

Türkiye Garanti Bankası Anonim Şirketi
Publicly Announced Unconsolidated 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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Güney Bağımsız Denetim ve SMMM A.Ş.
Maslak Mah. Eski Büyükdere Cad.
Orjin Maslak İş Merkezi No: 27
Daire: 57 34485 Sarıyer
İstanbul - Türkiye

Tel: +90 212 315 3000
Fax: +90 212 230 8291
ey.com
Ticaret Sicil No : 479920
Mersis No: 0-4350-3032-6000017

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

Independent Auditors' Report on Audit of Unconsolidated Financial Statements

To the General Assembly of Türkiye Garanti Bankası Anonim Şirketi;

Qualified Opinion

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

In our opinion, except for the effects of the matter on the unconsolidated financial statements described in the Basis for Qualified Opinion paragraph, the accompanying unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of the Bank as at December 31, 2023 and unconsolidated financial performance and unconsolidated its cash flows for the year then ended in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Financial Reporting Standards ("TFRS") for those matters not regulated by the aforementioned regulations.

Basis of Qualified Opinion

As explained in Section Five Part 5.2.8.4 and 5.4.5, the accompanying unconsolidated 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 Bank management for the possible effects of the negative circumstances which may arise from the possible changes in the economy and market conditions which does not meet the recognition criteria of TAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

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 Bank 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
<p><i>Financial impact of TFRS 9 “Financial Instruments” standard and impairment on financial assets and related important disclosures</i></p>	
<p>As presented in Section III disclosure VIII, the Bank 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:</p> <ul style="list-style-type: none"> - 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 Bank 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. 	<p>Our audit procedures included among others include:</p> <ul style="list-style-type: none"> - Evaluating the appropriateness of accounting policies as to the requirements of TFRS 9, Bank'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 Bank'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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<i>Pension Fund Obligations</i>	How the Key Audit Matter is addressed in our audit
<p>The 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 Bank's employees are the members of this Fund.</p> <p>As disclosed in Section III disclosure 17 to the unconsolidated 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.</p> <p>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.</p> <p>As of 31 December 2023, the 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.</p> <p>As of 31 December 2023, the Bank's non-transferable liabilities are also calculated by independent actuary.</p> <p>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.</p> <p>Management uses independent actuaries to assist in assessing the uncertainty around these assumptions.</p> <p>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.</p>	<p>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.</p> <p>Furthermore; the accuracy and adequacy of the footnotes in the unconsolidated financial statements of the Bank have been evaluated.</p>



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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
<p>The classification of the financial assets is based on the Bank's business model and characteristics of the contractual cash flows in accordance with Standard.</p> <p>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.</p> <p>Management assesses the significant unobservable inputs and uncertainties due to assumptions and estimates with the involvement of an independent valuation firm.</p> <p>The Bank 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.</p> <p>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.</p> <p>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</p>	<p>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:</p> <p>We evaluated the design and implementation of the controls that the Bank sets for the measurement of fair value of the relevant financial instruments.</p> <p>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.</p> <p>We involved our own valuation specialists to evaluate the significant unobservable inputs and assumptions used by the Bank for the fair value calculation of the related instruments.</p> <p>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).</p>

Responsibilities of Management and Directors for the Unconsolidated Financial Statements

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

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

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

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

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

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

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

We also provide those charged with 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.



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

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
UNCONSOLIDATED FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2023

Levent Nispetiye Mah.Aytar Cad.
No:2 Beşiktaş 34340 Istanbul
Telephone: 212 318 18 18
Fax: 212 216 64 22
www.garantibbva.com.tr
investorrelations@garantibbva.com.tr

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

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

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

Süleyman Sözen
Board of Directors
Chairman

Recep Baştuğ
General Manager

Aydın Güler
Executive Vice President
Responsible of Financial
Reporting

Hakan Özdemir
Accounting and Legal
Reporting Director

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

Avni Aydın Düren
Audit Committee Member

Belkis Sema Yurdum
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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1 General Information

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

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

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

The Bank provides banking services through 796 domestic branches, 8 foreign branches and 1 representative offices abroad (31 December 2022: 829 domestic branches, 8 foreign branches and 1 representative offices). The Bank’s head office is located in Istanbul.

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

As of 31 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 agreements share transfer had been finalized. After the share transfer BBVA’s interest in the share capital of the Bank is at 49.85%.

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

BBVA Group

BBVA is operating for more than 165 years, providing variety of wide spread financial and non-financial services to 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.

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

Board of Directors Chairman and Members:

Name and Surname	Responsibility	Appointment Date	Education	Experience in Banking and Business Administration
Süleyman Sözen	Chairman	29.05.1997	University	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 the Bank's qualified shareholders

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

1.5 Summary information on the Bank's activities and services

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

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

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

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

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

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

None

2 Unconsolidated Financial Statements

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi
Balance Sheet (Statement of Financial Position)
At 31 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)		256,725,299	270,137,629	526,862,928	112,872,415	207,118,991	319,991,406
1.1 Cash and Cash Equivalents	5.1.1	193,830,153	236,644,393	430,474,546	44,175,474	185,656,072	229,831,546
1.1.1 Cash and Balances with Central Bank		167,131,437	161,313,654	328,445,091	9,205,356	128,688,052	137,893,408
1.1.2 Banks		1,419,269	64,005,751	65,425,020	611,390	22,495,040	23,106,430
1.1.3 Money Market Placements		26,444,388	12,094,686	38,539,074	34,719,478	35,013,551	69,733,029
1.1.4 Expected Credit Losses (-)		1,164,941	769,698	1,934,639	360,750	540,571	901,321
1.2 Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)	5.1.2	1,721,836	3,526,321	5,248,157	1,208,768	1,256,664	2,465,432
1.2.1 Government Securities		1,559,847	2,476,591	4,036,438	1,098,714	616,986	1,715,700
1.2.2 Equity Securities		96,942	109,913	206,855	87,470	67,322	154,792
1.2.3 Other Financial Assets		65,047	939,817	1,004,864	22,584	572,356	594,940
1.3 Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)	5.1.3	56,758,784	23,515,294	80,274,078	63,130,119	14,169,090	77,299,209
1.3.1 Government Securities		56,110,960	21,868,778	77,979,738	62,993,455	13,324,042	76,317,497
1.3.2 Equity Securities		203,391	1,646,516	1,849,907	136,664	845,048	981,712
1.3.3 Other Financial Assets		444,433	-	444,433	-	-	-
1.4 Derivative Financial Assets	5.1.4	4,414,526	6,451,621	10,866,147	4,358,054	6,037,165	10,395,219
1.4.1 Derivative Financial Assets Measured at FVTPL		4,406,868	5,533,011	9,939,879	4,178,597	5,083,516	9,262,113
1.4.2 Derivative Financial Assets Measured at FVOCI		7,658	918,610	926,268	179,457	953,649	1,133,106
II. FINANCIAL ASSETS MEASURED AT AMORTIZED COST		887,020,026	339,264,069	1,226,284,095	537,818,421	202,770,876	740,589,297
2.1 Loans	5.1.5	767,831,889	298,298,967	1,066,130,856	494,466,701	174,934,865	669,400,786
2.2 Lease Receivables	5.1.6	-	-	-	-	-	-
2.3 Other Financial Assets Measured at Amortised Cost	5.1.7	141,655,134	65,598,188	207,253,322	62,454,628	45,773,227	108,227,855
2.3.1 Government Securities		138,073,167	60,934,162	199,007,329	62,420,560	42,843,973	105,264,533
2.3.2 Other Financial Assets		3,581,967	4,664,026	8,245,993	34,068	2,929,254	2,963,322
2.4 Expected Credit Losses (-)		22,466,997	24,633,086	47,100,083	19,102,908	17,936,436	37,039,344
III. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	5.1.8	2,122,307	-	2,122,307	767,582	-	767,582
3.1 Asset Held for Resale		2,122,307	-	2,122,307	767,582	-	767,582
3.2 Assets of Discontinued Operations		-	-	-	-	-	-
IV. INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES		19,807,944	37,128,973	56,936,917	8,896,423	20,199,057	29,095,480
4.1 Associates (Net)	5.1.9	127,014	-	127,014	110,939	-	110,939
4.1.1 Associates Consolidated Under Equity Accounting		-	-	-	-	-	-
4.1.2 Unconsolidated Associates		127,014	-	127,014	110,939	-	110,939
4.2 Subsidiaries (Net)	5.1.10	19,680,930	37,128,973	56,809,903	8,785,484	20,199,057	28,984,541
4.2.1 Unconsolidated Financial Investments in Subsidiaries		19,207,870	37,128,973	56,336,843	8,740,804	20,199,057	28,939,861
4.2.2 Unconsolidated Non-Financial Investments in Subsidiaries		473,060	-	473,060	44,680	-	44,680
4.3 Joint Ventures (Net)	5.1.11	-	-	-	-	-	-
4.3.1 Joint-Ventures Consolidated Under Equity Accounting		-	-	-	-	-	-
4.3.2 Unconsolidated Joint-Ventures		-	-	-	-	-	-
V. TANGIBLE ASSETS (Net)	5.1.12	18,927,274	756	18,928,030	9,968,922	345	9,969,267
VI. INTANGIBLE ASSETS (Net)	5.1.13	1,795,702	-	1,795,702	1,023,989	-	1,023,989
6.1 Goodwill		-	-	-	-	-	-
6.2 Others		1,795,702	-	1,795,702	1,023,989	-	1,023,989
VII. INVESTMENT PROPERTY (Net)	5.1.14	3,071,140	-	3,071,140	1,815,310	-	1,815,310
VIII. CURRENT TAX ASSET		-	-	-	-	-	-
IX. DEFERRED TAX ASSET	5.1.15	19,834,272	-	19,834,272	6,769,614	-	6,769,614
X. OTHER ASSETS (Net)	5.1.16	67,507,601	6,712,344	74,219,945	36,664,010	5,485,682	42,149,692
TOTAL ASSETS		1,276,811,565	653,243,771	1,930,055,336	716,596,686	435,574,951	1,152,171,637

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

Türkiye Garanti Bankası Anonim Şirketi
Balance Sheet (Statement of Financial Position)
At 31 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	882,488,850	501,215,585	1,383,704,435	427,313,084	363,350,874	790,663,958
II. FUNDS BORROWED	5.2.2	995,541	43,062,614	44,058,155	1,007,811	33,998,244	35,006,055
III. MONEY MARKET FUNDS	5.2.3	110,181	43,343,975	43,454,156	49,010	16,271,829	16,320,839
IV. SECURITIES ISSUED (NET)	5.2.4	-	5,240,527	5,240,527	151,673	12,720,860	12,872,533
4.1 Bills		-	950,964	950,964	-	990,538	990,538
4.2 Asset Backed Securities		-	-	-	-	-	-
4.3 Bonds		-	4,289,563	4,289,563	151,673	11,730,322	11,881,995
V. FUNDS		-	-	-	-	-	-
5.1 Borrowers' Funds		-	-	-	-	-	-
5.2 Others		-	-	-	-	-	-
VI. FINANCIAL LIABILITIES MEASURED AT FVTPL	5.2.5	-	48,622,754	48,622,754	-	31,788,046	31,788,046
VII. DERIVATIVE FINANCIAL LIABILITIES	5.2.6	7,021,558	4,389,270	11,410,828	4,997,459	5,892,898	10,890,357
7.1 Derivative Financial Liabilities Measured at FVTPL		7,021,558	4,389,270	11,410,828	4,976,348	5,892,898	10,869,246
7.2 Derivative Financial Liabilities Measured at FVOCI		-	-	-	21,111	-	21,111
VIII. FACTORING PAYABLES		-	-	-	-	-	-
IX. LEASE PAYABLES (Net)	5.2.7	1,526,016	204,923	1,730,939	1,056,987	135,065	1,192,052
X. PROVISIONS	5.2.8	9,146,493	7,297,251	16,443,744	6,618,736	11,898,799	18,517,535
10.1 Restructuring Reserves		-	-	-	-	-	-
10.2 Reserve for Employee Benefits		4,160,644	163,636	4,324,280	3,227,691	122,691	3,350,382
10.3 Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4 Other Provisions		4,985,849	7,133,615	12,119,464	3,391,045	11,776,108	15,167,153
XI. CURRENT TAX LIABILITY	5.2.9	9,556,143	144,364	9,700,507	7,390,346	96,044	7,486,390
XII. DEFERRED TAX LIABILITY		-	-	-	-	-	-
XIII. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	5.2.10	-	-	-	-	-	-
13.1 Asset Held for Sale		-	-	-	-	-	-
13.2 Assets of Discontinued Operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBTS	5.2.11	1,067,593	21,942,478	23,010,071	1,021,983	14,046,860	15,068,843
14.1 Borrowings		-	-	-	-	-	-
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	5.2.12	84,802,789	13,079,390	97,882,179	51,135,668	8,543,868	59,679,536
XVI. SHAREHOLDERS' EQUITY	5.2.13	243,717,339	1,079,702	244,797,041	152,314,759	370,734	152,685,493
16.1 Paid-in Capital		4,200,000	-	4,200,000	4,200,000	-	4,200,000
16.2 Capital Reserves		784,434	-	784,434	784,434	-	784,434
16.2.1 Share Premium		11,880	-	11,880	11,880	-	11,880
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Other Capital Reserves		772,554	-	772,554	772,554	-	772,554
16.3 Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss		13,542,384	551,349	14,093,733	4,089,893	199,352	4,289,245
16.4 Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss		23,969,213	322,146	24,291,359	20,808,718	(190,305)	20,618,413
16.5 Profit Reserves		113,889,588	206,207	114,095,795	62,828,078	361,687	63,189,765
16.5.1 Legal Reserves		2,473,124	-	2,473,124	1,616,487	-	1,616,487
16.5.2 Status Reserves		-	-	-	-	-	-
16.5.3 Extraordinary Reserves		111,161,820	-	111,161,820	61,107,326	-	61,107,326
16.5.4 Other Profit Reserves		254,644	206,207	460,851	104,265	361,687	465,952
16.6 Profit/Loss		87,331,720	-	87,331,720	59,603,636	-	59,603,636
16.6.1 Prior Periods' Profit/Loss		-	-	-	1,094,478	-	1,094,478
16.6.2 Current Period's Net Profit/Loss		87,331,720	-	87,331,720	58,509,158	-	58,509,158
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,240,432,503	689,622,833	1,930,055,336	653,057,516	499,114,121	1,152,171,637

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

Türkiye Garanti Bankası Anonim Şirketi

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)							
I. GUARANTEES AND SURETIES	5.3.1	1,190,196,271	1,024,273,433	2,214,469,704	665,534,731	825,722,772	1,491,257,503
		222,242,700	179,224,208	401,466,908	109,607,909	112,761,796	222,369,705
1.1. Letters of guarantee		207,649,439	127,708,895	335,358,334	103,006,476	79,612,373	182,618,849
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	3,511,623	13,169,855	4,397,754	911,651	5,309,405
1.1.3. Other letters of guarantee		197,991,207	119,839,126	317,830,333	98,608,722	75,274,537	173,883,259
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	45,435,967	45,832,841	746,185	29,268,254	30,014,439
1.3.1. Documentary letters of credit		-	-	-	-	-	-
1.3.2. Other letters of credit		396,874	45,435,967	45,832,841	746,185	29,268,254	30,014,439
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		-	269,955	269,955	-	164,083	164,083
1.9. Other sureties		-	-	-	-	-	-
II. COMMITMENTS	5.3.1	677,083,131	40,480,363	717,563,494	216,440,351	16,506,848	232,947,199
2.1. Irrevocable commitments		676,633,131	38,549,001	715,182,132	215,825,936	14,798,340	230,624,276
2.1.1. Asset purchase and sale commitments		4,215,928	25,588,620	29,804,548	5,185,976	11,362,907	16,548,883
2.1.2. Deposit purchase and sale commitments		-	-	-	-	-	-
2.1.3. Share capital commitments to associates and affiliates		-	27	27	-	6,102	6,102
2.1.4. Loan granting commitments		133,935,397	5,695,864	139,631,261	66,562,811	3,203,857	69,766,668
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		527,976,217	-	527,976,217	138,215,802	-	138,215,802
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	-	225,474	225,474
2.2. Revocable commitments		450,000	1,931,362	2,381,362	614,415	1,708,508	2,322,923
2.2.1. Revocable loan granting commitments		450,000	1,923,230	2,373,230	614,415	1,703,325	2,317,740
2.2.2. Other revocable commitments		-	8,132	8,132	-	5,183	5,183
III. DERIVATIVE FINANCIAL INSTRUMENTS	5.3.2	290,870,440	804,568,862	1,095,439,302	339,486,471	696,454,128	1,035,940,599
3.1. Derivative financial instruments held for risk management		120,000	43,424,244	43,544,244	5,714,878	53,547,650	59,262,528
3.1.1. Fair value hedges		-	18,064,746	18,064,746	-	14,408,800	14,408,800
3.1.2. Cash flow hedges		120,000	25,359,498	25,479,498	5,714,878	39,138,850	44,853,728
3.1.3. Net foreign investment hedges		-	-	-	-	-	-
3.2. Trading derivatives		290,750,440	761,144,618	1,051,895,058	333,771,593	642,906,478	976,678,071
3.2.1. Forward foreign currency purchases/sales		44,064,243	50,924,897	94,989,140	28,779,508	34,024,594	62,804,102
3.2.1.1. Forward foreign currency purchases		41,492,639	8,213,560	49,706,199	26,847,707	5,091,089	31,938,796
3.2.1.2. Forward foreign currency sales		2,571,604	42,711,337	45,282,941	1,931,801	28,933,505	30,865,306
3.2.2. Currency and interest rate swaps		235,539,790	557,920,634	793,460,424	242,826,052	453,667,079	696,493,131
3.2.2.1. Currency swaps-purchases		742,846	177,716,173	178,459,019	13,609,695	182,934,821	196,544,516
3.2.2.2. Currency swaps-sales		107,057,026	115,851,600	222,908,626	131,095,221	82,683,056	213,778,277
3.2.2.3. Interest rate swaps-purchases		63,869,959	132,176,430	196,046,389	49,060,568	94,024,601	143,085,169
3.2.2.4. Interest rate swaps-sales		63,869,959	132,176,430	196,046,390	49,060,568	94,024,601	143,085,169
3.2.3. Currency, interest rate and security options		8,043,347	10,179,512	18,222,859	61,285,293	67,718,964	129,004,257
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		-	-	-	-	3,001,963	3,001,963
3.2.3.5. Security call options		-	-	-	-	-	-
3.2.3.6. Security put options		-	-	-	-	-	-
3.2.4. Currency futures		3,103,060	2,891,172	5,994,232	880,740	762,272	1,643,012
3.2.4.1. Currency futures-purchases		3,103,060	1,393	3,104,453	799,899	79,016	878,915
3.2.4.2. Currency futures-sales		-	2,889,779	2,889,779	80,841	683,256	764,097
3.2.5. Interest rate futures		-	174,258	174,258	-	-	-
3.2.5.1. Interest rate futures-purchases		-	174,258	174,258	-	-	-
3.2.5.2. Interest rate futures-sales		-	-	-	-	-	-
3.2.6. Others		-	139,054,145	139,054,145	-	86,733,569	86,733,569
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		2,837,848,690	4,366,757,313	7,204,606,003	1,661,111,370	2,780,585,193	4,441,696,563
IV. ITEMS HELD IN CUSTODY		237,095,743	248,896,574	485,992,317	136,877,167	172,347,852	309,225,019
4.1. Customers' securities held		86,053,154	-	86,053,154	55,927,001	-	55,927,001
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		84,176,711	18,652,659	102,829,370	50,199,454	13,325,678	63,525,132
4.4. Commercial notes received for collection		9,978,246	4,164,229	14,142,475	5,289,437	2,120,501	7,409,938
4.5. Other assets received for collection		431,391	101,421,591	101,852,982	381,599	64,229,182	64,610,781
4.6. Assets received through public offering		-	708,084	708,084	-	452,123	452,123
4.7. Other items under custody		2,987,232	10,981,969	13,969,201	524,104	5,545,209	6,069,313
4.8. Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		2,600,752,947	4,117,860,739	6,718,613,686	1,524,234,203	2,608,237,341	4,132,471,544
5.1. Securities		22,744,099	15,334,708	38,078,807	15,269,899	11,220,410	26,490,309
5.2. Guarantee notes		22,704,829	51,809,602	74,514,431	22,879,101	33,307,826	56,186,927
5.3. Commodities		510,466	-	510,466	799,406	-	799,406
5.4. Warranties		-	-	-	-	-	-
5.5. Real estates		829,956,018	614,851,429	1,444,807,447	365,026,455	387,609,865	752,636,320
5.6. Other pledged items		1,724,837,535	3,435,865,000	5,160,702,535	1,120,259,342	2,176,099,240	3,296,358,582
5.7. Pledged items-depository		-	-	-	-	-	-
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET ITEMS (A+B)		4,028,044,961	5,391,030,746	9,419,075,707	2,326,646,101	3,606,307,965	5,932,954,066

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

Türkiye Garanti Bankası Anonim Şirketi

Statement of Profit or Loss

For the period ended at 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	213,960,267	125,832,574
1.1 Interest income on loans		150,744,667	80,623,230
1.2 Interest income on reserve deposits		481,012	281,760
1.3 Interest income on banks		2,960,647	420,824
1.4 Interest income on money market transactions		4,566,773	2,742,989
1.5 Interest income on securities portfolio		53,272,451	41,162,769
1.5.1 Financial assets measured at FVTPL		591,169	180,976
1.5.2 Financial assets measured at FVOCI		20,591,402	20,086,163
1.5.3 Financial assets measured at amortised cost		32,089,880	20,895,630
1.6 Financial lease income		-	-
1.7 Other interest income		1,934,717	601,002
II. INTEREST EXPENSE	5.4.2	139,124,231	42,513,761
2.1 Interest on deposits		127,544,259	33,502,100
2.2 Interest on funds borrowed		6,309,941	3,093,618
2.3 Interest on money market transactions		1,658,821	531,653
2.4 Interest on securities issued		2,052,875	2,353,625
2.5 Lease interest expense		280,055	167,374
2.6 Other interest expenses		1,278,280	2,865,391
III. NET INTEREST INCOME (I - II)		74,836,036	83,318,813
IV. NET FEES AND COMMISSIONS INCOME/EXPENSES	5.4.12	40,763,787	16,627,504
4.1 Fees and commissions received		56,357,157	23,144,912
4.1.1 Non-cash loans		3,014,028	1,616,009
4.1.2 Others		53,343,129	21,528,903
4.2 Fees and commissions paid		15,593,370	6,517,408
4.2.1 Non-cash loans		4,210	4,646
4.2.2 Others		15,589,160	6,512,762
V. DIVIDEND INCOME	5.4.3	64,318	57,225
VI. NET TRADING INCOME/LOSSES (Net)	5.4.4	27,797,352	8,526,829
6.1 Trading account income/losses		80,297	(1,103,269)
6.2 Income/losses from derivative financial instruments		(17,596,411)	(20,750,850)
6.3 Foreign exchange gains/losses		45,313,466	30,380,948
VII. OTHER OPERATING INCOME	5.4.5	28,896,188	11,973,737
VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)		172,357,681	120,504,108
IX. EXPECTED CREDIT LOSSES (-)	5.4.6	35,325,599	23,898,743
X. OTHER PROVISIONS (-)	5.4.6	271,116	3,411,729
XI. PERSONNEL EXPENSES (-)		17,420,286	8,171,018
XII. OTHER OPERATING EXPENSES (-)	5.4.7	30,251,595	14,737,730
XIII. NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		89,089,085	70,284,888
XIV. INCOME RESULTED FROM MERGERS		-	-
XV. INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING		13,958,392	5,317,917
XVI. GAIN/LOSS ON NET MONETARY POSITION		-	-
XVII. OPERATING PROFIT/LOSS BEFORE TAXES (XIII+...+XVI)	5.4.8	103,047,477	75,602,805
XVIII. PROVISION FOR TAXES OF CONTINUED OPERATIONS (±)	5.4.9	15,715,757	17,093,647
18.1 Current tax charge		25,613,766	19,519,845
18.2 Deferred tax charge (+)		5,510,185	5,249,731
18.3 Deferred tax credit (-)		(15,408,194)	(7,675,929)
XIX. NET OPERATING PROFIT/LOSS AFTER TAXES (XVII±XVIII)	5.4.10	87,331,720	58,509,158
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	87,331,720	58,509,158
Earnings per Share		0.20793	0.13931

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi

Statement of Profit or Loss and Other Comprehensive Income

For the period ended at 31 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	87,331,720	58,509,158
II. OTHER COMPREHENSIVE INCOME	13,477,434	15,410,979
2.1 Other Income/Expense Items not to be Recycled to Profit or Loss	9,804,488	2,597,394
2.1.1 Revaluation Surplus on Tangible Assets	6,449,839	3,970,531
2.1.2 Revaluation Surplus on Intangible Assets	-	-
2.1.3 Defined Benefit Plans' Actuarial Gains/Losses	(982,224)	(1,186,930)
2.1.4 Other Income/Expense Items not to be Recycled to Profit or Loss	895,337	205,546
2.1.5 Deferred Taxes on Other Comprehensive Income not to be Recycled to Profit or Loss	3,441,536	(391,753)
2.2 Other Income/Expense Items to be Recycled to Profit or Loss	3,672,946	12,813,585
2.2.1 Translation Differences	13,630,867	4,995,295
2.2.2 Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI	(8,114,427)	12,107,379
2.2.3 Gains/losses from Cash Flow Hedges	305,991	1,236,471
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	307,498	(553,174)
2.2.6 Deferred Taxes on Other Comprehensive Income to be Recycled to Profit or Loss	4,014,005	(2,507,671)
III. TOTAL COMPREHENSIVE INCOME (I+II)	100,809,154	73,920,137

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi
Statement of Changes in Shareholders' Equity
For the period ended at 31 December 2023

