	144,582	832,966	24,377	5,353,586	6,355,511
Expected Credıt Losses (*)	(4,292,210)	(11,304,780)	(1,220,080)	921,897	(15,895,173)
Other Provisions	(1,579)	-	-	(3,734,423)	(3,736,002)
Personnel and Other Operatıng Expenses	(12,353,198)	(5,317,842)	(471,573)	(9,423,997)	(27,566,610)
Income/Loss From Investments Under Equıty Accountıng	-	-	-	984,028	984,028
Net Operating Profit	**13,627,578**	**21,652,561**	**31,399,452**	**10,308,161**	**76,987,752**
Provision for Taxes	-	-	-	(18,477,446)	(18,477,446)
Net Profit	**13,627,578**	**21,652,561**	**31,399,452**	**(8,169,285)**	**58,510,306**
Segment Assets	217,813,066	503,893,520	401,778,779	177,812,156	1,301,297,521
Investments in Associates and Subsidiaries	-	-	-	2,280,962	2,280,962
Total Assets	**217,813,066**	**503,893,520**	**401,778,779**	**180,093,118**	**1,303,578,483**
Segment Liabilities	599,719,386	338,737,003	125,156,216	86,841,758	1,150,454,363
Shareholders' Equity	-	-	-	153,124,120	153,124,120
Total Liabilities and Shareholders' Equity	**599,719,386**	**338,737,003**	**125,156,216**	**239,965,878**	**1,303,578,483**

(*) 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.

3.25 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 13 April 2023, a decision has been made regarding appropriation of the unconsolidated net profit of the Bank deriving from operations in 2022 amounting to TL 58,509,158 and aforementioned distribution has been disclosed in Note 6.2.

3.26 Earnings per share

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

	Current Period	***Prior Period***
Distributable net profit	86,374,997	58,285,378
Average number of issued common shares (thousand)	420,000,000	420,000,000
Earnings per share (amounts presented full TL)	0.20565	0.13877

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

As of 31 December 2023, there are no bonus shares issued (31 December 2022: None).

3.27 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.

3.28 Cash and cash equivalents

For the purposes of the cash flow statement, cash includes cash effectives, cash in transit, purchased cheques and demand deposits including balances with the Central Bank of Turkey; and cash equivalents include 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.

3.29 Other disclosures

None.

(Thousands of Turkish Lira (TL))

4 Consolidated Financial Position and Results of Operations and Risk Management

4.1 Consolidated total capital

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

4.1.1 Components of consolidated total capital (*)

	Current Period	*Prior Period*
COMMON EQUITY TIER I CAPITAL		
Paid-in Capital to be Entitled for Compensation after All Creditors	4,972,554	4,972,554
Share Premium	11,880	11,880
Reserves	114,589,030	63,782,784
Other Comprehensive Income according to TAS	60,142,834	33,927,212
Profit	86,374,997	59,396,697
Current Period's Profit	86,374,997	58,285,378
Prior Periods' Profit	-	1,111,319
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	9,790	9,069
Minority Interest	416,247	211,148
Common Equity Tier I Capital Before Deductions	**266,517,332**	**162,311,344**
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 (-)	22,016,744	8,959,825
Leasehold Improvements on Operational Leases (-)	291,647	111,522
Goodwill Netted with Deferred Tax Liabilities	-	-
Other Intangible Assets Netted with Deferred Tax Liabilities Except Mortgage Servicing Rights	2,542,752	1,214,857
Net Deferred Tax Asset/Liability (-)	-	-
Differences arise when assets and liabilities not held at fair value, are subjected to cash flow hedge accounting	-	-
Total credit losses that exceed total expected loss calculated according to the Regulation on Calculation of Credit Risk by Internal Ratings Based Approach	-	-
Securitization gains	-	-
Unrealized gains and losses from changes in bank's liabilities' fair values due to changes in creditworthiness	-	-
Net amount of defined benefit plans	-	-
Direct and Indirect Investments of the Bank on its own Tier I Capital (-)	-	-
Shares Obtained against Article 56, Paragraph 4 of the Banking Law (-)	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	-
Mortgage Servicing Rights Exceeding the 10% Threshold of Tier I Capital (-)	-	-
Net Deferred Tax Assets arising from Temporary Differences Exceeding the10% Threshold of Tier I Capital (-)	-	-
Amount Exceeding the 15% Threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-	-

(Thousands of Turkish Lira (TL))

	Current Period	*Prior Period*
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	**24,851,143**	**10,286,204**
Total Common Equity Tier I Capital	**241,666,189**	**152,025,140**
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)	-	-
Shares of Third Parties in Additional Tier I Capital	-	-
Shares of Third Parties in Additional Tier I Capital (Covered by Temporary Article 3)	-	-
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)	**241,666,189**	**152,025,140**
TIER II CAPITAL		
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	14,502,317	12,158,080
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)	15,924,173	10,212,658
Total Deductions from Tier II Capital	**30,426,490**	**22,370,738**
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	-	-

(Thousands of Turkish Lira (TL))

	Current Period	***Prior Period***
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	**30,426,490**	**22,370,738**
Total Equity (Total Tier I and Tier II Capital)	**272,092,679**	**174,395,878**
Total Tier I Capital and Tier II Capital (Total Equity)		
Loans Granted against the Articles 50 and 51 of the Banking Law (-)	1,168	53
Other items to be Defined by the BRSA (-)	1,188	29
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)	**272,090,323**	**174,395,796**
Total Risk Weighted Assets	**1,437,302,870**	**937,541,310**
CAPITAL ADEQUACY RATIOS		
Consolidated CET1 Capital Ratio (%)	**16.81**	**16.22**
Consolidated Tier I Capital Ratio (%)	**16.81**	**16.22**
Consolidated Capital Adequacy Ratio (%)	**18.93**	**18.60**
BUFFERS		
Total Additional CET1 Capital Requirement Ratio (a+b+c)	4.11	4.12
a) Capital Conservation Buffer Ratio (%)	2.50	2.50
b) Bank-specific Counter-Cyclical Capital Buffer Ratio (%)	0.11	0.12
c) Systemically Important Banks Buffer Ratio (%)	1.50	1.50
Additional CET1 Capital Over Total Risk Weighted Assets Ratio Calculated According to the Article 4 of Capital Conservation and Counter-Cyclical Capital Buffers Regulation (%)	10.81	10.22
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	20,291,063	7,059,239

(Thousands of Turkish Lira (TL))

	Current Period	*Prior Period*
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)	43,753,909	31,048,395
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	15,924,173	10,212,658
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	-	-

(*) According to "Bank Capital Regulation" Article 10 paragraph 4, which published on Official Gazette dated 5 September 2013 and numbered 28756, banks also calculate their consolidated capital with their consolidated insurance company investments as unconsolidated financial institutions if 9th Article's 4th paragraph's (c) and (ç) items apply. Lesser of consolidated capital calculated according to 1st and 4th paragraphs is considered the consolidated capital according to this regulation. As the consolidated capital calculated including the insurance subsidiary is lesser, the consolidated capital is calculated according to consolidated financial statements including the insurance subsidiary.

Within the scope of the measures announced by the BRSA on 31 January 2023 and 21 December 2021, the amount subject to credit risk shall be calculated by using 30 December 2022 of the Central Bank's foreign exchange buying rates and negative revaluation differences of the securities classified under "Financial Assets Measured at Fair Value through Other Comprehensive Income" are not included in capital calculation.

As of 31 December 2023, 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 are not taken into account, the capital adequacy ratio decreases to 16.48% as of 31 December 2023.

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

(Thousands of Turkish Lira (TL))

4.1.2 Items included in capital calculation

Current Period	***Information about instruments included in total capital calculation***		
Issuer	T. Garanti Bankası A.Ş.	T. Garanti Bankası A.Ş.	T. Garanti Bankası A.Ş.
Identifier (CUSIP, ISIN vb.)	Reg S: ISIN: XS1617531063 Common Code: 161753106 144A: CUSIP: 900148 AE7 ISIN: US900148AE73 Common Code: 161752479	ISIN: TRSGRANE2915	ISIN: TRSGRAN23013
Governing law (s) of the instrument	Subject to English Law and in terms of certain articles to Turkish Regulations. It is issued within the scope of the Communiqué VII-128.8 on Debt Instruments of the Capital Markets Board and the Regulation on Bank Capital of the BRSA.	It is subject to English Law and in terms of certain articles to Turkish Regulations. It is also issued within the scope of the "Regulation on Equities of Banks" and "the Communiqué Regarding the Capital Instruments that will be included in own funds of banks" within the legislation of Capital Markets Board of Turkey.	It is subject to English Law and in terms of certain articles to Turkish Regulations. It is also issued within the scope of the "Regulation on Equities of Banks" and "the Communiqué Regarding the Capital Instruments that will be included in own funds of banks" within the legislation of Capital Markets Board of Turkey.
Regulatory treatment			
Subject to 10% deduction as of 1/1/2015	No	No	No
Eligible on unconsolidated and /or consolidated basis	Eligible on unconsolidated and consolidated	Eligible on unconsolidated and consolidated	Eligible on unconsolidated and consolidated
Instrument type	Subordinated debt instruments (Notes)	Subordinated debt instruments (Notes)	Subordinated debt instruments (Notes)
Amount recognized in regulatory capital (Currency in TL million, as of most recent reporting date)	13,069 (31 December 2022: 11,155)	253 (31 December 2022: 253)	750 (31 December 2022: 750)
Nominal value of instrument (TL million)	21,782 (31 December 2022: 13,944)	253 (31 December 2022: 253)	750 (31 December 2022: 750)
Accounting classification of the instrument	34701 – Secondary Subordinated Loans	34601– Secondary Subordinated Loans	34601– Secondary Subordinated Loans
Issuance date of instrument	23.05.2017	09.10.2019	14.02.2020
Maturity structure of the instrument (demand/time)	Time	Time	Time
Original maturity of the instrument	24.05.2027	07.10.2029	14.02.2030
Issuer call subject to prior supervisory (BRSA) approval	No	Yes	Yes
Optional call date, contingent call dates and redemption amount	-	07.10.2024 – TL 252,880,000	14.02.2025 – TL 750,000,000
Subsequent call dates, if applicable	-	-	-
Interest/dividend payment			
Fixed or floating coupon/dividend payments	Fixed	Floating	Floating
Coupon rate and any related index	7.1770%	TLREF + 130 bps	TLREF + 250 bps
Existence of any dividend payment restriction	None	None	None
Fully discretionary, partially discretionary or mandatory	-	-	-

Existence of step up or other incentive to redeem	None	None	None
Noncumulative or cumulative	None	None	None
Convertible into equity shares	None	None	None
If convertible, conversion trigger (s)	-	-	-
If convertible, fully or partially	-	-	-
If convertible, conversion rate	-	-	-
If convertible, mandatory or optional conversion	-	-	-
If convertible, type of instrument convertible into	-	-	-
If convertible, issuer of instrument to be converted into	-	-	-
Write-down feature	Yes	Yes	Yes
If bonds can be written-down, write-down trigger(s)	Due to the losses incurred, where the Bank is at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law that: (i) its operating license is to be revoked and the Bank is liquidated or (ii) the rights of all of its shareholders (except to dividends), and the management and supervision of the Bank, are to be transferred to the SDIF on the condition that losses are deducted from the capital of existing shareholders (occurrence of either condition means the issuer has become non-viable), or (iii) it is probable that the Issuer will become non-viable; then the bonds can be written-down.	Due to the losses incurred, where the Bank is at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law that: (i) its operating license is to be revoked or(ii) to be determined the probability of transfer to the SDIF Turkey, the bonds can be written off.	Due to the losses incurred, where the Bank is at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law that: (i) its operating license is to be revoked or(ii) to be determined the probability of transfer to the SDIF Turkey, the bonds can be written off.
If bond can be written-down, full or partial	Partially or fully	Partially or fully	Partially or fully
If bond can be written-down, permanent or temporary	Continuously	Continuously	Continuously
If temporary write-down, description of write-up mechanism	There are no any temporary write-up mechanisms.	There are no any temporary write-up mechanisms.	There are no any temporary write-up mechanisms.
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	In priority of receivables, it comes after the senior obligations of the Issuer.	In priority of receivables, it comes after the senior obligations of the Issuer.	In priority of receivables, it comes after the senior obligations of the Issuer.
In compliance with article number 7 and 8 of Regulation on Bank Capital	Instrument is in compliant with Article 8 of the Regulation on Bank Capital.	Instrument is in compliant with Article 8 of the Regulation on Bank Capital.	Instrument is in compliant with Article 8 of the Regulation on Bank Capital.
Details of incompliances with article number 7 and 8 of Regulation on Bank Capital	Instrument is not in compliant with Article 7 of the Regulation on Bank Capital.	Instrument is not in compliant with Article 7 of the Regulation on Bank Capital.	Instrument is not in compliant with Article 7 of the Regulation on Bank Capital.

(Thousands of Turkish Lira (TL))

Current Period	***Information about instruments included in total capital calculation***			
Issuer	responsAbility SICAV (Lux) acting for its sub-funds responsAbility SICAV (Lux) Micro and SME Finance Leaders responsAbility SICAV (Lux) Financial Inclusion Fund	MultiConcept Fund Management S.A. acting in its own name for responsAbility Global Micro and SME Finance Fund	responsAbility SICAV (Lux) acting for its sub-funds responsAbility SICAV (Lux) Micro and SME Finance Leaders responsAbility SICAV (Lux) Financial Inclusion Fund responsAbility SICAV (Lux) Micro and SME Finance Debt Fund	MultiConcept Fund Management S.A. acting in its own name for responsAbility Global Micro and SME Finance Fund
Identifier (CUSIP, ISIN vb.)	LEI:529900S7V25UG37A2Q19 LEI:5299008N49S2T1SWIP98	LEI:529900J0CQ7V9271DC81	LEI: 5299008N49S2T1SWIP98 LEI: 529900S7V25UG37A2Q19 LEI: 529900IHHF9LIQY6AH65	LEI: 529900J0CQ7V9271DC81
Governing law (s) of the instrument	The provisions of the Loan Agreement shall be governed by and construed in accordance with the laws of the Grand Duchy of Luxembourg, without giving effect to any conflicts of law provisions.	The provisions of the Loan Agreement shall be governed by and construed in accordance with the laws of the Grand Duchy of Luxembourg, without giving effect to any conflicts of law provisions.	The provisions of the Loan Agreement shall be governed by and construed in accordance with the laws of the Grand Duchy of Luxembourg, without giving effect to any conflicts of law provisions.	The provisions of the Loan Agreement shall be governed by and construed in accordance with the laws of the Grand Duchy of Luxembourg, without giving effect to any conflicts of law provisions.
	Regulatory treatment			
Subject to 10% deduction as of 1/1/2015	No	No	No	No
Eligible on unconsolidated and /or consolidated basis	Eligible on consolidated basis	Eligible on consolidated basis	Eligible on consolidated basis	Eligible on consolidated basis
Instrument type	Subordinated debt instruments (Loan Agreement)	Subordinated debt instruments (Loan Agreement)	Subordinated debt instruments (Loan Agreement)	Subordinated debt instruments (Loan Agreement)
Amount recognized in regulatory capital (Currency in TL million, as of most recent reporting date)	108	86	86	150
Nominal value of instrument (TL million)	160 (31 December 2022: 99)	129 (31 December 2022: 79)	129	225
Accounting classification of the instrument	-	-	-	-
Issuance date of instrument	28.12.2022	28.12.2022	23.02.2023	23.02.2023
Maturity structure of the instrument (demand/time)	Time	Time	Time	Time
Original maturity of the instrument	03.01.2029	03.01.2029	28.02.2029	28.02.2029
Issuer call subject to prior supervisory (BRSA) approval	None	None	None	None
Optional call date, contingent call dates and redemption amount	-	-	-	-
Subsequent call dates, if applicable	-	-	-	-
	Interest/dividend payment			
Fixed or floating coupon/dividend payments	Floating	Floating	Floating	Floating
Coupon rate and any related index	EURIBOR 6M + 5%	EURIBOR 6M + 5%	EURIBOR 6M + 5%	EURIBOR 6M + 5%

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	None	None	None	None
If bonds can be written-down, write-down trigger(s)	-	-	-	-
If bond can be written-down, full or partial	-	-	-	-
If bond can be written-down, permanent or temporary	Permanent	Permanent	Permanent	Permanent
If temporary write-down, description of write-up mechanism	There are no any temporary write-up mechanisms.	There are no any temporary write-up mechanisms.	There are no any temporary write-up mechanisms.	There are no any temporary write-up mechanisms.
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	In priority of receivables, it comes after the senior obligations of the Issuer.	In priority of receivables, it comes after the senior obligations of the Issuer.	In priority of receivables, it comes after the senior obligations of the Issuer.	In priority of receivables, it comes after the senior obligations of the Issuer.
In compliance with article number 7 and 8 of Regulation on Bank Capital	Instrument is in compliant with Article 8 of the Regulation on Bank Capital.	Instrument is in compliant with Article 8 of the Regulation on Bank Capital.	Instrument is in compliant with Article 8 of the Regulation on Bank Capital.	Instrument is in compliant with Article 8 of the Regulation on Bank Capital.
Details of incompliances with article number 7 and 8 of Regulation on Bank Capital	Instrument is not in compliant with Article 7 of the Regulation on Bank Capital.	Instrument is not in compliant with Article 7 of the Regulation on Bank Capital.	Instrument is not in compliant with Article 7 of the Regulation on Bank Capital.	Instrument is not in compliant with Article 7 of the Regulation on Bank Capital.

(Thousands of Turkish Lira (TL))

4.1.3 Reconciliation of capital items to balance sheet

Current Period	***Carrying value***	***Amount of correction***	***Value of the capital report***	***Explanation of differences***
Paid-in Capital	4,200,000	772,554	4,972,554	Inflation adjustments included in Paid-in Capital according to Regulation's Temporary Article 1
Capital Reserves	784,434	(772,554)	11,880	Inflation adjustments included in Paid-in Capital according to Regulation's Temporary Article 1
Other Capital Reserves	772,554	(772,554)	-	Inflation adjustments included in Paid-in Capital according to Regulation's Temporary Article 1
Bonus Shares of Associates, Subsidiaries and Joint-Ventures	-	-	-	
Share Premium	11,880	-	11,880	
Other Comprehensive Income/Expenses in Shareholders' Equity as per TMS	38,752,730	(616,850)	38,135,880	Items not included in the calculation as per Regulation's Article 9-1-f and Gain on sale of associate/subsidiaries' shares and real estate classified as different in the value of the capital report
Other Comprehensive Income/Expense Items not to be Recycled to Profit/Loss	15,299,688	-	15,299,688	
Other Comprehensive Income/Expense Items to be Recycled to Profit/Loss	23,453,042	(616,850)	22,836,192	Items not included in the calculation as per Regulation's Article 9-1-f
Profit Reserves	114,589,030	-	114,589,030	
Profit or Loss	86,374,997	-	86,374,997	
Prior Periods' Profit/Loss	-	-	-	
Current Period Net Profit/Loss	86,374,997	-	86,374,997	
Minority Interest	920,327	(504,080)	416,247	Items are calculated as per Regulation's Article 12
Deductions from Common Equity Tier I Capital (-)	-		2,834,399	Deductions from Common Equity Tier 1 Capital as per the Regulation
Common Equity Tier I Capital	**245,621,518**		**241,666,189**	
Subordinated Debts				
Deductions from Tier I Capital (-)			-	Deductions from Tier 1 Capital as per the Regulation
Tier I Capital			**241,666,189**	
Subordinated Debts			14,502,317	
12 Month ECL (Stage 1) and Lifetime ECL Significant Increase in Credit Risk (Stage 2)			15,924,173	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			**30,426,490**	
Deductions from Total Capital (-)			2,356	Deductions from Capital as per the Regulation
Total			**272,090,323**	

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

(Thousands of Turkish Lira (TL))

Prior Period	***Carrying value***	***Amount of correction***	***Value of the capital report***	***Explanation of differences***
Paid-in Capital	4,200,000	772,554	4,972,554	Inflation adjustments included in Paid-in Capital according to Regulation's Temporary Article 1
Capital Reserves	784,434	(772,554)	11,880	Inflation adjustments included in Paid-in Capital according to Regulation's Temporary Article 1
Other Capital Reserves	772,554	(772,554)	-	Inflation adjustments included in Paid-in Capital according to Regulation's Temporary Article 1
Bonus Shares of Associates, Subsidiaries and Joint-Ventures	-	-	-	
Share Premium	11,880	-	11,880	
Other Comprehensive Income/Expenses in Shareholders' Equity as per TMS	24,475,470	500,986	24,976,456	Items not included in the calculation as per Regulation's Article 9-1-f and Gain on sale of associate/subsidiaries' shares and real estate classified as different in the value of the capital report
Other Comprehensive Income/Expense Items not to be Recycled to Profit/Loss	4,561,421	-	4,561,421	
Other Comprehensive Income/Expense Items to be Recycled to Profit/Loss	19,914,049	500,986	20,415,035	Items not included in the calculation as per Regulation's Article 9-1-f
Profit Reserves	63,782,784	-	63,782,784	
Profit or Loss	59,396,697	-	59,396,697	
Prior Periods' Profit/Loss	1,111,319	-	1,111,319	
Current Period Net Profit/Loss	58,285,378	-	58,285,378	
Minority Interest	484,735	(273,587)	211,148	Items are calculated as per Regulation's Article 12
Deductions from Common Equity Tier I Capital (-)	-		1,326,379	Deductions from Common Equity Tier 1 Capital as per the Regulation
Common Equity Tier I Capital	**153,124,120**		**152,025,140**	
Subordinated Debts			-	
Deductions from Tier I Capital (-)			-	Deductions from Tier 1 Capital as per the Regulation
Tier I Capital			**152,025,140**	
Subordinated Debts			12,158,080	
12 Month ECL (Stage 1) and Lifetime ECL Significant Increase in Credit Risk (Stage 2)			10,212,658	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			**22,370,738**	
Deductions from Total Capital (-)			82	Deductions from Capital as per the Regulation
Total			**174,395,796**	

(Thousands of Turkish Lira (TL))

4.2 Consolidated credit risk

Credit risk is defined as risks and losses that may occur if the counterparty that the Bank or its consolidated financial affiliates work with, fails to comply with the agreement's requirements and cannot perform its obligations partially or completely on the terms set. In compliance with the legislation, the credit limits are set for the financial position and credit requirements of customers within the authorization limits assigned for Branches, Lending Departments, Executive Vice President responsible of Lending, General Manager, Credit Committee and Board of Directors. The limits are subject to revision if necessary.

The debtors or group of debtors are subject to credit risk limits. Sectoral risk concentrations are reviewed on a monthly basis.

Credit worthiness of debtors is periodically reviewed in compliance with the legislation and in case that the risk level of debtor deteriorates, the credit limits are revised and further collateral is required by risk rating models developed and optimized for this purpose. For unsecured loans, the necessary documentation is gathered in compliance with the legislation.

Geographical concentration of credit customers is reviewed monthly. This is in line with the concentration of industrial and commercial activities in Turkey.

In accordance with the lending policies, the debtor's creditworthiness is analysed and the adequate collateral is obtained based on the financial position of the company and the type of loan; like cash collateral, bank guarantees, mortgages, pledges, bills and personal or corporate guarantees.

There are control limits on the position held through forwards, options and other similar agreements. Credit risk of such instruments is managed together with the risk from market fluctuations. The risk arising from such instruments are followed up and when necessary, the actions to decrease it are taken.

The liquidated non-cash loans are subject to the same risk weight with the overdue loans.

Foreign trade finance and other interbank credit transactions are performed through widespread correspondents network. Accordingly, limits are assigned to domestic and foreign banks and other financial institutions based on review of their credit worthiness, periodically.

The Parent Bank and its financial affiliates' largest 100 and 200 cash loan customers compose 22.19% (31 December 2022: 23.76%) and 28.71% (31 December 2022: 30.30%) of the total cash loan portfolio except factoring and lease receivables, respectively.

The Parent Bank and its financial affiliates' largest 100 and 200 non-cash loan customers compose 32.32% (31 December 2022: 34.20%) and 43.93% (31 December 2022: 45.68%) of the total non-cash loan portfolio, respectively.

The Parent Bank and its financial affiliates' largest 100 ve 200 cash and non-cash loan customers represent 7.15% (31 December 2022: 7.30%) and 9.72% (31 December 2022: 9.89%) of the total "on and off balance sheet" assets except factoring and lease receivables, respectively.

Stage 1 and Stage 2 expected losses for consolidated credit risk amount to TL 43,490,234 (31 December 2022: TL 31,048,395).

The Bank developed a statistical-based internal default rate model for its credit portfolio of corporate/commercial/medium-size companies. This internal default rate model is used for expected credit loss of the Bank. Risk rating system which has been used for both to determine branch managers' credit authorization limits and in credit assessment process, is also used in default rate model calculations.

The concentration table of the cash and non-cash loans for the Bank according to the risk rating system for its customers defined as corporate, commercial and medium-size enterprises is presented below:

	Current Period	***Prior Period***
	%	*%*
Above Average	5.30	6.44
Average	18.68	18.83
Below Average	76.02	74.73
Total	100.00	100.00

(Thousands of Turkish Lira (TL))

Exposure Categories	***Current Period***		***Prior Period***	
	Risk Amount (*)	**Average Risk Amount (**)**	**Risk Amount (*)**	**Average Risk Amount (**)**
Conditional and unconditional exposures to central governments or central banks	620,715,660	520,356,103	312,646,749	272,072,010
Conditional and unconditional exposures to regional governments or local authorities	1,265,708	1,760,500	2,174,176	2,180,217
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	3,428,397	2,722,360	2,560,886	1,373,492
Conditional and unconditional exposures to multilateral development banks	95,767	122,925	44,041	1,106,708
Conditional and unconditional exposures to international organisations	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	128,512,034	132,981,823	118,967,871	91,723,299
Conditional and unconditional exposures to corporates	677,449,559	606,314,674	443,301,030	375,557,955
Conditional and unconditional retail exposures	395,180,645	360,898,827	248,271,039	178,799,103
Conditional and unconditional exposures secured by real estate property	57,633,952	52,275,501	41,190,413	39,340,340
Past due items	6,661,131	5,474,445	4,813,021	4,697,116
Items in regulatory high-risk categories	187,172,299	123,058,955	101,067,886	64,281,974
Exposures in the form of bonds secured by mortgages	-	-	-	-
Securitisation positions	-	-	-	-
Short term exposures to banks, brokerage houses and corporates	-	-	-	-
Exposures in the form of collective investment undertakings	20,008	740,958	13,673	71,270
Shares	7,640,396	5,086,255	2,921,873	2,252,393
Other items	70,195,049	59,895,405	38,385,803	38,024,287

(*) Includes total risk amounts before the effect of credit risk mitigation but after credit conversions.
(**) Average risk amounts are the arithmetical averages of the amounts in monthly reports prepared as per the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks.

(Thousands of Turkish Lira (TL))

4.2.1 Profile of significant exposures in major regions

	Exposure Categories							
Current Period (*)	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Past due receivables	Other	Total
Domestic	540,935,945	65,992,817	596,565,300	379,587,385	48,804,173	6,409,997	254,735,376	1,893,030,993
European Union (EU) Countries	73,944,489	16,469,622	26,182,736	14,765,199	8,711,184	166,055	3,767,604	144,006,889
OECD Countries(**)	77	19,578,259	13,481,201	68,910	61,400	437	169,266	33,359,550
Off-Shore Banking Regions	-	357,152	5,195,958	3,426	2,982	1	120	5,559,639
USA, Canada	17	23,418,471	5,147,035	69,018	26,929	279	1,722	28,663,471
Other Countries	5,835,132	2,428,820	7,193,600	686,707	27,284	84,362	432,969	16,688,874
Associates, Subsidiaries and Joint –Ventures	-	266,893	23,683,729	-	-	-	10,710,567	34,661,189
Unallocated Assets/Liabilities (***)	-	-	-	-	-	-	-	-
Total	**620,715,660**	**128,512,034**	**677,449,559**	**395,180,645**	**57,633,952**	**6,661,131**	**269,817,624**	**2,155,970,605**

(*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversion.
(**) Includes OECD countries other than EU countries, USA and Canada.
(***) Includes assets and liability items that cannot be allocated on a consistent basis

	Exposure Categories							
Prior Period (*)	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to banks and brokerage houses	Conditional and unconditional exposures to corporates	Conditional and unconditional retail exposures	Conditional and unconditional exposures secured by real estate property	Past due receivables	Other	Total
Domestic	266,987,295	58,480,512	388,066,702	239,976,850	34,815,522	4,559,468	137,949,703	1,130,836,052
European Union (EU) Countries	41,456,845	14,384,715	27,631,282	7,663,621	6,248,075	164,667	6,091,527	103,640,732
OECD Countries(**)	143	38,222,229	9,785,578	45,341	50,167	67	73,586	48,177,111
Off-Shore Banking Regions	-	5,404	1,855,909	830	2,308	3	71	1,864,525
USA, Canada	32	4,862,731	3,248,338	39,347	39,540	127	989	8,191,104
Other Countries	4,202,434	2,567,049	5,425,185	545,050	34,801	88,689	252,136	13,115,344
Associates, Subsidiaries and Joint –Ventures	-	445,231	7,288,036	-	-	-	2,800,326	10,533,593
Unallocated Assets/Liabilities (***)	-	-	-	-	-	-	-	-
Total	**312,646,749**	**118,967,871**	**443,301,030**	**248,271,039**	**41,190,413**	**4,813,021**	**147,168,338**	**1,316,358,461**

(*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversion.
(**) Includes OECD countries other than EU countries, USA and Canada.
(***) Includes assets and liability items that cannot be allocated on a consistent basis

(Thousands of Turkish Lira (TL))

4.2.2 Risk profile by sectors or counterparties

	Exposure Categories																			
Current Period (*)	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**	**17**	**TL**	**FC**	**Total**
Agriculture	**-**	**-**	**-**	**-**	**-**	**-**	**13,740,297**	**2,109,436**	**458,705**	**10,670**	**556,042**	**-**	**-**	**-**	**-**	**-**	**-**	**5,842,926**	**11,032,224**	**16,875,150**
Farming and Stockbreeding	-	-	-	-	-	-	11,539,388	1,457,248	221,158	9,138	510,530	-	-	-	-	-	-	3,694,572	10,042,890	13,737,462
Forestry	-	-	-	-	-	-	404,972	540,476	196,891	1,135	8,952	-	-	-	-	-	-	801,475	350,951	1,152,426
Fishery	-	-	-	-	-	-	1,795,937	111,712	40,656	397	36,560	-	-	-	-	-	-	1,346,879	638,383	1,985,262
Manufacturing	**-**	**331,387**	**1,709**	**-**	**-**	**-**	**304,310,783**	**36,859,324**	**6,587,260**	**935,142**	**24,455,816**	**-**	**-**	**-**	**-**	**-**	**-**	**192,790,406**	**180,691,015**	**373,481,421**
Mining and Quarrying	-	-	-	-	-	-	15,609,238	1,064,059	88,588	3,710	194,612	-	-	-	-	-	-	5,285,410	11,674,797	16,960,207
Production	-	-	13	-	-	-	213,272,038	35,196,277	5,541,845	397,571	17,056,532	-	-	-	-	-	-	159,802,814	111,661,462	271,464,276
Electricity, Gas and Water	-	331,387	1,696	-	-	-	75,429,507	598,988	956,827	533,861	7,204,672	-	-	-	-	-	-	27,702,182	57,354,756	85,056,938
Construction	**-**	**-**	**-**	**-**	**-**	**-**	**40,466,359**	**10,078,410**	**1,418,176**	**442,633**	**1,652,982**	**-**	**-**	**-**	**-**	**-**	**-**	**28,001,585**	**26,056,975**	**54,058,560**
Services	**81,971**	**-**	**2,308,417**	**95,549**	**-**	**128,063,145**	**281,757,068**	**316,435,592**	**39,183,997**	**5,142,496**	**156,342,762**	**-**	**-**	**-**	**20,008**	**208,554**	**-**	**715,153,654**	**214,485,905**	**929,639,559**
Wholesale and Retail Trade	-	-	1,449,995	-	-	-	128,517,300	279,098,623	30,308,540	4,027,232	146,026,543	-	-	-	-	-	-	539,042,906	50,385,327	589,428,233
Accommodation and Dining	-	-	6,483	-	-	-	20,485,568	6,939,097	3,873,031	156,271	734,553	-	-	-	-	-	-	18,998,030	13,196,973	32,195,003
Transportation and Telecommunication	-	-	-	-	-	-	40,686,728	15,236,758	1,535,231	353,763	2,071,978	-	-	-	-	-	-	30,772,257	29,112,201	59,884,458
Financial Institutions	81,412	-	839,745	95,549	-	128,063,145	54,457,971	721,874	246,541	386,096	5,960,507	-	-	-	20,008	208,554	-	82,661,408	108,419,994	191,081,402
Real Estate and Rental Services	12	-	11,184	-	-	-	32,306,167	11,936,960	2,743,706	210,345	1,434,945	-	-	-	-	-	-	36,794,303	11,849,016	48,643,319
Professional Services	-	-	-	-	-	-	-	15,104	3,505	-	-	-	-	-	-	-	-	-	18,609	18,609
Educational Services	-	-	149	-	-	-	900,415	770,942	174,350	6,490	55,998	-	-	-	-	-	-	1,640,448	267,896	1,908,344
Health and Social Services	547	-	861	-	-	-	4,402,919	1,716,234	299,093	2,299	58,238	-	-	-	-	-	-	5,244,302	1,235,889	6,480,191
Others	**620,633,689**	**934,321**	**1,118,271**	**218**	**-**	**448,889**	**37,175,052**	**29,697,883**	**9,985,814**	**130,190**	**4,164,697**	**-**	**-**	**-**	**-**	**7,431,842**	**70,195,049**	**498,558,072**	**283,357,843**	**781,915,915**
Total	**620,715,660**	**1,265,708**	**3,428,397**	**95,767**	**-**	**128,512,034**	**677,449,559**	**395,180,645**	**57,633,952**	**6,661,131**	**187,172,299**	**-**	**-**	**-**	**20,008**	**7,640,396**	**70,195,049**	**1,440,346,643**	**715,623,962**	**2,155,970,605**

(Thousands of Turkish Lira (TL))