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Footnotes	THOUSANDS OF TURKISH LIRA (TL)													
		Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves	Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss			Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss			Profit Reserves	Prior Periods' Profit/Loss	Current Period's Net Profit/Loss	Total Shareholders' Equity
						Revaluation surplus on tangible and intangible assets	Defined Benefit Plans' Actuarial Gains/Losses	Others	Foreign Currency Translation Differences	Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI	Others				
PRIOR PERIOD (01/01/2022-31/12/2022)															
I. Balances at Beginning of Period		4,200,000	11,880	-	772,554	1,719,852	(413,401)	416,477	10,797,306	490,675	(3,483,153)	51,319,079	14,149,990	-	79,981,259
II. Correction made as per TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1. Effect of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2. Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Balances at Beginning of Period (I+II)	5.5	4,200,000	11,880	-	772,554	1,719,852	(413,401)	416,477	10,797,306	490,675	(3,483,153)	51,319,079	14,149,990	-	79,981,259
IV. Total Comprehensive Income		-	-	-	-	3,230,128	(864,360)	200,549	4,995,295	9,058,815	(1,240,525)	13,283	17,794	58,509,158	73,920,137
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		-	-	-	-	-	-	-	-	-	-	91,428	-	-	91,428
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	11,765,975	(13,073,306)	-	(1,307,331)
11.1 Dividends		-	-	-	-	-	-	-	-	-	-	-	(1,307,331)	-	(1,307,331)
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	11,708,768	(11,708,768)	-	-
11.3 Others		-	-	-	-	-	-	-	-	-	-	57,207	(57,207)	-	-
Balances at end of the period (III+IV+...+X+XI)		4,200,000	11,880	-	772,554	4,949,980	(1,277,761)	617,026	15,792,601	9,549,490	(4,723,678)	63,189,765	1,094,478	58,509,158	152,685,493
CURRENT PERIOD (01/01/2023-31/12/2023)															
I. Balances at Beginning of Period		4,200,000	11,880	-	772,554	4,949,980	(1,277,761)	617,026	15,792,601	9,549,490	(4,723,678)	63,189,765	59,603,636	-	152,685,493
II. Correction made as per TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1. Effect of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2. Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Adjusted Balances at Beginning of Period (I+II)	5.5	4,200,000	11,880	-	772,554	4,949,980	(1,277,761)	617,026	15,792,601	9,549,490	(4,723,678)	63,189,765	59,603,636	-	152,685,493
IV. Total Comprehensive Income		-	-	-	-	9,583,750	(641,255)	861,993	13,630,867	(5,796,768)	(4,161,153)	1,094,478	(1,094,478)	87,331,720	100,809,154
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		-	-	-	-	-	-	-	-	-	-	78,768	-	-	78,768
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	49,732,784	(58,509,158)	-	(8,776,374)
11.1 Dividends		-	-	-	-	-	-	-	-	-	-	-	(8,776,374)	-	(8,776,374)
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	49,582,405	(49,582,405)	-	-
11.3 Others		-	-	-	-	-	-	-	-	-	-	150,379	(150,379)	-	-
Balances at end of the period (III+IV+...+X+XI)		4,200,000	11,880	-	772,554	14,533,730	(1,919,016)	1,479,019	29,423,468	3,752,722	(8,884,831)	114,095,795	0	87,331,720	244,797,041

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

Türkiye Garanti Bankası Anonim Şirketi

Statement of Cash Flows

For the period ended at 31 December 2023

STATEMENT OF CASH FLOWS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD	PRIOR PERIOD
		1 January 2023 31 December 2023	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	63,980,484	48,690,053
1.1.1 Interests received		166,182,432	95,661,408
1.1.2 Interests paid		(110,996,250)	(36,538,498)
1.1.3 Dividend received		64,318	57,225
1.1.4 Fees and commissions received		56,357,157	23,144,912
1.1.5 Other income		28,423,282	11,973,737
1.1.6 Collections from previously written-off receivables		1,207,615	1,054,018
1.1.7 Cash payments to personnel and service suppliers		(43,582,689)	(21,019,716)
1.1.8 Taxes paid		(19,110,757)	(17,705,746)
1.1.9 Others		(14,564,624)	(7,937,287)
1.2 Changes in operating assets and liabilities	5.6	124,130,656	15,436,044
1.2.1 Net (increase) decrease in financial assets measured at FVTPL		(2,732,765)	3,804,046
1.2.2 Net (increase) decrease in due from banks		(56,193,207)	(5,182,437)
1.2.3 Net (increase) decrease in loans		(399,695,714)	(251,331,696)
1.2.4 Net (increase) decrease in other assets		(31,288,747)	(29,223,704)
1.2.5 Net increase (decrease) in bank deposits		242,028	(914,801)
1.2.6 Net increase (decrease) in other deposits		544,688,147	272,713,640
1.2.7 Net (increase) decrease in financial liabilities measured at FVTPL		-	-
1.2.8 Net increase (decrease) in funds borrowed		31,785,430	(2,127,147)
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities		37,325,484	27,698,143
I. Net cash flow from banking operations	5.6	188,111,140	64,126,097
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash flow from investing activities	5.6	(67,441,226)	(49,339,908)
2.1 Cash paid for purchase of associates, subsidiaries and joint-ventures		(593,000)	(185,817)
2.2 Cash obtained from sale of associates, subsidiaries and joint-ventures		-	-
2.3 Purchases of tangible assets		(4,442,644)	(1,933,934)
2.4 Sales of tangible assets		761,257	980,185
2.5 Cash paid for purchase of financial assets measured at FVOCI		(44,843,764)	(24,832,995)
2.6 Cash obtained from sale of financial assets measured at FVOCI		36,840,976	18,102,768
2.7 Cash paid for purchase of financial assets measured at amortised cost		(70,889,060)	(47,010,077)
2.8 Cash obtained from sale of financial assets measured at amortised cost		15,725,009	5,539,962
2.9 Others		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flow from financing activities	5.6	3,658,703	2,109,236
3.1 Cash obtained from funds borrowed and securities issued		34,756,660	23,981,165
3.2 Cash used for repayment of funds borrowed and securities issued		(21,659,696)	(20,135,022)
3.3 Equity instruments issued		-	-
3.4 Dividends paid		(8,776,374)	(1,307,331)
3.5 Payments for financial leases		(661,887)	(429,576)
3.6 Others		-	-
IV. Effect of translation differences on cash and cash equivalents	5.6	21,139,421	7,900,934
V. Net increase/(decrease) in cash and cash equivalents (I+II+III+IV)	5.6	145,468,038	24,796,359
VI. Cash and cash equivalents at beginning of period	5.6	142,792,728	117,996,369
VII. Cash and cash equivalents at end of period (V+VI)	5.6	288,260,766	142,792,728

The accompanying notes are an integral part of these unconsolidated 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 (*)	PREVIOUS PERIOD
		31 December 2023	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 redeemed 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 (%)	-	-

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

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

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

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

3.1.1 Changes in accounting policies and disclosures

New and revised Turkish Accounting Standards effective for annual periods beginning on or after 1 January 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 unconsolidated 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 Bank has not applied the related standard in the unconsolidated financial statements of its subsidiary Garanti Emeklilik.

3.2 Strategy for use of financial instruments and foreign currency transactions

3.2.1 Strategy for use of financial instruments

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

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

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

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

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

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

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

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

3.2.2 Foreign currency transactions

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

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

exchange rates for the related period. Foreign exchange differences arising from translation of income and expense items and other equity items are accounted under capital reserves under Shareholders' Equity.

From 1 September 2015, it has been started to apply net investment hedge amounting to EUR 530,583,575 (31 December 2022: EUR 501,598,663) 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 13,841,549 (31 December 2022: TL 7,370,561), 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 Investments in associates and subsidiaries

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

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

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

3.4 Forwards, options and other derivative transactions

3.4.1 Derivative financial assets

Derivative financial assets measured at fair value through profit/loss

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

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

Within the scope of TFRS 13 Fair Value Measurement standard; (i) if there is a significant decrease in the volume or level of activity for that asset or liability in relation to normal market activity for the asset or liability (or similar assets or liabilities); (ii) when the transaction or quoted price does not represent fair value; and / or (iii) when a price for a similar asset requires significant adjustment to make it comparable to the asset being measured, or (iv) when the price is stable, an adjustment to the transactions or quoted prices is made and this adjustment is reflected to the fair value measurement. In this context, the point is determined within the range that is most representative of fair value under current market conditions. Starting from 31 December 2021 until 31 December 2022, the Bank started to use the TLREF-based OIS ("Overnight Indexed Swap") market curve in order to reflect the fair value measurement for CBRT swap transactions and performed the necessary fair value measurement adjustments. Starting from 1 January 2023, the 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 recorded under the off-balance sheet accounts at their contractual values.

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host with the effect that some of the cash flows of the combined instrument vary in a way similar to stand alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variables, provided in the case of a non-financial variable that the variable is not specific to contract. A derivative that is attached to a financial instrument but is contractually transferable independently of that instrument, or has a different counterparty, is not an embedded derivative but a separate financial instrument. If a hybrid contract contains a host that is an asset within the scope of this standard, it is applied the standard's requirements about classification of financial assets to the entire hybrid contract. The Bank does not have either any hybrid contract contains a host that is not an asset within the scope of this standard or a financial instrument which shall be separated from the host and accounted for as derivative under this standard.

Credit derivatives are capital market tools designed to transfer credit risk from one party to another. The Bank's credit derivatives portfolio included in the off-balance sheet accounts composes of total return swaps and credit default swaps resulted from protection buying or selling.

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

3.4.2 Derivative financial instruments held for hedging purpose

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

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

Derivative financial instruments measured at fair value through other comprehensive income

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

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

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

3.5 Interest income and expenses

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

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

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

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

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

3.6 Fees and commissions

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

3.7 Financial instruments

3.7.1 Initial recognition of financial instruments

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

3.7.2 Initial measurement of financial instruments

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

3.7.3 Classification of financial instruments

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

3.7.3.1 Assessment of business model

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

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

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

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

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

If cash flows are realised in a way that is different from the Bank’s expectations at the date that the Bank assessed the business model, that does not give rise to a prior period error in the Bank’s financial statements nor does it change the classification of the remaining financial assets held in that business

model as long as the Bank considered all relevant information that was available at the time that it made the business model assessment. However, when the Bank assesses the business model for newly originated or newly purchased financial assets, it must consider information about how cash flows were realised in the past, along with all other relevant information.

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

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

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

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

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

3.7.4 *Measurement categories of financial assets and liabilities*

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

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

Financial investments and loans measured at amortised cost

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

- Financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- Contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

Financial assets measured at fair value through other comprehensive income

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

- Financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- Contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

Equity instruments measured at fair value through other comprehensive income

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

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

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

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

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

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

3.8 Disclosures on impairment of financial instruments

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

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

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

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

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

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

3.8.1 Calculation of expected credit losses

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

In accordance with the Bank's internal policies, TFRS 9 models are updated once a year. The related model update was made in the last quarter of 2023 and the Bank has calculated expected credit losses based on the updated model during 2023.

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 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 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 draw down on a loan commitment shall be treated as a continuation of that commitment instead of as a new financial instrument. The expected credit losses on the financial asset shall therefore be measured considering the initial credit risk of the loan commitment from the date that the Bank became a party to the irrevocable commitment.

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

3.8.1.2 *Debt instruments measured at fair value through other comprehensive income*

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

3.8.1.3 *Credit cards and other revolving loans*

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

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

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

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

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

3.8.2 Forward-looking macroeconomic information

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

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

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

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

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

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

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

Qualitative assessment:

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

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

Quantitative assessment:

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

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

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

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

3.8.4 Low credit risk

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

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

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

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

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

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

3.8.5 Disclosures on write down policy

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

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

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

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

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

3.9 Netting and derecognition of financial instruments

3.9.1 Netting of financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Bank has a legally enforceable right to offset the recognized amounts and to collect/pay related financial assets and liabilities on a net basis, or there is an intention to realize the asset and settle the liability simultaneously.

3.9.2 Derecognition of financial instruments

3.9.2.1 Derecognition of financial assets due to change in contractual terms

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

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

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

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

3.9.2.2 Derecognition of financial assets without any change in contractual terms

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

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

3.9.2.3 Derecognition of financial liabilities

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

3.9.3 Reclassification of financial instruments

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

3.9.4 Restructuring and refinancing of financial instruments

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

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

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

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

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

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

- Recovery in debt service,
- At least one year should pass over the date of restructuring,
- Payment of all accrued and overdue amounts by debtor (interest and principal) since the date of restructuring /refinancing or the date when the debtor is classified as non-performing (earlier date to be considered) and fulfillment of the payment condition of all overdue amounts as of the date of restructuring /refinancing,

- Collection of all overdue amounts, disappearance of the reasons for classification as non-performing receivable (based on the conditions mentioned above) and having no overdue more than 30 days as of the date of reclassification.

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

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

3.10 Repurchase and resale agreements and securities lending

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

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

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

3.11 Assets held for sale, discontinued operations and related liabilities

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

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

3.12 Goodwill and other intangible assets

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

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

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

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

- The technical feasibility of completing the intangible asset so that it will be available for use,
- Availability of the Bank’s intention to complete and use the intangible asset,
- The ability to use the intangible asset,

- Clarity in probable future economic benefits to be generated from the intangible asset,
- The availability of adequate technical, financial and other resources to complete the development phase and to start using the intangible asset,
- The availability to measure reliably the expenditure attributable to the intangible asset during the development phase.

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

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

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

3.13 Tangible assets

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

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

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

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

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

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

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

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

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

Investment properties

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

Investment properties accounted at fair value are not depreciated.

Right-of-use assets

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

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

After the commencement date, the Bank measures the right-of-use asset applying a cost model. To apply the cost model, the Bank measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability.

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

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

3.14 Leasing activities

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

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

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

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

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

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

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

3.15 Provisions and contingent liabilities

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

3.16 Contingent assets

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

3.17 Liabilities for employee benefits

Severance indemnities and short-term employee benefits

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

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

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

	Current Period	Prior Period
Net Effective Discount Rate	3.00%	3.00%
Discount Rate	25.60%	17.79%
Estimated Real Salary/Limit Increase Rate	1.50%	1.50%
Inflation 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 Bank provided for undiscounted short-term employee benefits earned during the financial periods as per services rendered in compliance with TAS 19.

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

Retirement benefit obligations

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

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

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

	Current Period		Prior Period	
	Employer	Employee	Employer	Employee
Pension contributions	15.5%	10.0%	15.5%	10.0%
Medical benefit contributions	6.0%	5.0%	6.0%	5.0%

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

a) Benefits transferable to SSF

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

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

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

Health Insurance Law No.5510.

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

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

b) Other benefits not transferable to SSF

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

The actuarial gains/losses are recognised under shareholders’ equity.

3.18 Taxation

3.18.1 Corporate tax

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

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

Dividends paid to the resident institutions and the institutions working through local offices or representatives are not subject to withholding tax. As per the decisions No.2009/14593 and No.2009/14594 of the Council of Ministers published in the Official Gazette No.27130 dated 3 February 2009, certain duty rates included in the articles No.15 and 30 of the new Corporate Tax Law No.5520 are revised. Accordingly, the 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 earnings.

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

75% of earnings generated through sale of equity shares, founders' shares, redeemed shares and preemption rights are exempt from the corporate tax with the conditions that such earnings shall be held in a special reserve account under equity until the end of five years following the year of sale and shall be collected as cash until the end of the following two fiscal years. While 50% of earnings generated through sale of real estate held at least for two years by the institutions were exempt from the corporate tax with the conditions that such earnings shall be held in a special reserve account under equity until the end of five years following the year of sale and shall be collected as cash until the end of the following two fiscal years, in accordance with the regulation introduced by Law No. 7456 "On the Formation of Additional Motor Vehicle Tax to Compensate the Economic Losses Caused by the Earthquakes That Occurred on 6 February 2023, Amending Certain Laws and the Decree Law No. 375, this article has been abolished and has been removed from entry into force of the law dated 15 July 2023. The exemption rate for real estates previously included in the assets of institutions has been determined as 25%.

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

As of 31 December 2021, the conditions sought for inflation adjustment in the calculation of corporate tax have been fulfilled, within the framework of the repeated provision of Article 298/Ç of the Tax Procedure Law. These conditions are both the exceed in the increase of Producer Price Index in the last 3 accounting period including current period by 100% and the exceed in the increase in the current period by 10%. However, temporary article 33 has been added on the Tax Procedure Law No. 213 with the regulation made with the Tax Procedure Law and the Law on Change in Corporate Tax Law No. 7352 published in the Official Gazette No.31734 dated 29 January 2022, the application of inflation adjustment in the calculation of corporate tax was postponed to 2023. According to this, the financial statements for the 2021 and 2022 accounting periods, including the provisional tax periods, are not subject to inflation adjustment, and for the 2023 accounting period; are not subject to inflation adjustment as of the provisional tax periods, and the financial statements dated 31 December 2023 are subject to inflation adjustment regardless of whether the inflation adjustment conditions are met or not. Profit/loss difference arising from inflation adjustment in the financial statements are to be shown in previous years' profit/loss accounts and does not affect the corporate tax base. According to Article 17 of the Law No. 7491 on Amendments to Certain Laws and Decree Laws published in the Official Gazette No. 32413 dated 28 December 2023, it has become law that profit/loss differences arising from the inflation adjustment to be made in the 2024 and 2025 accounting periods, including the provisional tax periods, do not be taken into account in determining the income of banks, companies within the scope of the Financial Leasing, Factoring, Financing and Savings Financing Companies Law No. 6361 dated 21 November 2012, payment and electronic money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies.

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

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 is calculated by the obligating firm and the calculation is presented in the tax declaration form that is due till the following year’s month of November.

3.18.2 Deferred taxes

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

As stated in Note 3.18.1, in accordance with the regulation introduced by the Law No.7456 "On the Formation of Additional Motor Vehicle Tax to Compensate the Economic Losses Caused by the Earthquakes That Occurred on 6 February 2023, corporate income tax has been determined to be applied as 30% for the banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies. Therefore, as of 31 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 statement of profit or loss, then the related tax effects are also recognized in the statement of profit or loss. However, if transactions and events are recorded directly in the shareholders' equity, the related tax effects are also recognized directly in the shareholders' equity.

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

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

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

Transfer pricing

3.18.3

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

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

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

3.19 Funds borrowed

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

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

3.20 Share issuances

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

3.21 Confirmed bills of exchange and acceptances

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

3.22 Government incentives

As of 31 December 2023, the Bank does not have any government incentives or grants (31 December 2022: None).

3.23 Segment reporting

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

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

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

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

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

Information on the business segments is as follows:

<i>Current Period</i>	Retail Banking	Corporate Banking	Investment Banking	Other	Total Operations
Net Interest Income	29,304,843	58,278,247	(31,849,344)	19,102,290	74,836,036
Net Fees And Commissions Income	31,503,327	9,682,217	(48,148)	(373,609)	40,763,787
Dividend Income	-	-	-	64,318	64,318
Net Trading Income/Losses (Net)	2,598,612	11,768,593	13,369,331	60,816	27,797,352
Other Operating Income (*)	761,462	220,875	51,458	10,943,819	11,977,614
Expected Credit Losses (-) (*)	(9,832,315)	(9,330,046)	(897,797)	1,653,133	(18,407,025)
Other Provisions (-)	-	-	-	(271,116)	(271,116)
Personnel and Other Operating Expenses (-)	(27,948,261)	(8,700,021)	(1,161,360)	(9,862,239)	(47,671,881)
Income/Loss From Investments Under Equity Accounting	-	-	-	13,958,392	13,958,392
Net Operating Profit	26,387,668	61,919,865	(20,535,860)	35,275,804	103,047,477
Provision for Taxes	-	-	-	(15,715,757)	(15,715,757)
Net Profit	26,387,668	61,919,865	(20,535,860)	19,560,047	87,331,720
Segment Assets	384,029,917	637,673,190	697,619,193	153,796,119	1,873,118,419
Investments in Associates and Subsidiaries	-	-	-	56,936,917	56,936,917
Total Assets	384,029,917	637,673,190	697,619,193	210,733,036	1,930,055,336
Segment Liabilities	991,254,212	456,923,014	183,075,144	54,005,925	1,685,258,295
Shareholders’ Equity	-	-	-	244,797,041	244,797,041
Total Liabilities and Shareholders’	991,254,212	456,923,014	183,075,144	298,802,966	1,930,055,336

<i>Prior Period</i>	Retail Banking	Corporate Banking	Investment Banking	Other	Total Operations
Net Interest Income	16,973,335	23,610,288	33,548,299	9,186,891	83,318,813
Net Fees And Commissions Income	11,804,106	5,043,625	(204,215)	(16,012)	16,627,504
Dividend Income	-	-	-	57,225	57,225
Net Trading Income/Losses (Net)	577,165	6,558,481	(278,527)	1,669,711	8,526,829
Other Operating Income (*)	471,832	156,408	24,377	2,480,846	3,133,464
Expected Credit Losses (-) (*)	(4,668,300)	(10,590,005)	(1,220,088)	1,419,923	(15,058,470)
Other Provisions (-)	-	-	-	(3,411,729)	(3,411,729)
Personnel and Other Operating Expenses (-)	(11,970,276)	(4,643,135)	(471,573)	(5,823,764)	(22,908,748)
Income/Loss From Investments Under Equity Accounting	-	-	-	5,317,917	5,317,917
Net Operating Profit	13,187,862	20,135,662	31,398,273	10,881,008	75,602,805
Provision for Taxes	-	-	-	(17,093,647)	(17,093,647)
Net Profit	13,187,862	20,135,662	31,398,273	(6,212,639)	58,509,158
Segment Assets	204,172,562	428,188,877	404,374,563	86,340,155	1,123,076,157
Investments in Associates and Subsidiaries	-	-	-	29,095,480	29,095,480
Total Assets	204,172,562	428,188,877	404,374,563	115,435,635	1,152,171,637
Segment Liabilities	545,930,300	281,399,823	127,869,535	44,286,486	999,486,144
Shareholders' Equity	-	-	-	152,685,493	152,685,493
Total Liabilities and Shareholders'	545,930,300	281,399,823	127,869,535	196,971,979	1,152,171,637

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

3.24 Profit reserves and profit appropriation

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

Under the Turkish Commercial Code, legal reserves consist of first legal reserve and second legal reserve. First legal reserve, appropriated at the rate of 5%, until the total reserve is equal to 20% of issued and fully paid-in share capital. Second legal reserve, appropriated at the rate of at least 10% of distributions in excess of 5% of issued and fully paid-in share capital, but holding companies are not subject to such transaction. According to the Turkish Commercial Code, legal reserves can only be used to compensate accumulated losses and cannot be used for other purposes unless they exceed 50% of paid-in capital.

In the ordinary General Assembly Meeting dated 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.

3.25 Earnings per share

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

	<i>31 December 2023</i>	<i>31 December 2022</i>
Distributable net profit	87,331,720	58,509,158
Average number of issued common shares (thousand)	420,000,000	420,000,000
Earnings per share (amounts presented full TL)	0.20793	0.13931

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

There are no bonus shares issued in 2023 (2022: None).

3.26 Related parties

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

3.27 Cash and cash equivalents

For the purposes of the cash flow statement, cash includes cash effectives, cash in transit, purchased cheques and demand deposits including balances with the Central Bank of Turkey; and cash equivalents include interbank money market placements, time deposits at banks with original maturity periods of less than three months and investments on marketable securities other than common stocks.

3.28 Other disclosures

None.

4 Financial Position and Results of Operations and Risk Management

4.1 Total capital

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

4.1.1 Components of total capital

	<i>Current Period</i>	<i>Prior Period</i>
COMMON EQUITY TIER I CAPITAL		
Paid-in Capital to be Entitled for Compensation after All Creditors	4,972,554	4,972,554
Share Premium	11,880	11,880
Reserves	114,095,795	63,189,765
Other Comprehensive Income according to TAS	49,880,332	31,900,849
Profit	87,331,720	59,603,636
Current Period's Profit	87,331,720	58,509,158
Prior Periods' Profit	-	1,094,478
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	10,734	10,013
Common Equity Tier I Capital Before Deductions	256,303,015	159,688,697
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 (-)	12,394,495	7,155,258
Leasehold Improvements on Operational Leases (-)	289,261	109,029
Goodwill Netted with Deferred Tax Liabilities	-	-
Other Intangible Assets Netted with Deferred Tax Liabilities Except Mortgage Servicing Rights	1,795,702	977,838
Net Deferred Tax Asset/Liability (-)	-	-
Differences arise when assets and liabilities not held at fair value, are subjected to cash flow hedge accounting	-	-
Total credit losses that exceed total expected loss calculated according to the Regulation on Calculation of Credit Risk by Internal Ratings Based Approach	-	-
Securitization gains	-	-
Unrealized gains and losses from changes in bank's liabilities' fair values due to changes in creditworthiness	-	-
Net amount of defined benefit plans	-	-
Direct and Indirect Investments of the Bank on its own Tier I Capital (-)	-	-
Shares Obtained against Article 56, Paragraph 4 of the Banking Law (-)	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	-
Mortgage Servicing Rights Exceeding the 10% Threshold of Tier I Capital (-)	-	-
Net Deferred Tax Assets arising from Temporary Differences Exceeding the 10% Threshold of Tier I Capital (-)	-	-
Amount Exceeding the 15% Threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-	-
The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital not deducted from Tier I Capital (-)	-	-
Excess Amount arising from Mortgage Servicing Rights (-)	-	-
Excess Amount arising from Deferred Tax Assets from Temporary Differences (-)	-	-
Other items to be Defined by the BRSA (-)	-	-
Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals (-)	-	-

Total Deductions from Common Equity Tier I Capital	14,479,458	8,242,125
Total Common Equity Tier I Capital	241,823,557	151,446,572
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity Tier I Capital and the Related Share Premiums	-	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	-	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4)	-	-
Additional Tier I Capital before Deductions	-	-
Deductions from Additional Tier I Capital		
Direct and Indirect Investments of the Bank on its own Additional Tier I Capital (-)	-	-
Investments in Equity Instruments Issued by Banks or Financial Institutions Invested in Bank's Additional Tier I Capital and Having Conditions Stated in the Article 7 of the Regulation	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital (-)	-	-
Other items to be defined by the BRSA (-)	-	-
Items to be Deducted from Tier I Capital during the Transition Period		
Goodwill and Other Intangible Assets and Related Deferred Taxes not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-	-
Net Deferred Tax Asset/Liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-	-
Deduction from Additional Tier I Capital when there is not enough Tier II Capital (-)	-	-
Total Deductions from Additional Tier I Capital	-	-
Total Additional Tier I Capital	-	-
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	241,823,557	151,446,572
TIER II CAPITAL		
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	14,072,226	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)	14,590,317	9,211,267
Total Deductions from Tier II Capital	28,662,543	21,369,347
Deductions from Tier II Capital		
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)	-	-
Investments in Equity Instruments Issued by Banks and Financial Institutions Invested in Bank's Tier II Capital and Having Conditions Stated in the Article 8 of the Regulation	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	-	-
Total Tier II Capital	28,662,543	21,369,347
Total Equity (Total Tier I and Tier II Capital)	270,486,100	172,815,919
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

	<i>Current Period</i>	<i>Prior Period</i>
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)	270,483,744	172,815,837
Total Risk Weighted Assets	1,314,732,290	838,938,765
CAPITAL ADEQUACY RATIOS		
CET1 Capital Ratio (%)	18.39	18.05
Tier I Capital Ratio (%)	18.39	18.05
Capital Adequacy Ratio (%)	20.57	20.60
BUFFERS		
Total Additional CET1 Capital Requirement Ratio (a+b)	2.52	2.53
a) Capital Conservation Buffer Ratio (%)	2.50	2.50
b) Bank-specific Counter-Cyclical Capital Buffer Ratio (%)	0.02	0.03
Additional CET1 Capital Over Total Risk Weighted Assets Ratio Calculated According to the Article 4 of Capital Conservation and Counter-Cyclical Capital Buffers Regulation (%)	12.39	12.05
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	19,834,272	6,723,463
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)	41,377,808	29,380,930
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	14,590,317	9,211,267
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach	-	-
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, Limited by 0.6% Risk Weighted Assets	-	-
Debt Instruments Covered by Temporary Article 4 (effective between 1.1.2018-1.1.2022)		
Upper Limit for Additional Tier I Capital Items subject to Temporary Article 4	-	-
Amount of Additional Tier I Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	-
Upper Limit for Additional Tier II Capital Items subject to Temporary Article 4	-	-
Amount of Additional Tier II Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	-

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

As of 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 is not taken into account, the capital adequacy ratio decreases to 18.31% as of 31 December 2023.