	Exposure Categories																			
Prior Period (*)	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**	**17**	**TL**	**FC**	**Total**
Agriculture	**-**	**-**	**-**	**-**	**-**	**-**	**10,199,111**	**1,356,396**	**257,038**	**8,527**	**434,115**	**-**	**-**	**-**	**-**	**-**	**-**	**4,207,625**	**8,047,562**	**12,255,187**
Farming and Stockbreeding	-	-	-	-	-	-	8,477,008	995,002	208,729	5,469	370,753	-	-	-	-	-	-	2,987,404	7,069,557	10,056,961
Forestry	-	-	-	-	-	-	430,016	288,723	39,563	2,349	20,936	-	-	-	-	-	-	453,005	328,582	781,587
Fishery	-	-	-	-	-	-	1,292,087	72,671	8,746	709	42,426	-	-	-	-	-	-	767,216	649,423	1,416,639
Manufacturing	**-**	**589,410**	**8,787**	**-**	**-**	**-**	**199,801,853**	**20,461,528**	**5,990,343**	**1,066,070**	**20,894,790**	**-**	**-**	**-**	**-**	**-**	**-**	**131,167,532**	**117,645,249**	**248,812,781**
Mining and Quarrying	-	-	-	-	-	-	10,878,464	501,809	199,464	3,135	186,349	-	-	-	-	-	-	3,116,583	8,652,638	11,769,221
Production	-	-	13	-	-	-	135,518,038	19,622,315	5,003,582	259,796	15,973,344	-	-	-	-	-	-	110,518,187	65,858,901	176,377,088
Electricity, Gas and Water	-	589,410	8,774	-	-	-	53,405,351	337,404	787,297	803,139	4,735,097	-	-	-	-	-	-	17,532,762	43,133,710	60,666,472
Construction	**-**	**-**	**13**	**-**	**-**	**-**	**27,835,069**	**6,056,371**	**1,355,336**	**98,238**	**663,947**	**-**	**-**	**-**	**-**	**-**	**-**	**16,738,210**	**19,270,764**	**36,008,974**
Services	**133,877**	**-**	**2,073,250**	**44,041**	**-**	**118,861,383**	**186,677,657**	**204,093,131**	**26,619,121**	**3,527,840**	**72,531,517**	**-**	**-**	**-**	**13,673**	**743,457**	**-**	**449,662,003**	**165,656,944**	**615,318,947**
Wholesale and Retail Trade	-	-	1,414,863	-	-	-	99,733,570	166,839,232	20,213,468	1,888,958	67,673,232	-	-	-	-	-	-	305,286,700	52,476,623	357,763,323
Accommodation and Dining	-	-	5,043	-	-	-	12,676,037	4,114,999	3,351,261	159,756	874,103	-	-	-	-	-	-	11,169,022	10,012,177	21,181,199
Transportation and	-	-	106	-	-	-	29,925,154	9,347,124	993,973	399,934	1,354,388	-	-	-	-	-	-	20,774,950	21,245,729	42,020,679
Financial Institutions	133,317	-	630,506	44,041	-	118,861,383	20,651,228	16,089,296	144,314	128,597	1,624,160	-	-	-	13,673	743,457	-	87,526,525	71,537,447	159,063,972
Real Estate and Rental Services	17	-	20,222	-	-	-	19,703,078	6,188,912	1,618,509	934,119	765,311	-	-	-	-	-	-	20,232,550	8,997,618	29,230,168
Professional Services	-	-	-	-	-	-	-	14,028	3,839	-	-	-	-	-	-	-	-	-	17,867	17,867
Educational Services	-	-	909	-	-	-	687,392	508,969	134,373	13,030	50,924	-	-	-	-	-	-	1,076,675	318,922	1,395,597
Health and Social Services	543	-	1,601	-	-	-	3,301,198	990,571	159,384	3,446	189,399	-	-	-	-	-	-	3,595,581	1,050,561	4,646,142
Others	**312,512,872**	**1,584,766**	**478,836**	**-**	**-**	**106,488**	**18,787,340**	**16,303,613**	**6,968,575**	**112,346**	**6,543,517**	**-**	**-**	**-**	**-**	**2,178,416**	**38,385,803**	**189,702,005**	**214,260,567**	**403,962,572**
Total	**312,646,749**	**2,174,176**	**2,560,886**	**44,041**	**-**	**118,967,871**	**443,301,030**	**248,271,039**	**41,190,413**	**4,813,021**	**101,067,886**	**-**	**-**	**-**	**13,673**	**2,921,873**	**38,385,803**	**791,477,375**	**524,881,086**	**1,316,358,461**

1- Conditional and unconditional exposures to central governments or central banks
2- Conditional and unconditional exposures to regional governments or local authorities
3- Conditional and unconditional exposures to administrative bodies and non-commercial undertakings
4- Conditional and unconditional exposures to multilateral development banks
5- Conditional and unconditional exposures to international organisations
6- Conditional and unconditional exposures to banks and brokerage houses
7- Conditional and unconditional exposures to corporates
8- Conditional and unconditional retail exposures
9- Conditional and unconditional exposures secured by real estate property
10- Past due receivables
11- Receivables in regulatory high-risk categories
12- Exposures in the form of bonds secured by mortgages
13- Securitisation positions
14- Short term exposures to banks, brokerage houses and corporates
15- Exposures in the form of collective investment undertakings
16- Shares
17- Other receivables
(*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

(Thousands of Turkish Lira (TL))

4.2.3 Analysis of maturity-bearing exposures according to remaining maturities

Current Period		Term To Maturity						
Exposure Categories (*)		**Up to 1 Month**	**1-3 Months**	**3-6 Months**	**6-12 Months**	**Over 1 Year**	**Demand**	**Total**
1	Conditional and unconditional exposures to central governments or central banks	118,051,547	7,685,821	13,898,496	18,371,002	250,380,493	212,328,301	**620,715,660**
2	Conditional and unconditional exposures to regional governments or local authorities	625	130,033	78,921	22,890	1,027,011	6,228	**1,265,708**
3	Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	1,112	1,449,991	590,376	12,787	1,271,247	102,884	**3,428,397**
4	Conditional and unconditional exposures to multilateral development banks	31,123	15,050	-	-	48,982	612	**95,767**
5	Conditional and unconditional exposures to international organisations	-	-	-	-	-	-	-
6	Conditional and unconditional exposures to banks and brokerage houses	55,461,413	6,826,362	11,306,504	9,952,253	19,213,225	25,752,277	**128,512,034**
7	Conditional and unconditional exposures to corporates	80,768,103	74,603,201	95,116,446	163,350,504	239,998,628	23,612,677	**677,449,559**
8	Conditional and unconditional retail exposures	70,916,742	90,756,930	38,166,096	58,140,069	55,611,591	81,589,217	**395,180,645**
9	Conditional and unconditional exposures secured by real estate property	1,015,259	2,048,285	3,483,142	6,833,154	43,680,508	573,604	**57,633,952**
10	Past due items	-	-	-	-	-	6,661,131	**6,661,131**
11	Items in regulatory high-risk categories	47,196,430	18,763,043	13,360,546	55,480,712	42,601,739	9,769,829	**187,172,299**
12	Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-	-
13	Securitisation positions	-	-	-	-	-	-	-
14	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-
15	Exposures in the form of collective investment undertakings	-	-	-	-	-	20,008	**20,008**
16	Shares	-	-	-	-	-	7,640,396	**7,640,396**
17	Other items	202,374	2,122,307	-	-	-	67,870,368	**70,195,049**
	Total	**373,644,728**	**204,401,023**	**176,000,527**	**312,163,371**	**653,833,424**	**435,927,532**	**2,155,970,605**

(*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

(Thousands of Turkish Lira (TL))

Prior Period		Term To Maturity						
Exposure Categories (*)		**Up to 1 Month**	**1-3 Months**	**3-6 Months**	**6-12 Months**	**Over 1 Year**	**Demand**	**Total**
1	Conditional and unconditional exposures to central governments or central banks	86,365,857	6,317,305	8,304,476	19,441,750	151,973,767	40,243,594	**312,646,749**
2	Conditional and unconditional exposures to regional governments or local authorities	-	34,088	5,024	13,670	2,116,944	4,450	**2,174,176**
3	Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	1,749	117,587	1,420,557	28,715	990,104	2,174	**2,560,886**
4	Conditional and unconditional exposures to multilateral development banks	3,455	-	4,146	7,256	20,465	8,719	**44,041**
5	Conditional and unconditional exposures to international organisations	-	-	-	-	-	-	-
6	Conditional and unconditional exposures to banks and brokerage houses	73,323,276	6,056,757	7,647,780	7,453,508	13,869,645	10,616,905	**118,967,871**
7	Conditional and unconditional exposures to corporates	49,585,475	57,749,591	59,126,049	71,910,331	185,561,972	19,367,612	**443,301,030**
8	Conditional and unconditional retail exposures	48,729,701	40,692,264	17,424,759	38,851,943	50,758,056	51,814,316	**248,271,039**
9	Conditional and unconditional exposures secured by real estate property	654,457	1,864,471	3,622,529	3,597,201	30,869,299	582,456	**41,190,413**
10	Past due items	-	-	-	-	-	4,813,021	**4,813,021**
11	Items in regulatory high-risk categories	7,650,418	11,968,683	18,482,906	8,643,740	50,827,706	3,494,433	**101,067,886**
12	Exposures in the form of bonds secured by mortgages	-	-	-	-	-	-	-
13	Securitisation positions	-	-	-	-	-	-	-
14	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-
15	Exposures in the form of collective investment undertakings	-	-	-	-	-	13,673	**13,673**
16	Shares	-	-	-	-	-	2,921,873	**2,921,873**
17	Other items	71,989	767,582	-	-	-	37,546,232	**38,385,803**
	Total	**266,386,377**	**125,568,328**	**116,038,226**	**149,948,114**	**486,987,958**	**171,429,458**	**1,316,358,461**

(*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

4.2.4 Exposure categories

An international rating firm, Fitch Ratings' external risk ratings are used to determine the risk weight 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 capital adequacy regulations, Fitch Ratings International Ratings and JCR Avrasya Derecelendirme A.Ş's national ratings are taken into consideration in determining the risk weights for the risk classes of receivables from banks and brokerage houses and corporate receivables. In accordance with the BRSA decision dated 21 February 2020 and numbered 8875, the national ratings announced by JCR Avrasya Derecelendirme A.Ş. are used for the risk weights of domestic banks, intermediary institutions and corporate TL receivables. Where the counterparties are domestic, the related exposures are included in the calculation of capital adequacy as unrated.

(Thousands of Turkish Lira (TL))

Fitch Ratings' risk ratings as per the credit quality grades and the risk weights according to exposure categories are presented below:

Credit Quality Grade	**Fitch Ratings Long Term Credit Rating**	**Exposure Categories**			
		Exposures to Central Governments or Central Banks	**Exposures to Banks and Brokerage Houses**		**Exposures to Corporates**
			Exposures with Original Maturities Less Than 3 Months	**Exposures with Original Maturities More Than 3 Months**	
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%

4.2.5 Exposures by risk weights

Current Period (*)	**0%**	**2%**	**10%**	**20%**	**25%**	**35%**	**50%**	**75%**	**100%**	**150%**	**250%**	**Others**	**Deductions from Equity**
Risk Weights													
Exposures before Credit Risk Mitigation	633,877,342	26,501,892	3,614,032	89,545,454	-	35,589,043	108,168,044	304,277,417	717,703,771	128,833,603	-	56,235,426	2,618,224
Exposures after Credit Risk Mitigation	636,141,233	57,503	3,614,032	84,832,369	-	35,571,832	95,741,909	279,079,907	661,030,508	128,822,411	-	56,235,426	2,618,224

(*) Excluding counterparty credit risk and securities positions

Prior Period (*)	**0%**	**2%**	**10%**	**20%**	**25%**	**35%**	**50%**	**75%**	**100%**	**150%**	**250%**	**Others**	**Deductions from Equity**
Risk Weights													
Exposures before Credit Risk Mitigation	322,335,671	34,962,067	-	77,170,564	-	23,129,809	82,335,869	192,115,929	444,362,571	56,731,893	-	43,805,163	1,287,351
Exposures after Credit Risk Mitigation	327,102,788	242,587	-	57,827,971	-	23,111,982	73,324,241	185,303,809	426,930,667	56,671,211	-	43,805,163	1,287,351

(*) Excluding counterparty credit risk and securities positions

(Thousands of Turkish Lira (TL))

4.2.6 Information by major sectors and type of counterparties

Financial assets are assessed in 3 stages based on TFRS 9 as explained in accounting policy note 3.8.1 "Calculation of expected credit losses". In this respect, the life time expected credit losses are recognized for impaired loans (Stage 3) and the probability of default is considered to be 100%.

When the loan is not under default yet, but there is a significant increase in the credit risk since origination date, the life time expected credit losses are calculated for these loans (stage 2).

Regarding the remaining financial assets within the scope of TFRS 9, the 12-month estimated probability of default is calculated and the loss allowance for these loans (stage 1) is measured at an amount equal to 12-month (after the reporting date) expected credit losses.

Current Period	**Loans**		***TFRS 9 Expected Credit Losses***
	***Significant Increase in Credit Risk* (Stage 2)**	***Defaulted* (Stage 3)**	
Agriculture	**303,959**	**492,801**	**262,003**
Farming and Stockbreeding	99,193	462,816	230,552
Forestry	197,346	20,243	22,353
Fishery	7,420	9,742	9,098
Manufacturing	**52,325,724**	**5,688,653**	**18,654,355**
Mining and Quarrying	543,569	29,404	120,018
Production	22,035,284	2,656,228	5,263,200
Electricity, Gas and Water	29,746,871	3,003,021	13,271,137
Construction	**10,633,735**	**6,771,334**	**7,588,801**
Services	**39,618,912**	**6,999,654**	**16,376,347**
Wholesale and Retail Trade	17,231,400	2,364,673	3,129,752
Accommodation and Dining	3,186,505	806,774	1,063,185
Transportation and Telecommunication	3,495,586	2,775,540	2,267,846
Financial Institutions	267,420	117,487	65,794
Real Estate and Rental Services	14,408,471	786,818	9,613,823
Professional Services	306,205	54,366	78,438
Educational Services	280,155	61,223	66,542
Health and Social Services	443,170	32,773	90,967
Others	**89,000,129**	**11,281,801**	**10,896,657**
Total	**191,882,459**	**31,234,243**	**53,778,163**

(Thousands of Turkish Lira (TL))

Prior Period	Loans		TFRS 9 Expected Credit Losses
	Significant Increase in Credit Risk (Stage 2)	*Defaulted* (Stage 3)	
Agriculture	**166,030**	**216,888**	**169,737**
Farming and Stockbreeding	71,512	188,969	135,672
Forestry	87,155	18,624	25,674
Fishery	7,363	9,295	8,391
Manufacturing	**48,156,565**	**6,219,904**	**15,905,345**
Mining and Quarrying	3,257,152	39,877	1,526,075
Production	23,780,776	1,624,252	4,189,554
Electricity, Gas and Water	21,118,637	4,555,775	10,189,716
Construction	**5,943,295**	**2,448,759**	**3,481,015**
Services	**41,775,056**	**8,631,589**	**15,234,129**
Wholesale and Retail Trade	9,417,099	2,452,563	2,882,931
Accommodation and Dining	5,451,845	690,196	1,357,758
Transportation and Telecommunication	15,483,446	2,580,453	3,472,786
Financial Institutions	1,462,540	76,164	357,380
Real Estate and Rental Services	9,089,973	2,684,374	6,944,852
Professional Services	55,616	33,972	37,381
Educational Services	321,064	81,352	113,453
Health and Social Services	493,473	32,515	67,588
Others	**40,080,164**	**5,278,818**	**5,508,564**
Total	**136,121,110**	**22,795,958**	**40,298,790**

4.2.7 Movements in value adjustments and provisions

	Current Period	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments(*)	Closing Balance
1	Stage 3 Provisions	16,584,856	11,923,160	(5,634,439)	(1,481,429)	21,392,148
2	Stage 1 and Stage 2 Provisions	30,826,399	50,994,006	(38,602,790)	274,843	43,492,458

	Prior Period	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments(*)	Closing Balance
1	Stage 3 Provisions	13,605,117	19,917,350	(8,897,408)	(8,040,203)	16,584,856
2	Stage 1 and Stage 2 Provisions	19,161,158	33,553,648	(21,599,112)	(289,295)	30,826,399

(*) Includes also foreign exchange losses and transfers.

(Thousands of Turkish Lira (TL))

4.2.8 Exposures subject to countercyclical capital buffer

Current Period **Country**	**RWAs of Banking Book for Private Sector Lending**	**RWAs of Trading Book**	**Total**
Turkey	1,074,420,858	1,790	**1,074,422,648**
Romania	37,637,089	-	**37,637,089**
Switzerland	11,890,073	-	**11,890,073**
United Kingdom	11,001,203	-	**11,001,203**
the Netherlands	4,548,613	87	**4,548,700**
Germany	4,005,220	-	**4,005,220**
United States of America	5,198,750	1	**5,198,751**
NCTR	1,707,985	-	**1,707,985**
France	3,060,645	5	**3,060,650**
Other	17,926,672	12	**17,926,684**
Total	**1,171,397,108**	**1,895**	**1,171,399,003**

Prior Period **Country**	**RWAs of Banking Book for Private Sector Lending**	**RWAs of Trading Book**	**Total**
Turkey	688,809,321	2,634	**688,811,955**
Romania	28,274,882	-	**28,274,882**
Switzerland	8,619,484	-	**8,619,484**
the Netherlands	7,502,459	1	**7,502,460**
Germany	2,823,249	26	**2,823,275**
United Kingdom	3,169,891	-	**3,169,891**
United States of America	3,275,695	1	**3,275,696**
NCTR	1,707,985	-	**1,707,985**
France	2,212,080	1	**2,212,081**
Other	11,232,781	6	**11,232,787**
Total	**757,627,827**	**2,669**	**757,630,496**

(Thousands of Turkish Lira (TL))

4.3 Consolidated currency risk

Foreign currency open position limit is set in compliance with the legal standard ratio of net foreign currency position. As of 31 December 2023, the Bank and its financial subsidiaries' net 'on balance sheet' foreign currency short position amounts to TL 38,145,793 (31 December 2022: TL 32,492,211 short position), net 'off-balance sheet' foreign currency long position amounts to TL 63,780,438 (31 December 2022: TL 42,382,203 long position), while net foreign currency long position amounts to TL 25,634,645 (31 December 2022: TL 9,889,992 short position).

The foreign currency position risk 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 for the Bank. 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 parent 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**
The Parent Bank's foreign currency purchase rate at balance sheet date	32.1530	29.0430
Foreign currency rates for the days before balance sheet date;		
Day 1	32.1530	29.0430
Day 2	32.2220	29.0210
Day 3	32.1510	28.9650
Day 4	31.8720	28.9090
Day 5	31.7180	28.7950
Last 30-days arithmetical average rate	31.3083	28.6597

(Thousands of Turkish Lira (TL))

The Bank's consolidated currency risk

	EUR	USD	Other FCs	Total
Current Period				
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	55,073,640	79,081,578	29,468,687	163,623,905
Banks	88,662,784	48,232,514	16,572,493	153,467,791
Financial Assets Measured at Fair Value through Profit/Loss	224,327	4,663,324	-	4,887,651
Money Market Placements	-	12,094,686	-	12,094,686
Financial Assets Measured at Fair Value through Other Comprehensive Income	19,892,254	23,572,839	755,728	44,220,821
Loans (*)	224,932,888	203,432,983	42,295,909	470,661,780
Investments in Associates, Subsidiaries and Joint-Ventures	20,975	-	137,714	158,689
Financial Assets Measured at Amortised Cost	3,497,248	60,126,944	11,103,539	74,727,731
Derivative Financial Assets Held for Hedging Purpose	197,991	1,239,821	32,005	1,469,817
Tangible Assets	804,118	755	722,978	1,527,851
Intangible Assets	241,855	-	322,438	564,293
Other Assets (**)	(12,382,604)	(6,041,674)	(489,750)	(18,914,028)
Total Assets	**381,165,476**	**426,403,770**	**100,921,741**	**908,490,987**
Liabilities				
Bank Deposits	892,431	416,005	46,704	1,355,140
Foreign Currency Deposits	276,309,090	301,637,578	76,268,807	654,215,475
Money Market Funds	5,604,911	46,656,662	691	52,262,264
Other Fundings	31,224,398	23,305,692	479,769	55,009,859
Securities Issued (***)	649,024	79,327,829	592,308	80,569,161
Miscellaneous Payables	3,934,245	6,485,665	608,507	11,028,417
Derivative Financial Liabilities Held for Hedging Purpose	48,047	639	88,338	137,024
Other Liabilities (****)	6,484,893	12,060,688	73,513,859	92,059,440
Total Liabilities	**325,147,039**	**469,890,758**	**151,598,983**	**946,636,780**
Net 'On Balance Sheet' Position	**56,018,437**	**(43,486,988)**	**(50,677,242)**	**(38,145,793)**
Net 'Off-Balance Sheet' Position	**(46,350,310)**	**48,349,041**	**61,781,707**	**63,780,438**
Derivative Assets	40,713,097	162,917,986	68,696,478	272,327,561
Derivative Liabilities	87,063,407	114,568,945	6,914,771	208,547,123
Non-Cash Loans	-	-	-	-
Prior Period				
Total Assets	**224,211,106**	**310,702,347**	**63,612,115**	**598,525,568**
Total Liabilities	**203,480,330**	**339,326,551**	**88,210,898**	**631,017,779**
Net 'On Balance Sheet' Position	**20,730,776**	**(28,624,204)**	**(24,598,783)**	**(32,492,211)**
Net 'Off-Balance Sheet' Position	**(16,234,941)**	**27,002,287**	**31,614,857**	**42,382,203**
Derivative Assets	61,555,031	136,735,847	34,552,849	232,843,727
Derivative Liabilities	77,789,972	109,733,560	2,937,992	190,461,524
Non-Cash Loans	-	-	-	-

(*) The foreign currency-indexed loans amounting TL 190,431 included under TL loans in the accompanying consolidated financial statements are presented above under the related foreign currency code.
(**) Includes expected credit losses in accordance with TFRS 9.
(***) Includes securities issued as subordinated loan presented under subordinated debts and financial liabilities measured at FVTPL in the balance sheet.
(****) The gold deposits of TL 71,331,701 included under deposits in the accompanying consolidated financial statements are presented above under other liabilities.

4.4 Consolidated 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.

(Thousands of Turkish Lira (TL))

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

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing (*)	Total
Assets							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	27,651,076	-	-	-	-	303,104,274	**330,755,350**
Banks	94,067,822	1,052,881	32,118	83,214	-	61,654,105	**156,890,140**
Financial Assets Measured at Fair Value through Profit/Loss	858,138	25,076	2,632,328	1,895,395	237,082	2,941,670	**8,589,689**
Money Market Placements	32,176,927	-	6,296,925	-	-	125,435	**38,599,287**
Financial Assets Measured at Fair Value through Other Comprehensive Income	19,022,155	2,213,986	15,924,776	26,997,352	5,347,844	32,069,140	**101,575,253**
Loans	490,892,457	151,885,392	392,794,119	126,758,481	69,519,021	27,742,252	**1,259,591,722**
Financial Assets Measured at Amortised Cost	23,905,498	11,317,707	16,625,135	114,069,455	10,393,610	40,071,460	**216,382,865**
Other Assets (**)	219,325	469,208	228,663	239,445	-	88,172,148	**89,328,789**
Total Assets	**688,793,398**	**166,964,250**	**434,534,064**	**270,043,342**	**85,497,557**	**555,880,484**	**2,201,713,095**
Liabilities							
Bank Deposits	1,167,385	4,340	-	56,409	-	1,094,463	**2,322,597**
Other Deposits	517,309,529	178,157,218	237,170,053	11,787,593	2,572	658,181,147	**1,602,608,112**
Money Market Funds	47,961,556	6,276,200	1,011,290	382,710	-	362,802	**55,994,558**
Miscellaneous Payables	389,635	7,492	-	-	-	81,109,785	**81,506,912**
Securities Issued (***)	40,499,297	735,711	4,191,931	22,423,620	14,509,148	840,272	**83,199,979**
Other Fundings	27,043,579	15,039,575	10,744,546	7,032,789	954,369	254,033	**61,068,891**
Other Liabilities	53,455	123,726	319,189	1,051,781	182,739	313,281,156	**315,012,046**
Total Liabilities	**634,424,436**	**200,344,262**	**253,437,009**	**42,734,902**	**15,648,828**	**1,055,123,658**	**2,201,713,095**
On Balance Sheet Long Position	**54,368,962**	**-**	**181,097,055**	**227,308,440**	**69,848,729**	**-**	**532,623,186**
On Balance Sheet Short Position	**-**	**(33,380,012)**	**-**	**-**	**-**	**(499,243,174)**	**(532,623,186)**
Off-Balance Sheet Long Position	**38,980,438**	**52,653,288**	**63,111,455**	**45,379,740**	**33,243,108**	**-**	**233,368,029**
Off-Balance Sheet Short Position	**(28,402,208)**	**(34,525,884)**	**(59,228,931)**	**(77,960,668)**	**(35,264,395)**	**-**	**(235,382,086)**
Total Position	**64,947,192**	**(15,252,608)**	**184,979,579**	**194,727,512**	**67,827,442**	**(499,243,174)**	**(2,014,057)**

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

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

(***) Includes securities issued having qualification of subordinated loan presented under subordinated debts and financial liabilities measured at FVTPL in the balance sheet.

(Thousands of Turkish Lira (TL))

Prior Period	**Up to 1 Month**	**1-3 Months**	**3-12 Months**	**1-5 Years**	**5 Years and Over**	**Non-Interest Bearing (*)**	**Total**
Assets							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	-	-	139,569,742	**139,569,742**
Banks	40,559,867	250,000	42,469	47,304	-	21,259,141	**62,158,781**
Financial Assets at Fair Value through Profit/Loss	3,207,951	101,852	1,055,150	745,338	86,265	574,903	**5,771,459**
Money Market Placements	63,509,173	2,399,733	4,698,501	-	-	73,294	**70,680,701**
Financial Assets Measured at Fair Value through Other Comprehensive Income	20,586,278	3,595,387	6,580,646	17,503,205	4,589,204	36,073,680	**88,928,400**
Loans	295,726,473	91,204,057	223,718,694	108,160,102	37,554,269	33,215,344	**789,578,939**
Financial Assets Measured at Amortised Cost	13,878,119	1,394,653	9,116,119	58,523,629	6,183,362	20,923,974	**110,019,856**
Other Assets (**)	62,285	261,630	168,839	145,253	10,085	36,222,513	**36,870,605**
Total Assets	**437,530,146**	**99,207,312**	**245,380,418**	**185,124,831**	**48,423,185**	**287,912,591**	**1,303,578,483**
Liabilities							
Bank Deposits	800,618	14,682	-	100,049	-	913,859	**1,829,208**
Other Deposits	306,791,081	138,749,361	49,886,361	5,543,072	99	405,940,277	**906,910,251**
Money Market Funds	14,340,835	3,128,188	6,519,060	241,405	-	69,521	**24,299,009**
Miscellaneous Payables	2,004,229	2,603	1,689	-	-	46,762,694	**48,771,215**
Securities Issued (***)	11,189,370	8,732,172	2,620,005	15,269,651	26,226,754	659,898	**64,697,850**
Other Fundings	14,164,338	10,609,389	18,326,107	2,865,126	-	68,849	**46,033,809**
Other Liabilities	31,076	110,952	219,306	732,328	139,358	209,804,121	**211,037,141**
Total Liabilities	**349,321,547**	**161,347,347**	**77,572,528**	**24,751,631**	**26,366,211**	**664,219,219**	**1,303,578,483**
On Balance Sheet Long Position	**88,208,599**	**-**	**167,807,890**	**160,373,200**	**22,056,974**	**-**	**438,446,663**
On Balance Sheet Short Position	**-**	**(62,140,035)**	**-**	**-**	**-**	**(376,306,628)**	**(438,446,663)**
Off-Balance Sheet Long Position	**39,084,509**	**38,362,190**	**49,102,989**	**30,846,639**	**27,217,112**	**-**	**184,613,439**
Off-Balance Sheet Short Position	**(20,648,704)**	**(34,462,169)**	**(45,042,973)**	**(54,934,382)**	**(28,718,884)**	**-**	**(183,807,112)**
Total Position	**106,644,404**	**(58,240,014)**	**171,867,906**	**136,285,457**	**20,555,202**	**(376,306,628)**	**806,327**

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

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

(***) Includes subordinated securities issued and financial liabilities measured at FVTPL and presented under subordinated debts in balance sheet.

(Thousands of Turkish Lira (TL))

4.4.2 Average interest rates on monetary financial instruments (%)

Current Period	EURO	USD	JPY	TL
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	0.20	-	-	-
Banks	2.49-11.00	2.50	-	36.50-47.00
Financial Assets at Fair Value through Profit/Loss	4.82	6.15-7.41	-	39.57
Money Market Placements	-	5.03	-	43.61
Financial Assets Measured at Fair Value through Other Comprehensive Income	2.38-4.58	3.0-11.88	-	14.90-80.00
Loans (*)	0.20-22.24	3.39-25.45	-	16.93-69.80
Financial Assets Measured at Amortised Cost	4.31	6.10	-	24.21
Liabilities				
Bank Deposits	3.88-3.90	5.15	-	39.24
Other Deposits	0.09-5.00	0.15-6.05	-	6.0-30.45
Money Market Fundings	2.30	2.62-5.59	-	17.65-48.00
Miscellaneous Payables	-	-	-	-
Securities Issued	5.27	7.19	-	28.50-50.15
Other Fundings	0.80-9.95	1.50-11.95	-	13.40-48.30

Prior Period	EUR	USD	JPY	TL
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	(0.56)	(0.50)	-	-
Banks	0.01-11.00	1.50-4.33	-	0.09-26.50
Financial Assets at Fair Value through Profit/Loss	4.45	6.61-7.49	-	12.61
Money Market Placements	1.55-1.63	3.96	-	10.25
Financial Assets Measured at Fair Value through Other Comprehensive Income	2.38-4.71	4.38-11.88	-	18.60-43.07
Loans (*)	0.20-16.45	2.65-17.72	-	10.72-34.01
Financial Assets Measured at Amortised Cost	4.39	5.96	-	20.71-23.49
Liabilities				
Bank Deposits	1.90-2.50	4.31-4.50	-	7.78
Other Deposits	0.19-3.00	0.33-5.50	-	11.43-16.00
Money Market Fundings	0.75	2.24-2.62	-	7.90-30.00
Miscellaneous Payables	-	-	-	-
Securities Issued	5.27	6.62	-	13.77-21.00
Other Fundings	0.68-8.93	1.66-11.03	-	13.97-35.20

(*) Lease receivables and factoring receivables are included.

(Thousands of Turkish Lira (TL))

4.5 Consolidated position risk of equity securities

4.5.1 Equity shares in associates and subsidiaries

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

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

Current Period		Comparison		
Equity Securities (shares)		**Carrying Value**	**Fair Value**	**Market Value**
1	**Investment in Shares- Grade A**	**6,352,350**	-	**573,928**
	Quoted Securities	-	-	573,928
2	**Investment in Shares- Grade B**	**25,557**	-	-
	Quoted Securities	-	-	-
3	**Investment in Shares- Grade C**	**822**	-	-
	Quoted Securities	-	-	-
4	**Investment in Shares- Grade D**	-	-	-
	Quoted Securities	-	-	-
5	**Investment in Shares- Grade E**	**1,014**	-	-
	Quoted Securities	-	-	-
6	**Investment in Shares- Grade F**	**48**	-	-
	Quoted Securities	-	-	-

Prior Period		Comparison		
Equity Securities (shares)		**Carrying Value**	**Fair Value**	**Market Value**
1	**Investment in Shares- Grade A**	**2,253,521**	-	**223,368**
	Quoted Securities	-	-	223,368
2	**Investment in Shares- Grade B**	**25,557**	-	-
	Quoted Securities	-	-	-
3	**Investment in Shares- Grade C**	**822**	-	-
	Quoted Securities	-	-	-
4	**Investment in Shares- Grade D**	-	-	-
	Quoted Securities	-	-	-
5	**Investment in Shares- Grade E**	**1,014**	-	-
	Quoted Securities	-	-	-
6	**Investment in Shares- Grade F**	**48**	-	-
	Quoted Securities	-	-	-

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

Current Period		Gains/Losses in Current Period	Revaluation Surpluses		Unrealized Gains and Losses		
Portfolio			**Total**	**Amount in Tier I Capital**	**Total**	**Amount in Core Capital**	**Amount in Tier I Capital**
1	Private Equity Investments	-	-	-	-	-	-
2	Quoted Shares	-	-	-	139,230	-	139,230
3	Other Shares	-	390,017	390,017	-	-	-
	Total	-	**390,017**	**390,017**	**139,230**	-	**139,230**

(Thousands of Turkish Lira (TL))

Prior Period		Gains/Losses in Current Period	Revaluation Surpluses		Unrealized Gains and Losses		
Portfolio			**Total**	**Amount in Tier I Capital**	**Total**	**Amount in Core Capital**	**Amount in Tier I Capital**
1	Private Equity Investments	-	-	-	-	-	-
2	Quoted Shares	-	-	-	99,130	-	99,130
3	Other Shares	-	41,029	41,029	-	-	-
	Total	**-**	**41,029**	**41,029**	**99,130**	**-**	**99,130**

4.5.4 Capital requirement as per equity shares

	Current Period			
	Portfolio	**Carrying Value**	**RWA Total**	**Minimum Capital Requirement**
1	Private Equity Investments	-	-	-
2	Quoted Shares	-	-	-
3	Other Shares	8,908,146	8,053,964	644,317
	Total	**8,908,146**	**8,053,964**	**644,317**

	Prior Period			
	Portfolio	**Carrying Value**	**RWA Total**	**Minimum Capital Requirement**
1	Private Equity Investments	-	-	-
2	Quoted Shares	-	-	-
3	Other Shares	10,403,912	10,752,957	860,237
	Total	**10,403,912**	**10,752,957**	**860,237**

4.6 Liquidity risk management and consolidated liquidity coverage ratio

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

The Board of Directors reviews the liquidity risk management policy and approves the liquidity and funding risk management policy, ensures the effective of practice of policies and integrations with the Parent 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 Parent 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 Parent 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 Parent 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 Parent 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 Parent 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 Parent Bank's liquidity management. Each subsidiary controlled by the Parent 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 Parent Bank by considering the operations, risk profile and regulations of the related subsidiary.

The Parent 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 Parent Bank's funding base of customer deposits, interbank and other borrowing transactions are diversified in order to prevent the concentration of a particular funding source. Factors that could trigger the sudden and significant run off in funds or impair the accessibility of the funding sources are analyzed. Additionally, in order to have a healthy liquidity buffer, most of the securities which are eligible as collateral at CBRT issued by Republic of Turkey Ministry of Treasury and Finance have active secondary market are comprised in the Bank's assets.

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

The Parent 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 during 2023.

The Parent 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 both bank-only and consolidated LCR calculations 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. High quality liquid assets are composed of 5.13% cash, 49.33% deposits in central banks and 45.54% securities considered as high quality liquid assets.

The Parent Bank's main funding sources are deposits, funds borrowed, money market borrowings and securities issued. Consolidated funding source composition as of report date is 81.74% deposits, 5.93% funds borrowed and money market borrowings, 4.27% securities issued and 8.05% other liabilities.

In consolidated LCR calculations, 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 consolidated LCR calculations according to the Regulation's terms. The Bank also considers changes in fair value of the liabilities that result in margin calls when calculating cash outflows.

(Thousands of Turkish Lira (TL))

Current Period		Total Unweighted Value (Average) (*)		Total Weighted Value (Average) (*)	
		TL+FC	**FC**	**TL+FC**	**FC**
High-Quality Liquid Assets				589,511,259	299,020,752
1	Total high-quality liquid assets (HQLA)	591,576,160	299,020,752	589,511,259	299,020,752
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which:	985,499,270	456,567,921	90,846,229	45,357,298
3	Stable deposits	154,073,963	5,989,896	7,703,698	299,495
4	Less stable deposits	831,425,307	450,578,025	83,142,531	45,057,803
5	Unsecured wholesale funding, of which:	413,738,701	233,788,505	213,804,925	111,678,164
6	Operational deposits	-	-	-	-
7	Non-operational deposits	331,247,307	207,250,386	151,516,739	89,305,942
8	Unsecured funding	82,491,394	26,538,119	62,288,186	22,372,222
9	Secured wholesale funding	966,301	14	925,210	-
10	Other cash outflows of which:	971,701,740	168,145,334	96,245,132	45,435,240
11	Outflows related to derivative exposures and other collateral requirements	16,577,158	22,018,280	16,577,158	22,018,280
12	Outflows related to restructured financial Instruments	-	-	-	-
13	Payment commitments and other off-balance sheet commitments granted for debts to financial markets	955,124,582	146,127,054	79,667,974	23,416,960
14	Other revocable off-balance sheet commitments and contractual obligations	15,550,440	13,508,370	777,522	675,418
15	Other irrevocable or conditionally revocable off-balance sheet obligations	53,391,523	50,445,838	2,669,579	2,522,292
16	Retail deposits and deposits from small business customers, of which:	**2,440,847,975**	**922,455,982**	**405,268,597**	**205,668,412**
Cash Inflows					
17	Secured receivables	56,966	-	-	-
18	Unsecured receivables	205,552,228	87,071,176	137,615,179	64,082,701
19	Other cash inflows	2,758,641	35,994,659	2,540,690	35,992,194
20	**Total Cash Inflows**	**208,367,835**	**123,065,835**	**140,155,869**	**100,074,895**
				Upper Limit Applied Values	
21	**Total HQLA**			**589,511,259**	**299,020,752**
22	**Total Net Cash Outflows**			**265,112,728**	**105,593,517**
23	**Liquidity Coverage Ratio (%)**			**223.01%**	**288.71%**

(*) The average of last three months' simple averages of daily figures.

The table below presents the last three months' consolidated Liquidity Ratios:

Period	**TL+FC**	**FC**
31 October 2023	230.51%	273.56%
30 November 2023	216.66%	275.78%
31 December 2023	221.86%	316.85%

(Thousands of Turkish Lira (TL))

Prior Period		**Total Unweighted Value (Average) (*)**		**Total Weighted Value (Average) (*)**	
		TL+FC	**FC**	**TL+FC**	**FC**
High-Quality Liquid Assets				361,051,673	205,102,320
1	Total high-quality liquid assets (HQLA)	362,204,939	205,102,320	361,051,673	205,102,320
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which:	587,905,365	332,314,493	54,756,102	33,116,976
3	Stable deposits	80,688,683	2,289,461	4,034,434	114,473
4	Less stable deposits	507,216,682	330,025,032	50,721,668	33,002,503
5	Unsecured wholesale funding, of which:	272,422,140	162,524,656	134,854,792	76,050,569
6	Operational deposits	-	-	-	-
7	Non-operational deposits	223,020,077	147,277,829	97,918,142	63,189,598
8	Unsecured funding	49,402,063	15,246,827	36,936,650	12,860,971
9	Secured wholesale funding	2,316,196	10,871	500,933	-
10	Other cash outflows of which:	404,771,960	120,206,282	56,339,836	45,286,616
11	Outflows related to derivative exposures and other collateral requirements	18,052,938	29,861,010	18,052,938	29,861,010
12	Outflows related to restructured financial Instruments	-	-	-	-
13	Payment commitments and other off-balance sheet commitments granted for debts to financial markets	386,719,022	90,345,272	38,286,898	15,425,606
14	Other revocable off-balance sheet commitments and contractual obligations	10,700,141	9,027,707	535,007	451,385
15	Other irrevocable or conditionally revocable off-balance sheet obligations	33,619,984	32,023,966	1,681,002	1,601,198
16	**Total Cash Outflows**	**1,311,735,786**	**656,107,975**	**248,667,672**	**156,506,744**
Cash Inflows					
17	Secured receivables	65,277	-	-	-
18	Unsecured receivables	115,423,819	55,148,385	79,044,232	41,249,546
19	Other cash inflows	1,962,359	99,334,665	1,871,426	99,332,105
20	**Total Cash Inflows**	**117,451,455**	**154,483,050**	**80,915,658**	**140,581,651**
				Upper Limit Applied Values	
21	**Total HQLA**			**361,051,673**	**205,102,320**
22	**Total Net Cash Outflows**			**167,752,014**	**39,126,686**
23	**Liquidity Coverage Ratio (%)**			**215.60%**	**522.77%**

(*) The average of last three months' simple averages of daily figures.

The table below presents the last three months' consolidated Liquidity Ratios of the year 2022:

Period	**TL+FC**	**FC**
31 October 2022	218.36%	556.61%
30 November 2022	212.16%	511.81%
31 December 2022	216.28%	499.90%

(Thousands of Turkish Lira (TL))

4.6.2 Contractual maturity analysis of liabilities according to remaining maturities

Contractual maturity analysis of liabilities according to remaining maturities shows the undiscounted principal and interest cash outflows of the Bank and its financial subsidiaries' financial liabilities as per their earliest likely contractual maturities.

Current Period	Carrying Value	Total Casflow	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over
Bank Deposits	2,322,597	2,323,170	1,093,835	1,168,557	4,369	-	56,409	-
Other Deposits	1,602,608,11	1,639,824,10	661,608,648	190,991,313	254,910,502	420,754,648	111,523,65	35,339
Other Fundings	61,068,891	115,122,715	-	6,230,087	4,221,270	48,617,757	28,409,338	27,644,263
Interbank Money Market Takings	55,994,558	56,374,303	685	48,031,387	6,865,601	1,078,222	398,408	-
Securities Issued (*)	83,199,979	91,114,299	-	1,893,096	921,522	7,459,536	35,761,630	45,078,515
Lease payables	2,273,026	3,100,286	-	101,858	202,376	595,438	1,910,244	290,370
Total	**1,807,467,16**	**1,907,858,88**	**662,703,168**	**248,416,298**	**267,125,640**	**478,505,601**	**178,059,68**	**73,048,487**

(*) Includes subordinated securities issued and financial liabilities measured at FVTPL.

Prior Period	Carrying Value	Total Casflow	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over
Bank Deposits	1,829,208	1,829,893	913,861	801,292	14,691	-	100,049	-
Other Deposits	906,910,251	912,762,516	430,824,834	108,671,170	294,961,820	62,687,491	15,589,516	27,685
Other Fundings	46,033,809	70,164,398	-	2,321,267	5,576,723	32,698,544	17,883,620	11,684,244
Interbank Money Market Takings	24,299,009	24,256,620	430	14,351,101	3,189,279	3,128,978	3,586,832	-
Securities Issued (*)	64,697,850	72,019,051	-	2,078,779	8,987,374	2,568,508	28,985,835	29,398,555
Lease payables	1,459,250	1,999,281	-	62,229	121,971	389,701	1,221,265	204,115
Total	**1,045,229,37**	**1,083,031,75**	**431,739,125**	**128,285,838**	**312,851,858**	**101,473,222**	**67,367,117**	**41,314,599**

(*) Includes subordinated securities issued and financial liabilities measured at FVTPL.

(Thousands of Turkish Lira (TL))

4.6.3 Maturity analysis of 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	193,143,035	137,612,315	-	-	-	-	-	**330,755,350**
Banks	73,701,599	81,839,088	1,077,380	40,389	231,684	-	-	**156,890,140**
Financial Assets at Fair Value through Profit/Loss	808,360	81,824	29,198	2,651,022	2,701,862	347,171	1,970,252	**8,589,689**
Money Market Placements	-	32,277,304	-	6,321,983	-	-	-	**38,599,287**
Financial Assets Measured at Fair Value through Other Comprehensive Income	2,047,430	1,604,113	1,380,015	9,209,320	68,244,523	18,904,658	185,194	**101,575,253**
Loans	8,790,455	270,244,938	184,785,022	442,419,323	228,856,043	65,872,899	58,623,042	**1,259,591,722**
Financial Assets Measured at Amortised Cost	-	1,725,015	10,206,509	27,642,777	145,557,197	31,133,718	117,649	**216,382,865**
Other Assets (*)	23,302,893	7,072,368	1,253,012	1,897,539	5,147,488	2,697,862	47,957,627	**89,328,789**
Total Assets	**301,793,772**	**532,456,965**	**198,731,136**	**490,182,353**	**450,738,797**	**118,956,308**	**108,853,764**	**2,201,713,095**
Liabilities								
Bank Deposits	1,093,835	1,168,002	4,354	-	56,406	-	-	**2,322,597**
Other Deposits	661,608,641	481,793,293	186,638,196	251,496,163	21,041,025	30,794	-	**1,602,608,112**
Other Fundings	2,185,451	6,696,133	5,175,009	32,273,523	5,778,225	8,960,550	-	**61,068,891**
Money Market Funds	-	48,009,670	6,568,883	1,022,849	393,156	-	-	**55,994,558**
Securities Issued (**)	-	1,166,628	764,046	6,400,856	27,810,788	47,030,517	27,144	**83,199,979**
Miscellaneous Payables	77,002,957	416,715	366,190	435,494	17,700	317	3,267,539	**81,506,912**
Other Liabilities (***)	14,043,554	8,200,645	4,818,172	1,868,336	6,882,655	2,646,833	276,551,851	**315,012,046**
Total Liabilities	**755,934,438**	**547,451,086**	**204,334,850**	**293,497,221**	**61,979,955**	**58,669,011**	**279,846,534**	**2,201,713,095**
Liquidity Gap	**(454,140,666)**	**(14,994,121)**	**(5,603,714)**	**196,685,132**	**388,758,842**	**60,287,297**	**(170,992,770)**	**-**
Net Off-Balance Sheet Position	-	**(2,182,874)**	**932,512**	**3,044,641**	**(1,135,818)**	**70,700**	**-**	**729,161**
Derivative Financial Assets	**-**	**227,068,489**	**34,051,809**	**76,991,326**	**20,886,002**	**3,141,877**	**-**	**362,139,503**
Derivative Financial Liabilities	**-**	**229,251,363**	**33,119,297**	**73,946,685**	**22,021,820**	**3,071,177**	**-**	**361,410,342**
Non-Cash Loans	**643**	**40,163,436**	**19,135,844**	**22,236,726**	**24,769,639**	**6,026,028**	**1,056,470,366**	**1,168,802,682**
Prior Period								
Total Assets	**116,911,378**	**318,934,643**	**124,880,328**	**300,797,423**	**308,090,760**	**98,230,822**	**35,733,129**	**1,303,578,483**
Total Liabilities	**487,889,682**	**312,451,238**	**162,403,933**	**76,519,784**	**39,418,742**	**41,188,235**	**183,706,869**	**1,303,578,483**
Liquidity Gap	**(370,978,304)**	**6,483,405**	**(37,523,605)**	**224,277,639**	**268,672,018**	**57,042,587**	**(147,973,740)**	**-**
Net Off-Balance Sheet Position	**-**	**(1,704,182)**	**124,833**	**2,180,394**	**(685,770)**	**155,850**	**-**	**71,125**
Derivative Financial Assets	-	221,204,685	87,519,273	27,780,043	20,460,454	2,456,023	-	**359,420,478**
Derivative Financial Liabilities	-	222,908,867	87,394,440	25,599,649	21,146,224	2,300,173	-	**359,349,353**
Non-Cash Loans	**397**	**25,315,316**	**7,952,161**	**11,159,514**	**15,120,428**	**2,011,364**	**420,309,034**	**481,868,214**

(*) Includes expected credit losses in accordance with TFRS 9.
(**) Includes subordinated securities issued and financial liabilities measured at FVTPL.
(***) Shareholders’ Equity is included in “Other Liabilities” line under “Undistributed” column.

(Thousands of Turkish Lira (TL))

4.7 Consolidated 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 consolidated leverage ratio calculated by taking average of end of month leverage ratios for the last three-month periods, is 6.95% (31 December 2022: 8.28%). While the capital increased by 58.83% mainly as a result of increase in net profits, total risk amount increased by 89.27%. Therefore, the current period leverage ratio decreased by 133 basis points compared to prior period.

		Current Period (***)	***Prior Period*** (***)
1	Total assets in consolidated financial statements prepared in accordance with Turkish Accounting Standards (*) (**)	1,892,976,252	1,097,037,332
2	The difference between total assets prepared in accordance with Turkish Accounting Standards (*) and total assets in consolidated financial statements prepared in accordance with the Communiqué "Preparation of Consolidated Financial Statements" (**)	(1,883,475)	(962,406)
3	The difference between the amounts of derivative financial instruments and credit derivatives in consolidated financial statements prepared in accordance with the Communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such instruments	(57,225,070)	(37,329,018)
4	The difference between the amounts of securities or commodity financing transactions in consolidated financial statements prepared in accordance with the Communiqué "Preparation of Consolidated Financial Statements" and risk	117,282,678	122,305,567
5	The difference between the amounts of off-balance items in consolidated financial statements prepared in accordance with the Communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such items	2,227,561	2,124,372
6	Other differences between the amounts in consolidated financial statements prepared in accordance with the Communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such items	-	-
7	Total risk amount	3,280,885,314	1,733,421,089

(*) Consolidated financial statements prepared in compliance with the paragraph 6 of Article 5 of the Communiqué "Preparation of Consolidated Financial Statements."

(**) The consolidated financial statements prepared in accordance with Turkish Accounting Standards as of 30 June 2023 for the current period and 30 June 2022 for the prior period, are considered.

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

(Thousands of Turkish Lira (TL))

		Current Period (*)	***Prior Period (*)***
On-balance sheet assets			
1	On-balance sheet items (excluding derivative financial instruments and credit derivatives but including collateral)	2,070,737,606	1,207,081,211
2	(Assets deducted in determining Tier I capital)	(1,839,648)	(1,255,657)
3	Total on-balance sheet risks (sum of lines 1 and 2)	2,068,897,958	1,205,825,554
Derivative financial instruments and credit derivatives			
4	Replacement cost associated with all derivative financial instruments and credit derivatives	11,511,439	9,262,221
5	Add-on amounts for PFE associated with all derivative financial instruments and credit derivatives	59,883,063	39,327,319
6	Total risks of derivative financial instruments and credit derivatives (sum of lines 4 and 5)	71,394,502	48,589,540
Securities or commodity financing transactions (SCFT)			
7	Risks from SCFT assets (excluding on-balance sheet)	17,018,589	7,742,053
8	Risks from brokerage activities related exposures	-	-
9	Total risks related with securities or commodity financing transactions (sum of lines 7 and 8)	17,018,589	7,742,053
Other off-balance sheet transactions			
10	Gross notional amounts of off-balance sheet transactions	1,125,801,829	473,388,314
11	(Adjustments for conversion to credit equivalent amounts)	(2,227,563)	(2,124,372)
12	Total risks of off-balance sheet items (sum of lines 10 and 11)	1,123,574,266	471,263,942
Capital and total risks			
13	Tier I capital	228,086,753	143,601,330
14	Total risks (sum of lines 3, 6, 9 and 12)	3,280,885,315	1,733,421,089
Leverage ratio			
15	Leverage ratio	6.95%	8.28%

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

(Thousands of Turkish Lira (TL))

4.8 Fair values of financial assets and liabilities

	Carrying Value		Fair Value	
	Current Period	*Prior Period*	*Current Period*	*Prior Period*
Financial Assets	**2,073,322,975**	**1,241,153,806**	**2,018,174,480**	**1,253,543,943**
Interbank Money Market Placements	38,599,287	70,680,701	38,604,614	70,738,445
Banks (*)	448,584,159	176,174,451	448,592,793	176,334,748
Financial Assets Measured at Fair Value Through Profit/Loss	8,589,689	5,771,459	8,589,689	5,771,459
Financial Assets Measured at Fair Value through Other Comprehensive Income	101,575,253	88,928,400	101,575,253	88,928,401
Financial Assets Measured at Amortised Cost	216,382,865	110,019,856	196,247,985	121,110,826
Loans	1,259,591,722	789,578,939	1,224,564,146	790,660,064
Financial Liabilities	**1,908,840,411**	**1,108,318,197**	**1,899,588,681**	**1,106,041,284**
Bank Deposits	2,322,597	1,829,204	2,319,125	1,813,889
Other Deposits	1,602,608,112	906,910,255	1,593,473,146	905,767,121
Other Fundings from Financial Institutions	61,068,891	46,033,809	60,955,736	45,723,957
Financial Assets Measured at Fair Value Through Profit/Loss	49,046,956	32,020,818	49,046,956	32,020,818
Money market funds	55,994,558	24,299,009	55,994,421	24,334,349
Securities Issued (**)	34,153,023	32,677,032	34,153,023	31,833,084
Other Liabilities	103,646,274	64,548,070	103,646,274	64,548,066

(*) Including the balances at the Central Bank of Turkey.

(**) Includes subordinated securities issued.

The estimated fair value of banks, other fundings from Financial institutions, securities issued and deposits is calculated by finding discounted cash flows using current market interest rates.

Fair value of financial assets measured at fair value through other comprehensive income and financial assets measured at amortised cost are derived from market prices or in case of absence of such prices, market prices of other securities quoted in similar qualified markets and having substantially similar characteristics in terms of interest, maturity and other conditions.

Fair values of loans are calculated discounting future cash flows at current market interest rates.

The aggregate fair value of securities issued is calculated based on quoted market prices and, where market prices are not available, a discounted cash flow model based on the current yield to maturity is used.

Fair values of other financial assets and liabilities are measured at amortised cost of financial assets or liabilities calculating by effective interest method.

(Thousands of Turkish Lira (TL))

The table below analyses the financial instruments carried at fair value, by valuation method:

Current Period	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets Measured at Fair Value through Other Comprehensive Income	97,253,304	3,840,810	481,139	101,575,253
Financial Assets Measured at Fair Value through Profit/Loss	7,653,728	759,644	176,317	8,589,689
Derivative Financial Assets Held for Trading	754	9,509,212	528,209	10,038,175
Derivative Financial Assets Held for Hedging Purpose	-	1,589,525	-	1,589,525
Financial Assets at Fair Value	**104,907,786**	**15,699,191**	**1,185,665**	**121,792,642**
Derivative Financial Liabilities Held for Trading	12,555	10,927,411	465,470	11,405,436
Funds Borrowed (*)	-	32,577	49,014,379	49,046,956
Derivative Financial Liabilities Held for Hedging Purpose	-	163,789	-	163,789
Financial Liabilities at Fair Value	**12,555**	**11,123,777**	**49,479,849**	**60,616,181**

(*) Includes financial liabilities measured at FVTPL.

Prior Period	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets Measured at Fair Value through Other Comprehensive Income	48,597,636	40,308,079	22,685	88,928,400
Financial Assets Measured at Fair Value through Profit/Loss	5,066,404	577,202	127,853	5,771,459
Derivative Financial Assets Held for Trading	-	9,056,502	362,593	9,419,095
Derivative Financial Assets Held for Hedging Purpose	-	1,616,123	-	1,616,123
Financial Assets at Fair Value	**53,664,040**	**51,557,906**	**513,131**	**105,735,077**
Derivative Financial Liabilities Held for Trading	1,842	8,905,022	2,008,890	10,915,754
Funds Borrowed (*)	-	-	32,020,818	32,020,818
Derivative Financial Liabilities Held for Hedging Purpose	-	36,606	-	36,606
Financial Liabilities at Fair Value	**1,842**	**8,941,628**	**34,029,708**	**42,973,178**

(*) Includes financial liabilities measured at FVTPL.

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The movement of financial assets in Level 3 is presented below.

	Current Period	***Prior Period***
Balances at Beginning of Period	**513,131**	**4,748,961**
Purchases During the Period	454,849	15,009
Disposals Through Sale/Redemptions	(64,139)	(4,750,411)
Valuation Effect	281,824	440,688
Transfers	-	58,884
Balances at End of Period	**1,185,665**	**513,131**

(*) As of 31 March 2022, 192.500.000.000 Group A registered shares representing 55% of the share capital of Türk Telekomünikasyon A.Ş. owned by LYY Telekomünikasyon A.Ş. were sold to the Turkey Wealth Fund, and as a result of the collection made from the sale amount, the portion of the related loan amounting to USD 324,997,068, corresponding to the Parent Bank's share, was closed.

Based on TFRS 9, in order to eliminate the accounting mismatch, the securitized bonds issued are measured at fair value and it is used the valuation of the Turkish Republic's credit default swap (CDS) and Eurobonds together with the Z-spread of the Turkish Republic (TC) and the Bank. The credit default swap (CDS) level is determined based on the remaining maturity.

Regarding valuation of the related securitization transactions, it is determined a reference level which indicates the correlation among the transaction spread at inception date with either of the followings: TC CDS, TC eurobonds, and Z-spreads of the Bank and TC and considered the impact of daily changes in relevant parameters with variation in reference level. Therefore, the fair value of both the securitization transactions and the corresponding Total Return Swap (TRS) transactions are determined as Level 3.

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

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

The Risk Management function conducts the ICAAP report, to be sent to the BRSA by coordinating relevant parties. Stress test report is also reported to the BRSA, which evaluates how adverse effects on macroeconomic parameters, in the scope of determined scenarios, affect the Parent 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 options" to be taken, in case the Recovery Plan indicators such as solvency (capital), liquidity, profitability indicators etc., fall below certain threshold levels. In this plan, besides the options that can be applied under stress scenarios, information about the bank's structure is also given. The main purposes of the Recovery Plan are the following:

- An overview, with a detailed analysis of core business lines, critical economic functions as well as its interconnectedness.
- A detailed explanation of the specific governance arrangements relating to the recovery plan, comprising its development, approval and integration in the overall corporate governance of the Bank.
- A description of the decision-making process regarding the potential adoption of recovery measures, underscoring the escalation process and the role of indicators in this process.
- An identification of feasible recovery actions to be potentially adopted in order to restore the Recovery Plan indicators such as liquidity, solvency (capital), profitability etc., following a substantial deterioration that has potentially led to the implementation of recovery measures. This identification should be accompanied by a financial assessment of each measure, their legal and operational requirements, their potential obstacles, and their time for implementation and, in a second step, their feasibility in different scenarios of financial stress.
- A reference to the communication plan to address both internal and external communication.

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

(Thousands of Turkish Lira (TL))

4.10.1.2 Risk weighted amounts

		Risk Weighted Amounts		**Minimum Capital Requirements**
		Current Period	***Prior Period***	***Current Period***
1	Credit risk (excluding counterparty credit risk) (CCR) (*)	1,254,666,523	794,865,528	100,373,322
2	Of which standardised approach (SA)	1,254,666,523	794,865,528	100,373,322
3	Of which internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	19,247,313	22,133,416	1,539,785
5	Of which standardised approach for counterparty credit risk (SA-CCR)	19,247,313	22,133,416	1,539,785
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	20,008	13,673	1,601
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	32,072,812	48,877,025	2,565,825
17	Of which standardised approach (SA)	32,072,812	48,877,025	2,565,825
18	Of which internal model approaches (IMM)	-	-	-
19	Operational risk	131,296,214	71,651,668	10,503,697
20	Of which basic indicator approach	131,296,214	71,651,668	10,503,697
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)**	**1,437,302,870**	**937,541,310**	**114,984,230**

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

(Thousands of Turkish Lira (TL))

4.10.2 Linkages between financial statements and risk amounts

4.10.2.1 Differences and matching between asset and liabilities' carrying values in financial statements and risk amounts in capital adequacy calculation

Current Period			*Carrying values of items in accordance with Turkish Accounting Standards*				
	Carrying values in financial statements prepared as per TAS (*)	*Carrying values in consolidated financial statements prepared as per TAS but in compliance with the communiqué "Preparation of Consolidated Financial Statements"*	*Subject to credit risk*	*Subject to counterparty credit risk*	*Subject to market risk (**)*	*Subject to capital calculation*	*Not subject to capital requirements or subject to deduction from capital*
Assets	**582,295,628**	**646,099,092**	**618,922,036**	**20,998,300**	**14,909,766**	**(1,938,327)**	**-**
Cash and cash equivalents	462,726,960	524,306,450	517,158,475	60,213	-	(1,938,327)	-
Financial assets measured at fair value through profit/loss (FVTPL)	7,422,841	8,589,689	184,770	49,659	8,404,919	-	-
Financial assets measured at fair value through other comprehensive income (FVOCI)	90,760,795	101,575,253	101,575,253	9,495,240	-	-	-
Derivative financial assets	21,385,032	11,627,700	3,538	11,393,188	6,504,847	-	-
Loans (net)	**1,132,271,131**	**1,423,563,992**	**1,458,244,626**	**-**	**-**	**(34,678,690)**	**(3,437)**
Loans	976,436,188	1,217,975,966	1,217,976,721	-	-	1,188	(3,437)
Lease receivables	27,341,931	30,022,130	30,022,130	-	-	-	-
Factoring receivables	11,699,127	11,593,626	11,593,626	-	-	-	-
Non performing receivables	167,235,780	216,382,865	216,382,865	-	-	-	-
Expected credit losses (-)	50,441,895	52,410,595	17,730,716	-	-	34,679,878	-
Assets held for sale and assets of discontinued operations (net)	810,779	2,141,054	2,141,054	-	-	-	-
Ownership investments (net)	(20,681,662)	6,379,791	6,379,791	-	-	-	-
Tangible assets (net)	27,398,126	21,952,980	21,661,333	-	-	291,647	-
Intangible assets (net)	1,671,515	2,548,249	5,497	-	-	2,542,752	-
Investment property (net)	367,375	1,590,712	1,590,712	-	-	-	-
Current tax asset	731,637	127,590	127,590	-	-	-	-
Deferred tax asset	15,114,716	20,291,063	20,291,063	-	-	-	-
Other assets	132,362,517	77,018,572	75,312,675	-	-	(81,153)	1,787,050
Total assets	**1,872,341,762**	**2,201,713,095**	**2,204,676,377**	**20,998,300**	**14,909,766**	**(33,863,771)**	**1,783,613**
Liabilities							
Deposits	1,400,166,658	1,604,930,709	-	-	-	-	1,604,930,709
Funds borrowed	55,528,535	60,439,559	-	2,179,977	-	-	58,259,582
Money market funds	46,191,201	55,994,558	-	52,421,556	-	-	3,573,002
Securities issued (net)	10,224,891	11,142,952	-	-	-	-	11,142,952
Funds	-	-	-	-	-	-	-
Financial liabilities measured at fair value through profit/loss (FVTPL)	40,734,597	49,046,956	-	-	-	-	49,046,956
Derivative financial liabilities	20,888,258	11,569,224	-	-	-	-	11,569,224
Factoring payables	-	-	-	-	-	-	-
Lease payables (net)	1,937,555	2,273,026	-	-	-	-	2,273,026
Provisions	22,311,519	21,578,966	3,443,434	-	-	6,724,184	11,411,348
Current tax liability	5,456,722	11,700,580	-	-	-	-	11,700,580
Deferred tax liability	750,456	129,369	-	-	-	-	129,369

(Thousands of Turkish Lira (TL))

Liabilities for assets held for sale and assets of discontinued operations (net)	-	-	-	-	-	-	-
Subordinated debts	21,006,773	23,639,403	-	-	-	14,072,230	9,567,173
Other liabilities	79,316,820	103,646,269	-	-	92,133	-	103,554,136
Shareholders' equity	167,579,413	245,621,518	-	-	-	243,640,118	1,981,400
Total liabilities	**1,872,093,398**	**2,201,713,089**	**3,443,434**	**54,601,533**	**92,133**	**264,436,532**	**1,879,139,457**

(*) As per financial statements prepared in compliance with the paragraph 6 of article 5 of the communiqué "Preparation of Consolidated Financial Statements" as of 30 June 2023.
(**) Disclosed based on gross position amounts subject to general market risk and specific risk.

Prior Period			***Carrying values of items in accordance with Turkish Accounting Standards***				
	Carrying values in financial statements prepared as per TAS (*)	***Carrying values in consolidated financial statements prepared as per TAS but in compliance with the communiqué "Preparation of Consolidated Financial Statements"***	***Subject to credit risk***	***Subject to counterparty credit risk***	***Subject to market risk (**)***	***Subject to capital calculation***	***Not subject to capital requirements or subject to deduction from capital***
Assets	335,449,915	377,234,818	352,377,052	21,153,802	12,397,478	(909,483)	-
Cash and cash equivalents	237,316,667	271,499,741	263,299,288	947,672	-	(909,483)	-
Financial assets measured at fair value through profit/loss (FVTPL)	4,138,377	5,771,459	139,877	70,690	5,631,582	-	-
Financial assets measured at fair value through other comprehensive income (FVOCI)	81,335,269	88,928,400	88,928,400	9,169,232	-	-	-
Derivative financial assets	12,659,602	11,035,218	9,487	10,966,208	6,765,896	-	-
Loans (net)	**678,059,860**	**859,045,990**	**885,132,541**	**472,192**	**-**	**(25,863,821)**	**(4,434)**
Loans	621,086,914	761,104,244	761,318,439	-	-	29	(4,434)
Lease receivables	15,823,526	18,932,293	18,932,293	-	-	-	-
Factoring receivables	4,694,330	9,542,402	9,542,402	-	-	-	-
Non performing receivables	71,477,961	110,019,856	110,019,856	472,192	-	-	-
Expected credit losses (-)	35,022,871	40,552,805	14,680,449	-	-	25,863,850	-
Assets held for sale and assets of discontinued operations (net)	510,915	780,418	780,418	-	-	-	-
Ownership investments (net)	(263,536)	2,280,962	2,280,962	-	-	-	-
Tangible assets (net)	12,392,577	11,788,007	11,676,485	-	-	111,522	-
Intangible assets (net)	1,100,358	1,263,022	48,163	-	-	1,214,859	-
Investment property (net)	783,537	926,800	926,800	-	-	-	-
Current tax asset	118,672	9,604	9,604	-	-	-	-
Deferred tax asset	6,445,622	7,105,391	7,105,391	-	-	-	-
Other assets	62,165,626	43,143,471	42,759,437	-	-	(111,516)	495,550
Total assets	**1,096,763,546**	**1,303,578,483**	**1,303,096,853**	**21,625,994**	**12,397,478**	**(25,558,439)**	**491,116**
Liabilities							
Deposits	746,797,508	908,739,459	-	-	-	-	908,739,459
Funds borrowed	48,795,991	45,856,723	-	1,408,215	-	-	44,448,508
Money market funds	34,778,671	24,299,009	-	22,611,419	-	-	1,687,590
Securities issued (net)	27,030,961	17,608,189	-	-	-	-	17,608,189
Funds	-	-	-	-	-	-	-

Financial liabilities measured at fair value through profit/loss (FVTPL)	25,300,921	32,020,818	-	-	-	-	32,020,818
Derivative financial liabilities	17,948,612	10,952,359	-	-	-	-	10,952,359
Factoring payables	-	-	-	-	-	-	-
Lease payables (net)	1,237,345	1,459,250	-	-	-	-	1,459,250
Provisions	16,548,131	21,476,402	1,771,223	-	-	3,953,694	15,751,485
Current tax liability	928,286	8,050,326	-	-	-	-	8,050,326
Deferred tax liability	411,180	197,828	-	-	-	-	197,828
Liabilities for assets held for sale and assets of discontinued operations (net)	-	-	-	-	-	-	-
Subordinated debts	13,538,617	15,245,929	-	-	-	12,158,080	3,087,849
Other liabilities	51,999,275	64,548,070	-	-	83,257	-	64,464,813
Shareholders' equity	111,721,834	153,124,120	-	-	-	151,575,826	1,548,294
Total liabilities	**1,097,037,332**	**1,303,578,482**	**1,771,223**	**24,019,634**	**83,257**	**167,687,600**	**1,110,016,768**

(*) As per financial statements prepared in compliance with the paragraph 6 of article 5 of the communiqué "Preparation of Consolidated Financial Statements" as of 30 June 2022.

(**) Disclosed based on gross position amounts subject to general market risk and specific risk.

4.10.2.2 Major items causing differences between assets and liabilities' carrying values in financial statements and risk amounts in capital adequacy calculation

	Current Period	*Total*	*Credit risk*	*Counterparty credit risk*	*Market risk (*)*
1	Carrying Value of Assets in Accordance with Communiqué "Preparation of Consolidated Financial Statements" " (as per 4.10.2.1)	2,224,248,354	2,195,131,478	11,453,401	14,909,766
2	Carrying Value of Debt Instruments Subject Counterparty Credit Risk in Accordance with Communiqué "Preparation of Consolidated Financial Statements" " (as per 4.10.2.1)	9,544,899	9,544,899	9,544,899	-
3	Carrying Value of Liabilities Subject to Counterparty Credit Risk in Accordance with Communiqué "Preparation of Consolidated Financial Statements" " (as per 4.10.2.1)	54,601,532	-	54,601,533	-
4	Carrying Value of Other Liabilities in Accordance with Communiqué "Preparation of Consolidated Financial Statements" " (as per 4.10.2.1)	92,134	-	-	92,133
5	**Total Net Amount Under Regulatory Consolidation**	**2,179,099,587**	**2,204,676,377**	**(33,603,233)**	**14,817,633**
6	Off-balance Sheet Amounts (**)	2,306,015,306	289,176,753	10,411,381	461,802,553
7	Differences Resulted from the BRSA's Applications		(130,342,403)	-	-
8	Repurchase Transactions Valuation Adjustments		-	54,033,347	-
9	**Risk Amounts**		**2,363,510,727**	**30,841,495**	**476,620,186**

(*) Disclosed based on gross position amounts subject to general market risk and specific risk.
(**) The amounts present the balances of the off-balance sheet items.