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

4.1.2 Items included in capital calculation

<i>Current Period</i>	<i>Information about instruments included in total capital calculation</i>		
Issuer	T. Garanti Bankası A.Ş.	T. Garanti Bankası A.Ş.	T. Garanti Bankası A.Ş.
Identifier (CUSIP, ISIN vb.)	Reg S: ISIN: XS1617531063 Common Code: 161753106 144A: CUSIP: 900148AE7 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.

4.1.3 Reconciliation of capital items to balance sheet

<i>Current Period</i>	<i>Carrying value</i>	<i>Amount of correction</i>	<i>Value of the capital report</i>	<i>Explanation of differences</i>
Paid-in Capital	4,200,000	772,554	4,972,554	Inflation adjustments included in Paid-in Capital according to Regulation's Temporary Article 1
Capital Reserves	784,434	-772,554	11,880	Inflation adjustments included in Paid-in Capital according to Regulation's Temporary Article 1
Other Capital Reserves	772,554	-772,554	-	Inflation adjustments included in Paid-in Capital according to Regulation's Temporary Article 1
Bonus Shares of Associates, Subsidiaries and Joint-Ventures	-	-	-	
Share Premium	11,880	-	11,880	
Other Comprehensive Income/Expenses in Shareholders' Equity as per TMS	38,385,092	-888,521	37,496,571	Items not included in the calculation as per Regulation's Article 9-1-f
Other Comprehensive Income/Expense Items not to be Recycled to Profit/Loss	14,093,733	-	14,093,733	
Other Comprehensive Income/Expense Items to be Recycled to Profit/Loss	24,291,359	-888,521	23,402,838	Items not included in the calculation as per Regulation's Article 9-1-f
Profit Reserves	114,095,795	-	114,095,795	
Profit or Loss	87,331,720	-	87,331,720	
Prior Periods' Profit/Loss	-	-	-	
Current Period Net Profit/Loss	87,331,720	-	87,331,720	
Deductions from Common Equity Tier I Capital (-)	-	-	2,084,963	Deductions from Common Equity Tier 1 Capital as per the Regulation
Common Equity Tier I Capital	244,797,041		241,823,557	
Subordinated Debts			-	
Deductions from Tier I Capital (-)			-	Deductions from Tier 1 Capital as per the Regulation
Tier I Capital			241,823,557	
Subordinated Debts			14,072,230	
12 Month ECL (Stage 1) and Lifetime ECL Significant Increase in Credit Risk (Stage 2)			14,590,313	Stage 1 and Stage 2 expected credit losses added to Tier II Capital as per the Regulation's Article 8
Deductions from Tier II Capital (-)			-	Deductions from Tier II Capital as per the Regulation
Tier II Capital			28,662,543	
Deductions from Total Capital (-)			2,356	Deductions from Capital as per the Regulation
Total			270,483,744	

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

<i>Prior Period</i>	<i>Carrying value</i>	<i>Amount of correction</i>	<i>Value of the capital report</i>	<i>Explanation of differences</i>
Paid-in Capital	4,200,000	772,554	4,972,554	Inflation adjustments included in Paid-in Capital according to Regulation's Temporary Article 1
Capital Reserves	784,434	(772,554)	11,880	Inflation adjustments included in Paid-in Capital according to Regulation's Temporary Article 1
Other Capital Reserves	772,554	(772,554)	-	Inflation adjustments included in Paid-in Capital according to Regulation's Temporary Article 1
Bonus Shares of Associates, Subsidiaries and Joint-Ventures	-	-	-	
Share Premium	11,880	-	11,880	
Other Comprehensive Income/Expenses in Shareholders' Equity as per TMS	24,907,658	(152,054)	24,755,604	Items not included in the calculation as per Regulation's Article 9-1-f
Other Comprehensive Income/Expense Items not to be Recycled to Profit/Loss	4,289,245	-	4,289,245	
Other Comprehensive Income/Expense Items to be Recycled to Profit/Loss	20,618,413	(152,054)	20,466,359	Items not included in the calculation as per Regulation's Article 9-1-f
Profit Reserves	63,189,765	-	63,189,765	
Profit or Loss	59,603,636	-	59,603,636	
Prior Periods' Profit/Loss	1,094,478	-	1,094,478	
Current Period Net Profit/Loss	58,509,158	-	58,509,158	
Deductions from Common Equity Tier I Capital (-)	-		1,086,867	Deductions from Common Equity Tier 1 Capital as per the Regulation
Common Equity Tier I Capital	152,685,493		151,446,572	
Subordinated Debts	-		-	
Deductions from Tier I Capital (-)	-		-	Deductions from Tier 1 Capital as per the Regulation
Tier I Capital	-		151,446,572	
Subordinated Debts			12,158,080	
12 Month ECL (Stage 1) and Lifetime ECL Significant Increase in Credit Risk (Stage 2)			9,211,267	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			21,369,347	
Deductions from Total Capital (-)			82	Deductions from Capital as per the Regulation
Total			172,815,837	

4.2 Credit risk

Credit risk is defined as risks and losses that may occur if the counterparty 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 Bank's 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.

The Bank has 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 Bank follows up the risk arising from such instruments and takes the necessary actions to decrease it when necessary.

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

The Bank performs foreign trade finance and other interbank credit transactions through widespread correspondents network. Accordingly, the Bank assigns limits to domestic and foreign banks and other financial institutions based on review of their credit worthiness, periodically.

The Bank's largest 100 and 200 cash loan customers compose 24.32% (31 December 2022: 25.95%) and 29.7% (31 December 2022: 31.59%) of the total cash loan portfolio, respectively.

The Bank's largest 100 and 200 non-cash loan customers compose 32.29% (31 December 2022: 35.29%) and 42.69% (31 December 2022: 45.88%) of the total non-cash loan portfolio, respectively.

The Bank's largest 100 ve 200 cash and non-cash loan customers represent 7.76% (31 December 2022: 7.91%) and 10.27% (31 December 2022: 10.24%) of the total "on and off balance sheet" assets, respectively.

Stage 1 and Stage 2 expected losses for credit risks of the Bank amount to TL 41,120,975 (general provision as of 31 December 2022: TL 29,177,968).

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:

	<i>Current Period</i>	<i>Prior Period</i>
	<i>%</i>	<i>%</i>
Above Average	5.30	6.44
Average	18.68	18.83
Below Average	76.02	74.73
Total	100.00	100.00

Exposure Categories	<i>Current Period</i>		<i>Prior Period</i>	
	<i>Risk Amount</i> (*)	<i>Average Risk Amount</i> (**)	<i>Risk Amount</i> (*)	<i>Average Risk Amount</i> (**)
Conditional and unconditional exposures to central governments or central banks	546,263,852	454,214,485	270,274,370	250,200,924
Conditional and unconditional exposures to regional governments or local authorities	1,226,343	1,673,106	2,076,545	2,112,185
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	3,427,759	2,721,342	2,559,758	1,428,695
Conditional and unconditional exposures to multilateral development banks	95,767	122,925	44,041	1,111,316
Conditional and unconditional exposures to international organisations	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	115,447,647	120,090,001	107,080,456	83,450,568
Conditional and unconditional exposures to corporates	579,627,858	523,640,613	380,323,131	323,661,914
Conditional and unconditional retail exposures	374,234,449	338,824,538	238,023,012	169,865,888
Conditional and unconditional exposures secured by real estate property	49,091,966	34,655,649	35,148,881	34,655,649
Past due items	6,487,692	5,277,113	4,694,052	4,505,299
Items in regulatory high-risk categories	180,396,948	115,761,905	91,595,832	61,576,441
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	-	-	-	-
Shares	44,091,473	36,527,407	24,865,390	20,825,429
Other items	64,013,264	53,206,745	33,593,652	35,370,985

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

(**) Average risk amounts are the arithmetical average of the amounts in monthly reports prepared as per the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks.

4.2.1 Profile of significant exposures in major regions

<i>Current Period</i> (*)	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	540,315,014	56,345,110	563,321,558	373,201,558	48,760,021	6,328,606	245,835,377	1,834,107,244
European Union (EU) Countries	113,609	16,088,621	929,807	205,267	215,044	74,007	22,336	17,648,691
OECD Countries (**)	77	19,446,961	1,035,522	68,910	61,400	437	99,365	20,712,672
Off-Shore Banking Regions	-	357,152	3,192,463	3,426	2,982	1	120	3,556,144
USA, Canada	17	22,237,782	821	69,018	25,236	279	1,697	22,334,850
Other Countries	5,835,135	955,768	4,487,385	686,270	27,283	84,362	352,139	12,428,342
Associates, Subsidiaries and Joint –Ventures	-	16,253	6,660,302	-	-	-	46,940,520	53,617,075
Unallocated Assets/Liabilities (***)	-	-	-	-	-	-	-	-
Total	546,263,852	115,447,647	579,627,858	374,234,449	49,091,966	6,487,692	293,251,554	1,964,405,018

(*) 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 can not be allocated on a consistent basis

<i>Prior Period</i> (*)	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	266,070,501	54,979,095	365,882,914	237,263,610	34,798,248	4,539,926	130,234,969	1,093,769,263
European Union (EU) Countries	1,261	9,653,372	956,606	131,336	225,005	65,245	16,075	11,048,900
OECD Countries (**)	143	37,569,191	715,443	45,341	50,167	67	37,143	38,417,495
Off-Shore Banking Regions	0	5,404	3,503,857	830	2,308	3	71	3,512,473
USA, Canada	32	3,144,689	122	38,614	38,886	122	958	3,223,423
Other Countries	4,202,433	427,817	3,226,205	543,281	34,267	88,689	211,235	8,733,927
Associates, Subsidiaries and Joint –Ventures	-	1,300,888	6,037,984	-	-	-	24,234,767	31,573,639
Unallocated Assets/Liabilities (***)	-	-	-	-	-	-	-	-
Total	270,274,370	107,080,456	380,323,131	238,023,012	35,148,881	4,694,052	154,735,218	1,190,279,120

(*) 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 can not be allocated on a consistent basis.

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4.2.2 Risk profile by sectors or counterparties

<i>Current Period</i> (*)	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	TL	FC	Total
Agriculture	-	-	-	-	-	-	3,904,442	1,860,906	452,707	10,329	332,126	-	-	-	-	-	-	5,686,603	873,907	6,560,510
Farming and Stockbreeding	-	-	-	-	-	-	1,892,373	1,325,239	215,164	9,138	287,058	-	-	-	-	-	-	3,599,208	129,764	3,728,972
Forestry	-	-	-	-	-	-	229,202	433,081	196,891	794	8,513	-	-	-	-	-	-	750,990	117,491	868,481
Fishery	-	-	-	-	-	-	1,782,867	102,586	40,652	397	36,555	-	-	-	-	-	-	1,336,405	626,652	1,963,057
Manufacturing	-	331,387	1,696	-	-	-	256,303,211	34,455,298	6,561,827	848,027	22,906,511	-	-	-	-	-	-	184,562,350	136,845,607	321,407,957
Mining and Quarrying	-	-	-	-	-	-	14,661,597	938,549	88,588	2,652	86,327	-	-	-	-	-	-	4,881,467	10,896,246	15,777,713
Production	-	-	-	-	-	-	181,623,470	32,959,846	5,516,412	328,141	15,708,095	-	-	-	-	-	-	154,763,562	81,372,402	236,135,964
Electricity, Gas and Water	-	331,387	1,696	-	-	-	60,018,144	556,903	956,827	517,234	7,112,089	-	-	-	-	-	-	24,917,321	44,576,959	69,494,280
Construction	-	-	-	-	-	-	32,377,136	8,704,927	1,388,604	432,208	1,238,128	-	-	-	-	-	-	26,407,708	17,733,295	44,141,003
Services	81,973	-	2,308,150	95,549	-	115,447,647	264,338,847	311,358,811	38,912,946	5,108,773	152,216,976	-	-	-	-	203,391	-	707,285,668	182,787,395	890,073,063
Wholesale and Retail Trade	-	-	1,449,996	-	-	-	120,232,877	276,101,873	30,175,957	4,009,533	142,315,283	-	-	-	-	-	-	532,394,452	41,891,067	574,285,519
Accommodation and Dining	-	-	6,483	-	-	-	18,275,424	6,520,169	3,855,581	144,008	725,827	-	-	-	-	-	-	18,731,117	10,796,375	29,527,492
Transportation and Telecom.	-	-	-	-	-	-	33,162,243	14,401,888	1,524,065	352,403	1,969,157	-	-	-	-	-	-	29,788,303	21,621,453	51,409,756
Financial Institutions	81,414	-	839,745	95,549	-	115,447,647	60,605,962	716,552	244,321	386,096	5,676,353	-	-	-	-	203,391	-	84,856,942	99,440,088	184,297,030
Real Estate and Rental Services	12	-	11,184	-	-	-	28,127,364	11,326,010	2,669,750	207,944	1,416,387	-	-	-	-	-	-	35,143,557	8,615,094	43,758,651
Professional Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Educational Services	-	-	149	-	-	-	722,866	739,439	174,201	6,490	55,989	-	-	-	-	-	-	1,585,262	113,872	1,699,134
Health and Social Services	547	-	593	-	-	-	3,212,111	1,552,880	269,071	2,299	57,980	-	-	-	-	-	-	4,786,035	309,446	5,095,481
Others	546,181,879	894,956	1,117,913	218	-	-	22,704,222	17,854,507	1,775,882	88,355	3,703,207	-	-	-	-	43,888,082	64,013,264	503,798,077	198,424,408	702,222,485
Total	546,263,852	1,226,343	3,427,759	95,767	-	115,447,647	579,627,858	374,234,449	49,091,966	6,487,692	180,396,948	-	-	-	-	44,091,473	64,013,264	1,427,740,406	536,664,612	1,964,405,018

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<i>Prior Period</i> ^(*)	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	TL	FC	Total
Agriculture	-	-	-	-	-	-	3,135,411	1,178,951	246,157	7,448	360,625	-	-	-	-	-	-	4,109,840	818,752	4,928,592
Farming and Stockbreeding	-	-	-	-	-	-	1,566,760	921,931	203,922	5,436	298,113	-	-	-	-	-	-	2,951,041	45,121	2,996,162
Forestry	-	-	-	-	-	-	286,761	192,454	38,553	1,324	20,090	-	-	-	-	-	-	402,658	136,524	539,182
Fishery	-	-	-	-	-	-	1,281,890	64,566	3,682	688	42,422	-	-	-	-	-	-	756,141	637,107	1,393,248
Manufacturing	-	589,410	8,787	-	-	-	168,311,418	19,125,528	5,951,853	1,036,849	18,325,421	-	-	-	-	-	-	125,153,953	88,195,313	213,349,266
Mining and Quarrying	-	-	-	-	-	-	10,247,174	443,667	199,464	2,923	186,298	-	-	-	-	-	-	2,871,656	8,207,870	11,079,526
Production	-	-	13	-	-	-	112,605,620	18,366,446	4,965,092	230,889	13,404,036	-	-	-	-	-	-	105,219,654	44,352,442	149,572,096
Electricity, Gas and Water	-	589,410	8,774	-	-	-	45,458,624	315,415	787,297	803,037	4,735,087	-	-	-	-	-	-	17,062,643	35,635,001	52,697,644
Construction	-	-	13	-	-	-	21,023,320	5,267,456	1,257,219	87,795	650,318	-	-	-	-	-	-	15,983,979	12,302,142	28,286,121
Services	133,877	-	2,072,598	44,041	-	107,080,456	176,031,154	201,331,021	26,396,029	3,501,001	69,538,177	-	-	-	-	743,457	-	448,967,740	137,904,071	586,871,811
Wholesale and Retail Trade	-	-	1,414,862	-	-	-	92,523,311	165,216,495	20,126,177	1,878,895	65,366,872	-	-	-	-	-	-	301,525,260	45,001,353	346,526,613
Accommodation and Dining	-	-	5,043	-	-	-	11,475,350	3,870,553	3,335,926	157,199	839,948	-	-	-	-	-	-	10,965,482	8,718,537	19,684,019
Transportation and Telecom.	-	-	106	-	-	-	24,949,584	8,845,105	985,636	394,411	1,269,045	-	-	-	-	-	-	20,304,582	16,139,305	36,443,887
Financial Institutions	133,317	-	630,506	44,041	-	107,080,456	27,745,937	16,086,454	143,059	128,597	1,065,534	-	-	-	-	743,457	-	92,424,770	61,376,588	153,801,358
Real Estate and Rental	17	-	20,057	-	-	-	16,626,530	5,886,729	1,536,013	926,102	756,551	-	-	-	-	-	-	19,489,840	6,262,159	25,751,999
Professional Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Educational Services	-	-	909	-	-	-	527,639	499,815	134,191	12,416	50,909	-	-	-	-	-	-	1,059,648	166,231	1,225,879
Health and Social Services	543	-	1,114	-	-	-	2,182,803	925,870	135,027	3,381	189,318	-	-	-	-	-	-	3,198,158	239,898	3,438,056
Others	270,140,493	1,487,135	478,360	-	-	-	11,821,828	11,120,056	1,297,623	60,959	2,721,291	-	-	-	-	24,121,933	33,593,652	192,461,897	164,381,433	356,843,330
Total	270,274,370	2,076,545	2,559,758	44,041	-	107,080,456	380,323,131	238,023,012	35,148,881	4,694,052	91,595,832	-	-	-	-	24,865,390	33,593,652	786,677,409	403,601,711	1,190,279,120

- 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 conversion

4.2.3 Analysis of maturity-bearing exposures according to remaining maturities

<i>Current Period</i>	Term To Maturity						Demand	Total
	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year			
Conditional and unconditional exposures to central governments or central banks	116,081,497	5,727,228	8,319,927	13,768,560	242,323,683	160,042,957	546,263,852	
Conditional and unconditional exposures to regional governments or local authorities	-	129,036	74,656	21,319	1,001,332	-	1,226,343	
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	1,112	1,449,991	590,376	12,716	1,270,694	102,870	3,427,759	
Conditional and unconditional exposures to multilateral development banks	31,123	15,050	-	-	48,982	612	95,767	
Conditional and unconditional exposures to international organisations	-	-	-	-	-	-	-	
Conditional and unconditional exposures to banks and brokerage houses	55,429,895	4,081,512	8,663,698	6,077,236	17,177,078	24,018,228	115,447,647	
Conditional and unconditional exposures to corporates	66,294,690	58,808,117	88,793,122	151,596,144	192,003,842	22,131,943	579,627,858	
Conditional and unconditional retail exposures	69,081,412	89,224,668	37,216,471	56,733,670	40,642,324	81,335,904	374,234,449	
Conditional and unconditional exposures secured by real estate property	1,014,070	2,044,208	3,462,139	6,785,785	35,212,161	573,603	49,091,966	
Past due items	-	-	-	-	-	6,487,692	6,487,692	
Items in regulatory high-risk categories	44,915,400	16,069,892	11,855,224	55,333,806	42,452,795	9,769,831	180,396,948	
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	-	-	-	-	-	-	-	
Shares	-	-	-	-	-	44,091,473	44,091,473	
Other items	122,600	2,122,307	-	-	-	61,768,357	64,013,264	
Total	352,971,799	179,672,009	158,975,613	290,329,236	572,132,891	410,323,470	1,964,405,018	

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

<i>Prior Period</i>	Term To Maturity					Demand	Total
	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year		
Conditional and unconditional exposures to central governments or central banks	63,594,717	3,581,767	7,696,057	15,545,695	143,673,308	36,182,826	270,274,370
Conditional and unconditional exposures to regional governments or local authorities	-	1,126	4,218	13,009	2,058,192	-	2,076,545
Conditional and unconditional exposures to administrative bodies and non-commercial undertakings	1,749	117,561	1,420,557	28,584	989,133	2,174	2,559,758
Conditional and unconditional exposures to multilateral development banks	3,455	-	4,146	7,256	20,465	8,719	44,041
Conditional and unconditional exposures to international organisations	-	-	-	-	-	-	-
Conditional and unconditional exposures to banks and brokerage houses	71,923,666	4,458,763	4,966,955	4,325,191	12,817,010	8,588,871	107,080,456
Conditional and unconditional exposures to corporates	41,725,422	47,314,079	53,743,874	65,699,796	154,707,125	17,132,835	380,323,131
Conditional and unconditional retail exposures	48,275,267	39,810,520	16,897,288	38,361,200	43,364,324	51,314,413	238,023,012
Conditional and unconditional exposures secured by real estate property	653,018	1,846,877	3,601,288	3,560,083	24,905,159	582,456	35,148,881
Past due items	-	-	-	-	-	4,694,052	4,694,052
Items in regulatory high-risk categories	6,206,845	8,576,764	17,698,348	8,369,267	47,250,175	3,494,433	91,595,832
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	-	-	-	-	-	-	-
Shares	-	-	-	-	-	24,865,390	24,865,390
Other items	71,990	767,582	-	-	-	32,754,080	33,593,652
Total	232,456,129	106,475,039	106,032,731	135,910,081	429,784,891	179,620,249	1,190,279,120

(*) 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 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 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.

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 weight

<i>Current Period</i> (*)	0%	2%	10%	20%	25%	35%	50%	75%	100%	150%	250%	Others	Deductions from Equity
Risk Weights													
Exposures before													
Credit Risk	564,213,570	26,501,891	-	93,966,067	-	27,047,057	95,855,409	283,349,903	646,724,861	128,583,163	-	51,342,476	2,086,139
Mitigation													
Exposures after													
Credit Risk	566,477,460	57,503	-	89,252,985	-	27,037,755	83,429,902	258,194,933	589,301,667	128,571,970	-	51,342,475	2,086,139
Mitigation													

(*) Excluding counterparty credit risk and securities positions

<i>Prior Period</i> (*)	0%	2%	10%	20%	25%	35%	50%	75%	100%	150%	250%	Others	Deductions from Equity
Risk Weights													
Exposures before													
Credit Risk	283,013,890	34,962,063	-	79,163,905	-	17,088,276	73,574,999	181,918,333	395,754,741	53,279,030	-	38,104,357	1,086,896
Mitigation													
Exposures after													
Credit Risk	287,781,007	242,585	-	59,821,312	-	17,078,286	64,563,526	175,169,046	377,693,383	53,218,581	-	38,104,357	1,086,896
Mitigation													

(*) Excluding counterparty credit risk and securities positions

4.2.6 Information by major sectors and type of counterparties

The Bank assesses its financial assets 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 Bank recognizes life time expected credit losses for impaired loans (Stage 3) and considers the probability of default 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 Bank calculates life time expected credit losses for these loans (Stage 2).

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

<i>Current Period</i>	Loans		<i>TFRS 9 Expected Credit Losses</i>
	<i>Significant Increase in Credit Risk (Stage 2)</i>	<i>Defaulted (Stage 3)</i>	
Agriculture	255,331	39,391	34,235
Farming and Stockbreeding	83,645	24,128	19,199
Forestry	164,266	5,521	5,938
Fishery	7,420	9,742	9,098
Manufacturing	50,574,312	4,945,362	17,666,532
Mining and Quarrying	533,996	15,294	105,943
Production	20,294,757	1,927,432	4,290,005
Electricity, Gas and Water	29,745,559	3,002,636	13,270,584
Construction	10,020,456	6,155,557	7,106,662
Services	37,582,033	5,105,579	14,920,458
Wholesale and Retail Trade	16,517,876	1,769,851	2,641,921
Accommodation and Dining	3,011,506	621,960	895,740
Transportation and Telecommunication	3,214,517	1,861,429	1,694,877
Financial Institutions	208,629	16,434	23,278
Real Estate and Rental Services	14,014,699	755,433	9,534,229
Professional Services	-	-	-
Educational Services	198,725	60,157	55,976
Health and Social Services	416,081	20,315	74,437
Others	85,229,458	10,483,423	9,765,678
Total	183,661,590	26,729,312	49,493,565

<i>Prior Period</i>	Loans		<i>TFRS 9 Expected Credit Losses</i>
	<i>Significant Increase in Credit Risk (Stage 2)</i>	<i>Defaulted (Stage 3)</i>	
Agriculture	90,553	45,430	41,674
Farming and Stockbreeding	66,035	27,048	25,017
Forestry	17,155	9,087	8,266
Fishery	7,363	9,295	8,391
Manufacturing	46,669,546	5,927,500	15,388,514
Mining and Quarrying	3,254,594	30,811	1,515,738
Production	22,309,589	1,341,211	3,684,914
Electricity, Gas and Water	21,105,363	4,555,478	10,187,862
Construction	5,480,727	2,317,183	3,317,717
Services	40,015,212	7,130,728	14,011,744
Wholesale and Retail Trade	8,938,374	1,985,241	2,476,907
Accommodation and Dining	5,257,798	539,285	1,193,314
Transportation and Telecommunication	14,891,929	1,902,877	3,049,152
Financial Institutions	1,409,053	15,489	313,032
Real Estate and Rental Services	8,799,487	2,586,060	6,826,480
Professional Services	-	-	-
Educational Services	269,700	78,751	106,335
Health and Social Services	448,871	23,025	46,524
Others	37,472,494	4,697,825	4,807,792
Total	129,728,532	20,118,666	37,567,441

4.2.7 Movements in value adjustments and provisions

<i>Current Period</i>	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments	Closing Balance
1 Stage 3 Provisions	14,493,599	10,762,575	4,972,982	2,193,272	18,089,920
2 Stage 1 and Stage 2 Provisions	29,177,968	48,498,747	36,555,740	-	41,120,975

<i>Prior Period</i>	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments	Closing Balance
1 Stage 3 Provisions	11,941,132	19,383,529	8,463,154	8,367,908	14,493,599
2 Stage 1 and Stage 2 Provisions	17,986,759	31,934,395	20,743,186	-	29,177,968

4.2.8 Exposures subject to countercyclical capital buffer

<i>Current Period</i> Country	RWAs of Banking Book for Private Sector Lending	RWAs of Trading Book	Total
Turkey	1,026,418,450	1,789,554	1,028,208,004
Cayman Islands	2,855,495	-	2,855,495
Turkish Republic of Northern Cyprus	3,055,631	5,015	3,060,646
Malta	575,136	-	575,136
Switzerland	29,315	-	29,315
The Netherlands	298,275	-	298,275
United Kingdom	800,979	87,372	888,351
Macedonia	931	-	931
Romania	4,787	-	4,787
Others	2,961,913	6267	2,968,180

<i>Prior Period</i> Country	RWAs of Banking Book for Private Sector Lending	RWAs of Trading Book	Total
Turkey	652,955,685	2,634,393	655,590,078
Cayman Islands	2,026,674	-	2,026,674
Turkish Republic of Northern Cyprus	2,211,094	980	2,212,074
Malta	519,704	-	519,704
Switzerland	14,128	58	14,186
The Netherlands	304,788	1,347	306,135
United Kingdom	615,280	25,873	641,153
Macedonia	566	-	566
Romania	170,697	1	170,698
Others	1,803,711	4,667	1,808,378

4.3 Currency risk

Foreign currency position limit is set in compliance with the legal standard ratio of net foreign currency position. As of 31 December 2023, the Bank's net 'on balance sheet' foreign currency long position amounts to TL 35,731,456 (31 December 2022: TL 35,886,243 balance sheet short position), net 'off-balance sheet' foreign currency long position amounts to TL 60,861,462 (31 December 2022: TL 43,841,050), while net foreign currency long position amounts to TL 25,130,006 (31 December 2022: TL 7,954,806).

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

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

	EUR	USD
Foreign currency purchase rates at balance sheet date	32.1530	29.0430
<u>Exchange rates for the days before balance sheet date:</u>		
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

	EUR	USD
Last 30-days arithmetical average rates	31.3083	28.6597

The Bank's currency risk:

<i>Current Period</i>	EUR	USD	Other FCs	Total
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	54,555,836	78,893,386	27,864,432	161,313,654
Banks	14,414,117	44,980,354	4,611,280	64,005,751
Financial Assets Measured at Fair Value through Profit/Loss	224,328	3,301,993	-	3,526,321
Money Market Placements	-	12,094,686	-	12,094,686
Financial Assets Measured at Fair Value through Other Comprehensive Income	1,583,447	21,931,847	-	23,515,294
Loans (*)	140,318,134	152,986,734	5,184,530	298,489,398
Investments in Associates, Subsidiaries and Joint-Ventures	37,128,973	-	-	37,128,973
Financial Assets Measured at Amortised Cost	1,117,516	64,480,672	-	65,598,188
Derivative Financial Assets Held for Hedging Purpose	-	1,213,436	-	1,213,436
Tangible Assets	-	756	-	756
Intangible Assets	-	-	-	-
Other Assets (**)	(10,040,201)	(4,261,454)	(80,474)	(14,382,129)
Total Assets	239,302,150	375,622,410	37,579,768	652,504,328
Liabilities				
Bank Deposits	346,987	126,234	2,892	476,113
Foreign Currency Deposits	163,647,222	245,941,128	19,819,421	429,407,771
Money Market Funds	-	43,343,975	-	43,343,975
Other Fundings (***)	13,849,727	77,835,641	-	91,685,368
Securities Issued (****)	649,023	25,941,673	592,309	27,183,005
Miscellaneous Payables	3,324,643	4,067,996	221,803	7,614,442
Derivative Financial Liabilities Held for Hedging Purpose	-	-	-	-
Other Liabilities (*****)	4,045,604	11,853,467	72,626,040	88,525,111
Total Liabilities	185,863,206	409,110,114	93,262,465	688,235,785
Net 'On Balance Sheet' Position	53,438,944	(33,487,704)	(55,682,697)	(35,731,457)
Net 'Off-Balance Sheet' Position	(31,294,104)	37,961,335	54,194,231	60,861,462
Derivative Financial Assets	31,199,424	148,598,552	58,404,082	238,202,058
Derivative Financial Liabilities	62,493,528	110,637,217	4,209,851	177,340,596
Non-Cash Loans	-	-	-	-
Prior Period				
Total Assets	149,068,298	272,043,952	31,778,668	452,890,918
Total Liabilities	131,200,818	299,614,027	57,962,316	488,777,161
Net 'On Balance Sheet' Position	17,867,480	(27,570,075)	(26,183,648)	(35,886,243)
Net 'Off-Balance Sheet' Position	(6,870,500)	24,866,348	25,845,202	43,841,050
Derivative Financial Assets	59,056,229	132,684,593	27,972,123	219,712,945
Derivative Financial Liabilities	65,926,729	107,818,245	2,126,921	175,871,895
Non-Cash Loans	-	-	-	-

(*) The foreign currency-indexed loans amounting TL 190,431 included under TL loans in the accompanying balance sheet are presented above under the related foreign currency codes.

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

(***) Includes funds presented under financial liabilities amounting TL 48,622,754 measured at fair value through profit or loss in balance sheet.

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

(*****) Other liabilities include gold deposits of TL 71,331,701

4.4 Interest rate risk

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

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

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

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

<i>Current Period</i>	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing (*)	Total
Assets							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	27,651,076	-	-	-	-	300,794,015	328,445,091
Banks	5,719,501	-	-	482,295	-	59,223,224	65,425,020
Financial Assets Measured at Fair Value through Profit/Loss	858,152	19,071	1,320,133	1,888,890	237,082	924,829	5,248,157
Money Market Placements	32,116,927	-	6,296,925	-	-	125,222	38,539,074
Financial Assets Measured at Fair Value through Other Comprehensive Income	17,220,551	2,217,568	3,734,515	20,862,240	4,613,957	31,625,247	80,274,078
Loans	421,004,746	116,485,165	353,372,875	86,519,281	67,417,033	21,331,756	1,066,130,856
Financial Assets Measured at Amortised Cost	26,782,826	8,590,096	9,826,642	111,624,850	10,393,610	40,035,298	207,253,322
Other Assets (**)	-	-	-	-	-	138,739,738	138,739,738
Total Assets	531,353,779	127,311,900	374,551,090	221,377,556	82,661,682	592,799,329	1,930,055,336
Liabilities							
Bank Deposits	410,204	805	-	-	-	1,042,574	1,453,583
Other Deposits	405,031,572	145,741,074	189,713,203	77,067	-	641,687,936	1,382,250,852
Money Market Funds	42,566,108	-	871,290	-	-	16,758	43,454,156
Miscellaneous Payables	-	-	-	-	-	76,645,037	76,645,037
Securities Issued (***)	1,935,680	-	3,630,375	22,423,620	-	260,923	28,250,598
Other Fundings	65,607,144	7,449,374	4,804,672	267,318	14,508,429	43,972	92,680,909
Other Liabilities	53,455	123,726	319,189	1,051,781	182,787	303,589,263	305,320,201
Total Liabilities	515,604,163	153,314,979	199,338,729	23,819,786	14,691,216	1,023,286,463	1,930,055,336
On Balance Sheet Long Position	15,749,616	-	175,212,361	197,557,770	67,970,466	-	456,490,213
On Balance Sheet Short Position	-	(26,003,079)	-	-	-	(430,487,134)	(456,490,213)
Off-Balance Sheet Long Position	41,844,700	53,594,350	53,656,262	41,158,812	33,404,663	-	223,658,787
Off-Balance Sheet Short Position	(31,266,471)	(35,866,946)	(49,773,738)	(73,240,325)	(35,425,950)	-	(225,573,430)
Total Position	26,327,845	(8,275,675)	179,094,885	165,476,257	65,949,179	(430,487,134)	(1,914,643)

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

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

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

<i>Prior Period</i>	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing (*)	Total
Assets							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	-	-	-	-	-	137,893,408	137,893,408
Banks	3,729,942	-	-	-	-	19,376,488	23,106,430
Financial Assets at Fair Value through Profit/Loss	728,969	101,852	305,488	699,724	86,265	543,134	2,465,432
Money Market Placements	62,562,196	2,399,733	4,698,501	-	-	72,599	69,733,029
Financial Assets Measured at Fair Value through Other Comprehensive Income	20,586,278	1,951,151	2,789,006	12,928,993	3,258,810	35,784,971	77,299,209
Loans	248,688,116	72,048,061	197,256,455	88,142,556	33,745,762	29,519,836	669,400,786
Financial Assets Measured at Amortised Cost	16,665,222	1,394,653	4,497,199	58,523,629	6,183,362	20,963,790	108,227,855
Other Assets (**)	-	-	-	-	-	64,045,488	64,045,488
Total Assets	352,960,723	77,895,450	209,546,649	160,294,902	43,274,199	308,199,714	1,152,171,637
Liabilities							
Bank Deposits	310,631	720	-	-	-	903,278	1,214,629
Other Deposits	244,284,934	124,705,057	26,470,350	215,273	-	393,773,715	789,449,329
Money Market Funds	13,123,344	2,627,498	557,760	-	-	12,237	16,320,839
Miscellaneous Payables	-	-	-	-	-	44,333,555	44,333,555
Securities Issued (***)	1,798,618	8,360,172	2,224,356	15,269,651	-	288,579	27,941,376
Other Fundings	26,759,607	3,215,770	10,335,519	207,996	26,226,035	49,174	66,794,101
Other Liabilities	31,076	73,567	215,723	732,328	139,358	204,925,756	206,117,808
Total Liabilities	286,308,210	138,982,784	39,803,708	16,425,248	26,365,393	644,286,294	1,152,171,637
On Balance Sheet Long Position	66,652,513	-	169,742,941	143,869,654	16,908,806		397,173,914
On Balance Sheet Short Position	-	(61,087,334)	-	-	-	(336,086,580)	(397,173,914)
Off-Balance Sheet Long Position	39,620,573	39,255,169	47,366,026	22,682,408	26,144,019	-	175,068,195
Off-Balance Sheet Short Position	(21,184,769)	(35,467,398)	(43,374,139)	(48,352,408)	(27,727,859)	-	(176,106,573)
Total Position	85,088,317	(57,299,563)	173,734,828	118,199,654	15,324,966	(336,086,580)	(1,038,378)

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

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

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

4.4.2 Average interest rates on monetary financial instruments (%)

<i>Current Period</i>	EUR	USD	JPY	TL
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	0.20	-	-	-
Banks	2.49	2.50	-	36.50
Financial Assets Measured at Fair Value through Profit/Loss	4.82	6.15	-	39.57
Money Market Placements	-	5.03	-	43.61
Financial Assets Measured at Fair Value through Other Comprehensive Income	4.58	6.33	-	44.04
Loans	7.71	9.81	-	38.52
Financial Assets Measured at Amortised Cost	4.31	6.10	-	24.21
Liabilities				
Bank Deposits	3.90	-	-	39.24
Other Deposits	0.09	0.15	-	30.45
Money Market Funds	-	3.71	-	17.65
Miscellaneous Payables	-	-	-	-
Securities Issued	5.27	7.19	-	50.15
Other Fundings	7.16	7.97	-	40.55

<i>Prior Period</i>	EUR	USD	JPY	TL
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	(0.56)	(0.50)	-	-
Banks	0.75	1.50	-	14.75
Financial Assets at Fair Value through Profit/Loss	4.45	7.49	-	12.61
Money Market Placements	-	3.96	-	10.25
Financial Assets Measured at Fair Value through Other Comprehensive Income	4.71	6.32	-	34.16
Loans	5.77	8.33	-	22.46
Financial Assets Measured at Amortised Cost	4.39	5.96	-	23.49
Liabilities				
Bank Deposits	1.90	-	-	7.78
Other Deposits	0.19	0.33	-	11.43
Money Market Funds	1.25	3.54	-	4.71
Miscellaneous Payables	-	-	-	-
Securities Issued	5.27	6.62	-	13.77
Other Fundings	3.75	6.28	-	19.00

4.5 Position risk of equity securities

4.5.1 Equity shares in associates and subsidiaries

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

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

<i>Current Period</i>		Comparison		
Equity Securities (shares)		Carrying Value	Fair Value^(*)	Market Value
1	Investment in Shares- Grade A	56,447,077	56,447,077	2,711,252
	Quoted Securities	837,976	837,976	2,711,252
2	Investment in Shares- Grade B	702,258	702,258	2,384,623
	Quoted Securities	676,817	676,817	2,384,623
3	Investment in Shares- Grade C	2,237,116	2,237,116	-
	Quoted Securities	-	-	-
4	Investment in Shares- Grade D	77,754	77,754	-
	Quoted Securities	-	-	-
5	Investment in Shares- Grade E	1,014	1,014	-
	Quoted Securities	-	-	-
6	Investment in Shares- Grade F	48	48	-
	Quoted Securities	-	-	-

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

<i>Prior Period</i>		Comparison		
Equity Securities (shares)		Carrying Value	Fair Value^(*)	Market Value
1	Investment in Shares- Grade A	29,797,314	29,797,314	1,136,215
	Quoted Securities	519,602	519,602	1,136,215
2	Investment in Shares- Grade B	295,507	295,507	832,213
	Quoted Securities	270,066	270,066	832,213
3	Investment in Shares- Grade C	306,323	306,323	-
	Quoted Securities	-	-	-
4	Investment in Shares- Grade D	62,250	62,250	-
	Quoted Securities	-	-	-
5	Investment in Shares- Grade E	1,014	1,014	-
	Quoted Securities	-	-	-
6	Investment in Shares- Grade F	48	48	-
	Quoted Securities	-	-	-

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

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

<i>Current Period</i>		Gains/Losses in Current Period	Revaluation Surpluses		Unrealised Gains and Losses	
Portfolio			Total	Amount in Tier I Capital ^(*)	Total	Amount in Tier I Capital ^(*)
1	Private Equity Investments	-	-	-	-	-
2	Quoted Shares	-	1,624,992	1,624,992	-	-
3	Other Shares	-	37,958,264	37,958,264	-	-
Total		-	39,583,256	39,583,256	-	-

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

<i>Prior Period</i>		Gains/Losses in Current Period	Revaluation Surpluses		Unrealised Gains and Losses	
Portfolio			Total	Amount in Tier I Capital ^(*)	Total	Amount in Tier I Capital ^(*)
1	Private Equity Investments	-	-	-	-	-
2	Quoted Shares	-	696,477	696,477	-	-
3	Other Shares	-	17,867,288	17,867,288	-	-
Total		-	18,563,765	18,563,765	-	-

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

4.5.4 Capital requirement as per equity shares

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

<i>Prior Period</i>		Carrying Value	RWA Total	Minimum Capital Requirement
Portfolio				
1	Private Equity Investments	-	-	-
2	Quoted Shares	789,668	789,668	63,173
3	Other Shares	29,672,787	24,486,947	1,958,956
Total		30,462,455	25,276,615	2,022,129

4.6 Liquidity risk management and liquidity coverage ratio

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Bank turns to permanent consumer deposits to increase of weights Consumer/SME deposits in TL deposits which significantly contributes to liquidity metrics such as the internal stress test during 2023.

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

4.6.1 Liquidity coverage ratio

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

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

High quality liquid assets consist of cash, deposits in central banks and securities considered as high quality liquid assets. Reserve deposits are included in high quality liquid assets, limited by the amount that is allowed by central bank to use in liquidity shortages. The Bank’s high quality liquid assets are composed of 5.67% cash, 59.21% deposits in central banks and 35.12% securities considered as high quality liquid assets.

The Bank’s main funding sources are deposits, funds borrowed, money market borrowings and securities issued. Funding source composition as of report date is 85.16% deposits, 8.38% funds borrowed and money market borrowings, 1.74% securities issued and 4.72% other liabilities.

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

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

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

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

The table below presents highest, lowest and average liquidity coverage ratios of the second quarter of 2023:

<i>Current Period</i>	Highest	Date	Lowest	Date	Average
TL+FC	237.22	23.10.2023	186.64	10.11.2023	215.71
FC	435.94	29.11.2023	202.60	09.10.2023	285.52

<i>Prior Period</i>	Total Unweighted Value (Average) (*)		Total Weighted Value (Average) (*)	
	TL+FC	FC	TL+FC	FC
High-Quality Liquid Assets			321,276,107	167,583,142
1 Total high-quality liquid assets (HQLA)	321,276,107	167,583,142	321,276,107	167,583,142
Cash Outflows				
2 Retail deposits and deposits from small business customers, of which:	531,204,422	283,038,251	49,224,479	28,303,825
3 Stable deposits	77,919,262	-	3,895,963	-
4 Less stable deposits	453,285,160	283,038,251	45,328,516	28,303,825
5 Unsecured wholesale funding, of which:	227,718,928	118,107,419	112,310,545	55,955,849
6 Operational deposits	-	-	-	-
7 Non-operational deposits	186,617,298	110,212,574	84,259,619	48,221,135
8 Unsecured funding	41,101,630	7,894,845	28,050,926	7,734,714
9 Secured wholesale funding			-	-
10 Other cash outflows of which:	391,963,408	109,720,619	52,701,254	40,872,130
11 Outflows related to derivative exposures and other collateral requirements	17,564,229	28,384,076	17,564,229	28,384,076
12 Outflows related to restructured financial instruments	-	-	-	-
13 Payment commitments and other off-balance sheet commitments granted for debts to financial markets	374,399,179	81,336,543	35,137,025	12,488,054
14 Other revocable off-balance sheet commitments and contractual obligations	5,143	5,143	256	256
15 Other irrevocable or conditionally revocable off-balance sheet obligations	33,441,279	31,880,508	1,672,064	1,594,025
16 Total Cash Outflows			215,908,598	126,726,085
Cash Inflows				
17 Secured receivables	-	-	-	-
18 Unsecured receivables	86,528,655	28,866,240	60,240,928	24,203,450
19 Other cash inflows	1,709,840	98,395,825	1,709,840	98,395,825
20 Total Cash Inflows	88,238,495	127,262,065	61,950,768	122,599,275
21 Total HQLA			321,276,107	167,583,142
22 Total Net Cash Outflows			153,957,831	31,681,522
23 Liquidity Coverage Ratio (%)			209.24	529.95

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

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

<i>Prior Period</i>	Highest	Date	Lowest	Date	Average
TL+FC	242.82	30.09.2022	193.35	20.10.2022	209.24
FC	639.86	11.10.2022	434.00	15.12.2022	529.95

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's financial liabilities as per their earliest likely contractual maturities.

<i>Current Period</i>	Carrying Value	Total Casflow	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over
Bank Deposits	1,453,583	1,453,907	1,042,122	410,964	821	-	-	-
Other Deposits	1,382,250,852	1,418,934,126	586,043,666	126,245,754	220,805,437	381,663,943	104,166,842	8,484
Other Fundings	92,680,909	134,446,680	-	4,593,726	971,074	36,864,227	24,372,366	67,645,287
Interbank Money Market Takings	43,454,156	43,489,998	-	42,583,665	-	906,333	-	-
Securities Issued(*)	28,250,598	36,417,516	-	978,879	82,145	5,710,939	28,131,538	1,514,015
Lease payables (net)	1,730,939	2,551,035	-	73,911	182,104	470,938	1,554,190	269,892
Total	1,549,821,037	1,637,293,262	587,085,788	174,886,899	222,041,581	425,616,380	158,224,936	69,437,678

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

<i>Prior Period</i>	Carrying Value	Total Casflow	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over
Bank Deposits	1,214,629	1,214,755	903,165	310,861	729	-	-	-
Other Deposits	789,449,329	795,101,382	386,239,410	72,567,962	280,208,216	44,724,375	11,348,841	12,578
Other Fundings	66,794,101	90,011,307	-	2,147,033	2,296,644	26,317,506	18,506,756	40,743,368
Interbank Money Market Takings	16,320,839	16,343,213	-	13,090,279	2,672,802	580,132.00	-	-
Securities Issued(*)	27,941,376	33,717,854	-	815,553	8,635,872	2,146,738	20,841,908	1,277,783
Lease payables (net)	1,192,052	1,729,868	-	45,324	105,867	313,325	1,063,555	201,797
Total	902,912,326	938,118,379	387,142,575	88,977,012	293,920,130	74,082,076	51,761,060	42,235,526

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

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

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed	Total
Current Period								
Assets								
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	190,832,776	137,612,315	-	-	-	-	-	328,445,091
Banks	59,219,190	5,723,148	-	387	482,295	-	-	65,425,020
Financial Assets Measured at Fair Value through Profit/Loss	788,352	81,824	23,193	1,312,257	2,695,357	347,174	-	5,248,157
Money Market Placements	-	32,217,091	-	6,321,983	-	-	-	38,539,074
Financial Assets Measured at Fair Value through Other Comprehensive Income	1,849,907	-	1,380,015	4,775,628	54,177,513	18,091,015	-	80,274,078
Loans	3,308,677	235,511,038	159,445,732	398,137,051	168,653,062	46,956,587	54,118,709	1,066,130,856
Financial Assets Measured at Amortised Cost	-	248,544	7,478,898	20,844,284	143,112,592	35,569,004	-	207,253,322
Other Assets (*)	23,285,084	6,502,010	493,953	1,522,731	4,892,333	2,700,746	99,342,881	138,739,738
Total Assets	279,283,986	417,895,970	168,821,791	432,914,321	374,013,152	103,664,526	153,461,590	1,930,055,336
Liabilities								
Bank Deposits	1,042,123	410,655	805	-	-	-	-	1,453,583
Other Deposits	586,043,665	417,125,839	152,621,404	212,718,689	13,737,316	3,939	-	1,382,250,852
Other Fundings	-	3,755,109	450,674	32,060,581	8,506,666	47,907,879	-	92,680,909
Money Market Funds	-	42,579,253	-	874,903	-	-	-	43,454,156
Securities Issued (**)	-	950,964	-	3,640,544	22,591,497	1,067,593	-	28,250,598
Miscellaneous Payables	76,645,030	7	-	-	-	-	-	76,645,037
Other Liabilities (***)	13,343,334	5,010,971	3,755,521	1,686,394	6,567,952	2,618,968	272,337,061	305,320,201
Total Liabilities	677,074,152	469,832,798	156,828,404	250,981,111	51,403,431	51,598,379	272,337,061	1,930,055,336
Liquidity Gap	(397,790,166)	(51,936,828)	11,993,387	181,933,210	322,609,721	52,066,147	(118,875,471)	-
Net Off-Balance Sheet Position	-	(1,068,856)	2,384,028	3,163,880	(1,130,181)	70,700	-	3,419,571
Derivative Financial Assets	-	210,778,855	28,428,006	59,425,022	20,836,970	3,141,877	-	322,610,730
Derivative Financial Liabilities	-	211,847,711	26,043,978	56,261,142	21,967,151	3,071,177	-	319,191,159
Non-Cash Loans	-	32,805,590	11,864,641	14,237,923	3,651,882	-	1,056,470,366	1,119,030,402
Prior Period								
Total Assets	104,681,361	259,554,533	107,925,669	266,211,132	266,964,011	85,207,242	61,627,689	1,152,171,637
Total Liabilities	442,714,717	266,976,713	142,855,339	53,987,817	31,080,846	34,492,863	180,063,342	1,152,171,637
Liquidity Gap	(338,033,356)	(7,422,180)	(34,929,670)	212,223,315	235,883,165	50,714,379	(118,435,653)	-
Net Off-Balance Sheet Position	-	451,834	1,190,221	1,996,318	(1,290,147)	155,850	-	2,504,076
Derivative Financial Assets	-	215,295,394	83,297,106	24,419,487	14,606,131	2,357,703	-	339,975,821
Derivative Financial Liabilities	-	214,843,560	82,106,885	22,423,169	15,896,278	2,201,853	-	337,471,745
Non-Cash Loans	-	22,049,703	6,417,948	5,848,138	692,082	-	420,309,033	455,316,904

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

(**) Includes securities issued having qualification of subordinated loan presented under subordinated debts in balance sheet.

(***) Shareholders' equity is included in "other liabilities" line under "undistributed" column.

4.7 Leverage ratio

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

The Bank’s leverage ratio calculated by taking average of end of month leverage ratios for the last three-month periods is 7.67% (31 December 2022: 9.20%). While the capital increased by 58.66% mainly as a result of increase in net profits, total risk amount increased by 90.14%. Therefore, the current period leverage ratio decreased by 153 basis points compared to prior period.

		<i>Current Period</i> (*)	<i>Prior Period</i> (*)
On-balance sheet assets			
1	On-balance sheet items (excluding derivative financial instruments and credit derivatives but including collateral)	1,811,527,026	1,064,125,609
2	(Assets deducted in determining Tier I capital)	(1,406,999)	(1,028,742)
3	Total on-balance sheet risks (sum of lines 1 and 2)	1,810,120,027	1,063,096,867
Derivative financial instruments and credit derivatives			
4	Replacement cost associated with all derivative instruments and credit derivatives	11,074,670	8,887,916
5	Add-on amounts for PFE associated with all derivative instruments and credit derivatives	58,713,309	38,759,185
6	Total risks of derivative financial instruments and credit derivatives (sum of lines 4 to 5)	69,787,979	47,647,101
Securities or commodity financing transactions (SCFT)			
7	Risks from SCFT assets (excluding on-balance sheet)	16,885,134	7,008,977
8	Risks from brokerage activities related exposures	-	-
9	Total risks related with securities or commodity financing transactions (sum of lines 7 to 8)	16,885,134	7,008,977
Other off-balance sheet transactions			
10	Gross notional amounts of off-balance sheet transactions	1,077,215,338	447,355,081
11	(Adjustments for conversion to credit equivalent amounts)	(2,227,561)	(2,124,372)
12	Total risks of off-balance sheet items (sum of lines 10 and 11)	1,074,987,777	445,230,709
Capital and total risks			
13	Tier I capital	228,090,668	143,762,775
14	Total risks (sum of lines 3, 6, 9 and 12)	2,971,780,917	1,562,983,654
Leverage ratio			-
15	Leverage ratio	7.68	9.20

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

4.8 Fair values of financial assets and liabilities

	Carrying Value		Fair Value	
	Current Period	Prior Period	Current Period	Current Period
Financial Assets	1,754,564,526	1,064,248,411	1,700,892,445	1,075,374,022
Interbank Money Market Placements	38,539,074	69,733,029	38,544,401	69,790,773
Banks (*)	357,119,039	137,122,100	357,127,673	137,282,399
Financial Assets Measured at Fair Value Through Profit/Loss	5,248,157	2,465,432	5,248,157	2,465,432
Financial Assets Measured at Fair Value through Other Comprehensive Income	80,274,078	77,299,209	80,274,078	77,299,209
Financial Assets Measured at Amortised Cost	207,253,322	108,227,855	187,170,191	119,523,268
Loans	1,066,130,856	669,400,786	1,032,527,944	669,012,941
Financial Liabilities	1,645,972,277	961,399,810	1,636,720,547	959,122,891
Bank Deposits	1,453,583	1,214,629	1,450,111	1,199,306
Other Deposits	1,382,250,852	789,449,329	1,373,115,886	788,306,195
Other Fundings from Financial Institutions	44,058,155	35,006,055	43,945,000	34,696,201
Financial Liabilities Measured at Fair Value Through Profit/Loss	48,622,754	31,788,046	48,622,754	31,788,046
Money market funds	43,454,156	16,320,839	43,454,019	16,356,179
Securities Issued (**)	28,250,598	27,941,376	28,250,598	27,097,428
Other Liabilities	97,882,179	59,679,536	97,882,179	59,679,536

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

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

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.

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

<i>Current Period</i>	Level 1	Level 2	Level 3	Total
Financial Assets Measured at Fair Value through Other Comprehensive Income	76,032,306	3,760,633	481,139	80,274,078
Financial Assets Measured at Fair Value through Profit/Loss	4,360,567	711,270	176,320	5,248,157
Derivative Financial Assets Held for Trading	754	9,540,292	104,007	9,645,053
Derivative Financial Assets Held for Hedging Purpose	-	1,221,094	-	1,221,094
Financial Assets at Fair Value	80,393,627	15,233,289	761,466	96,388,382
Derivative Financial Liabilities Held for Trading	892	10,944,466	465,470	11,410,828
Funds Borrowed (*)	-	-	48,622,754	48,622,754
Derivative Financial Liabilities Held for Hedging Purpose	-	-	-	-
Financial Liabilities at Fair Value	892	10,944,466	49,088,224	60,033,582

(*) Funds borrowed includes financial liabilities measured at fair value through profit/loss.

<i>Prior Period</i>	Level 1	Level 2	Level 3	Total
Financial Assets Measured at Fair Value through Other Comprehensive Income	37,009,432	40,267,092	22,685	77,299,209
Financial Assets Measured at Fair Value through Profit/Loss	1,794,503	543,074	127,855	2,465,432
Derivative Financial Assets Held for Trading	-	8,820,932	129,821	8,950,753
Derivative Financial Assets Held for Hedging Purpose	-	1,444,466	-	1,444,466
Financial Assets at Fair Value	38,803,935	51,075,564	280,361	90,159,860
Derivative Financial Liabilities Held for Trading	-	8,860,356	2,008,890	10,869,246
Funds Borrowed (*)	-	-	31,788,046	31,788,046
Derivative Financial Liabilities Held for Hedging Purpose	-	21,111	-	21,111
Financial Liabilities at Fair Value	-	8,881,467	33,796,936	42,678,403

(*) Funds borrowed includes financial liabilities measured at fair value through profit/loss.