(Thousands of Turkish Lira (TL))

	Prior Period	***Total***	***Credit risk***	***Counterparty credit risk***	***Market risk (*)***
1	Carrying Value of Assets in Accordance with Communiqué "Preparation of Consolidated Financial Statements" " (as per 4.10.2.1)	1,318,933,692	1,293,384,739	11,913,880	12,397,478
2	Carrying Value of Debt Instruments Subject Counterparty Credit Risk in Accordance with Communiqué "Preparation of Consolidated Financial Statements" " (as per 4.10.2.1)	9,712,114	9,712,114	9,712,114	-
3	Carrying Value of Liabilities Subject to Counterparty Credit Risk in Accordance with Communiqué "Preparation of Consolidated Financial Statements" " (as per 4.10.2.1)	24,019,634	-	24,019,634	-
4	Carrying Value of Other Liabilities in Accordance with Communiqué "Preparation of Consolidated Financial Statements" " (as per 4.10.2.1)	83,257	-	-	83,257
5	**Total Net Amount Under Regulatory Consolidation**	**1,304,542,915**	**1,303,096,853**	**(2,393,640)**	**12,314,221**
6	Off-balance Sheet Amounts (**)	1,540,997,187	149,119,196	8,771,392	394,920,411
7	Credit Risk Mitigation		(93,972,486)	-	-
8	Repurchase Transactions Valuation Adjustments		-	22,838,461	-
9	**Risk Amounts**		**1,358,243,563**	**29,216,213**	**407,234,632**

(*) Disclosed based on gross position amounts subject to general market risk and specific risk.
(**) The amounts present the balances of the off-balance sheet items.

4.10.2.3 Explanations on differences between carrying values in financial statements and risk amounts in capital adequacy calculation of assets and liabilities

There are no material differences between the carrying values in financial statements and the risk amounts in capital adequacy calculation of assets and liabilities.

4.10.3 Consolidated credit risk

4.10.3.1 General information on consolidated credit risk

4.10.3.1.1 General qualitative information on consolidated credit risk

The Parent 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. The customers are graded according to their characteristics and size and the information is kept updated by inquiring the customers. 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 Parent 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 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, Corporate and Commercial Loans Restructuring, Wholesale Recovery, Retail Collection, Retail Loans Evaluations, Risk Strategies, Retail & SME Loans Risk Governance, Risk Planning Monitoring and Reporting, Credit Risk Management. Advanced Analytics Discipline, Risk Projects, Validation, Credit Risk Control, Risk Management Control, and Regional Loans Coordination.

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 Parent 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 Parent 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, respectively, alongside with the operational examinations in the regions. 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 Parent Bank's credit risk policies, rules and procedures.

(Thousands of Turkish Lira (TL))

4.10.3.1.2 Credit quality of consolidated assets

	Current Period	Gross carrying value in consolidated financial statements prepared as perTAS		Allowances/amortisation and impairments	Net values
		Defaulted	Non-defaulted		
1	Loans	26,158,606	1,711,588,563	17,730,763	1,720,016,406
2	Debt securities	-	316,019,671	-	316,019,671
3	Off-balance sheet exposures	5,079,641	449,132,282	3,451,985	450,759,938
4	**Total**	**31,238,247**	**2,476,740,516**	**21,182,748**	**2,486,796,015**

	Prior Period	Gross carrying value in consolidated financial statements prepared as perTAS		Allowances/amortisation and impairments	Net values
		Defaulted	Non-defaulted		
1	Loans	20,289,804	1,007,097,668	14,689,002	1,012,698,470
2	Debt securities	-	197,925,539	-	197,925,539
3	Off-balance sheet exposures	2,513,865	241,223,808	1,775,333	241,962,340
4	**Total**	**22,803,669**	**1,446,247,015**	**16,464,335**	**1,452,586,349**

4.10.3.1.3 Changes in stock of default loans and debt securities

		Current Period	Prior Period
1	**Defaulted loans and debt securities at end of the previous reporting period**	**20,289,804**	**18,344,496**
2	Loans and debt securities defaulted since the last reporting period	15,714,064	13,113,968
3	Receivables back to non-defaulted status	(69,439)	(254,927)
4	Amounts written off	(2,698,924)	(9,084,194)
5	Other changes (Collections and fx differences)	(7,076,899)	(1,829,539)
6	**Defaulted loans and debt securities at end of the reporting period**	**26,158,606**	**20,289,804**

4.10.3.1.4 Additional information on credit quality of consolidated assets

4.10.3.1.4.1 Qualitative disclosures related to the credit quality of assets

As explained in accounting policy notes of 3.8 “Disclosures on impairment of financial assets” and 3.8.1 “Calculation of expected credit losses”, the Bank and its financial subsidiaries calculate the expected credit losses in accordance with TFRS 9. At each reporting date, it is assessed whether there is a significant increase in the credit risk of the financial instrument within the scope of impairment since it was initially recognized in the financial statements. In making this assessment, it is used the change in the estimated probability of default of the financial instrument.

A refinancing/restructuring refers to; extending a new loan for the purpose of repayment of a part or whole of the outstanding loans or related interest payments granted previously or, amending the conditions of such outstanding loans in order to facilitate the repayment capacity; due to current or foreseeable financial difficulties of the borrower or the related risk group.

4.10.3.1.4.2 Breakdown of exposures by geographical areas, industry and ageing

Disclosed under section 4.2 credit risk.

(Thousands of Turkish Lira (TL))

4.10.3.1.4.3 Exposures provisioned against by major regions and sectors

	Current Period			*Prior Period*		
	Non-performing Loans	*Expected Credit losses-Stage 3*	*Write-Offs*	*Non-performing Loans*	*Expected Credit losses-Stage 3*	*Write-Offs*
Domestic	22,156,182	14,935,776	2,211,055	17,507,124	12,742,986	8,562,529
European Union (EU) Countries	2,779,005	2,190,820	487,267	1,815,275	1,502,614	323,591
OECD Countries	197,289	88,574	1	228,903	75,347	23,296
Off-Shore Banking Regions	-	-	-	-	-	-
USA, Canada	751	361	-	171	48	-
Other Countries	1,025,379	515,232	601	738,331	368,007	174,778
Total	**26,158,606**	**17,730,763**	**2,698,924**	**20,289,804**	**14,689,002**	**9,084,194**

	Current Period		
	Non-performing Loans	*Expected Credit losses-Stage 3*	*Write-Offs*
Agriculture	**494,899**	**250,234**	**544**
Farming and Stockbreeding	462,719	220,687	525
Forestry	22,915	20,691	19
Fishery	9,265	8,856	-
Manufacturing	**4,902,575**	**3,941,375**	**153,705**
Mining and Quarrying	29,288	25,212	11,359
Production	2,110,189	1,688,311	107,266
Electricity, Gas and Water	2,763,098	2,227,852	35,080
Construction	**2,696,420**	**1,789,621**	**4,696**
Services	**5,955,828**	**4,311,771**	**73,304**
Wholesale and Retail Trade	2,190,187	1,568,070	48,611
Accomodation and Dining	822,748	573,300	5,993
Transportation and Telecommunication	1,935,743	1,502,518	9,163
Financial Institutions	117,702	44,648	63
Real Estate and Rental Services	732,422	482,815	8,956
Professional Services	54,366	48,983	-
Educational Services	81,915	74,067	217
Health and Social Services	20,745	17,370	301
Others	**12,108,884**	**7,437,762**	2,466,675
Total	**26,158,606**	**17,730,763**	**2,698,924**

(Thousands of Turkish Lira (TL))

	Prior Period		
	Non-performing Loans	*Expected Credit losses-Stage 3*	*Write-Offs*
Agriculture	**230,552**	**166,471**	**1,250**
Farming and Stockbreeding	191,563	132,622	1,183
Forestry	30,156	25,721	66
Fishery	8,833	8,128	1
Manufacturing	**5,658,467**	**4,549,077**	**39,892**
Mining and Quarrying	38,095	32,064	1,634
Production	1,438,920	1,139,949	38,231
Electricity, Gas and Water	4,181,452	3,377,064	27
Construction	**761,328**	**627,260**	**15,036**
Services	**7,893,435**	**5,563,856**	**7,859,275**
Wholesale and Retail Trade	2,358,826	1,690,706	118,977
Accomodation and Dining	710,757	502,556	23,876
Transportation and Telecommunication	1,994,985	1,529,870	7,703,288
Financial Institutions	75,999	56,260	2,326
Real Estate and Rental Services	2,605,111	1,658,320	10,045
Professional Services	53,070	50,136	-
Educational Services	74,733	60,519	508
Health and Social Services	19,954	15,489	255
Others	**5,746,022**	**3,782,338**	**1,168,741**
Total	**20,289,804**	**14,689,002**	**9,084,194**

4.10.3.1.4.4 Ageing of past-due exposures

Current Period	*Up to 3 Months*	*3-12 Months*	*1-3 Years*	*3-5 Years*	*5 Years and Over*
Corporate and Commercial Loans	2,464,739	1,230,475	2,454,736	4,679,166	2,591,536
Retail Loans	2,071,039	2,755,702	1,456,910	89,170	169,235
Credit Cards	1,841,353	1,773,915	515,047	21,622	17,909
Others	1,874,011	49,719	66,932	31,692	3,698
Total	**8,251,142**	**5,809,811**	**4,493,625**	**4,821,650**	**2,782,378**

Prior Period	*Up to 3 Months*	*3-12 Months*	*1-3 Years*	*3-5 Years*	*5 Years and Over*
Corporate and Commercial Loans	1,537,477	1,948,035	5,363,058	4,642,812	794,976
Retail Loans	2,829,774	381,776	182,283	79,618	103,809
Credit Cards	979,181	100,830	55,616	18,215	7,108
Others	1,115,679	41,588	60,980	38,007	8,982
Total	**6,462,111**	**2,472,229**	**5,661,937**	**4,778,652**	**914,875**

4.10.3.2 Consolidated credit risk mitigation

4.10.3.2.1 Qualitative disclosure on consolidated credit risk mitigation techniques

The Parent 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.

(Thousands of Turkish Lira (TL))

In the scope of capital adequacy ratio calculations 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.

The Parent 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 Consolidated credit risk mitigation techniques

	Current Period	*Exposures unsecured: carrying amount as per TAS*	*Exposures secured by collateral*	*Collateralized amount of exposures secured by collateral*	*Exposures secured by financial guarantees*	*Collateralized amount of exposures secured by financial guarantees*	*Exposures secured by credit derivatives*	*Collateralized amount of exposures secured by credit derivatives*
1	Loans	1,562,983,306	157,033,100	148,258,229	2,263,897	2,263,897	-	-
2	Debt securities	316,019,671	-	-	-	-	-	-
3	**Total**	1,879,002,977	157,033,100	148,258,229	2,263,897	2,263,897	-	-
4	Of which defaulted (*)	25,923,687	234,919	11,056	-	-	-	-

(*) The gross defaulted amount is given.

	Prior Period	*Exposures unsecured: carrying amount as per TAS*	*Exposures secured by collateral*	*Collateralized amount of exposures secured by collateral*	*Exposures secured by financial guarantees*	*Collateralized amount of exposures secured by financial guarantees*	*Exposures secured by credit derivatives*	*Collateralized amount of exposures secured by credit derivatives*
1	Loans	899,160,014	113,538,456	108,215,760	4,767,117	4,767,117	-	-
2	Debt securities	197,925,539	-	-	-	-	-	-
3	**Total**	**1,097,085,553**	**113,538,456**	**108,215,760**	**4,767,117**	**4,767,117**	**-**	**-**
4	Of which defaulted (*)	20,060,331	229,473	9,557	-	-	-	-

(*) The gross defaulted amount is given.

(Thousands of Turkish Lira (TL))

4.10.3.3 Consolidated 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

An international rating firm, Fitch Ratings' external risk 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. Where the counterparties are domestic, the related exposures are included in the calculation of capital adequacy as unrated.

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:

Credit Quality Level	Fitch Ratings long term credit rating	Risk Classes			
		Exposures to Central Governments or Central Banks	Exposures to Banks and Brokerage Houses		Exposures to Corporates
			Exposures with Original Maturities Less Than 3 Months	Exposures with Original Maturities More Than 3 Months	
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%

(Thousands of Turkish Lira (TL))

4.10.3.3.2 Consolidated credit risk exposure and credit risk mitigation techniques

	Current Period	*Exposures before CCF and CRM*		*Exposures post-CCF and CRM*		*RWA and RWA density*	
	Risk classes	*On-balance sheet amount*	*Off-balance sheet amount*	*On-balance sheet amount*	*Off-balance sheet amount*	*RWA*	*RWA density*
1	Exposures to sovereigns and their central banks	616,433,021	489,093	618,696,907	101,347	6,457,085	1%
2	Exposures to regional and local governments	1,213,265	99,155	1,213,265	52,443	632,854	50%
3	Exposures to administrative bodies and non-commercial entities	3,310,020	700,692	3,309,695	75,957	3,385,653	100%
4	Exposures to multilateral development banks	612	284	611	-	-	-
5	Exposures to international organizations	-	-	-	-	-	-
6	Exposures to banks and brokerage houses	98,493,016	44,590,613	64,619,599	16,719,026	25,341,150	31%
7	Exposures to corporates	460,129,419	340,104,876	395,908,271	181,412,690	528,085,578	91%
8	Retail exposures	361,554,205	683,682,276	337,905,858	31,919,519	300,048,600	81%
9	Exposures secured by residential property	35,497,899	163,475	35,481,816	90,325	12,450,295	35%
10	Exposures secured by commercial property	16,411,658	9,238,263	16,336,308	5,608,057	13,756,585	63%
11	Past-due items	6,661,131	1,470	6,660,266	-	4,248,413	64%
12	Exposures in high-risk categories	186,530,575	1,264,745	186,521,918	637,804	308,391,126	165%
13	Covered bonds	-	-	-	-	-	-
14	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-
15	Exposures in the form of collective investment undertakings	20,008	-	20,008	-	20,008	100%
16	Shares	7,640,396	-	7,640,396	-	7,637,815	100%
17	Other exposures	70,195,049	-	70,195,044	-	44,231,369	63%
18	**Total**	**1,864,090,274**	**1,080,334,942**	**1,744,509,962**	**236,617,168**	**1,254,686,531**	**63%**

(Thousands of Turkish Lira (TL))

	Prior Period	***Exposures before CCF and CRM***		***Exposures post-CCF and CRM***		***RWA and RWA density***	
	Risk Classes	***On-balance sheet amount***	***Off-balance sheet amount***	***On-balance sheet amount***	***Off-balance sheet amount***	***RWA***	***RWA density***
1	Exposures to sovereigns and their central banks	306,927,251	4,022,314	311,694,368	102,529	4,256,917	1%
2	Exposures to regional and local governments	2,131,641	43,546	2,131,242	42,536	1,102,981	51%
3	Exposures to administrative bodies and non-commercial entities	2,345,605	475,330	2,345,181	166,244	2,511,426	100%
4	Exposures to multilateral development banks	8,717	100	8,718	-	-	-
5	Exposures to international organizations	-	-	-	-	-	-
6	Exposures to banks and brokerage houses	95,069,240	21,016,440	37,028,655	10,268,198	15,878,215	34%
7	Exposures to corporates	324,985,179	206,412,576	304,602,415	97,402,386	360,542,746	90%
8	Retail exposures	231,939,837	206,959,047	225,919,951	14,361,721	193,953,705	81%
9	Exposures secured by residential property	23,067,054	94,469	23,051,482	60,500	8,089,193	35%
10	Exposures secured by commercial property	15,417,940	4,534,199	15,362,047	2,632,827	11,048,933	61%
11	Past-due items	4,813,021	49	4,813,006	-	2,833,755	59%
12	Exposures in high-risk categories	100,753,073	659,089	100,692,764	312,299	172,950,017	171%
13	Covered Bonds	-	-	-	-	-	-
14	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-
15	Exposures in the form of collective investment undertakings	13,673	-	13,673	-	13,673	100%
16	Shares	2,921,873	-	2,921,873	-	2,921,873	100%
17	Other exposures	38,385,803	-	38,385,804	-	18,775,766	49%
18	**Total**	**1,148,779,907**	**444,217,159**	**1,068,971,179**	**125,349,240**	**794,879,200**	**67%**

(Thousands of Turkish Lira (TL))

4.10.3.3.3 Consolidated exposures by asset classes and risk weights

	Regulatory portfolio *Current Period*	*0%*	*2%*	*10%*	*20%*	*25%*	*35%*	*50%*	*75%*	*100%*	*150%*	*250%*	*Others*	*Total risk amount (post-CCF and CRM)*
1	Exposures to sovereigns and their central banks	608,759,956	-	3,614,032	113,259	-	-	475,957	-	5,835,050	-	-	-	618,798,254
2	Exposures to regional and local government	-	-	-	-	-	-	1,265,706	-	2	-	-	-	1,265,708
3	Exposures to administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	3,385,652	-	-	-	3,385,652
4	Exposures to multilateral development banks	611	-	-	-	-	-	-	-	-	-	-	-	611
5	Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to banks and brokerage houses	-	57,503	-	54,748,976	-	-	24,283,883	-	2,248,263	-	-	-	81,338,625
7	Exposures to corporates	1,418,073	-	-	29,968,753	-	-	47,684,617	-	498,249,518	-	-	-	577,320,961
8	Retail exposures	-	-	-	29	-	-	13,528	279,079,908	90,731,912	-	-	-	369,825,377
9	Exposures secured by residential property	-	-	-	-	-	35,571,832	309	-	-	-	-	-	35,572,141
10	Exposures secured by commercial property	-	-	-	-	-	-	16,375,559	-	5,568,806	-	-	-	21,944,365
11	Past-due items	-	-	-	-	-	-	4,823,709	-	1,836,557	-	-	-	6,660,266
12	Exposures in high-risk categories	-	-	-	-	-	-	813,478	-	1,288,407	128,822,411	-	56,235,426	187,159,722
13	Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Exposures in the form of collective investment undertakings	-	-	-	-	-	-	-	-	20,008	-	-	-	20,008
16	Shares	-	-	-	-	-	-	5,163	-	7,635,233	-	-	-	7,640,396
17	Other exposures	25,962,593	-	-	1,352	-	-	-	-	44,231,099	-	-	-	70,195,044
18	**Total**	**636,141,233**	**57,503**	**3,614,032**	**84,832,369**	**-**	**35,571,832**	**95,741,909**	**279,079,908**	**661,030,507**	**128,822,411**	**-**	**56,235,426**	**1,981,127,130**

(Thousands of Turkish Lira (TL))

	Regulatory portfolio ***Prior Period***	***0%***	***2%***	***10%***	***20%***	***25%***	***35%***	***50%***	***75%***	***100%***	***150%***	***250%***	***Others***	***Total risk amount (post-CCF and CRM)***
1	Exposures to sovereigns and their central banks	307,484,832	-	-	994	-	-	108,706	-	4,202,365	-	-	-	311,796,897
2	Exposures to regional and local government	-	-	-	-	-	-	2,141,592	-	32,186	-	-	-	2,173,778
3	Exposures to administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	2,511,425	-	-	-	2,511,425
4	Exposures to multilateral development banks	8,718	-	-	-	-	-	-	-	-	-	-	-	8,718
5	Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to banks and brokerage houses	-	242,587	-	28,260,428	-	-	17,145,121	-	1,648,717	-	-	-	47,296,853
7	Exposures to corporates	-	-	-	29,565,549	-	-	35,618,644	1,187	336,819,421	-	-	-	402,004,801
8	Retail exposures	-	-	-	2	-	-	4,598	185,302,621	54,974,451	-	-	-	240,281,672
9	Exposures secured by residential property	-	-	-	-	-	23,111,982	-	-	-	-	-	-	23,111,982
10	Exposures secured by commercial property	-	-	-	-	-	-	13,891,883	-	4,102,991	-	-	-	17,994,874
11	Past-due items	-	-	-	-	-	-	3,958,505	-	854,501	-	-	-	4,813,006
12	Exposures in high-risk categories	-	-	-	-	-	-	455,191	-	73,498	56,671,211	-	43,805,163	101,005,063
13	Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Exposures in the form of collective investment undertakings	-	-	-	-	-	-	-	-	13,673	-	-	-	13,673
16	Shares	-	-	-	-	-	-	-	-	2,921,873	-	-	-	2,921,873
17	Other exposures	19,609,238	-	-	998	-	-	-	-	18,775,568	-	-	-	38,385,804
18	**Total**	**327,102,788**	**242,587**	**-**	**57,827,971**	**-**	**23,111,982**	**73,324,240**	**185,303,808**	**426,930,669**	**56,671,211**	**-**	**43,805,163**	**1,194,320,419**

(Thousands of Turkish Lira (TL))

4.10.4 Consolidated counterparty credit risk

4.10.4.1 Qualitative disclosure on consolidated 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 and Structural Risk Department 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 Consolidated counterparty credit risk (CCR) approach analysis

	Current Period	*Replacement cost*	*Potential future exposure*	*EEPE(Effective Expected Positive Exposure)*	*Alpha used for computing regulatory EAD*	*EAD post-CRM*	*RWA*
1	Standardised Approach - CCR (for derivatives)	7,607,191	3,252,661		1.4	15,203,793	6,557,713
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)					5,802,745	4,786,870
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					-	-
6	**Total**						**11,344,583**

(Thousands of Turkish Lira (TL))

	Prior Period	*Replacement cost*	*Potential future exposure*	*EEPE(Effective Expected Positive Exposure)*	*Alpha used for computing regulatory EAD*	*EAD post-CRM*	*RWA*
1	Standardised Approach - CCR (for derivatives)	7,535,789	3,332,444		1.4	15,215,526	7,106,637
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)					6,846,755	6,023,426
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					-	-
6	**Total**						**13,130,063**

4.10.4.3 Consolidated capital requirement for credit valuation adjustment (CVA)

		Current Period		*Prior Period*	
		EAD post-CRM	*RWA*	*EAD post-CRM*	*RWA*
	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	13,917,210	7,902,730	14,509,037	9,003,353
4	**Total subject to the CVA capital obligation**	**13,917,210**	**7,902,730**	**14,509,037**	**9,003,353**

(Thousands of Turkish Lira (TL))

4.10.4.4 Consolidated CCR exposures by risk class and risk weights

Current Period	**Risk weight**									
Regulatory portfolio	***0%***	***2%***	***10%***	***20%***	***50%***	***75%***	***100%***	***150%***	***Other***	***Total credit exposure***
Exposures to sovereigns and their central banks	1,050,796	-	-	-	-	-	-	-	-	1,050,796
Exposures to regional and local governments	-	-	-	-	-	-	-	-	-	-
Exposures to administrative bodies and non-commercial entities	-	-	-	-	-	-	7	-	-	7
Exposures to multilateral development banks	95,157	-	-	-	-	-	-	-	-	95,157
Exposures to international organizations	-	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	-	784,546	-	2,727,245	8,137,518	-	-	-	-	11,649,309
Exposures to corporates	-	516,511	-	1,119,681	177,801	-	6,374,209	-	-	8,188,202
Retail exposures	-	-	-	-	-	23,067	-	-	-	23,067
Other assets	-	-	-	-	-	-	-	-	-	-
Total	**1,145,953**	**1,301,057**	**-**	**3,846,926**	**8,315,319**	**23,067**	**6,374,216**	**-**	**-**	**21,006,538**

Prior Period	**Risk weight**									
Regulatory portfolio	***0%***	***2%***	***10%***	***20%***	***50%***	***75%***	***100%***	***150%***	***Other***	***Total credit exposure***
Exposures to sovereigns and their central banks	1,764,131	-	-	-	-	-	-	-	-	1,764,131
Exposures to regional and local governments	-	-	-	-	-	-	-	-	-	-
Exposures to administrative bodies and non-commercial entities	-	-	-	-	-	-	26,960	-	-	26,960
Exposures to multilateral development banks	35,323	-	-	-	-	-	-	-	-	35,323
Exposures to international organizations	-	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	-	619,546	-	1,509,522	8,615,012	-	2,850	-	-	10,746,930
Exposures to corporates	-	86,942	-	533,160	567,342	-	7,441,161	-	-	8,628,605
Retail exposures	-	-	-	-	-	860,332	-	-	-	860,332
Other assets	-	-	-	-	-	-	-	-	-	-
Total	**1,799,454**	**706,488**	**-**	**2,042,682**	**9,182,354**	**860,332**	**7,470,971**	**-**	**-**	**22,062,281**

(Thousands of Turkish Lira (TL))

4.10.4.5 Collaterals for consolidated CCR

	Collateral for derivative transactions				*Collateral for other transactions*	
Current Period	*Fair value of collateral received*		*Fair value of collateral given*		*Fair value of collateral received*	*Fair value of collateral given*
	Segregated	*Unsegregated*	*Segregated*	*Unsegregated*		
Cash-domestic currency	-	-	-	-	511,631	40,016
Cash-foreign currency	-	-	-	-	32,100,620	-
Domestic sovereign debts	-	-	-	-	40,016	32,876,662
Other sovereign debts	-	-	-	-	-	1,672,514
Government agency debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	1,124,775
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**32,652,267**	**35,713,967**

	Collateral for derivative transactions				*Collateral for other transactions*	
Prior Period	*Fair value of collateral received*		*Fair value of collateral given*		*Fair value of collateral received*	*Fair value of collateral given*
	Segregated	*Unsegregated*	*Segregated*	*Unsegregated*		
Cash-domestic currency	-	-	-	-	119,696	90,050
Cash-foreign currency	-	-	-	-	17,438,951	651,134
Domestic sovereign debts	-	-	-	-	90,050	19,040,035
Other sovereign debts	-	-	-	-	-	2,103,492
Government agency debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	651,134	2,308,689
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**18,299,831**	**24,193,400**

4.10.4.6 Consolidated credit derivatives

	Current Period		*Prior Period*	
Notionals	*Protection bought*	*Protection sold*	*Protection bought*	*Protection sold*
Single-name credit default swaps	-	-	-	-
Index credit default swaps	-	-	-	-
Total return swaps	-	48,167,816	-	33,243,160
Credit options	-	-	-	-
Other credit derivatives	-	-	-	-
Total Notionals	**-**	**48,167,816**	**-**	**33,243,160**
Fair Values	**-**	**(361,463)**	**-**	**(1,879,069)**
Positive fair values (asset)	-	104,007	-	129,821
Negative fair values (liability)	-	(465,470)	-	(2,008,890)

(Thousands of Turkish Lira (TL))

4.10.4.7 Exposures to central counterparties

	Current Period		*Prior Period*	
	EAD (post-CRM)	*RWA*	*EAD (post-CRM)*	*RWA*
Exposures to QCCPs (total)		**26,021**		**14,130**
Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which				
(i) OTC derivatives	1,301,056	26,021	706,487	14,130
(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 Consolidated securitisations

None.

4.10.6 Consolidated market risk

4.10.6.1 Qualitative disclosure on consolidated market risk

Market risk is managed in accordance with the strategies and policies defined by the Parent 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 and Structural Risk Department monitors the activities of Global Markets Trading Department 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.

(Thousands of Turkish Lira (TL))

4.10.6.2 Consolidated market risk under standardised approach

		RWA (*)	
		Current Period	***Prior Period***
	Outright products	**31,551,499**	**46,933,362**
1	Interest rate risk (general and specific)	6,741,535	5,663,011
2	Equity risk (general and specific)	3,025,938	5,794,538
3	Foreign exchange risk	21,363,988	34,961,963
4	Commodity risk	420,038	513,850
	Options	**521,313**	**1,943,663**
5	Simplified approach	-	-
6	Delta-plus method	521,313	1,943,663
7	Scenario approach	-	-
8	Securitisation	-	-
9	**Total**	**32,072,812**	**48,877,025**

(*) According to "Bank Capital Regulation" article 10 paragraph 4, which published on Official Gazette dated 5 September 2013 and numbered 28756, banks calculated their consolidated capital with their consolidated insurance company investments as unconsolidated financial institutions if 9th article's 4th paragraph's (c) and (ç) items apply. Lesser of consolidated capital calculated according to 1st and 4th paragraphs is considered the consolidated capital according to this regulation. As the consolidated capital calculated including the insurance subsidiary is lesser, consolidated equity and the amounts subject to the market risk are calculated based on the consolidated financial statements including the insurance subsidiaries.

4.10.7 Consolidated operational risk

The value at consolidated operational risk is calculated according to the basic indicator approach as per the Article 24 of "Regulation regarding Measurement and Assessment of Capital Adequacy Ratios of Banks".

The annual gross income is composed of net interest income and net non-interest income after deducting realised gains/losses from the sale of securities classified under financial assets measured at fair value through other comprehensive income and financial assets measured at amortised cost, extraordinary income and income derived from insurance claims.

Current Period ***Basic Indicator Approach***	**31.12.2020**	**31.12.2021**	**31.12.2022**	**Total/ No. of Years of Positive Gross Income**	**Rate (%)**	**Total**
Gross Income	34,923,860	52,769,452	122,380,630	70,024,647	15	10,503,697
Value at Operational Risk (Total x % 12.5)						131,296,214

Prior Period ***Basic Indicator Approach***	**31.12.2019**	**31.12.2020**	**31.12.2021**	**Total/ No. of Years of Positive Gross Income**	**Rate (%)**	**Total**
Gross Income	26,949,357	34,923,860	52,769,452	38,214,223	15	5,732,133
Value at Operational Risk (Total x % 12.5)						71,651,668

(Thousands of Turkish Lira (TL))

4.10.8 Consolidated banking book interest rate risk

4.10.8.1 Nature of interest rate risk resulting from banking book, major assumptions on early repayment of loans and movements in deposits other than term deposits and frequency of measuring interest rate risk

The interest rate risk resulting from the banking book is assessed in terms of repricing risk, yield-curve risk, base risk and option risk, measured as per international standards and managed through limitations and mitigations through hedging transactions.

The interest sensitivity of assets, liabilities and off balance-sheet items are evaluated at the Weekly Review Committee and Monthly Asset-Liability Committee meetings considering also the market developments.

The measurement process of interest rate risk resulting from the banking book, is designed and managed by the Bank on a bank-only basis to include the interest rate positions defined as banking book by the Bank and to consider the relevant repricing and maturity data.

Within the scope of monitoring the re-pricing risk arising from maturity mismatch, the sensitivity of the durations/gap, economic value, economic capital, net interest income, earnings at risk, market price of securities portfolio are measured and the internal early warning and limit levels in this context are monitored and reported regularly. Calculated risk metrics and generated reports are used in the management of the balance sheet interest risk under the supervision of the Asset and Liability Committee. In the said analyses, the present value and the net interest income are calculated over the cash flows of the sensitive assets and liability items by using the yield curves constructed by using the market interest rates. For non-matured products, maturity is determined based on interest rate determination frequency and customer behaviour. These results are supported by periodic sensitivities and scenario analyses against fluctuations that may be experienced in the markets.

Early loan payments under the option risk are considered as unusual payments affecting the repayment of the principal above the regular payment plan, which changes the number and amount of the current payment plan. Within the scope of the early payment model studies, early payment data is based on total early payment and partial early payment distinction. Within the framework of internal net interest income and economic value calculations, early payment option is reflected in monthly reports considering the early payment assumption.

The interest rate risk resulting from the banking book is measured legally as per the “Regulation on Measurement and Evaluation of Interest Rate Risk Resulting from the Banking Book as per Standard Shock Method” published in the Official Gazette No.28034 dated 23 August 2011, and the legal limit as per this measurement is monitored and reported monthly. The capital level is maintained considering the interest rate risk resulting from the banking book.

The interest rate risk on the interest-rate-sensitive financial instruments of the trading portfolio is evaluated as part of the market risk.

Branches and lines of business are eliminated from interest rate risk through the transfer pricing system and these risks are transferred to the Asset and Liability Management Department (ALM) and managed by ALM in a central structure.

4.10.8.2 Economic value differences resulted from interest rate instabilities calculated on a bank-only basis according to Regulation on Measurement and Evaluation of Interest Rate Risk Resulted from Banking Book as per Standard Shock Method

Current Period **Type of Currency**		**Shocks Applied (+/- basis points)**	**Gains/Losses**	**Gains/Equity-Losses/Equity**
1	TL	(+) 500bp	(8,974,231)	(3.32)%
2	TL	(-) 400bp	8,596,768	3.18%
3	USD	(+) 200bp	3,340,413	1.24%
4	USD	(-) 200bp	(3,495,826)	(1.29)%
5	EUR	(+) 200bp	6,327,714	2.34%
6	EUR	(-) 200bp	(6,958,329)	(2.58)%
	Total (of negative shocks)		**(1,857,386)**	**(0.69)%**
	Total (of positive shocks)		**693,896**	**0.26%**

(Thousands of Turkish Lira (TL))

Prior Period Type of Currency		Shocks Applied (+/- basis points)	Gains/Losses	Gains/Equity-Losses/Equity
1	TL	(+) 500bp	(8,961,218)	(5.22)%
2	TL	(-) 400bp	8,657,675	5.04%
3	USD	(+) 200bp	1,484,786	0.86%
4	USD	(-) 200bp	(1,523,696)	(0.89)%
5	EUR	(+) 200bp	3,828,832	2.23%
6	EUR	(-) 200bp	(4,074,343)	(2.37)%
	Total (of negative shocks)		**3,059,636**	**1.78%**
	Total (of positive shocks)		**(3,647,600)**	**(2.12)%**

4.10.9 Remuneration policy

4.10.9.1 Qualitative disclosures regarding remuneration policies

4.10.9.1.1 Disclosures related with Remuneration Committee

The Bank’s Remuneration Committee is comprised of two non-executive members of the board. The committee convened for seven times during the year. The duties and responsibilities of the Committee include the following:

- To conduct the necessary monitoring and audit process in order to ensure that the remuneration policy and practices are implemented in accordance with the related laws and regulations and risk management principles;
- To review and if necessary, revise the remuneration policy at least once a year in order to ensure its compliance with the laws and regulations or market practices in Turkey;
- To determine and approve remuneration packages of the executive and non-executive Board of Directors, Chief Executive Officer and Executive Vice Presidents;
- To follow up the revision requirements of the policies, procedures and regulations related with its areas of responsibility and to take actions in order to ensure that they are kept updated.