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.

	<i>Current Period</i>	<i>Prior Period</i>
Balances at Beginning of Period	280,361	4,601,432
Purchases during the Period	454,850	15,009
Disposals through Sale/Redemptions	(64,139)	(4,750,411)
Valuation Effect	90,394	355,447
Transfers	-	58,884
Balances at End of Period	761,466	280,361

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

Based on TFRS 9, in order to eliminate the accounting mismatch, the securitized borrowings are measured at fair value and it is used the values 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 Risk Management Disclosures” published in the Official Gazette No. 29511 dated 23 October 2015.

4.10.1 Risk management strategy and weighted amounts

4.10.1.1 Risk management strategy

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

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

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

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

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

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

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

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

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

On the other hand, within the scope of the "Regulation on the Precautionary Plans to be Prepared by Systemically Important Banks" published in the Official Gazette dated 16 March 2021 and numbered 31425, the Bank prepares a Recovery Plan and reports the Plan to BRSA.

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

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

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

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) (*)	1,148,512,191	715,364,760	91,880,976
2	Of which standardised approach (SA)	1,148,512,191	715,364,760	91,880,976
3	Of which internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	18,713,155	21,536,626	1,497,052
5	Of which standardised approach for counterparty credit risk (SA-CCR)	18,713,155	21,536,626	1,497,052
6	Of which internal model method (IMM)	-	-	-
7	Equity position in banking book under basic risk weighting or internal rating-based	-	-	-
8	Equity investments in funds – look-through approach	-	-	-
9	Equity investments in funds – mandate-based approach	-	-	-
10	Equity investments in funds – 1250% risk weighting approach	-	-	-
11	Settlement risk	-	-	-
12	Securitisation exposures in banking book	-	-	-
13	Of which IRB ratings-based approach (RBA)	-	-	-
14	Of which IRB supervisory formula approach (SFA)	-	-	-
15	Of which SA/simplified supervisory formula approach (SSFA)	-	-	-
16	Market risk	31,268,911	39,757,953	2,501,513
17	Of which standardised approach (SA)	31,268,911	39,757,953	2,501,513
18	Of which internal model approaches (IMM)	-	-	-
19	Operational risk	116,238,033	62,279,426	9,299,043
20	Of which basic indicator approach	116,238,033	62,279,426	9,299,043
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)	1,314,732,290	838,938,765	105,178,584

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

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 in financial statements prepared as per TAS	Carrying values of items in accordance with Turkish Accounting Standards				
		Subject to credit risk	Subject to counterparty credit risk	Subject to market risk (*)	Subject to capital calculation	Not subject to capital requirements
Assets	526,862,928	503,825,477	14,173,184	11,367,222	(1,934,639)	-
Cash and cash equivalents	430,474,546	423,383,097	-	-	(1,934,639)	-
Financial assets measured at fair value through profit/loss (FVTPL)	5,248,157	164,764	-	5,083,393	-	-
Financial assets measured at fair value through other comprehensive income (FVOCI)	80,274,078	80,274,078	3,310,575	-	-	-
Derivative financial assets	10,866,147	3,538	10,862,609	6,283,829	-	-
Loans (net)	1,226,284,095	1,258,739,235	-	-	(32,453,201)	(3,437)
Loans	1,066,130,856	1,066,131,607	-	-	1,188	(3,437)
Lease receivables	-	-	-	-	-	-
Non performing receivables	207,253,322	207,253,322	-	-	-	-
Expected credit losses (-)	47,100,083	14,645,694	-	-	32,454,389	-
Assets held for sale and assets of discontinued operations (net)	2,122,307	2,122,307	-	-	-	-
Ownership investments (net)	56,936,917	56,936,917	-	-	-	-
Tangible assets (net)	18,928,030	18,638,769	-	-	289,261	-
Intangible assets (net)	1,795,702	-	-	-	1,795,702	-
Investment property (net)	3,071,140	3,071,140	-	-	-	-
Current tax asset	-	-	-	-	-	-
Deferred tax asset	19,834,272	19,834,272	-	-	-	-
Other assets	74,219,945	72,440,658	-	-	(7,763)	1,787,050
Total assets	1,930,055,336	1,935,608,775	14,173,184	11,367,222	(32,310,640)	1,783,613
Liabilities						
Deposits	1,383,704,435	-	-	-	-	1,383,704,435
Funds borrowed	44,058,155	-	2,179,977	-	-	41,878,178
Money market funds	43,454,156	-	43,454,156	-	-	-
Securities issued (net)	5,240,527	-	-	-	-	5,240,527
Funds	-	-	-	-	-	-
Financial liabilities measured at fvtpl	48,622,754	-	-	-	-	48,622,754
Derivative financial liabilities	11,410,828	-	-	-	-	11,410,828
Factoring payables	-	-	-	-	-	-
Lease payables (net)	1,730,939	-	-	-	-	1,730,939
Provisions	16,443,744	3,443,434	-	-	6,724,184	6,276,126
Current tax liability	9,700,507	-	-	-	-	9,700,507
Deferred tax liability	-	-	-	-	-	-
Liabilities for assets held for sale and assets of discontinued operations (net)	-	-	-	-	-	-
Subordinated debts	23,010,071	-	-	-	14,072,230	8,937,841
Other liabilities	97,882,179	-	-	92,133	-	97,790,046
Shareholders' equity	244,797,041	-	-	-	243,474,062	1,322,979
Total liabilities	1,930,055,336	3,443,434	45,634,133	92,133	264,270,476	1,616,615,160

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

<i>Prior Period</i>	<i>Carrying values in financial statements prepared as per TAS</i>	<i>Carrying values of items in accordance with Turkish Accounting Standards</i>				<i>Not subject to capital requirements</i>
		<i>Subject to credit risk</i>	<i>Subject to counterparty credit risk</i>	<i>Subject to market risk (*)</i>	<i>Subject to capital calculation</i>	
Assets	319,991,406	300,005,502	13,727,590	8,886,034	(901,321)	-
Cash and cash equivalents	229,831,546	222,570,602	-	-	(901,321)	-
Financial assets measured at fair value through profit/loss (FVTPL)	2,465,432	126,205	-	2,339,227	-	-
Financial assets measured at fair value through other comprehensive income (FVOCI)	77,299,209	77,299,208	3,341,855	-	-	-
Derivative financial assets	10,395,219	9,487	10,385,735	6,546,807	-	-
Loans (net)	740,589,297	765,129,091	472,192	-	(24,317,063)	(4,434)
Loans	669,400,786	669,614,981	-	-	29	(4,434)
Lease receivables	-	-	-	-	-	-
Non performing receivables	108,227,855	108,227,855	472,192	-	-	-
Expected credit losses (-)	37,039,344	12,713,745	-	-	24,317,092	-
Assets held for sale and assets of discontinued operations (net)	767,582	767,582	-	-	-	-
Ownership investments (net)	29,095,480	29,095,480	-	-	-	-
Tangible assets (net)	9,969,267	9,860,238	-	-	109,029	-
Intangible assets (net)	1,023,989	46,151	-	-	977,838	-
Investment property (net)	1,815,310	1,815,310	-	-	-	-
Current tax asset	-	-	-	-	-	-
Deferred tax asset	6,769,614	6,769,614	-	-	-	-
Other assets	42,149,692	41,660,003	-	-	(5,861)	495,550
Total assets	1,152,171,637	1,155,148,971	14,199,782	8,886,034	(24,137,378)	491,116
Liabilities						
Deposits	790,663,958	-	-	-	-	790,663,958
Funds borrowed	35,006,055	-	1,408,215	-	-	33,597,840
Money market funds	16,320,839	-	16,320,839	-	-	-
Securities issued (net)	12,872,533	-	-	-	-	12,872,533
Funds	-	-	-	-	-	-
Financial liabilities measured at fvtpl	31,788,046	-	-	-	-	31,788,046
Derivative financial liabilities	10,890,357	-	-	-	-	10,890,357
Factoring payables	-	-	-	-	-	-
Lease payables (net)	1,192,052	-	-	-	-	1,192,052
Provisions	18,517,535	1,771,223	-	-	3,953,694	12,792,618
Current tax liability	7,486,390	-	-	-	-	7,486,390
Deferred tax liability	-	-	-	-	-	-
Liabilities for assets held for sale and assets of discontinued operations (net)	-	-	-	-	-	-
Subordinated debts	15,068,843	-	-	-	12,158,080	2,910,763
Other liabilities	59,679,536	-	-	83,257	-	59,596,279
Shareholders' equity	152,685,493	-	-	-	151,497,507	1,187,986
Total liabilities	1,152,171,637	1,771,223	17,729,054	83,257	167,609,281	964,978,822

(*) 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

	<i>Current Period</i>	<i>Total</i>	<i>Credit risk</i>	<i>Counterparty credit risk</i>	<i>Market risk (*)</i>
1	Carrying Value of Assets in Accordance with Communiqué "Preparation of Financial Statements" (as per 4.10.2.1)	1,959,055,401	1,932,298,200	10,862,609	11,367,222
2	Carrying Value of Debt Instruments that are Subjected to Counterparty Credit Risk as per TAS (as per 4.10.2.1)	3,310,575	3,310,575	3,310,575	-
3	Carrying Value of Liabilities that are Subjected to Counterparty Credit Risk as per TAS (as per 4.10.2.1)	45,634,133	-	45,634,133	-
4	Carrying Value of Other Liabilities as per TAS (as per 4.10.2.1)	92,133	-	-	92,133
5	Total Net Amount within the Scope of Statutory Consolidation	1,916,639,709	1,935,608,775	(31,460,949)	11,275,089
6	Off-balance Sheet Amounts (**)	2,214,469,702	264,747,742	9,601,427	455,831,786
7	Differences Resulted from the BRSA's Applications		(131,407,435)	-	-
8	Repurchase Transactions		-	50,541,053	-
9	Risk Amounts		2,068,949,082	28,681,531	467,106,875

(*) 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.

	<i>Prior Period</i>	<i>Total</i>	<i>Credit risk</i>	<i>Counterparty credit risk</i>	<i>Market risk (*)</i>
1	Carrying Value of Assets in Accordance with Communiqué "Preparation of Financial Statements" (as per 4.10.2.1)	1,172,494,967	1,151,334,924	10,385,735	8,886,034
2	Carrying Value of Debt Instruments that are Subjected to Counterparty Credit Risk as per TAS (as per 4.10.2.1)	3,814,047	3,814,047	3,814,047	-
3	Carrying Value of Liabilities that are Subjected to Counterparty Credit Risk as per TAS (as per 4.10.2.1)	17,729,054	-	17,729,054	-
4	Carrying Value of Other Liabilities as per TAS (as per 4.10.2.1)	83,257	-	-	83,257
5	Total Net Amount within the Scope of Statutory Consolidation	1,158,496,703	1,155,148,971	(3,529,271)	8,802,777
6	Off-balance Sheet Amounts (**)	1,491,257,503	137,009,584	8,358,497	388,319,767
7	Differences Resulted from the BRSA's Applications		(94,797,714)	-	-
8	Repurchase Transactions		-	22,836,838	-
9	Risk Amounts		1,197,360,841	27,666,064	397,122,544

(*) 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 is 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 Credit risk

4.10.3.1 General information on credit risk

4.10.3.1.1 General qualitative information on credit risk

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

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

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

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

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

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

Organizational structure related to credit risk management and control functions is detailed below: Units within the scope of credit risk management; Corporate and Specialized Loans, Commercial Loans, Corporate and Commercial Loans Restructuring, Wholesale Recovery, Retail Collection, Commercial Risk Strategies Retail Loans Evaluations, Retail 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.

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

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

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

4.10.3.1.2 Credit quality of assets

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

	<i>Prior Period</i>	<i>Gross carrying value as per TAS</i>		<i>Allowances/amortisation and impairments</i>	<i>Net values</i>
		<i>Defaulted</i>	<i>Non-defaulted</i>		
1	Loans	17,612,512	850,544,456	12,722,252	855,434,716
2	Debt securities	-	184,545,355	-	184,545,355
3	Off-balance sheet exposures	2,506,152	230,299,120	1,771,347	231,033,925
4	Total	20,118,664	1,265,388,931	14,493,599	1,271,013,996

4.10.3.1.3 Changes in stock of default loans and debt securities

	<i>Current Period</i>	<i>Prior Period</i>
1 Defaulted loans and debt securities at end of the previous reporting period	17,612,512	16,071,215
2 Loans and debt securities defaulted since the last reporting period	13,787,119	12,526,087
3 Receivables back to non-defaulted status	(18,382)	(254,927)
4 Amounts written off	(2,212,166)	(8,877,928)
5 Other changes (Collections and fx differences)	(7,515,430)	(1,851,935)
6 Defaulted loans and debt securities at end of the reporting period	21,653,653	17,612,512

4.10.3.1.4 Additional disclosure related to the credit quality of 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 calculates the expected credit losses in accordance with TFRS 9. At each reporting date, the Bank assesses 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 uses 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.

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	Expected Credit losses-Stage 3	Write-Offs
Domestic	20,817,896	14,055,583	2,200,036	16,926,792	12,233,862	8,543,720
European Union (EU) Countries	658,027	542,401	11,528	537,623	446,269	159,431
OECD Countries	247	137	1	178	42	-
Off-Shore Banking Regions	-	-	-	-	-	-
USA, Canada	751	361	-	171	48	-
Other Countries	176,732	47,214	601	147,748	42,031	174,777
Total	21,653,653	14,645,696	2,212,166	17,612,512	12,722,252	8,877,928

	Current Period			Prior Period		
	Non- performing	Expected Credit losses-Stage 3	Write-Offs	Non- performing	Expected Credit losses-Stage 3	Write-Offs
Agriculture	38,422	26,154	544	47,002	38,259	1,250
Farming and Stockbreeding	23,778	12,831	525	29,094	22,558	1,183
Forestry	5,379	4,467	19	9,075	7,573	66
Fishery	9,265	8,856	-	8,833	8,128	1
Manufacturing	4,417,903	3,505,714	153,705	5,501,259	4,400,791	39,892
Mining and Quarrying	13,165	10,148	11,359	28,745	22,975	1,634
Production	1,809,202	1,418,637	107,266	1,292,266	1,001,873	38,231
Electricity, Gas and Water	2,595,536	2,076,929	35,080	4,180,248	3,375,943	27
Construction	2,080,643	1,400,682	4,696	629,752	514,856	21,489
Services	5,011,058	3,714,256	73,304	7,084,367	5,006,310	7,830,248
Wholesale and Retail Trade	1,705,213	1,298,353	48,611	1,962,645	1,470,493	95,733
Accommodation and Dining	637,934	414,566	5,993	559,846	360,322	18,093
Transportation and Telecommunication	1,874,152	1,466,695	9,163	1,910,744	1,481,588	7,703,288
Financial Institutions	16,649	15,875	63	15,324	14,604	2,326
Real Estate and Rental Services	708,923	461,461	8,956	2,546,147	1,608,250	10,045
Professional Services	-	-	-	-	-	-
Educational Services	54,679	46,831	217	74,124	59,918	508
Health and Social Services	13,508	10,475	301	15,537	11,135	255
Others	10,105,627	5,998,890	1,979,917	4,350,132	2,762,036	985,049
Total	21,653,653	14,645,696	2,212,166	17,612,512	12,722,252	8,877,928

4.10.3.1.4.4 Ageing of past-due exposures

<i>Current Period</i>	<i>Up to 3 Months</i>	<i>3-12 Months</i>	<i>1-3 Years</i>	<i>3-5 Years</i>	<i>5 Years and Over</i>
Corporate and Commercial Loans	2,220,810	1,000,237	2,222,856	3,884,479	2,309,442
Retail Loans	1,864,662	2,626,471	1,308,357	32,939	33,076
Credit Cards	1,834,438	1,767,298	509,063	21,616	17,909
Others	-	-	-	-	-
Total	5,919,910	5,394,006	4,040,276	3,939,034	2,360,427

<i>Prior Period</i>	<i>Up to 3 Months</i>	<i>3-12 Months</i>	<i>1-3 Years</i>	<i>3-5 Years</i>	<i>5 Years and Over</i>
Corporate and Commercial Loans	1,375,512	1,845,493	5,316,300	4,305,978	506,559
Retail Loans	2,668,961	258,830	122,121	39,972	20,369
Credit Cards	975,334	97,067	54,708	18,200	7,108
Others	-	-	-	-	-
Total	5,019,807	2,201,390	5,493,129	4,364,150	534,036

4.10.3.2 Credit risk mitigation

4.10.3.2.1 Qualitative disclosure on credit risk mitigation techniques

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

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

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

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 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 Credit risk mitigation techniques

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

(*) The gross defaulted amount is given.

	<i>Prior Period</i>	<i>Exposures unsecured: carrying amount as per TAS</i>	<i>Exposures secured by collateral</i>	<i>Collateralized amount of exposures secured by collateral</i>	<i>Exposures secured by financial guarantees</i>	<i>Collateralized amount of exposures secured by financial guarantees</i>	<i>Exposures secured by credit derivatives</i>	<i>Collateralized amount of exposures secured by credit derivatives</i>
1	Loans	752,810,885	102,623,831	99,564,831	4,767,117	4,767,117	-	-
2	Debt securities	184,545,355	-	-	-	-	-	-
3	Total	937,356,240	102,623,831	99,564,831	4,767,117	4,767,117	-	-
4	Of which defaulted (*)	17,612,512	-	-	-	-	-	-

(*) The gross defaulted amount is given.

4.10.3.3 Credit risk under standardised approach

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

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:

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

4.10.3.3.2 Credit risk exposure and credit risk mitigation techniques

	<i>Current Period</i>	<i>Exposures before CCF and CRM</i>		<i>Exposures post-CCF and CRM</i>		<i>RWA and RWA density</i>	
		<i>On-balance sheet amount</i>	<i>Off-balance sheet amount</i>	<i>On-balance sheet amount</i>	<i>Off-balance sheet amount</i>	<i>RWA</i>	<i>RWA density</i>
1	Exposures to sovereigns and their central banks	545,533,084	489,093	547,796,968	101,347	5,857,744	1.07%
2	Exposures to regional and local governments	1,179,635	93,420	1,179,636	46,708	613,172	50.00%
3	Exposures to administrative bodies and non-commercial entities	3,309,395	700,692	3,309,070	75,957	3,385,028	100.00%
4	Exposures to multilateral development banks	612	284	612	-	-	0.00%
5	Exposures to international organizations	-	-	-	-	-	-
6	Exposures to banks and brokerage houses	88,376,495	42,935,491	54,503,077	15,003,562	20,637,744	29.69%
7	Exposures to corporates	374,602,640	316,759,970	309,630,654	169,122,863	425,880,966	88.96%
8	Retail exposures	342,128,048	677,588,976	318,522,236	30,414,970	284,383,282	81.50%
9	Exposures secured by residential property	26,955,913	163,475	26,947,430	90,325	9,463,214	35.00%
10	Exposures secured by commercial property	16,411,658	9,238,263	16,336,308	5,608,057	13,756,585	62.69%
11	Past-due items	6,487,692	1,470	6,487,692	-	4,153,349	64.02%
12	Exposures in high-risk categories	179,789,844	1,189,923	179,781,259	603,183	296,804,377	164.54%
13	Covered bonds	-	-	-	-	-	-
14	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-
15	Exposures in the form of collective investment undertakings	-	-	-	-	-	-
16	Shares	64,013,264	-	64,013,264	-	39,485,257	61.68%
17	Other exposures	44,091,473	-	44,091,473	-	44,091,473	100.00%
18	Total	1,692,879,753	1,049,161,057	1,572,599,679	221,066,972	1,148,512,191	64.03%

	<i>Prior Period</i>	<i>Exposures before CCF and CRM</i>		<i>Exposures post-CCF and CRM</i>		<i>RWA and RWA density</i>	
		<i>On-balance sheet amount</i>	<i>Off-balance sheet amount</i>	<i>On-balance sheet amount</i>	<i>Off-balance sheet amount</i>	<i>RWA</i>	<i>RWA density</i>
	<i>Risk classes</i>						
1	Exposures to sovereigns and their central banks	268,761,188	4,022,314	273,528,305	102,529	4,202,598	1.54%
2	Exposures to regional and local governments	2,075,548	2,008	2,075,148	998	1,038,073	50.00%
3	Exposures to administrative bodies and non-commercial entities	2,344,477	475,330	2,344,053	166,244	2,510,298	100.00%
4	Exposures to multilateral development banks	8,717	100	8,717	-	-	-
5	Exposures to international organizations	-	-	-	-	-	-
6	Exposures to banks and brokerage houses	85,427,640	20,134,237	27,387,053	9,759,886	12,396,586	33.37%
7	Exposures to corporates	269,725,212	190,510,565	248,481,890	89,948,021	292,807,753	86.52%
8	Retail exposures	222,399,377	203,675,736	216,400,966	13,708,147	186,315,909	80.97%
9	Exposures secured by residential property	17,053,648	66,344	17,044,177	34,110	5,977,400	35.00%
10	Exposures secured by commercial property	15,417,940	4,534,199	15,362,049	2,632,827	11,048,933	61.40%
11	Past-due items	4,694,052	49	4,694,052	-	2,757,725	58.75%
12	Exposures in high-risk categories	91,288,539	619,033	91,229,006	304,865	156,196,125	170.64%
13	Covered Bonds	-	-	-	-	-	-
14	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-
15	Exposures in the form of collective investment undertakings	-	-	-	-	-	-
16	Other exposures	33,593,652	-	33,593,652	-	15,247,970	45.39%
17	Shares	24,865,390	-	24,865,390	-	24,865,390	100.00%
18	Total	1,037,655,380	424,039,915	957,014,458	116,657,627	715,364,760	66.63%

4.10.3.3 Exposures by asset classes and risk weights

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

Türkiye Garanti Bankası AŞ

Unconsolidated Financial Report as of and
for the Year Ended 31 December 2023
(Thousands of Turkish Lira (TL))

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

	Regulatory portfolio Prior Period	0%	2%	10%	20%	25%	35% secured by property mortgage	50%	75%	100%	150%	250 %	Others	Total risk amount (post-CCF and CRM)
1	Exposures to sovereigns and their central banks	269,427,407	-	-	994	-	-	68	-	4,202,365	-	-	-	273,630,834
2	Exposures to regional and local government	-	-	-	-	-	-	2,076,146	-	1	-	-	-	2,076,147
3	Exposures to administrative bodies and non-commercial entities	-	-	-	-	-	-	-	-	2,510,297	-	-	-	2,510,297
4	Exposures to multilateral development banks	8,717	-	-	-	-	-	-	-	-	-	-	-	8,717
5	Exposures to international organizations	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Exposures to banks and brokerage houses	-	242,585	-	24,660,037	-	-	9,569,181	-	2,675,136	-	-	-	37,146,939
7	Exposures to corporates	-	-	-	35,159,281	-	-	34,988,872	1,187	268,280,571	-	-	-	338,429,911
8	Retail exposures	-	-	-	2	-	-	2,459	175,167,859	54,938,793	-	-	-	230,109,113
9	Exposures secured by residential property	-	-	-	-	-	17,078,286	-	-	-	-	-	-	17,078,286
10	Exposures secured by commercial property	-	-	-	-	-	-	13,891,885	-	4,102,991	-	-	-	17,994,876
11	Past-due items	-	-	-	-	-	-	3,872,656	-	821,396	-	-	-	4,694,052
12	Exposures in high-risk categories	-	-	-	-	-	-	162,259	-	48,673	53,218,581	-	38,104,358	91,533,871
13	Covered Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Short term exposures to banks, brokerage houses and corporates	-	-	-	-	-	-	-	-	-	-	-	-	-
15	Exposures in the form of collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Shares	-	-	-	-	-	-	-	-	24,865,390	-	-	-	24,865,390
17	Other exposures	18,344,883	-	-	998	-	-	-	-	15,247,771	-	-	-	33,593,652
18	Total	287,781,007	242,585	-	59,821,312	-	17,078,286	64,563,526	175,169,046	377,693,384	53,218,581	-	38,104,358	1,073,672,085

4.10.4 Counterparty credit risk

4.10.4.1 *Qualitative disclosure on counterparty credit risk*

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

Counterparty credit risk arising from derivative transactions is periodically being monitored and reported by the Market 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 Counterparty credit risk (CCR) approach analysis

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

	<i>Prior Period</i>	<i>Replacement cost</i>	<i>Potential future exposure</i>	<i>EEPE(Effective Expected Positive Exposure)</i>	<i>Alpha used for computing regulatory EAD</i>	<i>EAD post-CRM</i>	<i>RWA</i>
1	Standardised Approach - CCR (for derivatives)	8,374,201	6,075,976		1.4	14,450,177	6,751,382
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)					6,427,120	5,989,659
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions					-	-
6	Total						12,741,041

4.10.4.3 Capital requirement for credit valuation adjustment (CVA)

	<i>Current Period</i>		<i>Prior Period</i>	
	<i>EAD post-CRM</i>	<i>RWA</i>	<i>EAD post-CRM</i>	<i>RWA</i>
Total portfolios subject to the Advanced CVA capital obligation	-	-	-	-
1 (i) VaR component (including the 3×multiplier)		-		-
2 (ii) Stressed VaR component (including the 3×multiplier)		-		-
3 All portfolios subject to the Standardised CVA capital obligation	14,355,068	7,792,818	14,450,177	8,795,585
4 Total subject to the CVA capital obligation	14,355,068	7,792,818	14,450,177	8,795,585

4.10.4.4 CCR exposures by risk class and risk weights

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

<i>Prior Period</i>	<i>Risk weight</i>									<i>Total credit exposure</i>
	<i>0%</i>	<i>2%</i>	<i>10%</i>	<i>20%</i>	<i>50%</i>	<i>75%</i>	<i>100%</i>	<i>150%</i>	<i>Other</i>	
<i>Regulatory portfolio</i>	<i>0%</i>	<i>2%</i>	<i>10%</i>	<i>20%</i>	<i>50%</i>	<i>75%</i>	<i>100%</i>	<i>150%</i>	<i>Other</i>	<i>Total credit exposure</i>
Exposures to sovereigns and their central banks	1,410,652	-	-	-	-	-	-	-	-	1,410,652
Exposures to regional and local governments	-	-	-	-	-	-	-	-	-	-
Exposures to administrative bodies and non-commercial entities	-	-	-	-	-	-	26,960	-	-	26,960
Exposures to multilateral development banks	35,324	-	-	-	-	-	-	-	-	35,324
Exposures to international organizations	-	-	-	-	-	-	-	-	-	-
Exposures to banks and brokerage houses	-	610,633	-	1,400,117	7,880,634	-	421	-	-	9,891,805
Exposures to corporates	-	86,942	-	535,539	605,572	-	7,424,384	-	-	8,652,437
Retail exposures	-	-	-	-	-	860,119	-	-	-	860,119
Other assets	-	-	-	-	-	-	-	-	-	-
Total	1,445,976	697,575	-	1,935,656	8,486,206	860,119	7,451,765	-	-	20,877,297

4.10.4.5 Collaterals for CCR

Current Period	Collateral for derivative transactions				Collateral for other transactions	
	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	-	-	-	-	109,947	-
Cash-foreign currency	-	-	-	-	29,298,335	-
Domestic sovereign debts	-	-	-	-	-	32,465,564
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	-	-	-	29,408,282	32,465,564

Prior Period	Collateral for derivative transactions				Collateral for other transactions	
	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	-	-	-	-	48,985	-
Cash-foreign currency	-	-	-	-	12,727,399	-
Domestic sovereign debts	-	-	-	-	-	18,969,345
Other sovereign debts	-	-	-	-	-	-
Government agency debts	-	-	-	-	-	-
Corporate debts	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	-	-	-	12,776,384	18,969,345

4.10.4.6 Credit derivatives

	Current Period		Prior Period	
	Protection bought	Protection sold	Protection bought	Protection sold
Notionals				
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)

4.10.4.7 Exposures to central counterparties

	Current Period		Prior Period	
	EAD (post-CRM)	RWA	EAD (post-CRM)	RWA
Exposures to QCCPs (total)		25,732		14,157
Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	-	-	-	-
(i) OTC derivatives	1,286,582	25,732	707,858	14,157
(ii) Exchange-traded derivatives	-	-	-	-
(iii) Securities financing transactions	-	-	-	-
(iv) Netting sets where cross-product netting has been approved	-	-	-	-
Segregated initial margin	-	-	-	-
Non-segregated initial margin	-	-	-	-
Pre-funded default fund contributions	-	-	-	-
Unfunded default fund contributions	-	-	-	-
Exposures to non-QCCPs (total)		-		-
Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-	-	-
(i) OTC derivatives	-	-	-	-
(ii) Exchange-traded derivatives	-	-	-	-
(iii) Securities financing transactions	-	-	-	-
(iv) Netting sets where cross-product netting has been approved	-	-	-	-
Segregated initial margin	-	-	-	-
Non-segregated initial margin	-	-	-	-
Pre-funded default fund contributions	-	-	-	-

4.10.5 Securitisations

None.