The Bank has received consultancy service for compliance with the Guidelines on Sound Remuneration Practices in Banks.

The fundamental principles of the remuneration policy are applicable for all bank employees.

The Bank board members, senior management and the Bank staff deemed to perform the functions having material impact on the Bank’s risk profile are considered as identified staff; and by the end of 2023, the number of identified staff is 27.

4.10.9.1.2 Information on the design and structure of remuneration process

The Bank relies on the following values while managing its Remuneration Policy. These values are considered in all compensation practices.

a. Fair
b. Transparent
c. Based on measurable and balanced performance targets
d. Encouraging sustainable success
e. In line with the Bank Risk Management Principles

The main objective of the Remuneration Policy is to maintain the internal and external balances in the remuneration structure. Internal balance is ensured with the principles of “equal pay for equal work” and performance-based remuneration”. As for external balance, the data obtained from employee reward and benefit researches conducted by independent research organizations are taken into account.

The Remuneration Policy of 2023 is consistent with the previous period and no change was made in the Policy by the decision of Remuneration Committee.

Increases in the remuneration of employees working in the units responsible for internal systems are determined depending on the basic rate of increase specified by the Bank and their personal performances. In the variable remuneration, only the performance criteria associated with their personal performance or the performance of the unit that they work in are taken into account independently of the performance of the business units that they control.

4.10.9.1.3 Evaluation about how the bank's remuneration processes take the current and future risks into account

The Bank follows the Risk Management Principles while implementing the remuneration processes. It adopts the remuneration policies that are in line with Bank's long-term objectives and risk management structures and avoiding excessive risk-taking.

4.10.9.1.4 Evaluation about how the Bank associates variable remunerations with performance

In the association of variable remunerations with performance, various indicators considered among financial and non-financial performance criteria specified by the Bank such as return on regulatory capital, efficiency, profitability, customer satisfaction (NTS), digital sales are taken into account.

In the variable remuneration for the identified staff, personal performance criteria, the Bank's performance criteria and BBVA Group's performance criteria are collectively taken into account. The weightings of such performances taken into account as such may vary according to the position of the identified staff member.

In case of occurrence of risky situations regarding capital adequacy or if and when necessary, Bank may pursue a more conservative policy in relation to all remuneration issues, particularly regarding variable remunerations. In this context, methodological changes such as deferral, retention, malus and clawback may be applied in relation to variable remunerations in accordance with the principles set out by the applicable laws.

4.10.9.1.5 Evaluation about the bank's methods to adjust remunerations according to long-term performance

Regarding variable remunerations of identified staff, it has been adopted based on the principles in the "Guidelines on Sound Remuneration Practices in Banks" that at least 40% of variable remunerations will be deferred for at least 3 years and at least 50% of it will be paid in non-cash instruments.

Remuneration Committee decided on that variable remuneration of identified staff is subject to cancellation and clawback.

4.10.9.1.6 Evaluation about the instruments used by the bank for variable remunerations and the purposes of use of such instruments

The variable remunerations of identified staff are paid using cash and share-linked non-cash instruments. Considering the principles in the "Guidelines on Sound Remuneration Practices in Banks" variable remunerations of identified staff are paid both with cash and non-cash(share-linked) instruments. Regarding variable remunerations of identified staff for the financial period of 2023, BBVA shares are taken as reference for payments based on non-cash instruments.

The type and weight of non-cash instruments used in payment of variable remuneration are same for all identified staff.

(Thousands of Turkish Lira (TL))

5 Disclosures and Footnotes on Consolidated Financial Statements

5.1 Consolidated assets

5.1.1 Cash and Cash Equivalents

5.1.1.1 Cash and balances with Central Bank

	Current Period		*Prior Period*	
	TP	**FC**	**TP**	**FC**
Cash in TL/Foreign Currency	4,233,945	29,406,906	3,310,207	18,504,580
Central Bank of Turkey	162,896,000	128,798,019	5,895,148	108,120,522
Others	1,500	5,418,980	-	3,739,285
Total	**167,131,445**	**163,623,905**	**9,205,355**	**130,364,387**

Balances with the Central Bank of Turkey

	Current Period		*Prior Period*	
	TP	**FC**	**TP**	**FC**
Unrestricted Demand Deposits	118,744,114	18,836,780	5,895,148	35,586,176
Unrestricted Time Deposits	27,434,800	-	-	-
Restricted Time Deposits	16,717,086	109,961,239	-	72,534,346
Total	**162,896,000**	**128,798,019**	**5,895,148**	**108,120,522**

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

According to the Communiqué on Required Reserves published in the Official Gazette dated 31 December 2022 and numbered 32060, the facility for maintain Turkish lira reserve requirements in standard gold and scrap gold has been terminated as of 23 June 2023

The required reserve rates for TL liabilities vary between 0% and 30% for TL deposits and other liabilities according to their maturities as of 31 December 2023 (31 December 2022: 3% and 8% for all TL liabilities); the reserve rates for foreign currency liabilities vary between 5% and 30% for deposit and other foreign currency liabilities according to their maturities as of 31 December 2023 (31 December 2022: 5% and 26% for all foreign currency liabilities). As of 18 August 2023, execution of 5 points higher foreign currency reserve requirement ratios for the banks with a "TL Deposit Share" ratio below 60%, calculated separately for real and legal person deposit portfolio has been terminated.

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

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

(Thousands of Turkish Lira (TL))

As of 10 November 2023, Reserve requirement commission practice has been changed to be followed in two items, the commission according to the Renewal and transition rate to TL and the commission according to the share of TL deposits. According to the renewal and TL transition rate practice, the commission rate for banks whose conversion rate is below 100% will be applied between 6% and 8% according to current Renewal and TL transition rate, and for banks with a conversion rate of 100% and above, the commission rate will not be applied when the TL transition rate is 10% and above, the renewal rate is 75% and above, and the commission rate will be calculated as much as the deficient portion for banks that fall below the target at any of these rates. As of 23 December 2023, the renewal rate target has been abolished and TL transition rate has been increased from 10% to 15%. According to the Reserve requirement commission practice based on Turkish Lira Deposit Share, the TL share rate will be calculated separately for the real person and the legal entity. If the difference between the TL share calculation for real persons compared to the calculation period four weeks ago remains below 3.5%, the commission rate will be applied 2%. If the TL share calculated for legal entities remains below the TL share calculated according to the date of 18 August 2023, the commission rate will be applied 1%. The commission amount will be calculated in USD, based on maintained foreign currency reserve requirement.

5.1.1.2 Banks

	Current Period		*Prior Period*	
	TP	**FC**	**TP**	**FC**
Banks				
Domestic banks	2,327,313	629,681	548,751	838,155
Foreign banks	1,095,036	152,838,110	480,731	60,291,144
Foreign head office and branches	-	-	-	-
Total	**3,422,349**	**153,467,791**	**1,029,482**	**61,129,299**

The placements at foreign banks include blocked accounts amounting TL 10,345,342 (31 December 2022: TL 9,152,303) of which TL 182,656 (31 December 2022: TL 1,236) kept at the central banks of Malta, TL 1,095,895 (31 December 2022: TL 606,643) kept at Turkish Republic of Northern Cyprus and TL 9,066,791 (31 December 2022: TL 8,544,424) kept at various banks as collateral.

Furthermore, there are restricted deposits at various domestic banks amounting TL 1,201,751 (31 December 2022: TL 329,141) as required for insurance activities.

Due from foreign banks

	Current Period		*Prior Period*	
	Restricted Balances	**Unrestricted Balances**	**Restricted Balances**	**Unrestricted Balances**
EU Countries	95,516,774	1,672,142	36,922,500	1,262,796
USA, Canada	37,055,779	-	7,076,468	-
OECD Countries (*)	3,068,415	7,524,240	2,819,768	7,282,954
Off-shore Banking Regions	495	-	317	-
Others	7,946,305	1,148,996	4,800,430	606,642
Total	**143,587,768**	**10,345,378**	**51,619,483**	**9,152,392**

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

(Thousands of Turkish Lira (TL))

5.1.1.3 Receivables from reserve repo transactions

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Domestic Transactions	**26,504,601**	**-**	**34,809,528**	**-**
Central Bank of Turkey	-	-	-	-
Banks	26,504,601	-	34,809,528	-
Others	-	-	-	-
Foreign Transactions	**-**	**12,094,686**	**-**	**35,871,173**
Central banks	-	-	-	-
Banks	-	12,094,686	-	35,871,173
Others	-	-	-	-
Total	**26,504,601**	**12,094,686**	**34,809,528**	**35,871,173**

5.1.1.4 Expected credit losses for cash and cash equivalents

Current Period	*Stage 1*	*Stage 2*	*Stage 3*	*Total*
Balances at Beginning of Period	**905,454**	**4,029**	**-**	**909,483**
Additions during the Period (+)	4,565,747	-	-	4,565,747
Disposal (-)	(3,812,746)	(4,047)	-	(3,816,793)
Transfer to Stage1	6	(6)	-	-
Transfer to Stage 2	(6)	6	-	-
Transfer to Stage 3	-	-	-	-
Foreign Currency Differences	279,872	18	-	279,890
Balances at End of Period	**1,938,327**	**-**	**-**	**1,938,327**

Prior Period	*Stage 1*	*Stage 2*	*Stage 3*	*Total*
Balances at Beginning of Period	**237,052**	**-**	**-**	**237,052**
Additions during the Period (+)	2,570,304	14,360	-	2,584,664
Disposal (-)	(1,985,613)	(12,267)	-	(1,997,880)
Transfer to Stage1	1	(1)	-	-
Transfer to Stage 2	(15)	15	-	-
Transfer to Stage 3	-	-	-	-
Foreign Currency Differences	83,725	1,922	-	85,647
Balances at End of Period	**905,454**	**4,029**	**-**	**909,483**

(Thousands of Turkish Lira (TL))

5.1.2 Financial assets 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

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Collateralised/Blocked Assets	-	1,320,961	-	752,685
Assets Subject to Repurchase Agreements	-	-	-	-
Total	**-**	**1,320,961**	**-**	**752,685**

5.1.2.2. Financial assets measured at fair value through profit or loss

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Government Securities	1,559,847	3,797,552	1,144,328	1,369,671
Equity Securities	2,046,832	120,971	2,580,133	67,322
Other Financial Assets (*)	95,359	969,128	22,584	587,421
Total	**3,702,038**	**4,887,651**	**3,747,045**	**2,024,414**

(*) Loans whose contractual conditions are inconsistent with a basic lending agreement (consideration for the time value of money and credit risk are typically the most significant elements of interest) are measured at fair value through profit or loss. As of 31 December 2023, loans with a fair value of TL 54,850 (31 December 2022: TL 58,884) 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	10,158,989	18,341,054	28,104,711	6,114,128
Assets subject to Repurchase Agreements	15,891,877	916,270	-	8,452,415
Total	**26,050,866**	**19,257,324**	**28,104,711**	**14,566,543**

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

	Current Period	*Prior Period*
Debt Securities	**70,123,752**	**53,835,518**
Quoted at Stock Exchange	70,123,752	53,835,518
Unquoted at Stock Exchange	-	-
Common Shares/Investment Fund	**19,651**	**13,859**
Quoted at Stock Exchange	4,491	4,491
Unquoted at Stock Exchange	15,160	9,368
Value Increase/Impairment Losses (-)	**31,431,850**	**35,079,023**
Total	**101,575,253**	**88,928,400**

Expected losses of TL 358,301 (31 December 2022: TL 280,881) are accounted under shareholders' equity for financial assets measured at fair value through other comprehensive income.

(Thousands of Turkish Lira (TL))

5.1.4 Derivative financial assets

5.1.4.1 Positive differences on derivative financial assets measured at FVTPL

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Forward Transactions	809,247	47,032	357,376	103,420
Swap Transactions	3,516,859	5,627,458	3,088,701	4,661,058
Futures	-	-	-	-
Options	64,478	(27,630)	754,925	453,506
Others	-	731	-	109
Total	**4,390,584**	**5,647,591**	**4,201,002**	**5,218,093**

5.1.4.2 Positive differences on derivative financial instruments held for hedging purpose

Derivative Financial Assets Held for Hedging Purpose	*Current Period*		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Fair Value Hedges	-	468,078	-	358,619
Cash Flow Hedges	107,653	1,013,794	195,721	1,061,783
Net Foreign Investment Hedges	-	-	-	-
Total	**107,653**	**1,481,872**	**195,721**	**1,420,402**

As of 31 December 2023, 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	61,585,670	1,425,200	58,489	55,794,354	1,353,175	3,659
-TL	918,680	23,797	-	620,000	17,025	3,659
-FC	60,666,990	1,401,403	58,489	55,174,354	1,336,150	-
Currency Swaps	-	-	-	11,068,932	11,708	21,111
-TL	-	-	-	5,550,445	11,708	21,111
-FC	-	-	-	5,518,487	-	-
Cross Currency Swaps	13,774,436	96,968	102,559	2,553,835	182,038	11,106
-TL	4,017,217	83,856	10,165	653,406	154,899	4,961
-FC	9,757,219	13,112	92,394	1,900,429	27,139	6,145
Currency Forwards	963,962	9,591	2,741	94,940	12,089	730
-TL	461,079	-	-	21,862	12,089	-
-FC	502,883	9,591	2,741	73,078	-	730
Interest Rate Options	-	57,766	-	388,100	57,113	-
-TL	-	-	-	-	-	-
-FC	-	57,766	-	388,100	57,113	-
Total	**76,324,068**	**1,589,525**	**163,789**	**69,900,161**	**1,616,123**	**36,606**

(Thousands of Turkish Lira (TL))

5.1.4.3 Fair value hedge accounting

Current Period

Hedging Item	Hedged Item	Type of Risk	Fair Value Change of Hedged Item	Net Fair Value Change of Hedging Item		Income Statement Effect (gains/losses from derivative financial instruments)
				Asset	Liability	
Interest Rate Swaps	Fixed-rate commercial loans	Interest rate risk	2,172	2,654	(4,216)	52
Interest Rate Swaps	Fixed-rate securities	Interest rate risk	(225,011)	452,312	(53,710)	118,371
Cross Currency Swaps	Fixed-rate securities issued	Interest rate and foreign currency exchange rate risk	-	13,112	(39,316)	(191)

Prior Period

Hedging Item	Hedged Item	Type of Risk	Fair Value Change of Hedged Item	Net Fair Value Change of Hedging Item		Income Statement Effect (gains/losses from derivative financial instruments)
				Asset	Liability	
Interest Rate Swaps	Fixed-rate commercial loans	Interest rate risk	13,725	15,406	-	43,636
Interest Rate Swaps	Fixed-rate securities	Interest rate risk	(312,226)	343,213	-	41,290
Cross Currency Swaps	Fixed-rate securities issued	Interest rate and foreign currency exchange rate risk	-	-	-	-

(Thousands of Turkish Lira (TL))

5.1.4.4 Cash flow hedge accounting

Current Period							
Hedging Item	**Hedged Item**	**Type of Risk**	**Fair Value Change of Hedged Item**		**Gains/Losses Accounted under Shareholders' Equity in the Period**	**Gains/Losses Accounted under Income Statement in the Period**	**Ineffective Portion (net) Accounted under Income Statement**
			Asset	**Liability**			
Interest Rate Swaps	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates	43,966	(563)	(20,886)	15,309	-
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 and foreign currency exchange rates	-	(9,603)	224,844	-	-
Cross Currency Swaps	Fixed-rate funds borrowed	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	83,856	(53,640)	(417)	(878)	-
Currency Forwards	Mile payments	Cash flow risk resulted from foreign currency exchange rates	-	-	-	-	-
Currency Forwards	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	9,591	(2,741)	8,197	(8,249)	-
Interest Rate Options	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	57,766	-	(85,884)	-	-
Currency Swaps	Expected investment /Operational expenses	Cash flow risk resulted from foreign currency exchange rates	-	-	293,253	-	-
Spot Position	Mile payments	Cash flow risk resulted from foreign currency exchange rates	-	-	104,510	-	-

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 (663,046) and the amount recognized in equity is TL (613,194).

(Thousands of Turkish Lira (TL))

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 Income Statement in the Period	Ineffective Portion (net) Accounted under Income Statement
			Asset	Liability			
Interest Rate Swaps	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates	23,883	(3,659)	107,007	(22,640)	(191)
Interest Rate Swaps	Floating-rate deposit	Cash flow risk resulted from change in market interest rates	970,673	-	969,706	62,770	19,412
Cross Currency Swaps	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	139,881	(4,083)	(29,871)	(3,388)	-
Cross Currency Swaps	Fixed-rate funds borrowed	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	42,157	(7,023)	(1,700)	389	-
Currency Forwards	Mile payments	Cash flow risk resulted from foreign currency exchange rates	12,089	-	4,859	-	-
Currency Forwards	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	-	(730)	94	(2,650)	-
Interest Rate Options	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	57,113	-	(9,013)	-	-
Currency Swaps	Expected investment /Operational expenses	Cash flow risk resulted from foreign currency exchange rates	11,708	(21,111)	20,071	-	-
Spot Position	Mile payments	Cash flow risk resulted from foreign currency exchange rates	-	-	170,560	-	-

As of 31 December 2022, the amount reclassified from the shareholders' equity to the statement of profit or loss due to the ceased hedging transactions is TL (232,423) and the amount recognized in equity is TL (119,064).

(Thousands of Turkish Lira (TL))

5.1.5 Loans

5.1.5.1 Loans and advances to shareholders and employees of the Bank

	Current Period		*Prior Period*	
	Cash Loans	**Non-Cash Loans**	**Cash Loans**	**Non-Cash Loans**
Direct Lendings to Shareholders	**-**	**3,877,104**	**-**	**2,405,182**
Corporates	-	3,877,104	-	2,405,182
Individuals	-	-	-	-
Indirect Lendings to Shareholders	**418,887**	**50**	**89,672**	**9,938**
Loans to Employees	**1,468,534**	**21**	**878,273**	**77**
Total	**1,887,421**	**3,877,175**	**967,945**	**2,415,197**

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

Loans measured at amortised cost

Current Period	**Performing Loans**	**Loans under Follow-up**		
			Restructured	
Cash Loans (*)		**Non-restructured**	**Revised Contract Terms**	**Refinanced**
Loans	**1,066,191,888**	**85,329,228**	**26,669,749**	**15,668,485**
Working Capital Loans	134,550,256	4,536,357	2,082,874	2,877,791
Export Loans	138,514,558	5,082,766	45,305	106,199
Import Loans	3,339,507	-	-	-
Loans to Financial Sector	39,354,474	419	-	56,949
Consumer Loans	188,256,776	19,563,350	882,970	35,293
Credit Cards	208,070,262	30,976,279	3,322,427	-
Others	354,106,055	25,170,057	20,336,173	12,592,253
Specialization Loans	-	-	-	-
Other Receivables	**37,345,668**	**1,506,159**	**645,162**	**76,777**
Total	**1,103,537,556**	**86,835,387**	**27,314,911**	**15,745,262**

(*) Non-performing loans are not included.

Prior Period	**Performing Loans**	**Loans under Follow-up**		
			Restructured	
Cash Loans (*)		**Non-restructured**	**Revised Contract Terms**	**Refinanced**
Loans	**636,829,480**	**58,044,937**	**26,275,798**	**20,945,396**
Working Capital Loans	81,624,390	8,567,431	1,701,108	10,283,855
Export Loans	76,236,204	5,885,132	87,923	88,151
Import Loans	826,223	-	-	-
Loans to Financial Sector	23,137,631	9,158	-	-
Consumer Loans	124,190,908	13,114,016	1,493,872	58,761
Credit Cards	98,932,193	12,626,508	492,320	-
Others	231,881,931	17,842,692	22,500,575	10,514,629
Specialization Loans	-	-	-	-
Other Receivables	**25,254,788**	**1,277,276**	**637,306**	**24,154**
Total	**662,084,268**	**59,322,213**	**26,913,104**	**20,969,550**

(*) Non-performing loans are not included.

(Thousands of Turkish Lira (TL))

Current Period	**Corporate/ Commercial Loans**		**Consumer Loans**		**Financial Lease**		**Factoring**		**Total**	
	TL	**FC**	**TL**	**FC**	**TL**	**FC**	**TL**	**FC**	**TL**	**FC**
Performing Loans (Stage 1)	338,411,931	361,909,325	340,523,382	25,331,296	9,410,102	16,428,993	9,888,879	1,633,648	698,234,294	405,303,262
Loans under Follow-up (Stage 2)	25,731,603	52,722,088	45,836,015	3,377,769	154,180	2,071,664	2,241	-	71,724,039	58,171,521
Total Stage 1 and 2 Loans	**364,143,534**	**414,631,413**	**386,359,397**	**28,709,065**	**9,564,282**	**18,500,657**	**9,891,120**	**1,633,648**	**769,958,333**	**463,474,783**
Expected Credit losses-Stage 1-2 (-)	4,944,286	23,308,334	4,226,827	493,559	86,904	551,096	22,556	1,568	9,280,573	24,354,557
Total Non-performing Loans	**12,618,592**	**4,783,652**	**6,013,064**	**717,249**	**465,658**	**1,491,533**	**64,726**	**4,132**	**19,162,040**	**6,996,566**
Expected Credit losses-Stage 3 (-)	8,855,880	3,178,758	3,690,853	607,208	388,767	941,745	63,420	4,132	12,998,920	4,731,843

Prior Period	**Corporate/ Commercial Loans**		**Consumer Loans**		**Financial Lease**		**Factoring**		**Total**	
	TL	**FC**	**TL**	**FC**	**TL**	**FC**	**TL**	**FC**	**TL**	**FC**
Performing Loans (Stage 1)	243,811,957	193,783,845	183,742,840	15,474,901	5,007,701	10,790,539	8,457,084	1,015,401	441,019,582	221,064,686
Loans under Follow-up (Stage 2)	22,404,677	58,732,257	21,788,357	2,340,840	97,203	1,840,672	861	-	44,291,098	62,913,769
Total Stage 1 and 2 Loans	**266,216,634**	**252,516,102**	**205,531,197**	**17,815,741**	**5,104,904**	**12,631,211**	**8,457,945**	**1,015,401**	**485,310,680**	**283,978,455**
Expected Credit losses-Stage 1-2 (-)	4,902,700	17,630,535	2,046,692	284,178	69,534	445,522	17,133	993	7,036,059	18,361,228
Total Non-performing Loans	**12,680,638**	**2,130,279**	**3,729,709**	**483,944**	**263,593**	**932,585**	**41,271**	**27,785**	**16,715,211**	**3,574,593**
Expected Credit losses-Stage 3 (-)	9,522,299	1,552,565	2,306,251	389,248	250,656	606,671	33,527	27,785	12,112,733	2,576,269

	Current Period		***Prior Period***	
	Performing Loans	**Loans Under Follow-Up**	**Performing Loans**	**Loans Under Follow-Up**
12-Month ECL (Stage 1)	5,851,076	-	4,490,335	-
Significant Increase in Credit Risk (Stage 2)	-	27,784,054	-	20,906,952

As of 31 December 2023, loans amounting to TL 8,965,137 are benefited as collateral under funding transactions (31 December 2022: TL 6,480,885).

Collaterals received for loans under follow-up

Current Period	**Corporate / Commercial Loans**	**Consumer Loans**	**Credit Cards**	**Total**
Loans Collateralized by Cash	5,804,013	61,349	-	5,865,362
Loans Collateralized by Mortgages / Shares/ Credit Guarantee Fund Sureties	21,839,924	2,674,776	-	24,514,700
Loans Collateralized by Pledged Assets	7,312,874	656,305	-	7,969,179
Loans Collateralized by Cheques and Notes	164,567	6,642	-	171,209
Loans Collateralized by Other Collaterals	37,852,774	12,775,530	-	50,628,304
Unsecured Loans	2,141,089	4,307,011	34,298,706	40,746,806
Total	**75,115,241**	**20,481,613**	**34,298,706**	**129,895,560**

Prior Period	**Corporate / Commercial Loans**	**Consumer Loans**	**Credit Cards**	**Total**
Loans Collateralized by Cash	1,535,626	72,259	-	1,607,885
Loans Collateralized by Mortgages / Shares/ Credit Guarantee Fund Sureties	26,047,828	3,166,866	-	29,214,694
Loans Collateralized by Pledged Assets	12,548,462	348,449	-	12,896,911
Loans Collateralized by Cheques and Notes	155,608	4,701	-	160,309
Loans Collateralized by Other Collaterals	32,779,993	9,028,288	-	41,808,281
Unsecured Loans	6,351,873	2,046,086	13,118,828	21,516,787
Total	**79,419,390**	**14,666,649**	**13,118,828**	**107,204,867**

(Thousands of Turkish Lira (TL))

Delinquency periods of loans under follow-up

Current Period	**Corporate / Commercial Loans**	**Consumer Loans**	**Credit Cards**	**Total**
31-60 days	336,495	2,313,516	1,992,591	4,642,602
61-90 days	237,893	799,073	822,913	1,859,879
Other	74,540,853	17,369,024	31,483,202	123,393,079
Total	75,115,241	20,481,613	34,298,706	129,895,560

Prior Period	**Corporate / Commercial Loans**	**Consumer Loans**	**Credit Cards**	**Total**
31-60 days	281,239	1,177,690	390,226	1,849,155
61-90 days	566,783	365,861	151,406	1,084,050
Other	78,571,368	13,123,098	12,577,196	104,271,662
Total	**79,419,390**	**14,666,649**	**13,118,828**	**107,204,867**

5.1.5.3 Maturity analysis of cash loans

	Performing Loans and Other Receivables		**Loans under Follow-Up and Other Receivables**	
Current Period	**Loans and Other Receivables**	**Loans and Receivables with Revised Contract Terms**	**Loans and Other Receivables**	**Loans and Receivables with Revised Contract Terms**
Short-Term Loans	**712,535,542**	**4,566**	**55,453,297**	**3,467,855**
Loans	689,216,915	4,566	55,250,982	3,117,220
Specialization Loans	-	-	-	-
Other Receivables	23,318,627	-	202,315	350,635
Medium and Long-Term Loans	**387,085,065**	**3,912,383**	**31,382,090**	**39,592,318**
Loans	373,058,024	3,912,383	30,078,246	39,221,014
Specialization Loans	-	-	-	-
Other Receivables	14,027,041	-	1,303,844	371,304
Total	**1,099,620,607**	**3,916,949**	**86,835,387**	**43,060,173**

	Performing Loans and Other Receivables		**Loans under Follow-Up and Other Receivables**	
Prior Period	**Loans and Other Receivables**	**Loans and Receivables with Revised Contract Terms**	**Loans and Other Receivables**	**Loans and Receivables with Revised Contract Terms**
Short-Term Loans	**385,858,478**	**1,185,743**	**26,263,885**	**2,271,935**
Loans	370,448,916	1,185,743	26,119,661	1,989,766
Specialization Loans	-	-	-	-
Other Receivables	15,409,562	-	144,224	282,169
Medium and Long-Term Loans	**263,090,502**	**11,949,545**	**33,058,328**	**45,610,719**
Loans	253,245,276	11,949,545	31,925,276	45,231,428
Specialization Loans	-	-	-	-
Other Receivables	9,845,226	-	1,133,052	379,291
Total	**648,948,980**	**13,135,288**	**59,322,213**	**47,882,654**

(Thousands of Turkish Lira (TL))

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

Current Period	**Short-Term**	**Medium and Long-Term**	**Total**
Consumer Loans – TL	**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
Others	-	-	-
Consumer Loans – FC-indexed	-	**144,156**	**144,156**
Housing Loans	-	144,156	144,156
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Others	-	-	-
Consumer Loans – FC	**4,427,842**	**22,079,994**	**26,507,836**
Housing Loans	820,582	13,980,143	14,800,725
Automobile Loans	-	21,650	21,650
General Purpose Loans	2,381,460	7,520,911	9,902,371
Others	1,225,800	557,290	1,783,090
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	**1,982,769**	**25,875**	**2,008,644**
With Installment	-	-	-
Without Installment	1,982,769	25,875	2,008,644
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
Others	-	-	-
Personnel Loans - FC-indexed	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Others	-	-	-
Personnel Loans – FC	**17,963**	**129,577**	**147,540**
Housing Loans	3,671	69,146	72,817
Automobile Loans	-	-	-
General Purpose Loans	11,121	59,704	70,825
Others	3,171	727	3,898
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	**31,511**	**1,163**	**32,674**
With Installment	-	-	-
Without Installment	31,511	1,163	32,674
Deposit Accounts– TL (Real Persons)	**27,643,453**	-	**27,643,453**
Deposit Accounts– TL (Personnel)	**14**	-	**14**
Deposit Accounts– FC (Real Persons)	-	-	-
Total	**291,380,325**	**120,357,884**	**411,738,209**

(Thousands of Turkish Lira (TL))

Prior Period	Short-Term	Medium and Long-Term	Total
Consumer Loans – TL	**18,339,322**	**91,526,657**	**109,865,979**
Housing Loans	36,300	23,025,402	23,061,702
Automobile Loans	985,209	4,891,000	5,876,209
General Purpose Loans	17,317,813	63,610,255	80,928,068
Others	-	-	-
Consumer Loans – FC-indexed	-	**132,069**	**132,069**
Housing Loans	-	132,069	132,069
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Others	-	-	-
Consumer Loans – FC	**2,764,097**	**13,838,887**	**16,602,984**
Housing Loans	462,959	8,573,196	9,036,155
Automobile Loans	-	14,034	14,034
General Purpose Loans	907,323	2,890,621	3,797,944
Others	1,393,815	2,361,036	3,754,851
Retail Credit Cards – TL	**82,758,294**	**283,379**	**83,041,673**
With Installment	45,361,352	283,379	45,644,731
Without Installment	37,396,942	-	37,396,942
Retail Credit Cards – FC	**1,036,344**	**9,987**	**1,046,331**
With Installment	-	-	-
Without Installment	1,036,344	9,987	1,046,331
Personnel Loans – TL	**101,175**	**208,422**	**309,597**
Housing Loan	-	214	214
Automobile Loans	-	405	405
General Purpose Loans	101,175	207,803	308,978
Others	-	-	-
Personnel Loans - FC-indexed	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Others	-	-	-
Personnel Loans – FC	**17,618**	**124,263**	**141,881**
Housing Loans	4,136	62,587	66,723
Automobile Loans	-	-	-
General Purpose Loans	10,789	47,139	57,928
Others	2,693	14,537	17,230
Personnel Credit Cards – TL	**375,668**	**1,164**	**376,832**
With Installment	163,197	1,164	164,361
Without Installment	212,471	-	212,471
Personnel Credit Cards – FC	**16,291**	**157**	**16,448**
With Installment	-	-	-
Without Installment	16,291	157	16,448
Deposit Accounts– TL (Real Persons)	**11,771,532**	-	**11,771,532**
Deposit Accounts– TL (Personnel)	**33,515**	-	**33,515**
Deposit Accounts– FC (Real Persons)	-	-	-
Total	**117,213,856**	**106,124,985**	**223,338,841**

(Thousands of Turkish Lira (TL))

5.1.5.5 Installment based commercial loans and corporate credit cards

Current Period	**Short-Term**	**Medium and Long-Term**	**Total**
Installment-based Commercial Loans – TL	**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
Others	-	-	-
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
Others	-	-	-
Installment-based Commercial Loans – FC	**13,585,562**	**22,369,122**	**35,954,684**
Real Estate Loans	-	-	-
Automobile Loans	29,660	1,936,993	1,966,653
General Purpose Loans	-	37,997	37,997
Others	13,555,902	20,394,132	33,950,034
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	**78,437,405**	**49,520,388**	**127,957,793**

(Thousands of Turkish Lira (TL))

Prior Period	Short-Term	Medium and Long-Term	Total
Installment-based Commercial Loans – TL	**12,561,101**	**22,141,353**	**34,702,454**
Real Estate Loans	70,442		1,021,516
Automobile Loans	3,921,391		16,981,304
General Purpose Loans	8,569,268		16,699,634
Others	-	-	-
Installment-based Commercial Loans - FC-indexed	**-**	**58,630**	**58,630**
Real Estate Loans	-		34,596
Automobile Loans	-	-	-
General Purpose Loans	-		24,034
Others	-	-	-
Installment-based Commercial Loans – FC	**8,081,887**	**13,215,479**	**21,297,366**
Real Estate Loans	-	-	-
Automobile Loans	3,711		1,165,747
General Purpose Loans	293		59,125
Others	8,077,883		20,072,494
Corporate Credit Cards – TL	**26,835,060**	**631,801**	**27,466,861**
With Installment	14,729,618		15,361,419
Without Installment	12,105,442	-	12,105,442
Corporate Credit Cards – FC	**102,876**	**-**	**102,876**
With Installment	-	-	-
Without Installment	102,876	-	102,876
Deposit Accounts– TL (Corporates)	**5,346,111**	**-**	**5,346,111**
Deposit Accounts– FC (Corporates)	**-**	**-**	**-**
Total	**52,927,035**	**36,047,263**	**88,974,298**

5.1.5.6 Allocation of loans by customers (*)

	Current Period	***Prior Period***
Public Sector	6,705,372	11,194,670
Private Sector	1,226,727,744	758,094,465
Total	**1,233,433,116**	**769,289,135**

(*) Non-performing loans are not included.

5.1.5.7 Allocation of domestic and foreign loans (*)

	Current Period	***Prior Period***
Domestic Loans	1,093,499,547	680,243,288
Foreign Loans	139,933,569	89,045,847
Total	**1,233,433,116**	**769,289,135**

(*) Non-performing loans are not included.

5.1.5.8 Loans to associates and subsidiaries

	Current Period	***Prior Period***
Direct Lending	4,378,087	1,273,242
Indirect Lending	-	-
Total	**4,378,087**	**1,273,242**

(Thousands of Turkish Lira (TL))

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

	Current Period	*Prior Period*
Substandard Loans- Limited Collectability	4,637,432	1,624,465
Doubtful Loans	2,665,835	1,289,382
Uncollectible Loans	10,427,496	11,775,155
Total	**17,730,763**	**14,689,002**

5.1.5.10 Non-performing loans (NPLs) (net)

Non-performing loans and loans restructured from this category

	Group III	**Group IV**	**Group V**
	Substandard Loans	**Doubtful Loans**	**Uncollectible Loans**
Current Period			
(Gross amounts before provisions)	1,243,885	557,626	6,966,649
Restructured Loans and Receivables	1,243,885	557,626	6,966,649
Prior Period			
(Gross amounts before provisions)	1,225,984	479,624	7,648,409
Restructured Loans and Receivables	1,225,984	479,624	7,648,409

Movements in non-performing loan groups

	Group III	**Group IV**	**Group V**
Current Period	**Substandard Loans**	**Doubtful Loans**	**Uncollectible Loans**
Balances at End of Prior Period	**2,824,648**	**1,976,525**	**15,488,631**
Additions during the Period (+)	14,807,679	139,895	766,490
Transfer from Other NPL Categories (+)	151,307	8,096,977	4,670,827
Transfer to Other NPL Categories (-)	8,114,199	4,720,455	84,457
Collections during the Period (-)	2,090,957	1,159,375	5,830,404
Write down /Write-offs (-)(*)	1,555	-	1,408,560
Debt Sale (-)(**)	82,913	212,905	992,991
Corporate and Commercial Loans	-	-	382,356
Retail Loans	82,913	212,905	360,052
Credit Cards	-	-	250,583
Other (***)	-	-	(69,439)
Foreign Currency Differences	771,255	180,919	1,051,663
Balances at End of Period	**8,265,265**	**4,301,581**	**13,591,760**
Provisions (-)	4,637,432	2,665,835	10,427,496
Net Balance on Balance Sheet	**3,627,833**	**1,635,746**	**3,164,264**

(Thousands of Turkish Lira (TL))

Prior Period	**Group III** Substandard Loans	**Group IV** Doubtful Loans	**Group V** Uncollectible Loans
Balances at End of Prior Period	**2,228,286**	**1,489,971**	**14,626,239**
Additions during the Period (+)	5,278,641	47,960	7,787,367
Transfer from Other NPL Categories (+)	221,681	4,044,223	3,086,243
Transfer to Other NPL Categories (-)	4,233,470	2,926,293	192,384
Collections during the Period (-)	1,008,418	674,086	2,552,930
Write down / Write-offs (-)(*) (**)	1,860	5,134	8,248,127
Debt Sale (-) (***)	20,279	45,181	763,606
Corporate and Commercial Loans	-	-	178,814
Retail Loans	20,279	45,181	432,271
Credit Cards	-	-	152,521
Other (****)	-	-	(254,928)
Foreign Currency Differences	360,067	45,065	2,000,757
Balances at End of Period	**2,824,648**	**1,976,525**	**15,488,631**
Provisions (-)	1,624,465	1,289,382	11,775,155
Net Balance on Balance Sheet	**1,200,183**	**687,143**	**3,713,476**

(*) Includes loans for which 100% provision is provided during the corresponding period.
(**) As of 31 December 2023, Bank's and consolidated subsidiaries, has also written down "Group V Loan" (Loans Classified as Loss) amounting to TL13,668,003 (31 December 2022: TL 12,020,470). During the period, the non-performing loan ratio of the Group calculated as 2.08% (31 December 2022: 4.03%) by taking into account the written-off loans in accordance with the amendment on the relevant Provisions Regulation instead of 3.13% (31 December 2022: 2.57%). The loan granted to LYY Telekomünikasyon A.Ş. amounting to USD 459,033,539 (TL 7,576,349) has been transferred as non-performing loans and has been written-down at the same time and then has been written-off in the prior period.
(***) Consists of sale of non-performing loans.

(****) As of 31 December 2023, includes receivables of TL 69,439 (31 December 2022: TL 254,928), which have been reclassified to non-defaulted status.

Non-performing loans in foreign currencies

	Group III Substandard Loans and Receivables	**Group IV** Doubtful Loans and Receivables	**Group V** Uncollectible Loans and Receivables
Current Period			
Balance at End of Period	**4,032,564**	**259,942**	**7,728,345**
Provisions (-)	2,449,675	220,690	6,044,948
Net Balance at Balance Sheet	**1,582,889**	**39,252**	**1,683,397**
Prior Period			
Balance at End of Period	**1,410,735**	**265,669**	**10,542,501**
Provisions (-)	858,800	236,342	8,003,547
Net Balance at Balance Sheet	**551,935**	**29,327**	**2,538,954**

(Thousands of Turkish Lira (TL))

Gross and net non-performing loans as per customer categories

	Group III Substandard Loans	**Group IV Doubtful Loans**	**Group V Uncollectible Loans**
Current Period (Net)	**3,627,833**	**1,635,746**	**3,164,264**
Loans to Individuals and Corporates (Gross)	8,159,059	4,277,837	13,516,842
Provision (-)	4,554,328	2,654,352	10,357,892
Loans to Individuals and Corporates (Net)	3,604,731	1,623,485	3,158,950
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	106,206	23,744	74,918
Provision (-)	83,104	11,483	69,604
Other Loans and Receivables (Net)	23,102	12,261	5,314
Prior Period (Net)	**1,200,190**	**687,143**	**3,713,469**
Loans to Individuals and Corporates (Gross)	2,768,734	1,964,835	15,383,332
Provision (-)	1,599,159	1,280,431	11,684,864
Loans to Individuals and Corporates (Net)	1,169,575	684,404	3,698,468
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	55,921	11,690	105,292
Provision (-)	25,306	8,951	90,291
Other Loans and Receivables (Net)	30,615	2,739	15,001

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)	**253,125**	**131,512**	**209,691**
Interest accruals and valuation differences	521,218	332,280	876,147
Provision (-)	268,093	200,768	666,456
Prior Period (Net)	**55,872**	**56,266**	**224,494**
Interest accruals and valuation differences	127,784	146,307	876,362
Provision (-)	71,912	90,041	651,868

(Thousands of Turkish Lira (TL))

Collaterals received for non-performing loans

Current Period	**Corporate/ Commercial Loans**	**Consumer Loans**	**Credit Cards**	**Total**
Loans Collateralized by Cash	77,032	184	-	77,216
Loans Collateralized by Mortgages	5,838,760	139,096	-	5,977,856
Loans Collateralized by Pledged Assets	1,300,930	25,940	-	1,326,870
Loans Collateralized by Cheques and Notes	253,568	1,343	-	254,911
Loans Collateralized by Other Collaterals	4,921,628	4,996,798	-	9,918,426
Unsecured Loans	3,054,786	1,378,695	4,169,846	8,603,327
Total	**15,446,704**	**6,542,056**	**4,169,846**	**26,158,606**

Prior Period	**Corporate/ Commercial Loans**	**Consumer Loans**	**Credit Cards**	**Total**
Loans Collateralized by Cash	9,658	235	-	9,893
Loans Collateralized by Mortgages	8,389,658	150,782	-	8,540,440
Loans Collateralized by Pledged Assets	1,873,257	20,525	-	1,893,782
Loans Collateralized by Cheques and Notes	114,442	1,195	-	115,637
Loans Collateralized by Other Collaterals	2,628,666	2,896,667	-	5,525,333
Unsecured Loans	2,535,913	507,856	1,160,950	4,204,719
Total	**15,551,594**	**3,577,260**	**1,160,950**	**20,289,804**

5.1.5.11 Expected credit loss for loans

Current Period	***Stage 1***	***Stage 2***	***Stage 3***	***Total***
Balances at End of Prior Period	**4,490,335**	**20,906,952**	**14,689,002**	**40,086,289**
Additions during the Period (+)	9,543,307	18,376,506	5,192,688	33,112,501
Disposal (-)	(15,308,730)	(10,177,058)	(5,125,597)	(30,611,385)
Debt Sale (-)	(28,051)	(1,805)	(1,112,974)	(1,142,830)
Write-offs (-)	-	-	(1,410,115)	(1,410,115)
Transfer to Stage1	8,543,428	(8,506,589)	(36,839)	-
Transfer to Stage 2	(2,167,065)	2,292,130	(125,065)	-
Transfer to Stage 3	(43,597)	(4,146,128)	4,189,725	-
Foreign Currency Differences	821,449	9,040,046	1,469,938	11,331,433
Balances at End of Period	**5,851,076**	**27,784,054**	**17,730,763**	**51,365,893**

Prior Period	***Stage 1***	***Stage 2***	***Stage 3***	***Total***
Balances at End of Prior Period	**2,937,910**	**14,329,200**	**12,185,034**	**29,452,144**
Additions during the Period (+)	9,913,170	11,434,422	10,806,650	32,154,242
Disposal (-)	(11,443,476)	(5,271,309)	(2,179,547)	(18,894,332)
Debt Sale (-)	-	(76,277)	(762,572)	(838,849)
Write-offs (-)	-	-	(8,255,121)	(8,255,121)
Transfer to Stage1	3,660,263	(3,649,806)	(10,457)	-
Transfer to Stage 2	(1,024,508)	1,121,382	(96,874)	-
Transfer to Stage 3	(18,367)	(1,286,569)	1,304,936	-
Foreign Currency Differences	465,343	4,305,909	1,696,953	6,468,205
Balances at End of Period	**4,490,335**	**20,906,952**	**14,689,002**	**40,086,289**

(Thousands of Turkish Lira (TL))

5.1.5.12 Liquidation policy for uncollectible loans

Loans and other receivables Classified as Loss are collected through legal follow-up and conversion of collaterals into cash.

5.1.5.13 Write-off policy

5.1.5.13.1 Disclosures on write down policy

As of 31 December 2022, in accordance with the relevant accounting policy the Bank has written down "Group V Loan" (Loans Classified as Loss) amounting to TL 12,390,541 (31 December 2022: TL 10,837,948). During the period, the non-performing loan ratio of the Bank calculated as 2.03% (31 December 2022: 2.63%) by taking into account the written-off loans in accordance with the amendment on the relevant Provisions Regulation instead of 3.16% to (31 December 2022: 4.18%).

	Current Period		***Prior Period***	
Write down	**TL**	**YP**	**TL**	**FC**
Credit Card	240,839	-	331,263	-
Other Loans	8,236,225	3,457,364	7,544,804	2,626,261
Interest Receivables	177,877	278,236	157,506	178,114

As of 31 December 2023, Bank's consolidated subsidiaries, has also written down "Group V Loan" (Loans Classified as Loss) amounting to TL 1,277,462 (31 December 2022: TL 1,182,522). During the period, the non-performing loan ratio of the Group calculated as 3.12% (31 December 2022: 4.03%) by taking into account the written-off loans in accordance with the amendment on the relevant Provisions Regulation instead of 2.08% (31 December 2022: 2.57%).

	Current Period		***Prior Period***	
Write down	**TL**	**YP**	**TL**	**FC**
Credit Card	240,839	14,215	-	14,215
Other Loans	8,453,542	4,473,466	217,317	932,181
Interest Receivables	207,705	278,236	18,809	-

5.1.5.13.2 Disclosures on write-off policy

The general policy of the Bank regarding write-off process for loans under follow-up is to write-off the loans which are documented as uncollectible during the legal follow-up process. As of 31 December 2023, total loans written-off from assets are TL 120,920 (31 December 2022: TL 7,588,107).

5.1.6 Lease receivable (Net)

5.1.6.1 Financial lease receivables according to remaining maturities (*)

	Current Period		***Prior Period***	
	Gross	**Net**	**Gross**	**Net**
Less than 1 Year	16,556,025	13,162,231	8,073,335	6,810,218
Between 1-5 Years	16,482,581	14,692,508	11,731,327	10,613,736
Longer than 5 Years	222,545	210,200	326,227	312,161
Total	**33,261,151**	**28,064,939**	**20,130,889**	**17,736,115**

(*) Non-performing loans are not included.

5.1.6.2 Net financial lease receivables (*)

	Current Period	***Prior Period***
Gross Financial Lease Receivables	33,261,151	20,130,889
Unearned Income on Financial Lease Receivables (-)	(5,196,212)	(2,394,774)
Terminated Lease Contracts (-)	-	-
Net Financial Lease Receivables	**28,064,939**	**17,736,115**

(*) Non-performing loans are not included.

(Thousands of Turkish Lira (TL))

5.1.6.3 Financial lease agreements

Criteria applied for financial lease agreements

The customer applied for a financial lease is evaluated based on the lending policies and criteria taking into account the legal legislation. A "customer analysis report" according to the type and amount of the application is prepared for the evaluation of the customer by the Credit Committee and certain risk rating models such as "customer risk rating" and "equipment rating/scoring" are applied.

In compliance with the legal legislation and the authorization limits of the General Manager, Credit Committee and Board of Directors, it is decided whether the loan will be granted considering the financial position and the qualitative characteristics of the customer and the criteria mentioned above. In case of compliance with these factors it is assessed which conditions will be applied. At this stage, collaterals such as bank guarantees, mortgages, asset pledges, promissory notes or personal or corporate guarantees, may be required depending on the creditworthiness of the customer and the characteristics of the product to be sold.

The sectoral, equipment type and pledged asset concentration of the customers are monitored regularly.

Details monitored subsequent to signing of financial lease agreements

Subsequent to granting of loan, the fulfillment of monetary aspects such as lending procedures and timely collection of rental payments are monitored. Furthermore, updated information on the performance of companies is reported by the Credit Monitoring Unit even for the performing customers.

The reports prepared by the Credit Monitoring Unit for the performing companies and the assessments made by the administration follow-up and the legal units for the problematic companies, are presented to the top management following the assessments made by the related internal committees and the necessary actions are taken.

5.1.7 Factoring receivables

	Current Period		***Prior Period***	
	TL	**FC**	**TL**	**FC**
Short-Term	9,907,330	1,637,780	8,228,852	1,043,186
Medium and Long-Term	48,516	-	270,364	-
Total	**9,955,846**	**1,637,780**	**8,499,216**	**1,043,186**

5.1.8 Financial assets measured at amortised cost

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

	Current Period		***Prior Period***	
	TL	**FC**	**TL**	**FC**
Collateralised/Blocked Investments	68,545,597	18,567,981	52,040,944	19,264,769
Investments subject to Repurchase Agreements	35,973,781	963,355	42,589	16,293,681
Total	**104,519,378**	**19,531,336**	**52,083,533**	**35,558,450**

5.1.8.2 Government securities measured at amortised cost

	Current Period	***Prior Period***
Government Bonds	188,885,709	97,364,114
Treasury Bills	365,097	174,069
Other Government Securities	9,756,523	7,726,350
Total	**199,007,329**	**105,264,533**

(Thousands of Turkish Lira (TL))

5.1.8.3 *Financial assets measured at amortised cost*

	Current Period	*Prior Period*
Debt Securities	**178,719,091**	**90,619,870**
Quoted at Stock Exchange	178,104,178	90,320,793
Unquoted at Stock Exchange	614,913	299,077
Valuation Increase / (Decrease)	**37,663,774**	**19,399,986**
Total	**216,382,865**	**110,019,856**

5.1.8.4 *Movement of financial assets measured at amortised cost*

	Current Period	*Prior Period*
Balances at Beginning of Period	**110,019,856**	**40,167,047**
Foreign Currency Differences on Monetary Assets	27,980,704	12,482,328
Purchases during the Period	84,231,627	51,352,248
Disposals through Sales/Redemptions	(24,113,110)	(5,655,451)
Valuation Effect	18,263,788	11,673,684
Balances at End of Period	**216,382,865**	**110,019,856**

5.1.8.5 *Expected credit loss for financial assets measured at amortised cost*

Current Period	*Stage 1*	*Stage 2*	*Stage 3*	*Total*
Balances at End of Prior Period	**466,516**	**-**	**-**	**466,516**
Additions during the Period (+)	697,244	-	-	697,244
Disposal (-)	(231,945)	-	-	(231,945)
Transfer to Stage1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Foreign Currency Differences	112,887	-	-	112,887
Balances at End of Period	**1,044,702**	**-**	**-**	**1,044,702**

Prior Period	*Stage 1*	*Stage 2*	*Stage 3*	*Total*
Balances at End of Prior Period	**47,183**	**-**	**-**	**47,183**
Additions during the Period (+)	418,315	-	-	418,315
Disposal (-)	(30,097)	-	-	(30,097)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Foreign Currency Differences	31,115	-	-	31,115
Balances at End of Period	**466,516**	**-**	**-**	**466,516**

(Thousands of Turkish Lira (TL))

5.1.9 Assets held for sale and assets of discontinued operations

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

	Current Period	*Prior Period*
End of Prior Period		
Cost	**782,707**	**596,163**
Accumulated Depreciation (-)	**(2,289)**	**(10,215)**
Net Book Value	**780,418**	**585,948**
End of Current Period		
Additions	1,540,834	565,733
Disposals (Cost)	(185,214)	(391,709)
Disposals (Accumulated Depreciation)	69	8,038
Reversal of Impairment / Impairment Losses	830	8,991
Depreciation Expense for Current Period (-)	-	(112)
Currency Translation Differences on Foreign Operations	4,117	3,529
Cost	**2,143,274**	**782,707**
Accumulated Depreciation (-)	**(2,220)**	**(2,289)**
Net Book Value	**2,141,054**	**780,418**

5.1.9.2 Investments in subsidiaries and associates to be disposed

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

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

As per the decision made at the 2018 annual general assembly of related special purpose entity, it was decided to increase the capital of the special purpose entity by TL 3,982,230, all of which will be covered by common receivables. The Entity's paid-in capital after the general assembly had been TL 3,982,280. The Bank's shareholding ratios in the Entity's capital did not change as a result of the increase, and the nominal value of the direct shares increased from TL 11 to TL 881.140 and the number of shares increased from 1,106,325 to 88,114,036,863. Valuation differences recorded on the financial asset are presented as impairment in Assets Held for Sale and Discontinued Operations after capital increase. In 2020, all of the assets acquired under TFRS 5 was impaired. The liquidation of the related special purpose entity has been registered in Trade Registry Gazette dated 28 December 2022 and numbered 10735. As of 31 December 2022, the capital share amounting to TL 881,140, which is fully impaired, has been written off regarding to completion of the liquidation process.

(Thousands of Turkish Lira (TL))

5.1.10 Investments in associates

5.1.10.1 Unconsolidated investments in associates

	Associates	Address (City/ Country)	Parent Bank's Share – If Different, Voting Rights (%)	Bank Risk Group's Share (%)
1	Emeklilik Gözetim Merkezi AŞ(1)	İstanbul/Turkey	-	6.25
2	Bankalararası Kart Merkezi AŞ (1)	İstanbul/Turkey	4.98	4.98
3	Yatırım Finansman Menkul Değerler AŞ (1)	İstanbul/Turkey	0.77	0.77
4	İstanbul Takas ve Saklama Bankası AŞ (1)	İstanbul/Turkey	4.95	4.97
5	Borsa İstanbul AŞ (2)	İstanbul/Turkey	0.30	0.34
6	Kredi Kayıt Bürosu AŞ ("KKB") (1)	İstanbul/Turkey	9.09	9.09
7	Türkiye Cumhuriyet Merkez Bankası AŞ (2)	Ankara/ Turkey	2.48	2.48
8	Kredi Garanti Fonu AŞ (1)	Ankara/ Turkey	1.49	1.49
9	JCR Avrasya Derecelendirme AŞ (1)	İstanbul/Turkey	2.86	2.86
10	Birleşik İpotek Finansmanı AŞ (1)	İstanbul/Turkey	8.33	8.33
11	İhracatı Geliştirme A.Ş. (İGE) (1)	İstanbul/Turkey	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	114,134	81,645	31,994	5,470	22	21,865	6,373	-
2	3,880,800	3,344,720	398,105	511,366	-	2,659,647	207,418	-
3	4,437,880	558,465	59,646	101,912	1,161	200,567	79,461	-
4	121,142,599	5,900,474	296,990	2,914,614	237,253	2,260,614	1,071,449	-
5	91,710,707	9,454,794	837,195	552,580	-	3,583,577	1,754,959	-
6	1,201,571	242,443	456,171	29,452	900	128,363	29,975	-
7	3,575,062,693	84,895,025	1,148,976	135,246,966	31,372,141	72,029,068	57,483,159	-
8	3,780,277	1,754,797	44,906	229,287	-	463,127	205,844	-
9	277,410	242,691	19,241	42,162	1,036	107,429	78,817	-
10	166,225	88,291	2,328	8,366	14,966	17,306	16,684	-
11	6,458,520	6,448,719	18,895	1,340,354	22,718	1,257,182	324,885	-

(1) Financial information is as of 30 September 2023.
(2) Financial information is as of 31 December 2022.

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

Unconsolidated investments in associates sold during the current period
None.
Unconsolidated investments in associates acquired during the current period
None.

5.1.10.2 Consolidated investments in associates

None.

5.1.10.3 Movement of consolidated investments in associates

None.

Valuation methods of consolidated investments in associates

None.

Sectoral distribution of consolidated investments and associates

None.

Quoted consolidated investments in associates

None.

(Thousands of Turkish Lira (TL))

Investments in associates sold during the current period

None.

Investments in associates acquired during the current period

None.

5.1.11 Investments in subsidiaries (net)

Information on capital adequacy of major subsidiaries

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

(Thousands of Turkish Lira (TL))

Prior Period	**Garanti Bank International NV**	**Garanti Holding BV**	**Garanti Finansal Kiralama AŞ**	**Garanti Emeklilik ve Hayat AŞ**	**Garanti Yatırım Menkul Kıymetler AŞ**
COMMON EQUITY TIER I CAPITAL					
Paid-in Capital to be Entitled for Compensation after All Creditors	2,723,825	8,721,164	357,848	517,159	13,750
Share Premium	-	257,805	-	-	-
Share Cancellation Profits	-	-	-	-	-
Legal Reserves	1,307,529	753,404	952,933	526,544	1,006,981
Other Comprehensive Income according to TAS	8,353,564	(373,948)	-	18,115	-
Current and Prior Periods' Profits	712,575	696,368	2,404,150	999,357	1,211,388
Minority interest	-	-	-	-	50,517
Common Equity Tier I Capital Before Deductions	**13,097,493**	**10,054,793**	**3,714,931**	**2,061,175**	**2,282,636**
Deductions From Common Equity Tier I Capital					
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	132,838	1,806,449	12,985	15,870	6,435
Leasehold Improvements on Operational Leases (-)	-	345	-	100	1,649
Goodwill and Other Intangible Assets and Related Deferred Taxes (-)	116,407	1,040,824	17,918	38,584	8,053
Net Deferred Tax Asset/Liability (-)	-	-		-	-
Total Deductions from Common Equity Tier I Capital	**249,245**	**2,847,618**	**30,903**	**54,554**	**16,137**
Total Common Equity Tier I Capital	**12,848,248**	**7,207,175**	**3,684,028**	**2,006,621**	**2,266,499**
Total Deductions From Tier I Capital	**-**	**-**	**-**	**-**	**-**
Total Tier I Capital	**12,848,248**	**7,207,175**	**3,684,028**	**2,006,621**	**2,266,499**
TIER II CAPITAL	**-**	**178,803**	**-**	**-**	**-**
TOTAL CAPITAL	**12,848,248**	**7,385,978**	**3,684,028**	**2,006,621**	**2,266,499**

The Parent Bank does not have any capital requirement for its subsidiaries included in the calculation of its consolidated capital adequacy standard ratio.

(Thousands of Turkish Lira (TL))

5.1.11.1 Unconsolidated investments in subsidiaries

	Subsidiaries	Address (City/ Country)	Parent Bank's Share – If Different, Voting Rights (%)	Bank Risk Group's Share (%)
1	Garanti Kültür AŞ	Istanbul/Turkey	100.00	100.00
2	Garanti Konut Finansmanı Danışmanlık Hiz. AŞ	Istanbul/Turkey	100.00	100.00
3	Trifoi Real Estate Company	Bucharest/Romania	-	100.00
4	Motoractive Multi Services SRL	Bucharest/Romania	-	100.00
5	Garanti Filo Yönetim Hizmetleri AŞ	Istanbul/Turkey	-	100.00
6	Garanti Filo Sigorta Aracılık Hizmetleri AŞ	Istanbul/Turkey	-	100.00
7	Garanti Ödeme ve Elektronik Para Hizmetleri A.Ş. (*)	İstanbul/Türkiye	50.00	100.00
8	Garanti BBVA Finansal Teknoloji A.Ş. (**)	İstanbul/Türkiye	100.00	100.00
9	Garanti BBVA Dijital Varlıklar A.Ş.	İstanbul/Türkiye	-	100.00

(*) 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 Parent Bank and Garanti Ödeme Sistemleri A.Ş have 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 (50%-50%) in the capital.

As of December 2023, 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 Parent Bank and Garanti Ödeme Sistemleri A.Ş have 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 (50%-50%) in the capital.

(**) As of 31 December 2023, The Parent 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.

The financial information presented in the below table is as of 31 December 2023.

	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	Amount of Equity Requirement
1	11,590	340	1,026	-	-	401	221	-	-
2	2,967	1,548	-	410	-	-	(525)	-	-
3	38,282	31,464	38,269	-	-	-	4	-	-
4	256,737	137,703	211,579	778	-	15,729	12,512	-	-
5	16,732,926	5,586,218	14,488,950	95,626	-	3,430,429	1,001,758	-	-
6	23,189	20,510	-	4,093	-	17,826	6,272	-	-
7	218,820	214,613	102,125	18,867	315	(8,384)	(30,224)	-	-
8	447,390	447,341	-	2,950	-	(659)	-	-	-
9	370,634	367,030	165,322	18,726	-	(76,970)	-	-	-

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

Unconsolidated subsidiaries sold during the current period

None.

Unconsolidated subsidiaries, reasons for not consolidating such investments and accounting treatments applied for such investments

The companies which are not included within the scope of consolidation due to not being financial subsidiaries are accounted for equity method as defined in TAS 28 "Investments in Associates and Joint Ventures"

(Thousands of Turkish Lira (TL))

5.1.11.2 Movement of consolidated investments in subsidiaries

	Current Period	*Prior Period*
Balances at Beginning of Period	**28,945,277**	**19,862,618**
Movements during the Period	**27,399,282**	**9,082,659**
Acquisitions (*)	72,500	50,000
Bonus Shares Received	508,558	-
Dividends from Current Year Profit	14,047,470	5,335,746
Sales/Liquidations	-	-
Reclassifications	-	-
Value Increase/Decrease (**)	(860,113)	(1,298,382)
Currency Differences on Foreign Subsidiaries	13,630,867	4,995,295
Reversal of Impairment Losses / Impairment Losses (-)	-	-
Balances at End of Period	**56,344,559**	**28,945,277**
Capital Commitments	-	-
Share Percentage at the End of Period (%)	-	-

(*) 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 Parent 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

(**) Except for quoted subsidiaries, value increases / (decreases) are based on the results of equity accounting application.

Valuation methods of consolidated investments in subsidiaries

	Current Period	*Prior Period*
Valued at Cost	-	-
Valued at Fair Value (*)	56,344,559	28,945,277

(*) The amounts recognized in the equity accounting application are included in the unconsolidated financial statement of the Bank.

Sectoral distribution of consolidated investments in subsidiaries

	Current Period	*Prior Period*
Banks	24,281,298	12,949,862
Insurance Companies	3,027,560	1,736,718
Factoring Companies	1,419,212	566,300
Leasing Companies	8,267,623	3,769,188
Finance Companies	-	-
Other Subsidiaries	19,348,866	9,923,209

Quoted consolidated investments in subsidiaries

	Current Period	*Prior Period*
Quoted at Domestic Stock Exchanges	1,426,928	571,718
Quoted at International Stock Exchanges	-	-

(Thousands of Turkish Lira (TL))

Other information on consolidated investments in subsidiaries

	Subsidiaries	Address (City/ Country)	Parent Bank's Share – If Different, Voting Rights (%)	Shares of Other Consolidated Subsidiaries (%)	Method of Consolidation
1	Garanti Finansal Kiralama AŞ	Istanbul/Turkey	100.00	-	Full Consolidation
2	Garanti Faktoring AŞ	Istanbul/Turkey	81.84	-	Full Consolidation
3	Garanti Yatırım Menkul Kıymetler AŞ	Istanbul/Turkey	100.00	-	Full Consolidation
4	Garanti Portföy Yönetimi AŞ	Istanbul/Turkey	100.00	-	Full Consolidation
5	Garanti Emeklilik ve Hayat AŞ	Istanbul/Turkey	84.91	-	Full Consolidation
6	Garanti Bank International NV	Amsterdam/the Netherlands	100.00	-	Full Consolidation
7	Garanti Holding BV	Amsterdam/the Netherlands	100.00	-	Full Consolidation
8	G Netherlands BV	Amsterdam/the Netherlands	-	100.00	Full Consolidation
9	Garanti Bank SA	Bucharest/Romania	-	100.00	Full Consolidation
10	Motoractive IFN SA	Bucharest/Romania	-	100.00	Full Consolidation
11	Ralfi IFN SA	Bucharest/Romania	-	100.00	Full Consolidation
12	Garanti Yatırım Ortaklığı AŞ	Istanbul / Turkey	-	3.61	Full Consolidation
13	Garanti Ödeme Sistemleri AŞ	Istanbul/Turkey	100.00	-	Full Consolidation

The financial information presented in the below table is as of 31 December 2023.

	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	30,513,237	8,363,337	42,939	3,795,126	-	4,404,589	1,412,789	-
2	11,823,172	1,734,082	33,760	3,334,968	-	1,045,084	350,742	-
3	7,522,809	5,446,794	83,345	2,781,791	-	3,220,893	1,215,414	-
4	864,586	733,089	17,473	144,356	-	414,931	153,420	-
5	10,657,936	3,565,492	93,841	1,105,045	308,873	2,156,962	998,935	-
6	185,926,171	24,281,270	1,046,521	7,090,678	133,923	2,557,912	712,578	-
7	12,650,637	12,648,893	-	-	-	(3,075)	(1,593)	-
8	10,393,699	10,389,214	-	-	-	(5,012)	f(3,325)	-
9	99,104,067	12,749,888	2,624,810	3,456,183	637,137	791,683	670,135	-
10	6,387,529	1,378,122	65,889	412,498	-	101,088	63,249	-
11	846,049	315,465	51,607	227,343	-	(174,370)	(58,910)	-
12	78,110	67,204	357	830	2,355	17,642	10,654	213,760
13	503,711	321,723	329	40,434	-	145,361	36,169	-

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

Garanti Yatırım Ortaklığı AŞ that Garanti Yatırım participated by 3.61%, is consolidated in the accompanying consolidated financial statements under full consolidation method due to the company's right to elect all the members of the Board of Directors as resulted from its privilege in election of board members.

Consolidated investments in subsidiaries disposed during the current period

None.

Consolidated investments in subsidiaries acquired during the current period

None.

(Thousands of Turkish Lira (TL))

5.1.12 Investments in joint-ventures (net)

None.

5.1.13 Tangible assets

	Real Estates	Right-of-use Assets	Vehicles	Other Tangible Assets	Total
Balance at Beginning of Period					
Cost	8,962,047	2,616,210	61,322	5,336,661	16,976,240
Accumulated Depreciation	(65,027)	(1,375,832)	(37,448)	(3,709,926)	(5,188,233)
Net Book Value	**8,897,020**	**1,240,378**	**23,874**	**1,626,735**	**11,788,007**
Balances at End of Current Period					
Additions	62,256	2,509,050	83,748	3,288,986	5,944,040
Revaluation Model Difference	6,238,237	1,673	420	24	6,240,354
Revaluation Model Difference (Accumulated Depreciation)	-	-	-	-	-
Transfers to Investment Property	-	-	-	-	-
Disposals (Cost)	-	(1,448,638)	(2,884)	(318,713)	(1,770,235)
Disposals (Accumulated Depreciation)	-	117,823	1,330	118,070	237,223
Reversal of/Impairment Losses (-)	586,029	-	-	-	586,029
Depreciation Expense for Current Period	(25,155)	(659,010)	(7,592)	(956,812)	(1,648,569)
Currency Translation Differences on Foreign Operations (Cost)	366,048	411,002	12,332	634,150	1,423,532
Currency Translation Differences on Foreign Operations (Accumulated Depreciation)	(14,789)	(251,895)	(12,323)	(568,394)	(847,401)
Net Book Values at End of Current Period	**16,109,646**	**1,920,383**	**98,905**	**3,824,046**	**21,952,980**
Cost at End of Current Period	16,214,617	4,089,297	154,938	8,941,108	29,399,960
Accumulated Depreciation at End of Current Period	(104,971)	(2,168,914)	(56,033)	(5,117,062)	(7,446,980)
Net Book Values at End of Current Period	**16,109,646**	**1,920,383**	**98,905**	**3,824,046**	**21,952,980**

The Bank and its financial subsidiaries account their real estates recorded under tangible assets based on the revaluation model in accordance with the Turkish Accounting Standard 16 (TAS 16) “Property, Plant and Equipment”. Accordingly, for all real estates registered in the ledger, valuation studies are performed by independent expertise firms.

5.1.14 Intangible assets

5.1.14.1 Useful lives and amortisation rates

The consolidation goodwill classified under intangible assets is not amortized. The estimated useful lives of softwares and other intangible assets vary between 3 and 15 years.

5.1.14.2 Amortisation methods

Intangible assets are amortised on a straight-line basis from the date of capitalisation. The consolidation goodwill is not amortized, however is subject to impairment testing regularly and if there is any impairment, a provision is made.

5.1.14.3 Balances at end of current period

	Current Period		***Prior Period***	
	Cost	**Accumulated Amortization**	**Cost**	**Accumulated Amortization**
Intangible Assets	4,730,828	2,182,579	2,843,749	1,580,727

(Thousands of Turkish Lira (TL))

5.1.14.4 Movements of intangible assets for current period

	Current Period	*Prior Period*
Net Book Value at Beginning Period	**1,263,022**	**963,650**
Internally Generated Intangibles	198,599	60,492
Additions due to Mergers, Transfers and Acquisition	1,756,660	697,805
Disposals (-)	(372,564)	(209,642)
Impairment Losses/Reversals to/from Revaluation Surplus	-	-
Impairment Losses Recorded in Income Statement	-	70
Impairment Losses Reversed from Income Statement	-	-
Amortisation Expense for Current Period (-)	(481,128)	(288,556)
Currency Translation Differences on Foreign Operations	145,109	35,907
Other Movements	38,551	3,296
Net Book Value at End of Current Period	**2,548,249**	**1,263,022**

5.1.14.5 Details for any individually material intangible assets

None.