4.10.6 Market risk

4.10.6.1 Qualitative disclosure on market risk

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

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

The Market Risk function under Market 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.

4.10.6.2 Market risk under standardised approach

		<i>RWA</i>	
		<i>Current Period</i>	<i>Prior Period</i>
	Outright products	30,782,998	37,969,591
1	Interest rate risk (general and specific)	6,702,525	5,602,250
2	Equity risk (general and specific)	1,356,886	770,528
3	Foreign exchange risk	22,303,538	31,082,975
4	Commodity risk	420,049	513,838
	Options	485,913	1,788,362
5	Simplified approach	-	-
6	Delta-plus method	485,913	1,788,362
7	Scenario approach	-	-
8	Securitisation	-	-
9	Total	31,268,911	39,757,953

4.10.7 Operational risk

The value at 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.

<i>Current Period</i>				Total/ No. of		
	31.12.2020	31.12.2021	31.12.2022	Years of Positive	Rate (%)	Total
Basic Indicator Approach				Gross Income		
Gross Income	30,184,824	46,196,356	109,599,673	61,993,618	15	9,299,043
Value at Operational Risk (Total x % 12.5)						116,238,033

<i>Prior Period</i>				Total/ No. of		
	31.12.2019	31.12.2020	31.12.2021	Years of Positive	Rate (%)	Total
Basic Indicator Approach				Gross Income		
Gross Income	23,265,901	30,184,824	46,196,356	33,215,694	15	4,982,354
Value at Operational Risk (Total x % 12.5)						62,279,426

4.10.8 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 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 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 according to Regulation on Measurement and Evaluation of Interest Rate Risk Resulted from Banking Book as per Standard Shock Method

<i>Current Period</i>		Shocks Applied (+/- basis points)	Gains/Losses	Gains/Equity- Losses/Equity
	Type of Currency			
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

<i>Prior Period</i>		Shocks Applied (+/- basis points)	Gains/Losses	Gains/Equity- Losses/Equity
	Type of Currency			
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 convenes for 7 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.

5 Disclosures and Footnotes on Unconsolidated Financial Statements

5.1 Assets

5.1.1 Cash and cash equivalents

5.1.1.1 Cash and balances with Central Bank

	Current Period		Prior Period	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	4,233,937	27,096,656	3,310,208	16,828,245
Central Bank of Turkey	162,896,000	128,798,019	5,895,148	108,120,522
Others	1,500	5,418,979	-	3,739,285
Total	167,131,437	161,313,654	9,205,356	128,688,052

Balances with the Central Bank of Turkey

	Current Period		Prior Period	
	TL	FC	TL	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.

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

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Banks				
Domestic banks	324,234	103,185	130,661	338,517
Foreign banks	1,095,035	63,902,566	480,729	22,156,523
Foreign head offices and branches	-	-	-	-
Total	1,419,269	64,005,751	611,390	22,495,040

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.

Due from foreign banks

	<i>Current Period</i>		<i>Prior Period</i>	
	Restricted Balances	Unrestricted Balances	Restricted Balances	Unrestricted Balances
EU Countries	9,415,485	1,672,105	2,379,011	1,262,707
USA and Canada	34,310,774	-	4,202,933	-
OECD Countries (*)	3,016,295	7,524,240	2,105,084	7,282,954
Off-Shore Banking Regions	-	-	-	-
Other	7,909,706	1,148,996	4,797,921	606,642
Total	54,652,260	10,345,341	13,484,949	9,152,303

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

5.1.1.3 Receivables from reserve repo transactions

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Domestic Transactions	26,444,388	-	34,719,478	-
Central Bank of Turkey	-	-	-	-
Banks	26,444,388	-	34,719,478	-
Others	-	-	-	-
Foreign Transactions	-	12,094,686	-	35,013,551
Central banks	-	-	-	-
Banks	-	12,094,686	-	35,013,551
Others	-	-	-	-
Total	26,444,388	12,094,686	34,719,478	35,013,551

5.1.1.4 Expected credit losses for cash and cash equivalents

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

<i>Prior Period</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
Balances at Beginning of Period	237,031	-	-	237,031
Additions during the Period (+)	2,536,474	14,370	-	2,550,844
Disposals (-)	(1,958,879)	(12,267)	-	(1,971,146)
Transfer to 12 month ECL (Stage1)	1	(1)	-	-
Transfer to lifetime ECL Significant Increase in Credit Risk (Stage 2)	(15)	15	-	-
Transfer to lifetime ECL Impaired Credits (Stage 3)	-	-	-	-
Foreign Currency Differences	82,670	1,922	-	84,592
Balances at End of Period	897,282	4,039	-	901,321

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

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

None.

5.1.2.2 Financial assets measured at fair value through profit or loss

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Government Securities	1,559,847	2,476,591	1,098,714	616,986
Equity Securities	96,942	109,913	87,470	67,322
Other Financial Assets (*)	65,047	939,817	22,584	572,356
Total	1,721,836	3,526,321	1,208,768	1,256,664

(*) 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

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Collateralised/Blocked Assets	9,563,340	3,603,425	27,785,811	1,557,763
Assets subject to Repurchase Agreements	15,891,877	460,420	-	8,165,263
Total	25,455,217	4,063,845	27,785,811	9,723,026

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

	<i>Current Period</i>	<i>Prior Period</i>
Debt Securities	49,176,461	42,439,429
Quoted at Stock Exchange	49,176,461	42,439,429
Unquoted at Stock Exchange	-	-
Common Shares/Investment Fund	19,619	13,840
Quoted at Stock Exchange	4,491	4,491
Unquoted at Stock Exchange	15,128	9,349
Value Increase/Impairment Losses (-)	31,077,998	34,845,940
Total	80,274,078	77,299,209

Expected losses of TL 363,833 (31 December 2022: TL 269,022) are accounted under shareholders' equity for financial assets measured at fair value through other comprehensive income.

5.1.4 Derivative financial assets

5.1.4.1 Positive differences on derivative financial assets measured at FVTPL

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Forward Transactions	809,247	49,155	357,376	84,705
Swap Transactions	3,536,008	5,158,778	3,069,493	4,176,790
Futures	-	-	-	-
Options	61,613	30,252	751,728	510,661
Others	-	-	-	-
Total	4,406,868	5,238,185	4,178,597	4,772,156

5.1.4.2 Derivative financial assets held for hedging purpose

Derivative Financial Assets Held for Hedging Purpose	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Fair Value Hedges	-	294,826	-	311,360
Cash Flow Hedges	7,658	918,610	179,457	953,649
Net Foreign Investment Hedges	-	-	-	-
Total	7,658	1,213,436	179,457	1,265,009

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:

	<i>Current Period</i>			<i>Prior Period</i>		
	Face Value	Asset	Liability	Face Value	Asset	Liability
Interest Rate Swaps	43,544,244	1,221,094	-	47,958,820	1,282,034	-
-TL	120,000	7,658	-	120,000	17,025	-
-FC	43,424,244	1,213,436	-	47,838,820	1,265,009	-
Currency Swaps	-	-	-	11,068,932	11,708	21,111
-TL	-	-	-	5,550,445	11,708	21,111
-FC	-	-	-	5,518,487	-	-
Cross Currency Swaps	-	-	-	179,448	138,635	-
-TL	-	-	-	22,571	138,635	-
-FC	-	-	-	156,877	-	-
Currency Forwards	-	-	-	55,328	12,089	-
-TL	-	-	-	21,862	12,089	-
-FC	-	-	-	33,466	-	-
Total	43,544,244	1,221,094	-	59,262,528	1,444,466	21,111

5.1.4.3 Fair value hedge accounting

<i>Current Period</i>		Type of Risk	Fair Value Change of Hedged Item	Net Fair Value Change of Hedging Item		Statement of profit or loss Effect (gains/losses from derivative financial instruments)
Hedging Item	Hedged Item			Asset	Liability	
Interest Rate Swaps	Fixed-rate commercial loans	Interest rate risk	-	-	-	-
Interest Rate Swaps	Fixed-rate securities	Interest rate risk	(218,867)	294,826	-	85,667

<i>Prior Period</i>		Type of Risk	Fair Value Change of Hedged Item	Net Fair Value Change of Hedging Item		Statement of profit or loss Effect (gains/losses from derivative financial instruments)
Hedging Item	Hedged Item			Asset	Liability	
Interest Rate Swaps	Fixed-rate commercial loans	Interest rate risk	-	-	-	115
Interest Rate Swaps	Fixed-rate securities	Interest rate risk	(321,068)	311,360	-	22,009

5.1.4.4 Cash flow hedge accounting

Current Period							
Hedging Item	Hedged Item	Type of Risk	Fair Value Change of Hedged Item		Gains/Losses Accounted under Shareholders' Equity in the Period	Gains/Losses Accounted under Statement of Profit/Loss in the Period	Ineffective Portion (net) Accounted under Statement of Profit/Loss
			Asset	Liability			
Interest Rate Swaps	Floating-rate deposit	Cash flow risk resulted from change in market interest rates	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	-	-	-	-	-
Currency Swaps	Expected investment /Operational expenses	Cash flow risk resulted from foreign currency exchange rates	-	-	293,253	-	-
Currency Forwards	Mile payments	Cash flow risk resulted from foreign currency exchange rates	-	-	-	-	-
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 (678,975) and the amount recognized in Equity is TL (613,194).

Prior Period							
Hedging Item	Hedged Item	Type of Risk	Fair Value Change of Hedged Item		Gains/Losses Accounted under Shareholders' Equity in the Period	Gains/Losses Accounted under Statement of Profit/Loss in the Period	Ineffective Portion (net) Accounted under Statement of Profit/Loss
			Asset	Liability			
Interest Rate Swaps	Floating-rate deposit	Cash flow risk resulted from change in market interest rates	970,674	-	969,706	62,770	19,412
Cross Currency Swaps	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates	138,635	-	(7,599)	(3,388)	-
Currency Swaps	Expected investment /Operational expenses	Cash flow risk resulted from foreign currency exchange rates	11,708	(21,111)	20,071	-	-
Currency Forwards	Mile payments	Cash flow risk resulted from foreign currency exchange rates	12,089	-	4,859	-	-
Spot Position	Mile payments	Cash flow risk resulted from foreign currency exchange rates	-	-	170,560	-	-

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 (257,320) and the amount recognized in Equity is TL (119,064).

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	-	3,876,578	-	2,067,095
Corporates	-	3,876,578	-	2,067,095
Individuals	-	-	-	-
Indirect Lendings to Shareholders	116,371	48	49,533	9,937
Loans to Employees	1,301,580	21	725,207	77
Total	1,417,951	3,876,647	774,740	2,077,109

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

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

(*) Non-performing loans are not included.

Prior Period Cash Loans (*)	Performing Loans	Loans under Follow-up		
		Non-restructured	Restructured	
			Revised Contract Terms	Refinanced
Loans	550,976,005	53,893,635	26,219,825	20,698,809
Working Capital Loans	55,632,696	7,631,143	1,701,108	10,158,605
Export Loans	61,446,817	5,885,132	87,923	88,151
Import Loans	-	-	-	-
Loans to Financial Sector	17,909,674	7,652	-	-
Consumer Loans	109,625,845	11,083,817	1,446,151	37,406
Credit Cards	98,522,389	12,410,131	492,320	-
Others	207,838,584	16,875,760	22,492,323	10,414,647
Specialization Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	550,976,005	53,893,635	26,219,825	20,698,809

(*) Non-performing loans are not included.

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

<i>Prior Period</i>	Corporate/ Commercial Loans		Consumer Loans		Total	
	TL	FC	TL	FC	TL	FC
Performing Loans (Stage 1)	250,120,480	116,620,728	183,742,840	491,957	433,863,320	117,112,685
Loans under Follow-up (Stage 2)	22,404,677	56,594,067	21,788,357	25,168	44,193,034	56,619,235
Total Stage 1 and 2 Loans	272,525,157	173,214,795	205,531,197	517,125	478,056,354	173,731,920
Expected Credit losses-Stage 1-2 (-)	4,960,914	16,836,692	2,046,691	263	7,007,605	16,836,955
Total Non-performing Loans (Stage 3)	12,680,638	1,193,765	3,729,709	8,400	16,410,347	1,202,165
Expected Credit losses-Stage 3 (-)	9,522,299	888,173	2,306,251	5,529	11,828,550	893,702

	<i>Current Period</i>		<i>Prior Period</i>	
	Performing Loans	Loans Under Follow-Up	Performing Loans	Loans Under Follow-Up
12-Month ECL (Stage 1)	4,776,616	-	3,681,287	-
Significant Increase in Credit Risk (Stage 2)	-	26,622,678	-	20,163,273

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;

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

<i>Prior Period</i>	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
	Loans Collateralized by Cash	1,534,852	72,199	-
Loans Collateralized by Mortgages/Shares/Credit Guarantee Fund Sureties	25,905,196	3,166,866	-	29,072,062
Loans Collateralized by Pledged Assets	10,664,721	348,449	-	11,013,170
Loans Collateralized by Cheques and Notes	155,608	4,701	-	160,309
Loans Collateralized by Other Collaterals	31,536,057	7,113,891	-	38,649,948
Unsecured Loans	5,546,010	1,861,268	12,902,451	20,309,729
Total	75,342,444	12,567,374	12,902,451	100,812,269

Delinquency periods of loans under follow-up;

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

<i>Prior Period</i>	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
31-60 days	126,728	1,094,571	388,909	1,610,208
61-90 days	484,572	339,278	150,663	974,513
Others	74,731,144	11,133,525	12,362,879	98,227,548
Total	75,342,444	12,567,374	12,902,451	100,812,269

5.1.5.3 Maturity analysis of cash loans

<i>Current Period</i>	Performing Loans and Other Receivables		Loans under Follow-Up and Other Receivables	
	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	605,889,166	4,566	53,051,210	3,063,991
Loans	605,889,166	4,566	53,051,210	3,063,991
Specialization Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-term Loans	313,050,959	3,855,625	26,566,394	38,995,292
Loans	313,050,959	3,855,625	26,566,394	38,995,292
Specialization Loans	-	-	-	-
Other Receivables	-	-	-	-

<i>Prior Period</i>	Performing Loans and Other Receivables		Loans under Follow-Up and Other Receivables	
	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	316,426,473	1,185,743	25,120,319	1,913,819
Loans	316,426,473	1,185,743	25,120,319	1,913,819
Specialization Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-term Loans	221,435,213	11,928,576	28,773,316	45,004,815
Loans	221,435,213	11,928,576	28,773,316	45,004,815
Specialization Loans	-	-	-	-
Other Receivables	-	-	-	-

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
Other	-	-	-
Consumer Loans – FC-indexed	-	144,156	144,156
Housing Loans	-	144,156	144,156
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans – FC	661	95,639	96,300
Housing Loans	438	64,080	64,518
Automobile Loans	-	21,650	21,650
General Purpose Loans	223	9,909	10,132
Other	-	-	-
Retail Credit Cards – TL	198,816,741	1,392,418	200,209,159
With Installment	93,821,503	1,392,418	95,213,921
Without Installment	104,995,238	-	104,995,238
Retail Credit Cards – FC	933,902	-	933,902
With Installment	-	-	-
Without Installment	933,902	-	933,902
Personnel Loans – TL	323,878	215,077	538,955
Housing Loan	-	477	477
Automobile Loans	40	590	630
General Purpose Loans	323,838	214,010	537,848
Other	-	-	-
Personnel Loans - FC-indexed	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans – FC	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards – TL	747,843	1,500	749,343
With Installment	283,369	1,500	284,869
Without Installment	464,474	-	464,474
Personnel Credit Cards – FC	13,268	-	13,268
With Installment	-	-	-
Without Installment	13,268	-	13,268
Deposit Accounts– TL (Real persons)	27,643,453	-	27,643,453
Deposit Accounts– TL (Personnel)	14	-	14
Deposit Accounts– FC (Real persons)	-	-	-
Total	285,868,071	98,216,914	384,084,985

<i>Prior Period</i>	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
Other	-	-	-
Consumer Loans – FC-indexed	-	132,069	132,069
Housing Loans	-	132,069	132,069
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Consumer Loans – FC	1,195	79,064	80,259
Housing Loans	-	58,357	58,357
Automobile Loans	-	14,034	14,034
General Purpose Loans	1,195	6,673	7,868
Other	-	-	-
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	431,603	-	431,603
With Installment	-	-	-
Without Installment	431,603	-	431,603
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
Other	-	-	-
Personnel Loans - FC-indexed	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans – FC	268	-	268
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	268	-	268
Other	-	-	-
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	4,995	-	4,995
With Installment	-	-	-
Without Installment	4,995	-	4,995
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	113,817,567	92,230,755	206,048,322

5.1.5.5 *Installment based commercial loans and corporate credit cards*

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

<i>Prior Period</i>	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	951,074	1,021,516
Automobile Loans	3,921,391	13,059,913	16,981,304
General Purpose Loans	8,569,268	8,130,366	16,699,634
Other	-	-	-
Installment-based Commercial Loans - FC-indexed	-	58,630	58,630
Real Estate Loans	-	34,596	34,596
Automobile Loans	-	-	-
General Purpose Loans	-	24,034	24,034
Other	-	-	-
Installment-based Commercial Loans – FC	4,004	1,220,868	1,224,872
Real Estate Loans	-	-	-
Automobile Loans	3,711	1,162,036	1,165,747
General Purpose Loans	293	58,832	59,125
Other	-	-	-
Corporate Credit Cards – TL	26,835,060	631,801	27,466,861
With Installment	14,729,618	631,801	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	44,849,152	24,052,652	68,901,804

5.1.5.6 Allocation of loans by customers

	<i>Current Period</i>	<i>Prior Period</i>
Public Sector	6,613,865	11,138,302
Private Sector	1,037,863,338	640,649,972
Total	1,044,477,203	651,788,274

(*) Non-performing loans are not included.

5.1.5.7 Allocation of domestic and foreign loans (*)

	<i>Current Period</i>	<i>Prior Period</i>
Domestic Loans	1,036,959,376	646,440,928
Foreign Loans	7,517,827	5,347,346
Total	1,044,477,203	651,788,274

(*) Non-performing loans are not included.

5.1.5.8 Loans to associates and subsidiaries

	<i>Current Period</i>	<i>Prior Period</i>
Direct Lending	14,220,203	10,247,589
Indirect Lending	-	-
Total	14,220,203	10,247,589

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

	<i>Current Period</i>	<i>Prior Period</i>
Substandard Loans - Limited Collectibility	3,006,699	694,649
Doubtful Loans	2,384,643	1,176,335
Uncollectible Loans	9,254,354	10,851,268
Total	14,645,696	12,722,252

5.1.5.10 Non-performing loans (NPLs) (Net)

Non-performing loans and loans restructured from this category

	Group III	Group IV	Group V
	Substandard	Doubtful Loans	Uncollectible
	Loans		Loans
Current Period			
(Gross Amounts before Provisions)	281,913	387,394	6,418,485
Restructured Loans and Receivables	281,913	387,394	6,418,485
Prior Period			
(Gross Amounts before Provisions)	236,523	415,242	7,164,867
Restructured Loans and Receivables	236,523	415,242	7,164,867

Movements in non-performing loans groups

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

<i>Prior Period</i>	Group III	Group IV	Group V
	Substandard Loans	Doubtful Loans	Uncollectible Loans
Balances at End of Prior Period	1,029,387	1,315,573	13,726,255
Additions (+)	4,720,818	42,057	7,763,212
Transfer from Other NPL Categories (+)	-	3,714,530	2,593,994
Transfer to Other NPL Categories (-)	3,714,530	2,593,994	-
Collections during the Period (-)	580,246	654,680	2,361,132
Write down / Write-offs (-) ^{(*)(**)}	-	-	8,183,707
Debt Sale (-) ^(***)	-	-	694,221
Corporate and Commercial Loans	-	-	155,577
Retail Loans	-	-	386,123
Credit Cards	-	-	152,521
Other ^(****)	-	-	(254,928)
Foreign Currency Differences	3,659	12,001	1,728,464
Balances at End of Period	1,459,088	1,835,487	14,317,937
Provisions (-)	694,649	1,176,335	10,851,268
Net Balance on Balance Sheet	764,439	659,152	3,466,669

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

(**) As the details are explained in the section 3.8.5 Disclosures on write down policy, the Bank has written off its Fifth Group-Loss Loans amounting to TL 12,390,541 as of 31 December 2023 (31 December 2022: TL 10,837,948). As of 31 December 2023, the Bank's NPL ratio is measured as 3.16% (31 December 2022: 4.18%) instead of 2.03% (31 December 2022: 2.63%) when the calculation is made by taking into account the loans written off. 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 18,382 (31 December 2022: TL 254,928), which have been reclassified to non-defaulted status.

Non-performing loans in foreign currencies

	Group III	Group IV	Group V
	Substandard Loans and Receivables	Doubtful Loans and Receivables	Uncollectible Loans and Receivables
<i>Current Period</i>			
Balance at End of Period	1,586,526	102,396	6,357,376
Provisions (-)	949,992	98,763	5,033,742
Net Balance at Balance Sheet	636,534	3,633	1,323,634
<i>Prior Period</i>			
Balance at End of Period	154,042	151,241	9,541,718
Provisions (-)	30,183	147,302	7,238,679
Net Balance at Balance Sheet	123,859	3,939	2,303,039

Gross and net non-performing loans as per customer categories

	Group III	Group IV	Group V
	Substandard Loans	Doubtful Loans	Uncollectible Loans
<i>Current Period (Net)</i>			
Loans to Individuals and Corporates (Gross)	5,634,614	3,968,074	12,050,965
Provision (-)	3,006,699	2,384,643	9,254,354
Loans to Individuals and Corporates (Net)	2,627,915	1,583,431	2,796,611
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other loans (gross)	-	-	-
Provision (-)	-	-	-
Other Loans (Net)	-	-	-
<i>Prior Period (Net)</i>			
Loans to Individuals and Corporates (Gross)	1,459,088	1,835,487	14,317,937
Provision (-)	694,649	1,176,335	10,851,268
Loans to Individuals and Corporates (Net)	764,439	659,152	3,466,669
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other loans (gross)	-	-	-
Provision (-)	-	-	-
Other Loans (Net)	-	-	-

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

	Group III Substandard Loans	Group IV Doubtful Loans	Group V Uncollectible Loans
Current Period (Net)	239,896	128,583	176,480
Interest accruals and valuation differences	483,512	317,794	673,139
Provision (-)	243,616	189,211	496,659
Prior Period (Net)	51,434	54,103	200,074
Interest accruals and valuation differences	104,589	137,702	726,759
Provision (-)	53,155	83,599	526,685

Collaterals received for non-performing loans

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

Prior Period	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	9,267	235	-	9,502
Loans Collateralized by Mortgages	7,986,946	150,782	-	8,137,728
Loans Collateralized by Pledged Assets	1,411,306	20,525	-	1,431,831
Loans Collateralized by Cheques and Notes	113,334	1,195	-	114,529
Loans Collateralized by Other Collaterals	2,553,241	2,590,843	-	5,144,084
Unsecured Loans	1,275,748	346,673	1,152,417	2,774,838
Total	13,349,842	3,110,253	1,152,417	17,612,512

5.1.5.11 Expected credit loss for loans

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

<i>Prior Period</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
Balances at End of Prior Period	2,450,350	13,680,262	10,614,068	26,744,680
Additions during the Period (+)	8,604,591	10,598,922	10,456,688	29,660,201
Disposals (-)	(10,026,578)	(4,789,966)	(1,761,372)	(16,577,916)
Debt Sales (-)	-	-	(694,221)	(694,221)
Write-offs (-)	-	-	(8,183,707)	(8,183,707)
Transfer to Stage 1	3,347,011	(3,341,643)	(5,368)	-
Transfer to Stage 2	(956,869)	1,026,451	(69,582)	-
Transfer to Stage 3	(15,839)	(1,113,236)	1,129,075	-
Foreign Currency Differences	278,621	4,102,483	1,236,671	5,617,775
Balances at End of Period	3,681,287	20,163,273	12,722,252	36,566,812

5.1.5.12 Liquidation policy for uncollectible loans and receivables

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

5.1.5.13 Write-off policy

5.1.5.13.1 Disclosures on write down policy

As of 31 December 2023, 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 3.16% (31 December 2022: 4.18%) by taking into account the written-off loans in accordance with the amendment on the relevant Provisions Regulation instead of 2.03% to (31 December 2022: 2.63%).

	<i>Prior Period</i>		<i>Current Period</i>	
	TL	FC	TL	FC
Write down				
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

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. Total loans written-off from assets are TL 75,604 in the current reporting period (Prior period: TL 7,576,349).

5.1.6 Lease receivable

None.