5.1.14.6 Intangible assets capitalised under government incentives at fair values

None.

5.1.14.7 Revaluation method of intangible assets capitalised under government incentives and valued at fair values at capitalisation dates

None.

5.1.14.8 Net book value of intangible asset that are restricted in usage or pledged

None.

5.1.14.9 Commitments to acquire intangible assets

None.

5.1.14.10 Disclosure on revalued intangible assets

None.

5.1.14.11 Research and development costs expensed during current period

None.

5.1.14.12 Goodwill

Goodwill	**Shares %**	**Carrying Value**
Garanti Yatırım Menkul Kıymetler AŞ	100.00	2,778
Garanti Finansal Kiralama AŞ	100.00	2,119
Garanti Faktoring AŞ	81.84	1,491
Total		**6,388**

5.1.14.13 Movements in goodwill during current period

	Current Period	*Prior Period*
Net Book Value at Beginning Period	**6,388**	**6,388**
Movements in Current Period	-	-
Additions	-	-
Adjustments due to the Changes in Value of Assets and Liabilities	-	-
Disposals in Current Period due to a Discontinued Operation Or Partial or Complete Disposal of an Asset (-)	-	-
Amortisation Expense for Current Period (-)	-	-
Impairment Losses (-)	-	-
Reversal of Impairment Losses (-)	-	-
Other changes in Book Values	-	-
Net Book Value at End of Current Period	**6,388**	**6,388**

(Thousands of Turkish Lira (TL))

5.1.15 Investment property

	Current Period	*Prior Period*
Net Book Value at Beginning of Period	**926,800**	**652,633**
Additions	13,659	7,471
Disposals	-	(70,662)
Transfers	-	(740,645)
Fair Value Change	650,253	1,078,003
Net Currency Translation Differences on Foreign Subsidiaries	-	-
Net Book Value at End of Period	**1,590,712**	**926,800**

The investment property is held for operational leasing purposes. The Bank and its financial subsidiaries account their 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.

5.1.16 Deferred tax asset

As of 31 December 2023, on a consolidated basis the Bank has a deferred tax asset of TL 20,291,063 (31 December 2022: TL 7,105,391) calculated as the net amount remaining after netting of tax deductible timing differences and taxable timing differences in its consolidated financial statements.

As of 31 December 2023, deferred tax assets of TL 20,146,755 (31 December 2022: TL 11,402,123) 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 in the accompanying consolidated financial statements, with a deferred tax liability of TL 144,308 (31 December 2022: TL 4,296,732).

For the cases where the differences between the carrying values and the taxable values of assets subject to tax are related with certain items on the shareholders’ equity accounts, the deferred taxes are charged or credited directly to these accounts.

	Current Period		*Prior Period*	
	Tax Base	**Deferred Tax Amount**	**Tax Base**	**Deferred Tax Amount**
Provisions (*)	6,466,112	1,923,431	4,629,242	1,146,554
Stages 1&2 Credit Losses	41,616,742	12,408,790	29,689,852	7,173,568
Differences between the Carrying Values and Taxable Values of Financial Assets (**)	1,120,809	720,548	(1,900,909)	(366,711)
Revaluation Differences on Real Estates (***)	8,938,177	2,759,560	(7,453,148)	(1,155,583)
Differences Between Book Value and Tax Value of Fixed Assets (***)	5,712,002	1,713,424	(213,119)	(53,280)
Other	2,596,186	765,310	1,405,627	360,843
Deferred Tax Asset	**66,450,028**	**20,291,063**	**26,157,545**	**7,105,391**

(*) 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 and subsidiaries’ 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.

(Thousands of Turkish Lira (TL))

5.1.17 Other Assets

	Current Period		***Prior Period***	
	TL	**FC**	**TL**	**FC**
Derivative Assets (Derivative Guarantees)	549,320	2,594,019	355,861	2,620,765
Receivables From Clearing Transactions	20,098,805	42,326	14,572,861	164,132
Prepaid Expenses (*)	22,940,501	257,354	18,924,354	100,637
Cash Guarantees Given	1,005,772	433,760	1,000,779	351,954
Receivables From Forward Sale of Assets	1,137	-	65,137	-
Other (**)	26,041,760	3,053,818	3,756,427	1,230,564
Total	**70,637,295**	**6,381,277**	**38,675,419**	**4,468,052**

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

(**) As of 31 December 2023, the foreign exchange valuation differences amounting to TL 22,616,675 (31 December 2022: TL 1,867,023) calculated as of the balance sheet date related to the foreign exchange protected deposit accounts opened within the scope of the "Communiqué on Supporting the Conversion of Turkish Lira Deposit and Participation Accounts" published by the CBRT in the Official Gazette dated 21 December 2021 numbered 31696 and by the Republic of Turkey Ministry of Treasury and Finance dated 24 December 2921 are included in other assets.

(Thousands of Turkish Lira (TL))

5.2 Consolidated liabilities

5.2.1 Maturity profile of deposits

Current Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	Total
Saving Deposits	**78,986,567**	**-**	**9,121,384**	**154,088,675**	**184,967,42**	**91,388,659**	**83,958,627**	**732**	**602,512,073**
Foreign Currency Deposits	**441,262,980**	**-**	**49,659,591**	**74,218,865**	**23,757,098**	**24,549,870**	**40,162,135**	**46,615**	**653,657,154**
Residents in Turkey	351,249,476	-	20,083,031	40,660,355	6,944,497	3,955,325	2,662,941	42,635	425,598,260
Residents in Abroad	90,013,504	-	29,576,560	33,558,510	16,812,601	20,594,545	37,499,194	3,980	228,058,894
Public Sector Deposits	**5,733,715**	**-**	**21,768**	**16,522**	**431,264**	**10**	**-**	**-**	**6,203,279**
Commercial Deposits	**64,140,871**	**-**	**73,477,204**	**21,408,812**	**30,654,909**	**33,501,337**	**33,450,544**	**-**	**256,633,677**
Others	**1,461,221**	**-**	**897,636**	**3,708,224**	**337,886**	**122,889**	**5,757,727**	**-**	**12,285,583**
Precious Metal Deposits	**70,023,287**	**-**	**-**	**287,245**	**316,133**	**82,885**	**606,796**	**-**	**71,316,346**
Bank Deposits(*)	**1,093,835**	**-**	**1,165,325**	**3,573**	**-**	**-**	**59,864**	**-**	**2,322,597**
Central Bank of Turkey	15,356	-	-	-	-	-	-	-	**15,356**
Domestic Banks	71,707	-	300,445	25	-	-	-	-	372,177
Foreign Banks	991,709	-	864,880	3,548	-	-	59,864	-	1,920,001
Special Financial Institutions	15,063	-	-	-	-	-	-	-	15,063
Others	-	-	-	-	-	-	-	-	-
Total(**)	**662,702,476**	**-**	**134,342,908**	**253,731,916**	**240,464,71**	**149,645,650**	**163,995,693**	**47,347**	**1,604,930,709**

Prior Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	Total
Saving Deposits	**58,794,730**	-	**8,165,910**	**178,461,243**	**6,114,011**	**3,510,353**	**16,198,229**	**686**	**271,245,162**
Foreign Currency Deposits	**275,382,023**	-	**35,381,216**	**81,574,753**	**13,671,756**	**17,805,081**	**15,042,688**	**43,513**	**438,901,030**
Residents in Turkey	219,165,200	-	21,315,294	63,310,869	5,315,819	3,728,622	2,640,308	42,784	315,518,896
Residents in Abroad	56,216,823	-	14,065,922	18,263,884	8,355,937	14,076,459	12,402,380	729	123,382,134
Public Sector Deposits	**3,155,441**	-	**14,677**	**22,606**	**814**	**9**	-	-	**3,193,547**
Commercial Deposits	**50,399,426**	-	**40,558,802**	**36,000,761**	**2,170,320**	**6,744,576**	**5,165,713**	-	**141,039,598**
Others	**905,434**	-	**730,655**	**2,489,086**	**2,311,118**	**744,246**	**1,420,901**	-	**8,601,440**
Precious Metal Deposits	**42,187,783**	-	**-**	**732,265**	**268,913**	**81,233**	**659,280**	-	**43,929,474**
Bank Deposits(*)	**913,859**	-	**799,301**	**13,962**	**-**	**-**	**102,086**	-	**1,829,208**
Central Bank of Turkey	3,410	-	-	-	-	-	-	-	3,410
Domestic Banks	20,836	-	517,038	-	-	-	-	-	537,874
Foreign Banks	873,118	-	282,263	13,962	-	-	102,086	-	1,271,429
Special Financial Institutions	16,495	-	-	-	-	-	-	-	16,495
Others	-	-	-	-	-	-	-	-	-
Total(**)	**431,738,696**	-	**85,650,561**	**299,294,676**	**24,536,932**	**28,885,498**	**38,588,897**	**44,199**	**908,739,459**

(*) Includes Interbank precious metal accounts.
(**) As of 31 December 2023, the Bank has a total of TL 366,592,635 (31 December 2022: TL 168,381,687) foreign exchange-protected deposit instrument of which TL 321,050,116 (31 December 2022: TL 116,671,627) 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 45,542,519 (31 December 2022: TL 51,710,062) 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 22,616,675 (31 December 2022: TL 1,867,023) regarding the foreign exchange-protected deposit instrument calculated as of the balance sheet date are included in deposits.

(Thousands of Turkish Lira (TL))

5.2.1.1 Saving deposits insured by Saving Deposit Insurance Fund

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

Saving Deposits	**Covered by Deposit Insurance Over Deposit Insurance Limit(*)**		**Over Deposit Insurance Limit**	
	Current Period	***Prior Period***	***Current Period***	***Prior Period***
Saving Deposits	155,001,752	86,399,007	435,827,047	182,675,592
Foreign Currency Saving Deposits	182,587,685	98,923,923	223,123,161	175,471,602
Other Saving Deposits	37,991,025	18,354,267	30,724,467	24,026,437
Foreign Branches' Deposits Under Foreign Insurance Coverage	2,497,951	1,472,283	2,794,926	1,759,315
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	30,584,777	18,562,770	227,879,654	129,017,685
Foreign Currency Commercial Deposits	13,676,099	10,317,394	225,350,271	171,532,282
Other Commercial Deposits	148,418	76,244	2,383,691	1,382,546
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-

(*) The amount of deposits subject to insurance is TL 400 for the current period (Previous period is TL 200).
(**) With the regulation published in the Official Gazette dated 27 August 2022 and numbered 31936, commercial deposits were included in the scope of insurance.

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

None.

5.2.1.3 Deposits not covered by insurance limits

Saving Deposits	***Current Period***	***Prior Period***
Deposits and Other Accounts held at Foreign Branches	1,984,473	1,048,098
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	511,995	5,527,069
Deposits and Other Accounts held as Assets subject to the Crime defined in the Article 282 of the Turkish Criminal Code No. 5237 dated 26 September 2004	-	-
Deposits at Depository Banks established for Off-Shore Banking Activities in Turkey	-	-

Commercial Deposits	***Current Period***	***Prior Period***
Deposits and Other Accounts held at Foreign Branches	10,337,239	6,975,598
Deposits and Other Accounts held by Main Shareholder with Qualified Shareholders and Corporates Under Their Control	6,752,112	3,308,311
Official Institutions Deposits and Other Accounts	6,746,816	3,271,941
Credit and Financial Institutions Deposits	68,492,441	37,589,841

(Thousands of Turkish Lira (TL))

5.2.2 Funds borrowed

Information on funds borrowed is as follows;

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Central Bank of Turkey	-	-	-	-
Domestic Banks and Institutions	6,059,032	5,483,158	5,920,614	1,527,063
Foreign Banks, Institutions and Funds	-	48,897,369	38,731	38,370,315
Total	**6,059,032**	**54,380,527**	**5,959,345**	**39,897,378**

5.2.2.1 Maturities of funds borrowed

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Short-Term	1,953,699	6,351,248	3,528,280	3,641,334
Medium and Long-Term	4,105,333	48,029,279	2,431,065	36,256,044
Total	**6,059,032**	**54,380,527**	**5,959,345**	**39,897,378**

5.2.2.2 Disclosures for concentration areas of bank's liabilities

The Bank finances its ordinary banking activities through deposits and funds borrowed. Its deposit structure has a balanced TL and foreign currency concentration. The Bank's other funding sources specifically consist of foreign currency funds borrowed from abroad, TL funds obtained through repurchase transactions, and TL and foreign currency securities issued.

5.2.3 Money market funds

Information on obligations under repurchase agreements classified in money market funds is as follows;

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Domestic Transactions	**159,631**	**43,343,975**	**119,365**	**14,873,679**
Financial Institutions and Organizations	1,193	42,469,072	-	10,278,030
Other Institutions and Organizations	82,108	874,903	50,401	3,121,198
Individuals	76,330	-	68,964	1,474,451
Foreign Transactions	**347**	**8,917,597**	**357**	**7,618,017**
Financial Institutions and Organizations	-	8,917,597	-	7,618,017
Other Institutions and Organizations	-	-	235	-
Individuals	347	-	122	-
Total	**159,978**	**52,261,572**	**119,722**	**22,491,696**

(Thousands of Turkish Lira (TL))

5.2.4 Securities issued

Current Period	TL		FC	
	Short-Term	Medium and Long-Term	Short-Term	Medium and Long-Term
Nominal	1,765,566	-	932,800	8,432,298
Cost	1,478,901	-	932,800	8,426,273
Carrying Value (*)	1,563,225	-	950,964	8,628,763

Prior Period	TL		FC	
	Short-Term	Medium and Long-Term	Short-Term	Medium and Long-Term
Nominal	503,139	1,632,025	979,852	16,066,160
Cost	474,560	1,421,968	979,852	16,054,761
Carrying Value (*)	494,963	689,508	990,538	15,433,180

(*) The Bank and/or its financial subsidiaries repurchased the Bank's own TL securities with a total face value of TL 979,893 (31 December 2022: TL 1,346,780 and USD 50,335,000) and netted off such securities in the accompanying consolidated financial statements.

5.2.5 Information about financial liabilities measured at fair value through profit or loss

	Current Period		*Prior Period*	
	TL	FC	TL	FC
Securities Issued	-	49,046,956	-	32,020,818
Total	**-**	**49,046,956**	**-**	**32,020,818**

In accordance with TFRS 9, the Bank classified a part of borrowings obtained through securitisations amounting to USD 1,658,500,000 (31 December 2022: USD 1,788,035,714) as financial liability at fair value through profit/loss at the initial recognition in order to eliminate the accounting mismatch.

As of 31 December 2023, the accumulated fair value change of the related financial liability amounted to TL 409,726 (31 December 2022: TL 1,919,509) and the corresponding gain/loss recognised in the statement of profit/loss amounted to TL (1,509,783) (31 December 2022: TL (1,849,545)). The carrying value of the related financial liability amounted to TL 49,046,956 (31 December 2022: TL 32,020,818).

5.2.6 Derivative financial liabilities

5.2.6.1 Negative differences on derivative financial liabilities measured at FVTPL

Information on negative differences on derivative financial liabilities measured at FVTPL classified in derivative financial liabilities is as follows;

	Current Period		*Prior Period*	
	TL	FC	TL	FC
Forward Transaction	220,677	93,003	451,058	15,650
Swap Transactions	6,376,729	4,459,682	4,158,675	5,387,221
Futures	47	808	-	-
Options	189,916	63,537	344,980	557,804
Others	-	1,037	-	366
Total	**6,787,369**	**4,618,067**	**4,954,713**	**5,961,041**

(Thousands of Turkish Lira (TL))

5.2.6.2 Derivative financial liabilities held for hedging purpose

Information on negative differences on derivative financial liabilities held for hedging purposes classified in derivative financial liabilities is as follows;

Derivative Financial Liabilities Held for Hedging Purpose	***Current Period***		***Prior Period***	
	TL	**FC**	**TL**	**FC**
Fair Value Hedges	-	97,242	-	-
Cash Flow Hedges	10,165	56,382	29,731	6,875
Net Foreign Investment Hedges	-	-	-	-
Total	**10,165**	**153,624**	**29,731**	**6,875**

Please refer to Note 5.1.4.2 for financial liabilities resulted from derivatives held for hedging purpose.

5.2.7 Factoring payables

None.

5.2.8 Lease payables

5.2.8.1 Operational lease agreements

	Current Period		***Prior Period***	
	Gross	**Net**	**Gross**	**Net**
Less than 1 Year	880,898	647,153	570,670	426,463
Between 1-5 Years	1,751,362	1,307,258	1,082,587	795,549
Longer than 5 Years	460,344	318,615	343,377	237,238
Total	**3,092,604**	**2,273,026**	**1,996,634**	**1,459,250**

As of 31 December 2023, 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 Group are 24.0%, 2.6% and 3.2% (31 December 2023: 20.3%, 1.8%, 3.8% and RON 5.1%), respectively.

5.2.9 Provisions

5.2.9.1 Reserve for employee severance indemnity

	Current Period	***Prior Period***
Balances at Beginning of Period	**2,044,320**	**948,873**
Expenses During the Period	854,178	313,907
Actuarial Gain/Loss	841,304	902,540
Payments During the Period	(1,390,340)	(121,000)
Balances at End of Period	**2,349,462**	**2,044,320**

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

None.

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

	Current Period	***Prior Period***
Substandard Loans and Receivables - Limited Collectibility	1,201,161	10,190
Doubtful Loans and Receivables	5,866	10,485
Uncollectible Loans and Receivables	2,244,958	1,754,658
Total	**3,451,985**	**1,775,333**

(Thousands of Turkish Lira (TL))

5.2.9.4 *Other provisions*

	Current Period	*Prior Period*
Reserve for Employee Benefits	4,904,708	3,753,228
Insurance Technical Provisions, Net	4,181,769	2,270,524
Provision for Promotion Expenses of Credit Cards	948,044	539,822
Provision for Lawsuits	766,800	564,017
Provision for Non-Cash Loans	10,284,265	5,795,082
Other Provisions(*)	493,379	8,553,728
Total	**21,578,965**	**21,476,401**

(*) Includes free provision in the prior period amounting to TL 8,000,000.

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 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 4,991,468 remains as of 31 December 2023 as details are given in the table below.

	Current Period	*Prior Period*
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))	**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	(766,105)	(445,647)
Total expense recognized in the income statement	768,544	116,594
Amount recognized in the shareholders' equity	(2,439)	329,053
Balance at End of Period	-	-

(Thousands of Turkish Lira (TL))

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

	Current Period	*Prior Period*
	%	%
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 of the Bank are as follows:

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 +0.5%	-	9.20	5.00
Medical inflation -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

5.2.10 Tax liability

5.2.10.1 Current tax liability

5.2.10.1.1 Tax liability

As of 31 December 2023, the corporate tax liability amounts to TL 8,205,343 (31 December 2022: TL 6,759,609) 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 December 2023, TL 27,672,110 (31 December 2022: TL 23,823,030) of total current period tax expense amounting to TL 29,961,124 (31 December 2022: TL 20,844,000) has been classified in the statement of profit or loss and TL 2,289,014 (31 December 2022: TL 2,969,029) has been classified in equity.

5.2.10.1.2 Taxes payable

	Current Period	*Prior Period*
Corporate Taxes Payable	8,205,343	6,759,609
Taxation on Securities Income	517,070	136,594
Taxation on Real Estates Income	11,295	7,199
Banking Insurance Transaction Tax	2,033,779	641,445
Foreign Exchange Transaction Tax	44,982	52,022
Value Added Tax Payable	259,607	120,569
Others	518,863	267,212
Total	**11,590,939**	**7,984,650**

(Thousands of Turkish Lira (TL))

5.2.10.1.3 Premiums payable

	Current Period	*Prior Period*
Social Security Premiums-Employees	41,425	26,692
Social Security Premiums-Employer	35,939	18,050
Bank Pension Fund Premium-Employees	256	732
Bank Pension Fund Premium-Employer	285	1,160
Pension Fund Membership Fees and Provisions-Employees	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employees	9,050	5,899
Unemployment Insurance-Employer	22,462	13,018
Others	225	126
Total	**109,642**	**65,677**

5.2.10.2 Deferred tax liability

As of 31 December 2023, the deferred tax liability amounts to TL 129,369 (31 December 2022: TL 197,828).

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

None.

5.2.12 Subordinated debts

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Domestic Banks	-	-	-	-
Domestic Other Institutions	1,067,593	-	1,021,983	-
Foreign Banks	-	-	-	-
Foreign Other Institutions	-	22,571,810	-	14,223,946
Total	**1,067,593**	**22,571,810**	**1,021,983**	**14,223,946**

Disclosures on subordinated debts are reported in Note 4.1.2.

5.2.13 Other liabilities

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Payables from credit card transactions	64,698,502	559,805	37,106,273	339,001
Payables from clearing transactions	13,021,047	213,123	10,954,242	146,936
Other	9,992,195	15,161,602	4,020,483	11,981,135
Total	**87,711,744**	**15,934,530**	**52,080,998**	**12,467,072**

5.2.14 Shareholders' equity

5.2.14.1 Paid-in capital

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

5.2.14.2 Registered share capital system

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

5.2.14.3 Capital increases in current period

None.

(Thousands of Turkish Lira (TL))

5.2.14.4 Capital increases from capital reserves in current period

None.

5.2.14.5 Capital commitments for current and future financial periods

None.

5.2.14.6 Possible effect of estimations made for the Parent Bank's revenues, profitability and liquidity on equity considering prior period indicators and uncertainties

None.

5.2.14.7 Information on privileges given to stocks representing the capital

None.

5.2.14.8 Securities value increase fund

Information on securities value increase fund classified as a part of income/expenses from valuation and/or reclassification of financial assets measured at FVOCI in the statement of changes in shareholders' equity, is as follows;

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Investments in Associates, Subsidiaries and Joint-Ventures	**-**	**-**	**-**	**-**
Valuation Difference	-	-	-	-
Exchange Rate Difference	-	-	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	**4,777,545**	**(127,290)**	**10,324,176**	**(1,149,811)**
Valuation Difference	3,961,166	(127,290)	9,995,275	(1,149,811)
Exchange Rate Difference	816,379	-	328,901	-
Total	**4,777,545**	**(127,290)**	**10,324,176**	**(1,149,811)**

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

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Movables	1,006,263	316,402	460,912	10,897
Real Estates	15,737,345	234,631	5,217,003	188,141
Defined Benefit Plans' Actuarial Gains/Losses	(1,994,953)	-	(1,315,532)	-
Other	-	-	-	-
Total	**14,748,655**	**551,033**	**4,362,383**	**199,038**

5.2.14.10 Bonus shares of associates, subsidiaries and joint-ventures

	Current Period	*Prior Period*
Bankalararası Kart Merkezi A.Ş.	5,782	5,782
Yeni Gimat Gayrimenkul Yatırım Ortaklığı A.Ş.	860	860
JCR Avrasya Derecelendirme A.Ş.	1,399	828
İhracatı Geliştirme A.Ş.	536	536
Kredi Kayıt Bürosu A.Ş.	481	481
Kömür İşletmeleri A.Ş.	295	145
Doğuş Gayrimenkul Yatırım Ortaklığı A.Ş.	22	22
Yatırım Finansman Menkul Değerler A.Ş.	9	9
Dati Yatırım Holding A.Ş.	7	7
Total	**9,391**	**8,670**

(Thousands of Turkish Lira (TL))

5.2.14.11 Legal reserves

	Current Period	***Prior Period***
I. Legal Reserve	1,742,742	1,432,779
II. Legal Reserve	1,667,568	672,337
Special Reserves	72,311	37,833
Total	**3,482,621**	**2,142,949**

5.2.14.12 Extraordinary and other profit reserves

	Current Period	***Prior Period***
Legal Reserves allocated in compliance with the Decisions Made on the Annual General Assembly	111,106,409	61,639,835

5.2.14.13 Minority interest

	Current Period	***Prior Period***
Balance at Beginning of Period	**484,735**	**319,516**
Profit Share of Subsidiaries Net Profits	532,219	224,928
Prior Period Dividend Payment	(98,064)	(60,347)
Increase/(Decrease) in Minority Interest due to Sales	-	-
Others	1,437	638
Balance at End of Period	**920,327**	**484,735**

(Thousands of Turkish Lira (TL))

5.3 Consolidated off-balance sheet items

5.3.1 Off-balance sheet contingencies

5.3.1.1 Irrevocable credit commitments

The Bank and its consolidated financial subsidiaries have term asset purchase and sale commitments of TL 34,304,422 (31 December 2022: TL 18,318,399), commitments for cheque payments of TL 9,642,506 (31 December 2022: TL 5,515,488) and commitments for credit card limits of TL 531,534,188 (31 December 2022: TL 140,164,003).

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

	Current Period	*Prior Period*
Letters of Guarantee in Foreign Currency	136,086,694	84,083,930
Letters of Guarantee in TL	207,649,439	103,006,476
Letters of Credit	53,548,755	35,059,723
Bills of Exchange and Acceptances	7,962,125	3,918,563
Endorsements	12,043,653	5,653,771
Other Guarantees	2,619,600	646,094
Total	**419,910,266**	**232,368,557**

Expected losses for non-cash loans and irrevocable commitments

Current Period	*Stage 1*	*Stage 2*	*Stage 3*	*Total*
Balances at Beginning of Period	**1,092,246**	**2,927,503**	**1,775,333**	**5,795,082**
Additions during the Period (+)	2,740,664	5,606,228	293,334	8,640,226
Disposal (-)	(3,033,374)	(2,639,677)	(500,283)	(6,173,334)
Sales	-	-	-	-
Write-off	-	-	-	-
Transfer to Stage 1	1,462,394	(1,460,018)	(2,376)	-
Transfer to Stage 2	(356,533)	446,470	(89,937)	-
Transfer to Stage 3	(1,398)	(1,112,403)	1,113,801	-
Foreign Currency Differences	116,919	1,043,259	862,113	2,022,291
Balances at End of Period	**2,020,918**	**4,811,362**	**3,451,985**	**10,284,265**

Prior Period	*Stage 1*	*Stage 2*	*Stage 3*	*Total*
Balances at Beginning of Period	**538,703**	**1,058,973**	**1,332,807**	**2,930,483**
Additions during the Period (+)	1,950,849	2,968,625	211,215	5,130,689
Disposal (-)	(1,947,229)	(947,710)	(241,507)	(3,136,446)
Sales	-	-	-	-
Write-off	-	-	-	-
Transfer to Stage 1	676,810	(674,780)	(2,030)	-
Transfer to Stage 2	(220,168)	240,063	(19,895)	-
Transfer to Stage 3	(2,502)	(29,378)	31,880	-
Foreign Currency Differences	95,783	311,710	462,863	870,356
Balances at End of Period	**1,092,246**	**2,927,503**	**1,775,333**	**5,795,082**

Lifetime expected credit loss (Stage 3) of TL 5,079,641 (31 December 2022: TL 2,513,865) is made for unliquidated non-cash loans of TL 3,451,985 (31 December 2022: TL 1,759,925) recorded under the off-balance sheet items.

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

(Thousands of Turkish Lira (TL))

5.3.1.3 Non-cash loans

	Current Period	*Prior Period*
Non-Cash Loans against Cash Risks	88,460,211	39,122,899
With Original Maturity of 1 Year or Less	10,550,318	6,399,588
With Original Maturity of More Than 1 Year	77,909,893	32,723,311
Other Non-Cash Loans	331,450,055	193,245,658
Total	**419,910,266**	**232,368,557**

5.3.1.4 Other information on non-cash loans

	Current Period			
	TL	**(%)**	**FC**	**(%)**
Agriculture	**2,098,592**	**0.94**	**596,602**	**0.30**
Farming and Stockbreeding	1,175,860	0.53	411,257	0.21
Forestry	176,074	0.08	53,691	0.03
Fishery	746,658	0.34	131,654	0.07
Manufacturing	**73,806,248**	**33.21**	**84,541,519**	**42.77**
Mining and Quarrying	2,720,502	1.22	1,182,303	0.60
Production	60,800,117	27.36	63,632,251	32.19
Electricity, Gas, Water	10,285,629	4.63	19,726,965	9.98
Construction	**19,316,608**	**8.69**	**25,332,485**	**12.82**
Services	**112,737,871**	**50.73**	**66,945,601**	**33.87**
Wholesale and Retail Trade	63,775,360	28.70	27,358,626	13.84
Accomodation and Dining	6,708,885	3.02	1,910,862	0.97
Transportation and Telecommunication	7,331,721	3.30	9,817,544	4.97
Financial Institutions	19,739,410	8.88	26,862,195	13.59
Real Estate and Rental Services	13,171,319	5.93	601,749	0.30
Professional Services	-	-	-	-
Educational Services	268,933	0.12	10,576	0.01
Health and Social Services	1,742,243	0.78	384,049	0.19
Others	**14,283,381**	**6.43**	**20,251,359**	**10.25**
Total	**222,242,700**	**100.00**	**197,667,566**	**100.00**

(Thousands of Turkish Lira (TL))

	Prior Period			
	TL	**(%)**	**FC**	**(%)**
Agriculture	**1,094,364**	**1.00**	**531,876**	**0.43**
Farming and Stockbreeding	434,816	0.40	416,036	0.34
Forestry	121,406	0.11	49,906	0.04
Fishery	538,142	0.49	65,934	0.05
Manufacturing	**36,351,621**	**33.17**	**53,009,688**	**43.18**
Mining and Quarrying	1,117,955	1.02	454,722	0.37
Production	27,794,977	25.36	37,697,911	30.71
Electricity, Gas, Water	7,438,689	6.79	14,857,055	12.10
Construction	**10,388,880**	**9.48**	**20,172,714**	**16.43**
Services	**54,847,986**	**50.04**	**39,752,497**	**32.38**
Wholesale and Retail Trade	30,902,172	28.19	16,446,724	13.40
Accomodation and Dining	2,537,826	2.32	1,278,684	1.04
Transportation and Telecommunication	4,647,673	4.24	6,098,358	4.97
Financial Institutions	9,699,586	8.85	15,289,073	12.45
Real Estate and Rental Services	5,629,113	5.14	492,510	0.40
Professional Services	-	-	-	-
Educational Services	204,018	0.19	6,192	0.01
Health and Social Services	1,227,598	1.12	140,956	0.11
Others	**6,925,058**	**6.32**	**9,293,873**	**7.57**
Total	**109,607,909**	**100.00**	**122,760,648**	**100.00**

5.3.1.5 Non-cash loans classified under Stage I and II:

Current Period	**Stage I**		**Stage II**	
	TL	**FC**	**TL**	**FC**
Non-Cash Loans	**211,875,554**	**174,529,319**	**10,016,363**	**19,122,119**
Letters of Guarantee	197,806,429	114,569,431	9,534,227	17,478,995
Bills of Exchange and Bank Acceptances	2,092,441	5,809,197	60,293	194
Letters of Credit	381,531	51,628,240	15,343	1,545,781
Endorsements	11,595,153	-	406,500	-
Underwriting Commitments	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Guarantees and Securities	-	2,522,451	-	97,149

Prior Period	**Stage I**		**Stage II**	
	TL	**FC**	**TL**	**FC**
Non-Cash Loans	**104,693,243**	**106,173,602**	**4,692,453**	**14,270,813**
Letters of Guarantee	98,170,210	70,377,717	4,614,053	11,653,749
Bills of Exchange and Bank Acceptances	496,948	2,757,200	-	664,415
Letters of Credit	746,185	32,097,120	-	1,952,649
Endorsements	5,279,900	295,471	78,400	-
Underwriting Commitments	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Guarantees and Securities	-	646,094	-	-

(Thousands of Turkish Lira (TL))

5.3.2 Financial derivative instruments

Current Period	**Up to 1 Month**	**1-3 Months**	**3-12 Months**	**1-5 Years**	**5 Years and Over**	**Total**
Derivative Financial Instruments held for Risk Management						
A. Total Derivative Financial Instruments held for Risk Management	**21,216,727**	**12,706,048**	**15,538,430**	**25,555,928**	**1,306,935**	**76,324,068**
Fair Value Hedges	4,966,360	5,082,525	7,716,965	15,376,059	1,306,935	34,448,844
Cash Flow Hedges	16,250,367	7,623,523	7,821,465	10,179,869	-	41,875,224
Net Foreign Investment Hedges	-	-	-	-	-	-
Trading Derivatives						
Foreign Currency related Derivative Transactions (I)	**134,498,731**	**212,069,497**	**168,667,816**	**49,738,165**	**6,335,705**	**571,309,914**
Currency Forwards – Purchases	12,354,736	9,070,974	17,727,212	9,822,897	1,915,105	50,890,924
Currency Forwards – Sales	10,375,582	8,542,158	17,071,667	8,348,581	2,127,089	46,465,077
Currency Swaps – Purchases	54,006,964	82,084,794	49,890,135	15,556,394	598,978	202,137,265
Currency Swaps – Sales	46,446,757	107,758,500	77,997,527	13,809,176	658,785	246,670,745
Currency Options – Purchases	2,536,703	1,466,186	3,622,936	850,576	515,326	8,991,727
Currency Options – Sales	3,214,196	1,789,027	2,356,946	1,350,541	520,422	9,231,132
Currency Futures – Purchases	2,859,889	718,912	1,393	-	-	3,580,194
Currency Futures – Sales	2,703,904	638,946	-	-	-	3,342,850
Interest Rate related Derivative Transactions (II)	**117,409,454**	**60,808,054**	**126,563,025**	**61,409,139**	**25,325,416**	**391,515,088**
Interest Rate Swaps – Purchases	60,771,077	29,012,899	65,018,067	27,775,458	12,970,960	195,548,461
Interest Rate Swaps – Sales	56,220,212	31,795,155	61,544,958	33,633,681	12,354,456	195,548,462
Interest Rate Options – Purchases	-	-	-	-	-	-
Interest Rate Options – Sales	-	-	-	-	-	-
Securities Options – Purchases	111,270	-	-	-	-	111,270
Securities Options – Sales	132,637	-	-	-	-	132,637
Interest Rate Futures – Purchases	-	-	-	-	-	-
Interest Rate Futures – Sales	174,258	-	-	-	-	174,258
Other Trading Derivatives (III)	**22,112,988**	**1,174,513**	**115,246,706**	**191,620**	**62,942**	**138,788,769**
B. Total Trading Derivatives (I+II+III)	**274,021,173**	**274,052,064**	**410,477,547**	**111,338,924**	**31,724,063**	**1,101,613,771**
Total Derivative Transactions (A+B)	**295,237,900**	**286,758,112**	**426,015,977**	**136,894,852**	**33,030,998**	**1,177,937,839**

(Thousands of Turkish Lira (TL))

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Total
Derivative Financial Instruments held for Risk Management						
A. Total Derivative Financial Instruments held for Risk Management	**6,772,315**	**14,249,682**	**9,154,425**	**34,139,117**	**5,584,622**	**69,900,161**
Fair Value Hedges	-	-	2,940,908	13,066,746	2,733,024	18,740,678
Cash Flow Hedges	6,772,315	14,249,682	6,213,517	21,072,371	2,851,598	51,159,483
Net Foreign Investment Hedges	-	-	-	-	-	-
Trading Derivatives						
Foreign Currency related Derivative Transactions (I)	**151,005,826**	**426,129,092**	**34,297,267**	**9,290,935**	**1,039,844**	**621,762,964**
Currency Forwards – Purchases	11,541,998	12,747,479	8,596,739	86,665	-	32,972,881
Currency Forwards – Sales	11,321,561	12,388,418	8,056,773	117,971	-	31,884,723
Currency Swaps – Purchases	60,335,892	135,142,326	7,957,052	3,562,716	568,576	207,566,562
Currency Swaps – Sales	36,153,432	176,198,059	7,068,947	4,893,364	384,239	224,698,041
Currency Options – Purchases	16,277,772	44,244,847	1,062,446	340,970	39,446	61,965,481
Currency Options – Sales	15,282,913	44,211,598	782,300	289,249	47,583	60,613,643
Currency Futures – Purchases	46,856	782,024	264,553	-	-	1,093,433
Currency Futures – Sales	45,402	414,341	508,457	-	-	968,200
Interest Rate related Derivative Transactions (II)	**16,812,970**	**27,516,362**	**41,185,498**	**114,049,512**	**101,221,798**	**300,786,140**
Interest Rate Swaps – Purchases	8,317,518	12,814,704	19,745,539	56,096,992	50,610,899	147,585,652
Interest Rate Swaps – Sales	8,317,518	12,814,704	19,745,539	56,096,992	50,610,899	147,585,652
Interest Rate Options – Purchases	-	324,924	1,469,922	1,628,324	-	3,423,170
Interest Rate Options – Sales	174,962	1,440,131	224,498	227,204	-	2,066,795
Securities Options – Purchases	1,558	-	-	-	-	1,558
Securities Options – Sales	1,414	121,899	-	-	-	123,313
Interest Rate Futures – Purchases	-	-	-	-	-	-
Interest Rate Futures – Sales	-	-	-	-	-	-
Other Trading Derivatives (III)	**21,287,172**	**39,641,486**	**6,664,307**	**20,965,991**	**-**	**88,558,956**
B. Total Trading Derivatives (I+II+III)	**189,105,968**	**493,286,940**	**82,147,072**	**144,306,438**	**102,261,642**	**1,011,108,060**
Total Derivative Transactions (A+B)	**195,878,283**	**507,536,622**	**91,301,497**	**178,445,555**	**107,846,264**	**1,081,008,221**

5.3.3 Credit derivatives and risk exposures on credit derivatives

As of 31 December 2023, there are total return swaps of the Bank with a total face value of USD 3,317,000,000 (31 December 2022: USD 3,576,071,428) classified under "other derivative financial instruments", where the Bank is on the selling side of the protection.

5.3.4 Contingent liabilities and assets

The Bank and its consolidated financial affiliates made a total provision amounting to TL 766,800 (31 December 2022: TL 564,017) for the lawsuits filed by various customers and institutions which are likely to occur and for which cash outflow might be necessary, and disclosed it under Note 5.2.9.4, other provisions. There are various other lawsuits which are unlikely to occur and for which cash outflow is not expected to incur.

It is possible that the Parent Bank or its consolidated financial affiliates may be required to provide additional collateral for the derivative transactions involved due to changes in certain financials indicators such as CDS levels, currency exchange rates, interest rates etc.

5.3.5 Services rendered on behalf of third parties

The Bank acts as an investment agent for banking transactions on behalf of its customers and provides custody services. Such transactions are followed under off-balance sheet accounts.

(Thousands of Turkish Lira (TL))

5.4 Consolidated statement of profit or loss

5.4.1 Interest income

5.4.1.1 Interest income from loans (*)

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Interest Income from Loans				
Short-term loans	83,417,098	12,702,860	36,939,236	4,076,935
Medium and long-term loans	45,102,299	19,674,274	32,513,903	10,924,873
Loans under follow-up	1,185,080	58,359	762,173	28,756
Interest Received from Resource Utilization Support Fund	-	-	-	-
Total	**129,704,477**	**32,435,493**	**70,215,312**	**15,030,564**

(*) Includes also fees and commissions income on cash loans.

5.4.1.2 Interest income from banks

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Central Bank of Turkey	1,159,776	45,751	-	13,850
Domestic Banks	700,763	1,024	185,877	536
Foreign Banks	11,341	3,677,914	5,203	512,611
Foreign Head Offices and Branches	-	-	-	-
Total	**1,871,880**	**3,724,689**	**191,080**	**526,997**

5.4.1.3 Interest income from securities portfolio

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Financial Assets Measured at Fair Value through Profit or Loss	479,614	113,910	186,388	48,077
Financial Assets Measured at Fair Value through Other Comprehensive Income	19,640,236	1,466,233	19,390,551	1,071,121
Financial Assets Measured at Amortised Cost	28,448,847	3,904,094	18,630,501	2,229,067
Total	**48,568,697**	**5,484,237**	**38,207,440**	**3,348,265**

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. The valuation of such securities has been calculated according to the actual index as of 31 December 2023.

5.4.1.4 Interest income received from associates and subsidiaries

	Current Period	*Prior Period*
Interest Received from Investments in Associates and Subsidiaries	1,048,034	101,801

(Thousands of Turkish Lira (TL))

5.4.2 Interest expenses

5.4.2.1 Interest expenses on funds borrowed (*)

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Banks	**1,384,468**	**2,806,885**	**831,466**	**645,252**
Central Bank of Turkey	-	-	-	-
Domestic Banks	1,313,604	155,412	818,341	144,673
Foreign Banks	70,864	2,651,473	13,125	500,579
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	**-**	**4,037,076**	**-**	**1,708,268**
Total	**1,384,468**	**6,843,961**	**831,466**	**2,353,520**

(*) Also includes fees and commissions 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	68,219	15,196

5.4.2.3 Interest expenses on securities issued

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Interest Expenses on Securities Issued	386,891	2,649,858	587,291	2,481,143

(Thousands of Turkish Lira (TL))

5.4.2.4 Maturity structure of interest expense on deposits

Current Period	Demand Deposits	Time Deposits						Total
		Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year	Accumulating Deposit Accounts	
Turkish Lira								
Bank Deposits	4,780	180,317	-	-	-	-	-	**185,097**
Saving Deposits	6,311	951,913	44,624,035	30,962,642	4,491,557	6,880,823	-	**87,917,281**
Public Sector Deposits	-	2,771	9,202	45,900	-	-	-	**57,873**
Commercial Deposits	443	10,997,292	14,974,552	5,507,589	1,665,954	1,820,880	-	**34,966,710**
Others	-	113,571	1,643,652	416,982	261,719	398,150	-	**2,834,074**
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Total TL	**11,534**	**12,245,864**	**61,251,441**	**36,933,113**	**6,419,230**	**9,099,853**	**-**	**125,961,035**
Foreign Currency								
Foreign Currency Deposits	629,752	2,663,357	1,009,401	522,500	552,652	125,331	185	**5,503,178**
Bank Deposits	6,542	18,856	8,577	1,009	-	215	-	**35,199**
“7 Days Notice” Deposits	-	-	-	-	-	-	-	**-**
Precious Metal Deposits	-	-	-	-	2	8,170	-	**8,172**
Total FC	**636,294**	**2,682,213**	**1,017,978**	**523,509**	**552,654**	**133,716**	**185**	**5,546,549**
Grand Total	**647,828**	**14,928,077**	**62,269,419**	**37,456,622**	**6,971,884**	**9,233,569**	**185**	**131,507,584**

Prior Period	Demand Deposits	Time Deposits						Total
		Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year	Accumulating Deposit Accounts	
Turkish Lira								
Bank Deposits	4,276	51,364	-	-	-	-	-	55,640
Saving Deposits	5,195	625,739	16,862,334	1,204,041	213,847	1,109,668	-	20,020,824
Public Sector Deposits	-	1,933	5,739	115	105	-	-	7,892
Commercial Deposits	270	4,055,688	3,192,601	1,612,319	1,723,834	549,626	-	11,134,338
Others	3	168,767	369,175	75,738	246,060	309,824	-	1,169,567
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Total TL	**9,744**	**4,903,491**	**20,429,849**	**2,892,213**	**2,183,846**	**1,969,118**	**-**	**32,388,261**
Foreign Currency								
Foreign Currency Deposits	87,242	524,106	878,397	140,145	150,965	92,345	181	1,873,381
Bank Deposits	1,136	23,691	14,122	-	-	15	-	38,964
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	2,163	197	541	3,928	-	6,829
Total FC	**88,378**	**547,797**	**894,682**	**140,342**	**151,506**	**96,288**	**181**	**1,919,174**
Grand Total	**98,122**	**5,451,288**	**21,324,531**	**3,032,555**	**2,335,352**	**2,065,406**	**181**	**34,307,435**

5.4.2.5 Interest expense on money market transactions

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Interest Paid on Money Market Transactions	669,095	1,158	327,267	1,634
Interest Paid on Repurchase Agreements	852,845	1,332,908	574,031	202,172

(Thousands of Turkish Lira (TL))

5.4.2.6 Lease expenses

5.4.2.6.1 Financial lease expenses

None.

5.4.2.6.2 Operational lease expenses

	Current Period	*Prior Period*
Operational lease expenses	291,295	173,890

5.4.2.7 Interest expenses on factoring payables

None.

5.4.3 Dividend income

	Current Period	*Prior Period*
Financial Assets Valued at Fair Value through Profit or Loss	48,019	42,355
Financial Assets Measured at Fair Value through Other Comprehensive Income	9,980	5,014
Others	46,641	47,384
Total	**104,640**	**94,753**

5.4.4 Trading income/losses (net)

	Current Period	*Prior Period*
Income	**443,163,504**	**289,337,788**
Trading Account Income	4,879,362	4,893,527
Derivative Financial Instruments	38,605,578	41,996,522
Foreign Exchange Gain	399,678,564	242,447,739
Losses (-)	**411,068,853**	**278,825,490**
Trading Account Losses	4,424,095	3,082,272
Derivative Financial Instruments	54,231,035	64,115,593
Foreign Exchange Losses	352,413,723	211,627,625
Total	**32,094,651**	**10,512,298**

TL 4,473,157 (31 December 2022: TL 15,783,126) of foreign exchange gains and TL 4,090,469 (31 December 2022: TL 4,455,250) of foreign exchange losses are resulted from the exchange rate changes of derivative transactions.

5.4.5 Other operating income

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

	Current Period	*Prior Period*
Prior Year Reversals	**28,508,883**	**10,381,297**
Stage 1	10,814,449	4,614,011
Stage 2	4,427,900	2,695,178
Stage 3	4,700,030	2,800,678
Others (*)	8,566,504	271,430
Income from term sale of assets	**578,785**	**623,848**
Others (**)	**8,169,978**	**5,460,233**
Total	**37,257,646**	**16,465,378**

(*) In the current period, free provision amounting to TL 8,000,000 has been reversed.

(**) Premium income from insurance business amounting to TL 5,065,772 (31 December 2022: TL 2,608,757) which is included in other operating income in the accompanying financial statements is presented in "others" line item.

(Thousands of Turkish Lira (TL))

5.4.6 Expected credit losses and other provisions

	Current Period	*Prior Period*
Expected Credit Losses	**39,154,209**	**26,005,040**
12-Month ECL (Stage 1)	*9,274,868*	*6,328,589*
Significant Increase in Credit Risk (Stage 2)	*18,927,375*	*13,387,923*
Impaired Credits (Stage 3)	*10,951,966*	*6,288,528*
Other Provisions	**331,894**	**3,736,002**
Impairment Losses on Securities	-	*304,558*
Financial Assets Measured at Fair Value through Profit or Loss	-	*304,558*
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-
Impairment Losses on Associates, Subsidiaries and Joint-ventures	-	19,102
Associates	-	*19,102*
Subsidiaries	-	-
Joint-ventures (business partnership)	-	-
Others	331,894	3,412,342
Total	**39,486,103**	**29,741,042**

5.4.7 Other operating expenses

	Current Period	*Prior Period*
Reserve for Employee Termination Benefits	527,432	245,142
Defined Benefit Plan Obligations	-	-
Impairment Losses on Tangible Assets	7,626	995
Depreciation Expenses of Tangible Assets	1,105,555	527,455
Impairment Losses on Intangible Assets	-	-
Impairment Losses on Goodwill	-	-
Amortisation Expenses of Intangible Assets	481,128	288,556
Decrease in Value of Equity Accounting Shares	-	-
Impairment Losses on Assets to be Disposed	-	1,253
Depreciation Expenses of Right-of-use Assets	659,010	425,767
Impairment Losses on Assets Held for Sale and Discontinued Assets	750	3,286
Other Operating Expenses	24,639,675	12,151,119
Operational Lease related Expenses (*)	*385,732*	*259,729*
Repair and maintenance expenses	*422,664*	*206,380*
Advertisement expenses	*1,276,884*	*472,760*
Other expenses (**)	*22,554,395*	*11,212,250*
Loss on Sale of Assets	10,967	19,354
Others (***)	7,772,066	3,762,352
Total	**35,204,209**	**17,425,279**

(*) Includes lease related expenses out of the scope of TFRS 16.
(**) Includes the cash donation payment amounting to TL 650,000 made to the Republic of Turkey Ministry of Interior Disaster and Emergency Management Presidency due to the earthquake disaster.
(***) Includes Saving Deposits Insurance Fund related expenses of TL 2,389,273 (31 December 2022: TL 1,272,431) and insurance- business claim losses of TL 2,522,919 (31 December 2022: TL 1,140,228) in the current period.

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

TL 86,366,451 (31 December 2022: TL 88,092,627) of the profit before taxes is derived from net interest income and TL 43,500,624 (31 December 2022: TL 18,146,320) from net fees and commissions income. The total operating expenses amounted to TL 35,204,209 (31 December 2022: TL 17,425,279). The profit before taxes reached to TL 107,061,221 (31 December 2022: TL 76,987,752) increasing by 39.1% (31 December 2022: 318.2%) as compared to the prior year.

There is no amount from discontinued operations.

(Thousands of Turkish Lira (TL))

5.4.9 Information on provision for taxes for continued and discontinued operations

For the period ended 31 December 2023, on a consolidated basis, the Bank recorded a current tax expense of TL 29,961,124 (31 December 2022: TL 20,844,000) and a deferred tax income of TL 9,807,119 (31 December 2022: TL 2,366,554).

There is no amount from discontinued operations.

Deferred tax benefit/charge on timing differences

Deferred tax (benefit)/charge on timing differences	***Current Period***	***Prior Period***
Increase in Tax Deductible Timing Differences (+)	(12,560,091)	(5,943,733)
Decrease in Tax Deductible Timing Differences (-)	1,878,384	1,697,199
Increase in Taxable Timing Differences (-)	3,869,790	3,778,454
Decrease in Taxable Timing Differences (+)	(2,995,202)	(1,898,474)
Total	**(9,807,119)**	**(2,366,554)**

Deferred tax benefit/charge in the income statement arising on timing differences, tax losses and tax deductions and exemptions

Deferred tax (benefit)/charge arising on timing differences, tax losses and tax deductions and exemptions	***Current Period***	***Prior Period***
(Increase)/Decrease in Tax Deductible Timing Differences (net)	(10,681,707)	(4,246,534)
(Increase)/Decrease in Taxable Timing Differences (net)	874,588	1,879,980
(Increase)/Decrease in Tax Losses (net)	-	-
(Increase)/Decrease in Tax Deductions and Exemptions (net)	-	-
Total	**(9,807,119)**	**(2,366,554)**

5.4.10 Net operating profit/loss after taxes including net profit/loss from discontinued operations

The Bank's net operating profit after taxes is TL 86,907,216 (31 December 2022: TL 58,510,306).

There is no amount from discontinued operations.

5.4.11 Net profit/loss

5.4.11.1 Any further explanation on operating results needed for better understanding of 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.

5.4.11.3 Minority interest's profit/loss

	Current Period	***Prior Period***
Net Profit/(Loss) of Minority Interest	532,219	224,928

5.4.12 Components of other items in income statement

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

(Thousands of Turkish Lira (TL))

5.5 Consolidated statement of changes in shareholders' equity

5.5.1 Any changes arising from application of accounting for financial instruments in current period

5.5.1.1 Reconciliation of foreign exchange differences at beginning and end of current period

As of 31 December 2023, an increase of TL 13,136,027 (31 December 2022: TL 5,096,504) that was resulted from the foreign currency translation of consolidated foreign affiliates performances, is presented under translation differences in the shareholders' equity.

5.5.1.2 Information on changes in financial assets measured at fair value through other comprehensive income

"Unrealized profits / losses" arising from changes in financial assets measured at fair value through other comprehensive income, are not reflected in the income statement until the realization of either the collection of the value corresponding to the relevant financial asset, the sale, disposal of the asset or its weakness, and are accounted under shareholders'equity. After netting with the related deferred tax effect, an decrease of TL 5,370,840 (31 December 2022: an increase TL 8,281,861) is presented in the shareholders' equity for such transactions.

5.5.1.3 Information on hedge funds

5.5.1.3.1 Increases due to cash flow hedges

As disclosed in note 5.4.4 Trading income/losses, the Bank has various cash flow hedges. After netting with the related deferred tax effect, an increase of TL 221,925 (31 December 2022: TL 955,526) is presented in the shareholders' equity for such hedge transactions.

5.5.1.3.2 Information on changes in investment hedging items related with foreign entities

As disclosed in note 3.2.2 Foreign currency transactions, the Bank applies net investment hedge accounting for foreign exchange differences arising from the conversion of foreign currency investments and foreign currency long term loans to Turkish Lira. After netting with the related deferred tax effect, a decrease of TL 4,603,645 (31 December 2022: TL 1,603,244) is presented in the shareholders' equity for such hedge transactions.

5.5.2 Transfers to legal and extraordinary reserves

	Current Period	***Prior Period***
Transfers to Legal Reserves from Prior Year Profits	1,133,352	234,715
Transfers to Extraordinary Reserves from Prior Year Profits	49,336,592	11,380,589

5.5.3 Issuance of share certificates

Disclosed in 5.2.14.3.

5.5.4 Effects of prior years' corrections to beginning balances of current period

None.

5.5.5 Compensation of prior period losses

None.

(Thousands of Turkish Lira (TL))

5.6 Consolidated statement of cash flows

5.6.1 Disclosures for "other" items and "effect of translation differences cash and cash equivalents" in statement of cash flows

The net cash inflows arising from banking operations amount to TL 191,281,025 (31 December 2022: TL 45,764,483). TL 125,147,661 (31 December 2022: TL 4,190,541 cash inflows) of these net cash inflows is generated from the cash outflow resulted from the change in operating assets and liabilities and TL 66,133,364 (31 December 2022: TL 49,955,024) from the cash inflows resulted from operating profit. The "net increase (decrease) in other liabilities" under the changes in operating assets and liabilities is resulted from the changes in the funds obtained through repurchase agreements, miscellaneous payables, other external funding payables and taxes, duties and premiums payables and amounts to an increase of TL 38,298,969 (31 December 2022: TL 29,796,989). The net cash inflows from financing activities amount to TL 10,446,228 (31 December 2022: TL 25,669,509).

The effect of translation differences on cash and cash equivalents includes the foreign exchange differences resulted from the translations of cash and cash equivalents in foreign currencies into TL at the exchange rates prevailing at the beginning and end of the year, and amounts to TL 23,957,309 (31 December 2022: TL 10,819,461).

5.6.2 Cash outflows from acquisition of associates, subsidiaries and joint-ventures

Please refer to Notes 5.1.10 and 5.1.11.

5.6.3 Cash inflows from disposal of associates, subsidiaries and joint-ventures

None.

5.6.4 Cash and cash equivalents at beginning of period

	Current Period	***Prior Period***
Cash on Hand	**21,814,787**	**16,734,401**
Cash in TL	*3,310,207*	*1,916,282*
Cash in Foreign Currency	*18,504,580*	*14,818,119*
Cash Equivalents	**127,649,750**	**105,727,922**
Others	*127,649,750*	*105,727,922*
Total	**149,464,537**	**122,462,323**

5.6.5 Cash and cash equivalents at end of period

	Current Period	***Prior Period***
Cash on Hand	**33,640,850**	**21,814,787**
Cash in TL	4,233,944	*3,310,207*
Cash in Foreign Currency	29,406,906	*18,504,580*
Cash Equivalents	**259,745,877**	**127,649,750**
Others	259,745,877	*127,649,750*
Total	**293,386,727**	**149,464,537**

5.6.6 Restricted cash and cash equivalents due to legal requirements or other reasons

The placements at foreign banks include blocked accounts amounting TL 10,345,342 (31 December 2022: TL 9,152,303) of which TL 182,656 (31 December 2022: TL 1,236) and TL 1,095,895 (31 December 2022: TL 606,643) are kept at the central banks of Malta and Turkish Republic of Northern Cyprus, respectively as reserve deposits.

Furthermore, there are restricted deposits at various domestic banks amounting TL 1,201,751 (31 December 2022: TL 329,141) as required for insurance activities.

The blocked account at the Central Bank of Turkey with a principal of TL 126,678,324 (31 December 2022: TL 72,534,346) is for the reserve deposits in foreign currency and gold against the Banks' liabilities in Turkish Lira, foreign currencies and gold.

5.6.7 Additional information

5.6.7.1 Restrictions on the Bank's potential borrowings

None.

5.6.7.2 Cash inflows presenting increase in banking activity related capacity

None.

(Thousands of Turkish Lira (TL))

5.7 Related party risks

5.7.1 Transactions with Parent Bank's risk group;

5.7.1.1 Loans and other receivables

Current Period:

Bank's Risk Group	**Associates, Subsidiaries and Joint-Ventures**		**Bank's Direct and Indirect Shareholders**		**Other Components in Risk Group**	
Loans and Other Receivables	**Cash**	**Non-cash**	**Cash**	**Non-cash**	**Cash**	**Non-cash**
Balance at beginning of period	1,404,085	35,317	575,562	2,805,182	47,629	18,802
Balance at end of period	5,132,114	73,259	636,221	3,877,104	323,370	20,995
Interest and Commission Income	**1,051,997**	**-**	**14,568**	**-**	**17,223**	**-**

Prior Period:

Bank's Risk Group	**Associates, Subsidiaries and Joint-Ventures**		**Bank's Direct and Indirect Shareholders**		**Other Components in Risk Group**	
Loans and Other Receivables	**Cash**	**Non-cash**	**Cash**	**Non-cash**	**Cash**	**Non-cash**
Balance at beginning of period	630,311	24,142	880,147	1,817,495	87,503	194,549
Balance at end of period	1,404,085	35,317	575,562	2,805,182	47,629	18,802
Interest and Commission Income	**106,218**	**11**	**63,573**	**-**	**6,945**	**-**

5.7.1.2 Deposits

Bank's Risk Group	**Associates, Subsidiaries and Joint-Ventures**		**Bank's Direct and Indirect Shareholders**		**Other Components in Risk Group**	
Deposits	***Current Period***	***Prior Period***	***Current Period***	***Prior Period***	***Current Period***	***Prior Period***
Balance at beginning of period	242,109	135,477	33,165	31,849	6,531,682	7,101,109
Balance at end of period	553,605	242,109	183,626	33,165	10,504,227	6,531,682
Interest Expenses	**68,219**	**15,196**	**8,428**	**82**	**2,005,929**	**992,151**

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	341,250	50,000	57,431,194	43,176,984	-	-
Balance at end of period	12,009,441	341,250	76,674,283	57,431,194	-	-
Total Profit/(Loss)	**167**	**(2,167)**	**507,374**	**92,931**	**(3,409)**	**-**
Transactions for Hedging						
Balance at beginning of period	-	-	-	220,100	-	-
Balance at end of period	-	-	-	-	-	-
Total Profit/(Loss)	-	-	-	**(3,373)**	-	-

5.7.2 Bank's risk group

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

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

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

The cash loans of the risk group amounting TL 4,796,974 (31 December 2022: TL 1,362,913) compose 0.39% (31 December 2022: 0.18%) of the Bank's total consolidated cash loans and 0.22% (31 December 2022: 0.10%) of the Bank's total consolidated assets. The total loans and similar receivables amounting TL 6,091,705 (31 December 2022: TL 2,027,276) compose 0.28% (31 December 2022: 0.16%) of the Bank's total consolidated assets. The non-cash loans of the risk group amounting TL 3,971,358 (31 December 2022: TL 2,859,301) compose 0.95% (31 December 2022: 1.23%) of the Bank's total consolidated non-cash loans. The deposits of the risk group amounting TL 11,241,458 (31 December 2022: TL 6,806,956) compose 0.70% (31 December 2022: 0.76%) of the Bank's total consolidated deposits. There are no funds borrowed by the Bank and its consolidated financial subsidiaries from their risk group of the Bank's total consolidated funds borrowed. The pricing in transactions with the risk group companies is set on an arm's-length basis.

A total rent income of TL 3,570 (31 December 2022: TL 1,938) was recognized for the real estates rented to the related parties.

Other income of TL 24,367 (31 December 2022: TL 7,620) for the IT services rendered and banking services fee income of TL 23,753 (31 December 2022: TL 27,723) were recognized from the related parties.

Operating expenses of TL 86,315 (31 December 2022: TL 72,045) 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 and its consolidated financial subsidiaries amounts to TL 455,242 as of 31 December 2023 (31 December 2022: TL 284,600).

5.7.2.3 Other matters not required to be disclosed

None

5.7.2.4 Transactions accounted for under equity method

None.

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 internal use are partly arranged through leasing.

(Thousands of Turkish Lira (TL))

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

5.8.1 Domestic and foreign branches and representative offices of Parent bank

Parent Bank	Number of Branches	Number Of Employees	Country	Total Assets	Legal Capital
Domestic Branches	796	18,840			
Foreign Representative Offices	1	1	1- China		
Foreign Branches	1	14	1- Malta	67,673,675	-
	7	111	2- KKTC	21,085,164	80,000

5.8.2 Opening or closing of domestic and foreign branches and representative offices and significant changes in organisational structure of Parent Bank

In 2023, no domestic branch has been opened and 33 branches has been closed. (In 2023, no domestic branch has been opened and 34 branches has been closed.)

5.8.3 Information on consolidated financial subsidiaries of Parent Bank

Garanti Bank International NV	Number of Branches	Number Of Employees	Country	Total Assets	Legal Capital
Foreign Representative Offices	1	13	1- Turkey		
Head office-the Netherlands	1	210	1- Netherlands	185,532,105	136,836,000 EUR
Foreign Branches	1	16	2- Germany	394,066	-

Garanti Bank SA	Number of Branches	Number Of Employees	Country	Total Assets	Legal Capital
Romania Head Office and Branches	71	1,113	Romania	99,104,067	RON 1,208,086,946

Other consolidated foreign financial subsidiaries

	Number Of Employees	Country	Total Assets	Legal Capital
Garanti Holding BV	3	Netherlands	12,650,637	EUR 438,888,600
G Netherlands BV	3	Netherlands	10,393,699	EUR 173,682,821
Motoractive IFN SA	70	Romania	6,387,529	RON 40,138,655
Ralfi IFN SA	15	Romania	846,049	RON 10,661,500

Consolidated domestic financial subsidiaries

	Number Of Employees	Total Assets	Legal Capital
Garanti Finansal Kiralama AŞ	101	30,513,237	350,000
Garanti Faktoring AŞ	121	11,823,172	79,500
Garanti Emeklilik ve Hayat AŞ	503	10,657,936	500,000
Garanti Yatırım Menkul Kıymetler AŞ	277	7,522,809	200,000
Garanti Portföy Yönetimi AŞ	50	864,586	50,000
Garanti Yatırım Ortaklığı AŞ	7	78,110	37,500
Garanti Ödeme Sistemleri AŞ	410	503,711	128,500

(Thousands of Turkish Lira (TL))

5.9 Fees related with the services provided by independent auditors/independent audit agencies

In accordance with the decision made by Public Oversight Accounting and Auditing Standards Authority dated 26 March 2021, fees, based on the given reporting period, in relation to the services provided by independent auditors or independent audit agencies excluding value added tax costs are presented in the following table. These fees include the fees for services provided to the Bank's foreign and domestic subsidiaries.

	Current Period	***Prior Period***
Independent audit fees in the reporting period	55,333	30,186
Fees for tax advisory	-	-
Fees for other assurance services	9,224	2,945
Fees for other services except independent audit	-	-
Total	**64,557**	**33,131**

5.10 Matters arising subsequent to the balance sheet date

BRSA has determined within the board decision dated 11 January 2024 and numbered 10825 that transition date of "TAS 29 Hyperinflationary Financial Reporting in Hyperinflationary Economies" for banks, leasing companies, factoring companies, financing companies, savings financing companies and asset management companies is 1 January 2025.

In order to increase the Registered Capital Ceiling amount of our Bank and since the Registered Capital Ceiling permission granted by the Capital Markets Board of Turkey to the Bank will expire by the end of 2024, Bank's Board of Directors, at its meeting on 11 January 2024, is decided to amend Article 7 of the Bank's Articles of Association in accordance with the draft amendment attached hereto in order to increase the Registered Capital Ceiling amount from 10,000,000 Turkish Liras to 25,000,000 Turkish Liras and extend the date of the Registered Capital Ceiling permission to the end of the year 2028 and to authorize the Head Office to file necessary applications to the Banking Regulation and Supervision Agency, Capital Markets Board of Turkey and the other relevant official authorities in order to conclude the above-mentioned process and execute any and all operations related thereto. BRSA has stated within the letter dated 26 January 2024 and numbered 108595 that change request of Registered Capital Ceiling is appropriate in terms of Banking Law No. 5411.

6 Other disclosures on activities

6.1 Information on international risk ratings

6.1.1 Parent Bank's international risk ratings

MOODY'S (January 2024)

Outlook	Positive
Long-Term FC Deposit	B3(Stable)
Long-Term TL Deposit	B3(Stable)
Short-Term FC Deposit	Not Prime
Short-Term TL Deposit	Not Prime
Basic Loan Assessment	b3
Adjusted Loan Assessment	b3
Senior Unsecured Rating (Regular Bond)	B3 (Stable)
Senior Unsecured Rating (Medium-Term Note Program)	(P) B3
Long-Term National Scale Rating (NSR)	A1.tr
Short-Term NSR	TR-2

FITCH RATINGS (September 2023)

Long-Term FC	B- / Stable Outlook
Short-Term FC	B
Long-Term TL	B / Stable Outlook
Short-Term TL	B
Viability Rating	B
Shareholder Support	b-
National Long Term Rating	AA(tur)
Long Term Senior Unsecured Notes	B-
Short Term Senior Unsecured Notes	B
Subordinated Notes	CCC+

JCR EURASIA RATINGS *(September 2023)*

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

6.1.2 International risk ratings of Garanti Bank International NV, a consolidated subsidiary

MOODY'S (November 2023) (*)

Long-Term FC Deposit	Baa3
Short-Term FC Deposit	P-3
Baseline Credit Assessment	ba1
Adjusted Baseline Credit Assessment	baa3
Outlook	Stable
Long-Term Counterparty Risk Assessment	Baa1(cr)
Short-Term Counterparty Risk Assessment	P-2(cr)
Long-Term Counterparty Risk Rating	Baa2
Short-Term Counterparty Risk Rating	P-2

(*) Latest date in risk ratings or outlooks

6.1.3 International risk ratings of Garanti Faktoring, a consolidated subsidiary

FITCH RATINGS *(September 2023)* (*)

Foreign Currency	
Long-Term	B-
Short-Term	B
Outlook	Stable
Turkish Lira	
Long-Term	B
Short-Term	B
Outlook	Stable
National	AA (tur)
Outlook	Stable
Support	-
Shareholder Support Ratings	b-

(*) Latest date in risk ratings or outlooks

6.1.4 International risk ratings of Garanti Leasing, a consolidated subsidiary

FITCH RATINGS *(September 2023)* (*)

Foreign Currency	
Long-Term	B-
Short-Term	B
Outlook	Stable
Turkish Lira	
Long-Term	B
Short-Term	B
Outlook	Stable
National	AA (tur)
Outlook	Stable
Support	-
Shareholder Support Ratings	b-

(*) Latest date in risk ratings or outlooks

(Thousands of Turkish Lira (TL))

6.1.5 International risk ratings of Garanti Bank SA, a consolidated subsidiary

FITCH RATINGS *(December 2022)* (*)

Foreign Currency	
Long-Term IDR	BB-
Short-Term IDR	B
Support Rating	b-
Viability Rating	bb-
Outlook	Stable

(*) Latest date in risk ratings or outlooks

6.1.6 International risk ratings of Garanti Yatırım Menkul Kıymetler A.Ş. , a consolidated subsidiary

JCR EURASIA RATINGS *(May 2023)* (*)

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

(*) Latest date in risk ratings or outlooks

6.2 Dividends

As per the decision made at the annual general assembly of shareholders of the parent Bank on 13 April 2023, the distribution of the net profit of the year 2022, was as follows;

2022 PROFIT DISTRIBUTION TABLE	
2022 Net Profit	**58,509,158**
A- I. Legal reserve (Turkish Commercial Code 519/1) at 5%	-
Undistributable funds	(150,379)
B- First dividend at 5% of the paid-in capital	(210,000)
C- Extraordinary reserves at 5% after above deductions	(2,914,958)
D- Second dividend to the shareholders	(8,566,374)
E- Extraordinary reserves	(45,810,810)
F- II. Legal reserve (Turkish Commercial Code 519/2)	(856,637)

6.3 Other disclosures

None.

7 Independent Auditors' Report

7.1 Disclosure on independent auditors' report

The consolidated financial statements of the Bank as of 31 December 2023, have been audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş (a member firm of Ernst & Young Global Limited) and the independent auditors' report dated 29 January 2024, is presented before the accompanying financial statements.

7.2 Disclosures and footnotes prepared by independent auditors

None.