5.1.7 Financial assets measured at amortised cost

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

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Collateralised/Blocked Investments	68,545,597	23,010,874	52,040,944	20,978,687
Investments subject to Repurchase	35,973,781	963,355	42,589	16,293,681
Total	104,519,378	23,974,229	52,083,533	37,272,368

5.1.7.2 Government securities measured at amortised cost

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

5.1.7.3 Financial assets measured at amortised cost

	<i>Current Period</i>	<i>Prior Period</i>
Debt Securities	170,133,225	88,789,451
Quoted at Stock Exchange	165,163,112	85,701,873
Unquoted at Stock Exchange	4,970,113	3,087,578
Valuation Increase/(Decrease)	37,120,097	19,438,404
Total	207,253,322	108,227,855

5.1.7.4 Movement of financial assets measured at amortised cost

	<i>Current Period</i>	<i>Prior Period</i>
Balances at Beginning of Period	108,227,855	42,025,324
Foreign Currency Differences On Monetary Assets	26,179,723	13,047,049
Purchases during the Period	70,889,060	47,010,076
Disposals through Sales/Redemptions	(15,725,009)	(5,539,962)
Valuation Effect	17,681,693	11,685,368
Balances at End of Period	207,253,322	108,227,855

5.1.7.5 Expected credit loss for financial assets measured at amortised cost

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

<i>Prior Period</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
Balances at End of Prior Period	51,513	-	-	51,513
Additions during the Period (+)	419,449	-	-	419,449
Disposal (-)	(29,533)	-	-	(29,533)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Foreign Currency Differences	31,103	-	-	31,103
Balances at End of Period	472,532	-	-	472,532

5.1.8 Assets held for sale and assets of discontinued operations

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

	<i>Current Period</i>	<i>Prior Period</i>
End of Prior Period		
Cost	769,757	542,860
Accumulated Depreciation (-)	(2,175)	(10,213)
Net Book Value	767,582	532,647
End of Current Period		
Additions	1,444,904	545,367
Disposals (Cost)	(90,248)	(325,341)
Disposals (Accumulated Depreciation)	69	8,038
Impairment Losses	-	6,871
Depreciation Expense for Current Period (-)	-	-
Cost	2,124,413	769,757
Accumulated Depreciation (-)	(2,106)	(2,175)
Net Book Value	2,122,307	767,582

5.1.8.2 Investments in subsidiaries and associates to be disposed

	<i>Current Period</i>	<i>Prior Period(*)</i>
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.

5.1.9 Investments in associates

5.1.9.1 Investments in associates

	Associate	Address (City/ Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1	Bankalararası Kart Merkezi A.Ş. (1)	İstanbul / Türkiye	4.98	4.98
2	Yatırım Finansman Menkul Değerler A.Ş. (1)	İstanbul / Türkiye	0.77	0.77
3	İstanbul Takas ve Saklama Bankası A.Ş.(1)	İstanbul / Türkiye	4.95	4.97
4	Borsa İstanbul A.Ş. (2)	İstanbul / Türkiye	0.30	0.34
5	KKB Kredi Kayıt Bürosu A.Ş.(1)	İstanbul / Türkiye	9.09	9.09
6	TCMB (2)	Ankara / Türkiye	2.48	2.48
7	Kredi Garanti Fonu A.Ş (1)	Ankara / Türkiye	1.49	1.49
8	JCR Avrasya Derecelendirme A.Ş.(1)	İstanbul / Türkiye	2.86	2.86
9	Birleşik İpotek Finansmanı A.Ş. (1)	İstanbul / Türkiye	8.33	8.33
10	İhracatı Geliştirme A.Ş. (1)	İstanbul / Türkiye	1.16	1.16

	Total Assets	Shareholders' Equity	Total Fixed Assets(*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
1	3,880,800	3,344,720	398,105	511,366	-	2,659,647	207,418	-
2	4,437,880	558,465	59,646	101,912	1,161	200,567	79,461	-
3	121,142,599	5,900,474	296,990	2,914,614	237,253	2,260,614	1,071,449	-
4	91,710,707	9,454,794	837,195	552,580	-	3,583,577	1,754,959	-
5	1,201,571	242,443	456,171	29,452	900	128,363	29,975	-
6	3,575,062,693	84,895,025	1,148,976	135,246,966	31,372,141	72,029,068	57,483,159	-
7	3,780,277	1,754,797	44,906	229,287	-	463,127	205,844	-
8	277,410	242,691	19,241	42,162	1,036	107,429	78,817	-
9	166,225	88,291	2,328	8,366	14,966	17,306	16,684	-
10	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.

5.1.9.2 Movement of investments in associates

	Current Period	Prior Period
Balance at Beginning of Period	110,939	47,221
Movements during the Period	16,075	63,718
Acquisitions(*)	-	80,816
Bonus Shares Received	15,547	1,364
Dividends from Current Year Profit	-	-
Sales	-	-
Increase in Market Values	-	-
Impairment Reversals/(Losses)	528	(18,462)
Balance at End of Period	127,014	110,939
Capital Commitments	-	-
Share Percentage at the End of Period (%)	-	-

5.1.9.3 Sectoral distribution of investments and associates

Investments in Associates	Current Period	Prior Period
Banks	25,557	25,557
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	-	-
Finance Companies	-	-
Other Associates	101,457	85,382

5.1.9.4 Quoted associates

None.

5.1.9.5 Valuation methods of investments in associates

Investments in Associates	Current Period	Prior Period
Valued at Cost	127,014	110,939
Valued at Fair Value	-	-

5.1.9.6 Investments in associates sold during the current period

None.

5.1.9.7 Investments in associates acquired during the current period

None.

5.1.10 Investments in subsidiaries

5.1.10.1 Information on capital adequacy of major subsidiaries

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

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

<i>Prior Period</i>	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

5.1.10.2 Investments in subsidiaries

	Subsidiary	Address (City/ Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1	Garanti Ödeme Sistemleri A.Ş.	İstanbul / Türkiye	99.96	100.00
2	Garanti Kültür A.Ş.	İstanbul / Türkiye	100.00	100.00
3	Garanti Konut Finansmanı Danışmanlık Hizmetleri A.Ş.	İstanbul / Türkiye	100.00	100.00
4	Garanti Finansal Kiralama A.Ş.	İstanbul / Türkiye	100.00	100.00
5	Garanti Faktoring A.Ş.	İstanbul / Türkiye	81.84	81.84
6	Garanti Yatırım Menkul Kıymetler A.Ş.	İstanbul / Türkiye	100.00	100.00
7	Garanti Portföy Yönetimi A.Ş.	İstanbul / Türkiye	100.00	100.00
8	Garanti Emeklilik A.Ş.	İstanbul / Türkiye	84.91	84.91
9	Garanti Bank International Nv	Amsterdam / Hollanda	100.00	100.00
10	Garanti Holding Bv	Amsterdam / Hollanda	100.00	100.00
11	Garanti Ödeme Ve Elektronik Para Hizmetleri A.Ş.	İstanbul / Türkiye	50.00	100.00
12	Garanti BBVA Finansal Teknoloji A.Ş.	İstanbul / Türkiye	100.00	100.00

Financial data presented in the table below is as of 31 December 2023.

	Total Assets	Shareholder s' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
1	503,711	321,723	329	40,434	-	145,361	36,169	-
2	11,590	340	1,026	-	-	401	221	-
3	2,967	1,548	-	410	-	-	(525)	-
4	30,513,237	8,363,337	42,939	3,795,126	-	4,404,589	1,412,789	-
5	11,823,172	1,734,082	33,760	3,334,968	-	1,045,084	350,742	-
6	7,522,809	5,446,794	83,345	2,781,791	-	3,220,893	1,215,414	-
7	864,586	733,089	17,473	144,356	-	414,931	153,420	-
8	10,657,936	3,565,492	93,841	1,105,045	308,873	2,156,962	998,935	-
9	185,926,171	24,281,270	1,046,521	7,090,678	133,923	2,557,912	712,578	-
10	12,650,637	12,648,893	-	-	-	(3,075)	(1,593)	-
11	218,820	214,613	102,125	18,867	315	(8,384)	(30,224)	-
12	447,390	447,341	-	2,950	-	(659)	-	-

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

5.1.10.3 Movement of investments in subsidiaries

	<i>Current Period</i>	<i>Prior Period</i>
Balances at Beginning of Period	28,984,541	19,922,934
Movements during the Period	27,825,362	9,061,607
Acquisitions (*)	593,000	105,001
Bonus Shares Received	508,558	-
Earnings from Current Year Profit	13,958,392	5,317,917
Sales/Liquidations	-	(102,514)
Reclassification of Shares	-	-
Increase/(Decrease) in Market Values	(865,455)	(1,343,006)
Currency Differences on Foreign Subsidiaries	13,630,867	4,995,295
Impairment Reversals/(Losses)	-	88,914
Balance at End of Period	56,809,903	28,984,541
Capital Commitments	-	-
Share Percentage at the End of Period (%)	-	-

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

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

5.1.10.4 Sectoral distribution of investments in subsidiaries

Subsidiaries	<i>Current Period</i>	<i>Prior Period</i>
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	19,814,210	9,962,473

5.1.10.5 Quoted consolidated investments in subsidiaries

	<i>Current Period</i>	<i>Prior Period</i>
Quoted at Domestic Stock Exchange	1,419,212	566,300
Quoted at Foreign Stock Exchange	-	-

5.1.10.6 Valuation methods of investments in subsidiaries

Subsidiaries	<i>Current Period</i>	<i>Prior Period</i>
Valued at Cost	-	-
Valued at Fair Value (*)	56,809,903	28,984,541

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

5.1.10.7 Investments in subsidiaries disposed during the current period

None.

5.1.10.8 Investments in subsidiaries acquired during the current period

None.

5.1.11 Investments in Joint-Ventures

None.

5.1.12 Tangible assets

	Real Estates	Right-of-use Assets	Vehicles	Other Tangible Assets	Total
At End of Prior Period:					
Cost	7,449,328	1,964,716	40,335	4,266,867	13,721,246
Accumulated Depreciation (-)	(12,806)	(993,184)	(16,375)	(2,729,614)	(3,751,979)
Net Book Value at End of Prior Period	7,436,522	971,532	23,960	1,537,253	9,969,267
At End of Current Period:					-
Additions	53,047	2,258,453	83,596	3,221,127	5,616,223
Revaluation Model Difference	6,330,012	-	-	-	6,330,012
Revaluation Model Difference (Accumulated Depreciation)	-	-	-	-	-
Transfers to Investment Property	-	-	-	-	-
Disposals (Costs)	-	(1,397,695)	(2,647)	(298,746)	(1,699,088)
Disposals (Accumulated Depreciation)	-	59,961	1,100	99,185	160,246
Impairment/Reversal of Impairment Losses	(5,889)	-	-	-	(5,889)
Depreciation Expense for Current Period (-)	(9,399)	(519,293)	(7,354)	(906,695)	(1,442,741)
Cost at End of Current Period	13,826,498	2,825,474	121,284	7,189,248	23,962,504
Accumulated Depreciation at End of Current	(22,205)	(1,452,516)	(22,629)	(3,537,124)	(5,034,474)
Net Book Value at End of Current Period	13,804,293	1,372,958	98,655	3,652,124	18,928,030

The Bank accounts its 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.

5.1.13 Intangible assets

5.1.13.1 Useful lives and amortisation rates

Intangible assets include softwares and other intangible assets. The estimated useful lives of such assets vary between 3 and 15 years.

5.1.13.2 Amortisation methods

Intangible assets are amortised on a straight-line basis from the date of capitalisation.

5.1.13.3 Balances at end of current period

	Beginning of Period		End of Period	
	Cost	Accumulated Amortisation	Cost	Accumulated Amortisation
Intangible Assets	2,869,285	1,073,583	1,848,340	824,351

5.1.13.4 Movements of intangible assets for current period

	Current Period	Prior Period
Net Book Value at End of Prior Period	1,023,989	771,668
Internally Generated Intangibles	198,599	60,492
Additions due to Mergers, Transfers and Acquisition	1,161,545	578,405
Disposals (-)	(360,393)	(208,174)
Impairment Losses/Reversals to/from Revaluation Surplus	-	-
Impairment Losses Recorded in Income Statement	-	-
Impairment Losses Reversed from Income Statement	-	-
Amortisation Expense for Current Period (-)	(278,923)	(182,284)
Currency Translation Differences on Foreign Operations	-	-
Other Movements	50,885	3,882
Net Book Value at End of Current Period	1,795,702	1,023,989

5.1.13.5 Details for any individually material intangible assets

None.

5.1.13.6 Intangible assets capitalised under government incentives at fair values

None.

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

None.

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

None.

5.1.13.9 Commitments to acquire intangible assets

None.

5.1.13.10 Disclosure on revalued intangible assets

None.

5.1.13.11 Research and development costs expensed during current period

None.

5.1.13.12 Goodwill

None.

5.1.13.13 Movements in goodwill during current period

None.

5.1.14 Investment property

	Current Period	Prior Period
Net Book Value at Beginning Period	1,815,310	814,148
Additions	13,659	7,471
Disposals	-	(119,212)
Transfers	-	(44,567)
Fair Value Change	1,242,171	1,157,470
Net Book Value at End of Period	3,071,140	1,815,310

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

5.1.15 Deferred tax asset

As of 31 December 2023, the Bank has a deferred tax asset of TL 19,834,272 (31 December 2022: TL 6,769,614) calculated as the net amount remaining after netting of tax deductible timing differences and taxable timing differences.

As of 31 December 2023, the Bank has no deferred tax assets calculated on financial losses or tax deductions and exemptions; however, the Bank has a deferred tax asset of TL 24,390,710 (31 December 2022: TL 11,015,819) calculated on all taxable temporary differences arising between the carrying amounts and the taxable amounts of assets and liabilities on the financial statements that will be considered in the calculation of taxable earnings in the future periods and on tax losses, which is presented as netted-off with a deferred tax liability of TL 4,556,438 (31 December 2022: TL 4,246,205).

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

	Current Period		Prior Period	
	Tax Base	Deferred Tax Amount	Tax Base	Deferred Tax Amount
Provisions (*)	5,946,643	1,783,393	4,290,078	1,071,475
Stages 1&2 Credit Losses	40,964,485	12,246,423	29,036,636	7,029,514
Differences between the Carrying Values and Taxable Values of Financial Assets (**)	1,244,102	720,822	(2,097,142)	(373,790)
Revaluation Differences on Real Estates (***)	8,947,586	2,761,066	(7,447,048)	(1,154,607)
Differences Between Book Value and Tax Value of Fixed Assets (***)	5,597,977	1,679,393	(213,119)	(53,280)
Other	2,090,427	643,175	955,102	250,302
Deferred Tax Asset	64,791,220	19,834,272	24,524,507	6,769,614

(*) Consists of reserve for employee benefits, provision for promotion expenses of credit cards and other provisions.

(**) Calculations are performed at the relevant tax rates applicable in the country of the foreign branches' financial assets.

(***) Includes deferred tax assets resulting from inflation adjustments within the scope of the provisions of Provisional Article 33. of the Tax Procedure Law.

5.1.16 Other Assets

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Derivative Financial Assets (Derivative Guarantees)	548,843	2,593,973	351,203	2,620,719
Receivables From Clearing Transactions	20,098,805	42,326	14,572,861	164,132
Prepaid Expenses(*)	22,657,205	1,437	18,745,832	918
Cash Guarantees Given	31,892	2,295,585	16,001	1,974,702
Receivables From Forward Sale of Assets	1,137	-	65,137	-
Other(**)	24,169,719	1,779,023	2,912,976	725,211
Total	67,507,601	6,712,344	36,664,010	5,485,682

(*)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 2021 are included in other assets.

5.2 Liabilities

5.2.1 Maturity profile of deposits

<i>Current Period</i>	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	Total
Saving Deposits	78,386,994	-	9,121,384	154,088,675	184,964,889	91,388,659	83,958,627	732	601,909,960
Foreign Currency Deposits	365,966,273	-	15,570,212	37,980,410	3,734,278	3,975,010	2,134,973	46,615	429,407,771
Residents in Turkey	345,181,276	-	15,198,003	34,729,513	3,492,865	2,612,827	1,183,468	42,635	402,440,587
Residents in Abroad	20,784,997	-	372,209	3,250,897	241,413	1,362,183	951,505	3,980	26,967,184
Public Sector Deposits	5,733,715	-	21,768	16,522	431,264	10	-	-	6,203,279
Commercial Deposits	64,472,176	-	76,388,770	21,547,708	31,767,987	33,500,962	33,450,311	-	261,127,914
Other	1,461,220	-	897,636	3,708,224	337,886	122,889	5,757,727	-	12,285,582
Precious Metal Deposits	70,023,287	-	-	287,245	316,133	82,885	606,796	-	71,316,346
Bank Deposits(*)	1,042,123	-	407,980	25	-	-	3,455	-	1,453,583
Central Bank of Turkey	15,356	-	-	-	-	-	-	-	15,356
Domestic Banks	15,558	-	-	25	-	-	-	-	15,583
Foreign Banks	996,146	-	407,980	-	-	-	3,455	-	1,407,581
Special Financial Institutions	15,063	-	-	-	-	-	-	-	15,063
Other	-	-	-	-	-	-	-	-	-
Total(**)	587,085,788	-	102,407,750	217,628,809	221,552,437	129,070,41	125,911,88	47,347	1,383,704,435

<i>Prior Period</i>	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	Total
Saving Deposits	58,493,129	-	8,165,910	178,461,243	6,112,481	3,509,677	16,198,229	686	270,941,355
Foreign Currency Deposits	230,819,127	-	19,320,367	60,515,884	2,287,443	2,729,592	3,537,354	43,513	319,253,280
Residents in Turkey	217,770,809	-	19,094,036	57,046,220	2,018,913	2,464,758	2,213,834	42,784	300,651,354
Residents in Abroad	13,048,318	-	226,331	3,469,664	268,530	264,834	1,323,520	729	18,601,926
Public Sector Deposits	3,155,441	-	14,677	22,606	814	9	-	-	3,193,547
Commercial Deposits	50,678,497	-	42,513,121	36,264,278	2,169,987	6,741,621	5,162,729	-	143,530,233
Other	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(*)	903,165	-	309,427	-	-	-	2,037	-	1,214,629
Central Bank of Turkey	3,410	-	-	-	-	-	-	-	3,410
Domestic Banks	4,798	-	135,060	-	-	-	-	-	139,858
Foreign Banks	878,462	-	174,367	-	-	-	2,037	-	1,054,866
Special Financial Institutions	16,495	-	-	-	-	-	-	-	16,495
Other	-	-	-	-	-	-	-	-	-
Total(**)	387,142,576	-	71,054,157	278,485,362	13,150,756	13,806,378	26,980,530	44,199	790,663,958

(*) 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.

5.2.1.1 Saving deposits insured by Saving Deposit Insurance Fund

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

Saving Deposits	Covered by Deposit Insurance Over Deposit Insurance Limit(*)		Over Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits (TL)	154,958,120	86,360,259	435,826,886	182,675,274
Foreign Currency Saving Deposits	91,378,516	49,892,618	163,747,502	144,600,086
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 (TL)	30,582,173	18,559,928	227,878,368	129,012,201
Foreign Currency Commercial Deposits	7,532,111	4,033,840	159,760,820	115,156,771
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 (Prior 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	57,737	36,803
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	207,667	115,450
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	10,295,697	6,912,508
Deposits and Other Accounts held by Main Shareholder with Qualified Shareholders and Corporates Under Their Control	6,547,426	3,190,476
Official Institutions Deposits and Other Accounts	6,746,816	3,271,941
Credit and Financial Institutions Deposits	2,668,626	1,872,076

5.2.2 Funds borrowed

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Central Bank of Turkey	-	-	-	-
Domestic Banks and Institutions	995,541	820,884	1,007,811	729,846
Foreign Banks, Institutions and Funds	-	42,241,730	-	33,268,398
Total	995,541	43,062,614	1,007,811	33,998,244

5.2.2.1 Maturities of funds borrowed

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Short-Term	995,541	2,508,835	967,641	701,251
Medium and Long-Term	-	40,553,779	40,170	33,296,993
Total	995,541	43,062,614	1,007,811	33,998,244

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

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Domestic Transactions	109,834	43,343,975	48,653	14,873,679
Financial Institutions and Organizations	1,193	42,469,072	-	10,278,030
Other Institutions and Organizations	36,534	874,903	19,337	3,121,198
Individuals	72,107	-	29,316	1,474,451
Foreign Transactions	347	-	357	1,398,150
Financial Institutions and Organizations	-	-	-	1,398,150
Other Institutions and Organizations	-	-	235	-
Individuals	347	-	122	-
Total	110,181	43,343,975	49,010	16,271,829

5.2.4 Securities issued

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

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

<i>Prior Period</i>	TL		FC	
	Short-Term	Medium and Long-Term	Short-Term	Medium and Long-Term
Nominal	-	990,320	979,852	12,514,195
Cost	-	990,320	979,852	12,502,796
Carrying Value (*)	-	151,673	990,538	11,730,322

(*) The Bank repurchased its own TL securities with a total face value of TL 840,320 and foreign currency securities with a total face value of USD 50,335,000 and netted off such securities in the accompanying financial statements.

5.2.5 Financial liabilities measured at fair value through profit/loss

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Funds Borrowed	-	48,622,754	-	31,788,046
Total	-	48,622,754	-	31,788,046

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 liabilities amounted to TL 409,726 (31 December 2022: TL 1,919,509) and the corresponding gains/losses recognised in the statement of profit/loss mounted to TL (1,509,783) (31 December 2022: TL (1,849,545)). The carrying value of the related financial liability amounted to TL 48,622,755 (31 December 2022: TL 31,788,046).

5.2.6 Derivative financial liabilities

5.2.6.1 Negative differences on derivative financial liabilities measured at FVTPL

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Forward Transactions	220,865	88,552	451,919	13,520
Swap Transactions	6,611,254	4,236,373	4,184,107	5,321,404
Futures	-	808	-	-
Options	189,439	63,537	340,322	557,974
Others	-	-	-	-
Total	7,021,558	4,389,270	4,976,348	5,892,898

5.2.6.2 Derivative financial liabilities held for hedging purpose

Derivative Financial Liabilities held for Hedging Purpose	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Fair Value Hedges	-	-	-	-
Cash Flow Hedges	-	-	21,111	-
Net Foreign Investment Hedges	-	-	-	-
Total	-	-	21,111	-

5.2.7 Lease liabilities (Net)

5.2.7.1 Operational lease liabilities

	<i>Current Period</i>		<i>Prior Period</i>	
	Gross	Net	Gross	Net
Up to 1 Year	726,953	493,255	462,931	319,006
1-4 Years	1,383,619	938,819	924,959	637,389
More than 4 Years	440,463	298,865	341,978	235,657
Total	2,551,035	1,730,939	1,729,868	1,192,052

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 Bank are 24.1%, 0.3% and 3.2% (31 December 2022: 20.4%, 1.9% and 3.8%) respectively.

5.2.8 Provisions

5.2.8.1 Reserve for employee severance indemnity

	<i>Current Period</i>	<i>Prior Period</i>
Balances at Beginning of Period	1,944,077	912,449
Expenses During the Period	624,013	287,995
Actuarial Gain/Loss	984,663	857,877
Payments During the Period	(1,330,618)	(114,244)
Balances at End of Period	2,222,135	1,944,077

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

None.

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

	<i>Current Period</i>	<i>Prior Period</i>
Substandard Loans and Receivables - Limited Collectibility	1,193,400	6,203
Doubtful Loans and Receivables	5,866	10,485
Uncollectible Loans and Receivables	2,244,958	1,754,659
Total	3,444,224	1,771,347

5.2.8.4 Other provisions

	<i>Current Period</i>	<i>Prior Period</i>
Reserve for Employee Benefits	4,324,280	3,350,382
Provision for Promotion Expenses of Credit Cards	885,218	499,389
Provision for Lawsuits	682,214	532,172
Provision for Non-Cash Loans	10,168,407	5,725,041
Other Provisions (*)	383,625	8,410,551
Total	16,443,744	18,517,535

(*)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 for other benefits not transferable to the SSF and arising from other social rights and payments covered by the existing trust indenture of the Fund and medical benefits provided for employees. Based on the actuary’s report, the asset surplus over the fair value of the plan assets to be used for the payment of the obligations also fully covers the benefits not transferable and still a surplus of TL 4,991,468 remains as of 31 December 2023 as details are given in the table below.

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

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

	<i>Current Period</i>	<i>Prior Period</i>
Balance at Beginning of Period	-	-
Actual contributions paid during the period	(766,105)	(445,647)
Total expense recognized in the statement of profit or loss	768,544	116,594
Amount recognized in the shareholders’ equity	(2,439)	329,053
Balance at End of Period	-	-

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

	<i>Current Period</i>	<i>Prior Period</i>
	%	%
Discount Rate (*)	25.60	17.79
Inflation Rate (*)	21.94	14.36
Estimated Real Salary/Limit Increase Rate	1.50	1.50
Medical Cost Trend Rate	26.14	18.56
Future Pension Increase Rate (*)	21.94	14.36

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

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

Defined Benefit Obligation	Pension Benefits Effect	Medical Benefits Effect	Overall Effect
Assumption change	%	%	%
Discount rate +0.5%	(6.20)	(9.40)	(7.90)
Discount rate -0.5%	6.90	10.90	9.10
Medical inflation rate +0.5%	-	9.20	5.00
Medical inflation rate -0.5%	-	(8.20)	(4.40)

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

5.2.9 Tax liability

5.2.9.1 Current tax liability

5.2.9.1.1 Tax liability

As of 31 December 2023, the corporate tax liability amounts to TL 6,583,138 (31 December 2022: TL 6,379,903) after offsetting with prepaid taxes. If the differences arising between the book value and the tax base value of the assets subject to the current tax liability are related to the shareholders' equity account group, the current tax asset or liability is netted off by the relevant accounts in this group.

As of 31 December 2023, TL 23,335,328 of total current period tax expense amounting to TL 25,613,766 (31 December 2022: TL 19,519,845) has been classified in the statement of profit or loss and TL (2,278,438) (31 December 2022: TL 3,011,863) has been classified in equity.

5.2.9.1.2 Taxes payable

	<i>Current Period</i>	<i>Prior Period</i>
Corporate Taxes Payable	6,583,138	6,379,903
Taxation on Securities Income	517,070	136,594
Taxation on Real Estates Income	11,295	7,199
Banking Insurance Transaction Tax	1,960,786	581,598
Foreign Exchange Transaction Tax	44,982	52,022
Value Added Tax Payable	245,479	113,753
Others	312,819	198,905
Total	9,675,569	7,469,974

5.2.9.1.3 Premiums

	<i>Current Period</i>	<i>Prior Period</i>
Social Security Premiums-Employees	720	294
Social Security Premiums-Employer	884	361
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	7,467	4,558
Unemployment Insurance-Employer	15,133	9,217
Others	193	94
Total	24,938	16,416

5.2.9.2 Deferred tax liability

None.

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

None.

5.2.11 Subordinated debts

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Domestic Banks	-	-	-	-
Domestic Other Institutions	1,067,593	-	1,021,983	-
Foreign Banks	-	-	-	-
Foreign Other Institutions	-	21,942,478	-	14,046,860
Total	1,067,593	21,942,478	1,021,983	14,046,860

5.2.12 Other liabilities

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Payables from credit card transactions	64,698,502	487,267	37,106,273	293,532
Payables from clearing transactions	13,021,047	213,123	10,954,242	146,936
Other	7,083,240	12,379,000	3,075,153	8,103,400
Total	84,802,789	13,079,390	51,135,668	8,543,868

5.2.13 Shareholders' equity

5.2.13.1 Paid-in capital

	<i>Current Period</i>	<i>Prior Period</i>
Common Shares	4,200,000	4,200,000
Preference Shares	-	-

5.2.13.2 Registered share capital system

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

5.2.13.3 Capital increases in current period

None.

5.2.13.4 Capital increases from capital reserves in current period

None.

5.2.13.5 Capital commitments for current and future financial periods

None.

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

None.

5.2.13.7 Information on privileges given to stocks representing the capital

None.

5.2.13.8 Securities value increase fund

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Investments in Associates, Subsidiaries and Joint-Ventures	29,773,633	(319,249)	15,874,171	(349,576)
Valuation difference	350,165	(319,249)	81,569	(349,576)
Exchange rate difference	29,423,468	-	15,792,602	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	4,800,522	313,326	10,645,405	(604,637)
Valuation difference	3,984,143	313,326	10,316,503	(604,637)
Exchange rate difference	816,379	-	328,902	-
Total	34,574,155	(5,923)	26,519,576	(954,213)

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

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Movables	1,011,095	360,766	462,826	38,465
Real Estates	14,533,730	190,583	4,949,980	160,887
Defined Benefit Plans' Actuarial Gains/Losses	(1,919,018)	-	(1,277,762)	-
Other	(83,423)	-	(45,151)	-
Total	13,542,384	551,349	4,089,893	199,352

5.2.13.10 Bonus shares of associates, subsidiaries and joint-ventures

	<i>Current Period</i>	<i>Prior Period</i>
Bankalararası Kart Merkezi A.Ş.	5,782	5,782
Garanti Yatırım Menkul Değerler AŞ	942	942
Yeni Gimat Gayrimenkul Yatırım Ortaklığı A.Ş.	860	860
JCR Avrasya Derecelendirme A.Ş.	1,399	828
İhracatı Geliştirme A.Ş.	536	536
Kredi Kayıt Bürosu AŞ	481	481
Garanti Ödeme Sistemleri AŞ	401	401
Kömür İşletmeleri A.Ş.	295	145
Doğuş Gayrimenkul Yatırım Ortaklığı AŞ	22	22
Yatırım Finansman Menkul Değerler AŞ	9	9
Dati Yatırım Holding A.Ş.	7	7
Total	10,734	10,013

5.2.13.11 Legal reserves

	<i>Current Period</i>	<i>Prior Period</i>
I. Legal Reserve	961,534	961,534
II. Legal Reserve	1,511,590	654,953
Special Reserves	-	-
Total	2,473,124	1,616,487

5.2.13.12 Extraordinary and other profit reserves

	<i>Current Period</i>	<i>Prior Period</i>
Legal reserves that was allocated to be in compliance with the decisions made on the Annual General Assembly	111,622,671	61,573,278

5.3 Off-Balance Sheet Items

5.3.1 Off-balance sheet contingencies

5.3.1.1 Irrevocable credit commitments

The Bank has term asset purchase and sale commitments of TL 29,804,548 (31 December 2022: TL 16,548,883), commitments for cheque payments of TL 9,642,506 (31 December 2022: TL 5,515,488) and commitments for credit card limits of TL 527,976,217 (31 December 2022: TL 138,215,802).

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

	Current Period	Prior Period
Letters of Guarantee in Foreign Currency	127,708,895	79,612,373
Letters of Guarantee in TL	207,649,439	103,006,476
Letters of Credit	45,832,841	30,014,439
Bills of Exchange and Acceptances	7,962,125	3,918,563
Endorsements	12,043,653	5,653,771
Other Guarantees	269,955	164,083
Total	401,466,908	222,369,705

Expected losses for non-cash loans and irrevocable commitments

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

Prior Period	Stage 1	Stage 2	Stage 3	Total
Balances at Beginning of Period	515,863	1,049,091	1,327,064	2,892,018
Additions during the Period (+)	1,840,428	2,933,525	203,508	4,977,461
Disposals (-)	(1,843,152)	(924,612)	(229,059)	(2,996,823)
Sales (-)	-	-	-	-
Write-offs (-)	-	-	-	-
Transfer to Stage 1	664,305	(663,552)	(753)	-
Transfer to Stage 2	(216,218)	235,759	(19,541)	-
Transfer to Stage 3	(1,485)	(27,639)	29,124	-
Foreign Currency Differences	83,384	307,997	461,004	852,385
Provisions at End of Period	1,043,125	2,910,569	1,771,347	5,725,041

Lifetime expected credit loss (Stage 3) of TL 5,075,660 (31 December 2022: TL 2,506,154) is made for unliquidated non-cash loans of TL 3,444,223 (31 December 2022: TL 1,771,346) recorded under the off-balance sheet items.

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

5.3.1.3 Non-cash loans

	<i>Current Period</i>	<i>Prior Period</i>
Non-Cash Loans against Cash Risks	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	313,006,697	183,246,806
Total	401,466,908	222,369,705

5.3.1.4 Sectoral risk concentration of non-cash loans

	<i>Current Period</i>				<i>Prior Period</i>			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agriculture	2,098,592	0.95	217,619	0.12	1,094,364	1.00	156,564	0.14
Farming and Stockbreeding	1,175,860	0.53	32,293	0.02	434,816	0.40	40,840	0.04
Forestry	176,074	0.08	53,691	0.03	121,406	0.11	49,906	0.04
Fishery	746,658	0.34	131,635	0.07	538,142	0.49	65,818	0.06
Manufacturing	73,806,248	33.21	77,891,574	43.46	36,351,621	33.17	49,108,366	43.55
Mining and Quarrying	2,720,502	1.22	396,562	0.22	1,117,955	1.02	197,293	0.17
Production	60,800,117	27.36	62,189,550	34.70	27,794,977	25.36	36,101,294	32.02
Electricity, Gas, Water	10,285,629	4.63	15,305,462	8.54	7,438,689	6.79	12,809,779	11.36
Construction	19,316,608	8.69	22,622,527	12.62	10,388,880	9.46	18,601,067	16.50
Services	112,737,871	50.73	59,659,539	33.27	54,847,986	50.05	35,954,121	31.88
Wholesale and Retail Trade	63,775,360	28.70	26,654,970	14.87	30,902,172	28.19	15,760,012	13.98
Accommodation and Dining	6,708,885	3.02	1,890,215	1.05	2,537,826	2.32	1,203,203	1.07
Transportation and	7,331,721	3.30	8,950,116	4.99	4,647,673	4.24	5,488,794	4.85
Financial Institutions	19,739,410	8.88	21,228,401	11.84	9,699,586	8.85	12,881,095	11.42
Real Estate and Rental Services	13,171,319	5.93	596,728	0.33	5,629,113	5.14	474,038	0.42
Professional Services	-	-	-	-	-	-	-	-
Educational Services	268,933	0.12	9,452	0.01	204,018	0.19	6,023	0.01
Health and Social Services	1,742,243	0.78	329,657	0.18	1,227,598	1.12	140,956	0.13
Others	14,283,381	6.42	18,832,949	10.53	6,925,058	6.32	8,941,678	7.93
Total	222,242,700	100	179,224,208	100	109,607,90	100	112,761,796	100

5.3.1.5 Non-cash loans classified under Stage I and II

<i>Current Period</i>	Group I		Group II	
	TL	FC	TL	FC
Non-Cash Loans	211,875,554	162,068,878	10,016,363	12,684,753
Letters of Guarantee	197,806,429	112,475,301	9,534,227	11,195,326
Bills of Exchange and Bank Acceptances	2,092,441	5,809,197	60,293	194
Letters of Credit	381,531	43,611,574	15,343	1,392,084
Endorsements	11,595,153	-	406,500	-
Underwriting Commitments	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Guarantees and Securities	-	172,806	-	97,149

<i>Prior Period</i>	Group I		Group II	
	TL	FC	TL	FC
Non-Cash Loans	104,693,243	99,813,057	4,692,453	10,895,674
Letters of Guarantee	98,170,210	69,097,410	4,614,053	8,462,499
Bills of Exchange and Bank Acceptances	496,948	2,757,200	-	664,415
Letters of Credit	746,185	27,498,893	-	1,768,760
Endorsements	5,279,900	295,471	78,400	-
Underwriting Commitments	-	-	-	-
Factoring Related Guarantees	-	-	-	-
Other Guarantees and Securities	-	164,083	-	-

5.3.2 Financial derivative instruments

<i>Current Period</i>	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	16,223,952	6,534,675	8,948,115	10,530,567	1,306,935	43,544,244
Fair Value Hedges	4,966,353	5,082,525	4,501,665	2,207,268	1,306,935	18,064,746
Cash Flow Hedges	11,257,599	1,452,150	4,446,450	8,323,299	-	25,479,498
Net Foreign Investment Hedges	-	-	-	-	-	-
Trading Derivatives						
Foreign Currency related Derivative Transactions (I)	107,417,373	203,901,116	153,181,517	49,738,165	6,335,705	520,573,876
Currency Forwards-Purchases	12,265,793	8,495,116	17,207,288	9,822,897	1,915,105	49,706,199
Currency Forwards-Sales	10,286,234	7,968,871	16,552,166	8,348,581	2,127,089	45,282,941
Currency Swaps-Purchases	41,091,871	78,565,537	42,646,239	15,556,394	598,978	178,459,019
Currency Swaps-Sales	33,387,595	104,258,521	70,794,549	13,809,176	658,785	222,908,626
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	2,384,148	718,912	1,393	-	-	3,104,453
Currency Futures-Sales	2,250,833	638,946	-	-	-	2,889,779
Interest Rate related Derivative Transactions (II)	117,165,551	60,808,054	113,004,391	75,963,629	25,325,412	392,267,037
Interest Rate Swaps-Purchases	60,771,079	29,012,899	58,238,750	35,052,703	12,970,958	196,046,389
Interest Rate Swaps-Sales	56,220,214	31,795,155	54,765,641	40,910,926	12,354,454	196,046,390
Interest Rate Options-Purchases	-	-	-	-	-	-
Interest Rate Options-Sales	-	-	-	-	-	-
Securities Options-Purchases	-	-	-	-	-	-
Securities Options-Sales	-	-	-	-	-	-
Interest Rate Futures-Purchases	-	-	-	-	-	-
Interest Rate Futures-Sales	174,258	-	-	-	-	174,258
Other Trading Derivatives (III)	21,147,529	2,405,348	115,246,706	191,620	62,942	139,054,145
B. Total Trading Derivatives (I+II+III)	245,730,453	267,114,518	381,432,614	125,893,414	31,724,059	1,051,895,058
Total Derivative Transactions (A+B)	261,954,405	273,649,193	390,380,729	136,423,981	33,030,994	1,095,439,302

<i>Prior Period</i>	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	5,843,637	14,155,733	4,778,789	29,892,145	4,592,224	59,262,528
Fair Value Hedges	-	-	-	11,675,776	2,733,024	14,408,800
Cash Flow Hedges	5,843,637	14,155,733	4,778,789	18,216,369	1,859,200	44,853,728
Net Foreign Investment Hedges	-	-	-	-	-	-
Trading Derivatives						
Foreign Currency related Derivative Transactions (I)	140,002,344	418,026,617	30,521,226	7,759,000	1,039,844	597,349,031
Currency Forwards-Purchases	11,216,034	12,302,636	8,333,461	86,665	-	31,938,796
Currency Forwards-Sales	11,009,754	11,943,935	7,793,646	117,971	-	30,865,306
Currency Swaps-Purchases	55,198,750	131,688,819	6,262,919	2,825,452	568,576	196,544,516
Currency Swaps-Sales	31,017,121	172,764,780	5,513,444	4,098,693	384,239	213,778,277
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	-	614,362	264,553	-	-	878,915
Currency Futures-Sales	-	255,640	508,457	-	-	764,097
Interest Rate related Derivative Transactions (II)	16,943,646	27,394,463	41,261,009	107,047,059	99,949,294	292,595,471
Interest Rate Swaps-Purchases	8,384,342	12,814,704	19,766,262	52,145,214	49,974,647	143,085,169
Interest Rate Swaps-Sales	8,384,342	12,814,704	19,766,262	52,145,214	49,974,647	143,085,169
Interest Rate Options-Purchases	-	324,924	1,469,922	1,628,324	-	3,423,170
Interest Rate Options-Sales	174,962	1,440,131	258,563	1,128,307	-	3,001,963
Securities Options-Purchases	-	-	-	-	-	-
Securities Options-Sales	-	-	-	-	-	-
Interest Rate Futures-Purchases	-	-	-	-	-	-
Interest Rate Futures-Sales	-	-	-	-	-	-
Other Trading Derivatives (III)	19,114,051	38,450,089	8,203,438	20,965,991	-	86,733,569
B. Total Trading Derivatives (I+II+III)	176,060,041	483,871,169	79,985,673	135,772,050	100,989,138	976,678,071
Total Derivative Transactions (A+B)						
	181,903,678	498,026,902	84,764,462	165,664,195	105,581,362	1,035,940,599

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 made a total provision amounting to TL 682,214 (31 December 2022: TL 532,172) for the lawsuits filed by various customers and institutions against the Bank which are likely to occur and for which cash outflow might be necessary, and disclosed it under Note 5.3.7.4, other provisions. The Bank has various other lawsuits which are unlikely to occur and for which cash outflow is not expected to incur.

It is possible that the Bank 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.

5.4 Statement of Profit or Loss

5.4.1 Interest income

5.4.1.1 Interest income from loans (*)

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest income received from loans				
Short-term loans	81,144,886	7,852,595	36,184,075	2,069,976
Medium and long-term loans	44,915,279	15,624,292	32,475,402	9,126,034
Loans under follow-up	1,181,867	25,748	759,310	8,433
Premiums Received from Resource Utilization Support Fund	-	-	-	-
Total	127,242,032	23,502,635	69,418,787	11,204,443

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

5.4.1.2 Interest income from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Central Bank of Turkey	1,159,776	45,751	-	13,850
Domestic Banks	251,374	-	10,698	821
Foreign Banks	11,341	1,492,405	5,151	390,304
Foreign Head Offices and Branches	-	-	-	-
Total	1,422,491	1,538,156	15,849	404,975

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	477,259	113,910	132,899	48,077
Financial Assets Measured at Fair Value through Other Comprehensive Income	19,445,621	1,145,781	19,289,408	796,755
Financial Assets Measured at Amortised Cost	28,448,847	3,641,033	18,630,500	2,265,130
Total	48,371,727	4,900,724	38,052,807	3,109,962

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	4,313,823	629,310

5.4.2 Interest Expenses

5.4.2.1 Interest expenses on funds borrowed (*)

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	151,823	2,121,042	168,938	1,216,412
Central Bank of Turkey	-	-	-	-
Domestic Banks	151,823	61,544	168,938	44,586
Foreign Banks	-	2,059,498	-	1,171,826
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	4,037,076	-	1,708,268
Total	151,823	6,158,118	168,938	2,924,680

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

5.4.2.2 Interest expenses paid to associates and subsidiaries

	Current Period	Prior Period
Interest Paid to Investments in Associates and Subsidiaries	1,760,506	768,674

5.4.2.3 Interest expenses on securities issued

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Paid on Securities Issued	241,596	1,811,279	366,554	1,987,071

5.4.2.4 Maturity structure of interest expense on deposits

Account Description	Demand Deposits	Time Deposits					Accumulating Deposit Accounts	Total
		Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over		
Turkish Lira								
Bank Deposits	4,827	182,111	-	-	-	-	-	186,938
Saving Deposits	-	951,423	44,624,049	30,962,655	4,491,558	6,880,823	-	87,910,508
Public Sector Deposits	-	2,771	9,202	45,900	-	-	-	57,873
Commercial Deposits	-	11,374,558	15,489,039	5,696,753	1,723,184	1,883,430	-	36,166,964
Other	-	113,571	1,643,652	416,982	261,719	398,150	-	2,834,074
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Total TL	4,827	12,624,434	61,765,942	37,122,290	6,476,461	9,162,403	-	127,156,357
Foreign Currency								
Foreign Currency Deposits	-	40,951	145,179	81,059	78,111	26,250	185	371,735
Bank Deposits	-	7,995	-	-	-	-	-	7,995
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	2	8,170	-	8,172
Total FC	-	48,946	145,179	81,059	78,113	34,420	185	387,902
Grand Total	4,827	12,673,380	61,911,121	37,203,349	6,554,574	9,196,823	185	127,544,259

Prior Period	Demand Deposits	Time Deposits					Accumulating Deposit Accounts	Total
		Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over		
Turkish Lira								
Bank Deposits	4,378	52,584	-	-	-	-	-	56,962
Saving Deposits	-	624,061	16,862,339	1,204,041	213,830	1,109,668	-	20,013,939
Public Sector Deposits	-	1,933	5,739	115	105	-	-	7,892
Commercial Deposits	-	4,166,989	3,281,157	1,657,038	1,771,528	564,871	-	11,441,583
Other	-	168,770	369,175	75,738	246,060	309,824	-	1,169,567
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Total TL	4,378	5,014,337	20,518,410	2,936,932	2,231,523	1,984,363	-	32,689,943
Foreign Currency								
Foreign Currency Deposits	-	60,990	617,737	26,752	39,329	59,405	181	804,394
Bank Deposits	-	934	-	-	-	-	-	934
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	2,163	197	541	3,928	-	6,829
Total FC	-	61,924	619,900	26,949	39,870	63,333	181	812,157
Grand Total	4,378	5,076,261	21,138,310	2,963,881	2,271,393	2,047,696	181	33,502,100

5.4.2.5 Interest expense on money market transactions

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest Paid on Money Market Transactions	68,205	-	9,170	-
Interest Paid on Repurchase Agreements	337,134	1,253,482	424,654	97,829

5.4.2.6 Interest expense on lease liabilities

5.4.2.6.1 Interest expense on financial leases

None.

5.4.2.6.2 Operational lease expenses

	Current Period	Prior Period
Operational lease expenses	280,055	167,374

5.4.2.7 Interest expenses on factoring payables

None.

5.4.3 Dividend income

	Current Period	Prior Period
Financial Assets Measured at Fair Value through Profit or Loss	8,055	5,437
Financial Assets Measured at Fair Value through Other Comprehensive Income	9,980	5,014
Other	46,283	46,774
Total	64,318	57,225

5.4.4 Trading income/losses

	<i>Current Period</i>	<i>Prior Period</i>
Income	409,466,236	264,676,335
Trading Account Income	2,161,216	1,304,847
Gains from Derivative Financial Instruments	22,784,876	33,599,747
Foreign Exchange Gains	384,520,144	229,771,741
Losses (-)	381,668,884	256,149,506
Trading Account Losses	2,080,919	2,408,116
Losses from Derivative Financial Instruments	40,381,287	54,350,597
Foreign Exchange Losses	339,206,678	199,390,793
Total	27,797,352	8,526,829

TL 4,126,408 (31 December 2022: TL 15,160,562) of foreign exchange gains and TL 3,537,759 (31 December 2022: TL 4,098,749) of foreign exchange losses are resulted from the exchange rate changes of derivative financial transactions.

5.4.5 Other operating income

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

	<i>Current Period</i>	<i>Prior Period</i>
Reversal of Prior Years’ Provisions	25,445,494	9,105,370
Stage 1 Provisions	9,078,604	4,129,547
Stage 2 Provisions	3,802,030	2,328,705
Stage 3 Provisions	4,037,940	2,382,021
Others(*)	8,526,920	265,097
Revenues from Sale of Assets	571,150	594,284
Others	2,879,544	2,274,083
Total	28,896,188	11,973,737

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

5.4.6 Expected credit losses and other provisions

	<i>Current Period</i>	<i>Prior Period</i>
Expected Credit Losses	35,325,599	23,898,743
12-Month ECL (Stage 1)	8,205,788	5,643,154
Lifetime ECL Significant Increase in Credit Risk (Stage 2)	17,328,430	12,500,882
Lifetime ECL Impaired Credits (Stage 3)	9,791,381	5,754,707
Other Provisions	271,116	3,411,729
Impairment Losses on Securities	-	6,657
<i>Financial Assets Measured at Fair Value through Profit/Loss</i>	-	6,657
<i>Financial Assets Measured at Fair Value through Other Comprehensive Income</i>	-	-
Impairment Losses on Associates, Subsidiaries and Joint-ventures	-	19,102
<i>Associates</i>	-	19,102
<i>Subsidiaries</i>	-	-
<i>Joint-ventures</i>	-	-
Others	271,116	3,385,970
Total	35,596,715	27,310,472

5.4.7 Other operating expenses

	<i>Current Period</i>	<i>Prior Period</i>
Reserve for Employee Termination Benefits	488,356	225,907
Defined Benefit Obligation	-	-
Impairment Losses on Tangible Assets	7,550	1,062
Depreciation Expenses of Tangible Assets	1,039,445	481,854
Impairment Losses on Intangible Assets	-	-
Impairment Losses on Goodwill	-	-
Amortisation Expenses of Intangible Assets	278,923	182,284
Impairment Losses on Investments Accounted under Equity Method	-	-
Impairment Losses on Assets to be Disposed	-	1,253
Depreciation Expenses of Right-of-use Assets	519,293	330,177
Impairment Losses on Assets Held for Sale	-	-
Other Operating Expenses	23,371,761	11,395,736
<i>Operational Lease related Expenses (*)</i>	342,079	233,193
<i>Repair and Maintenance Expenses</i>	320,035	151,022
<i>Advertisement Expenses</i>	1,147,815	403,300
<i>Other Expenses (**)</i>	21,561,832	10,608,221
Loss on Sale of Assets	11,015	6,606
Others (***)	4,535,252	2,112,851
Total	30,251,595	14,737,730

(*) 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 2,277,578 (31 December 2022: TL 1,150,760) in the current period.

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

The profit before taxes includes a net interest income of TL 74,836,036 (31 December 2022: TL 83,318,813), a net fees and commissions income of TL 40,763,787 (31 December 2022: TL 16,627,504) and operating expenses of TL 30,251,595 (31 December 2022: TL 14,737,730). The Bank's profit before taxes realized at TL 103,047,477 (31 December 2022: TL 75,602,805) increasing by 36.30% (31 December 2022: increasing by 323.96%) as compared to prior year.

5.4.9 Information on provision for taxes from continued and discontinued operations

As of 31 December 2023, the Bank recorded a tax expense of TL 25,613,766 (31 December 2022: tax income of TL 19,519,845) and a deferred tax income of TL 9,898,009 (31 December 2022: deferred tax income of TL 2,426,198).

Deferred tax benefit/charge on timing differences:

Deferred tax benefit/(charge) on timing differences	<i>Current Period</i>	<i>Prior Period</i>
Increase in tax deductible timing differences (+)	(12,639,603)	(5,801,932)
Decrease in tax deductible timing differences (-)	1,687,175	1,648,169
Increase in taxable timing differences (-)	3,823,010	3,601,562
Decrease in taxable timing differences (+)	(2,768,591)	(1,873,997)
Total	(9,898,009)	(2,426,198)

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

Deferred tax (benefit)/charge arising on timing differences, tax losses and tax deductions and exemptions	<i>Current Period</i>	<i>Prior Period</i>
(Increase)/Decrease in Tax Deductible Timing Differences (net)	(10,952,428)	(4,153,763)
(Increase)/Decrease in Taxable Timing Differences (net)	1,054,419	1,727,565
(Increase)/Decrease in Tax Losses (net)	-	-
(Increase)/Decrease in Tax Deductions and Exemptions (net)	-	-
Total	(9,898,009)	(2,426,198)

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

Net profit/loss from continued operations is TL 87,331,720 (31 December 2022: TL 58,509,158).

The Bank has no discontinued operations (31 December 2022: None).

5.4.11 Net profit/loss

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

None.

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

None.

5.4.12 Components of other items in statement of profit/loss

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

5.5 Statement of changes in shareholders' equity

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 13,630,867 (31 December 2022: TL 4,995,295) 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, a decrease of TL 5,796,768 of (31 December 2022: an increase TL 9,058,815) 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 134,995 (31 December 2021: an increase of TL 915,895) 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 4,603,646 (31 December 2022: a decrease of TL 1,603,244) is presented in the shareholders' equity for such hedge transactions.

5.5.2 Transfers to legal and extraordinary reserves

	<i>Current Period</i>	<i>Prior Period</i>
Transfers to Legal Reserves from Prior Year Profits	856,637	109,733
Transfers to Extraordinary Reserves from Prior Year Profits	48,725,768	11,599,035

5.5.3 Issuance of share certificates

Disclosed in 5.2.13.3

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

None.

5.5.5 Compensation of prior period losses

None.

5.6 Statement of Cash Flows

5.6.1 Disclosures for “other” items and “effect of change in foreign currency rates cash and cash equivalents” in statement of cash flows

The net cash inflows arising from banking operations amount to TL 188,111,140 (31 December 2022: TL 64,126,097). TL 124,130,656 (31 December 2022: TL 15,436,044 cash outflow) of the net cash outflow is generated from the cash inflows resulted from the change in operating assets and liabilities and TL 63,980,484 (31 December 2022: TL (48,690,053) 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 a net inflow of TL 37,325,484 (31 December 2022: TL 27,698,143 net cash inflow). The “others” item under operating income composes of fees and commissions paid, foreign exchange gains, other operating income and other operating expenses excluding employee costs, and amounts to TL (14,564,624) (31 December 2022: TL (7,937,287)).

The net cash inflows from financing activities is TL 3,658,703 (31 December 2022: TL 2,109,236 net cash outflow).

The effect of changes in foreign exchange rates 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 21,139,421 (31 December 2022: TL 7,900,934).

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

Disclosed in Note 5.1.10.3 investments in subsidiaries.

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

	<i>Current Period</i> <i>31 December 2022</i>	<i>Prior Period</i> <i>31 December 2021</i>
Cash on Hand	20,138,453	15,923,917
Cash in TL	3,310,208	1,916,282
Cash in Foreign Currency	16,828,245	14,007,635
Cash Equivalents	122,654,275	102,072,452
Other	122,654,275	102,072,452
TOTAL	142,792,728	117,996,369

5.6.5 Cash and cash equivalents at end of period

	<i>Current Period</i> <i>31 December 2023</i>	<i>Prior Period</i> <i>31 December 2022</i>
Cash on Hand	31,330,593	20,138,453
Cash in TL	4,233,937	3,310,208
Cash in Foreign Currency	27,096,656	16,828,245
Cash Equivalents	256,930,173	122,654,275
Other	256,930,173	122,654,275
TOTAL	288,260,766	142,792,728

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.

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 operating capacity of the Bank

None.

5.7 Related Party Risks

5.7.1 Transactions with the Bank's risk group

5.7.1.1 Loans and other receivables

Current Period

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at beginning of period	24,526,131	3,843,369	387,611	2,467,095	14,198	16,647
Balance at end of period	18,831,820	5,818,234	486,087	3,876,578	26,577	17,480
Interest and Commission Income	4,501,215	32,407	9,822	-	3,333	-

Prior Period

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at beginning of period	14,327,512	3,366,181	774,676	1,563,727	10,060	193,011
Balance at end of period	24,526,131	3,843,369	387,611	2,467,095	14,198	16,647
Interest and Commission Income	705,910	35,350	6,440	-	1,987	-

5.7.1.2 Deposits

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at beginning of period	3,073,602	2,404,548	33,165	31,849	6,304,682	7,064,055
Balance at end of period	6,218,932	3,073,602	183,626	33,165	10,062,389	6,304,682
Interest Expense	1,373,876	399,775	168	82	1,995,528	991,137

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	10,342,968	3,888,943	46,634,311	35,864,072	-	-
Balance at end of period	30,112,236	10,342,968	58,710,468	46,634,311	-	-
Total Profit/(Loss)	(529,393)	(100,572)	510,554	699,008	(3,409)	(27,204)
Transactions for Hedging:						
Balance at beginning of period	-	-	-	220,100	-	-
Balance at end of period	-	-	-	-	-	-
Total Profit/(Loss)	-	-	-	(3,373)	-	-

5.7.2 The Bank's risk group

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

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

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

The cash loans of the risk group amounting TL 14,229,275 (31 December 2022: TL 10,254,824) compose 1.33% (31 December 2022: 1.53%) of the Bank's total cash loans and 0.74% (31 December 2022: 0.89%) of the Bank's total assets. The total loans and similar receivables amounting TL 19,831,412 (31 December 2022: TL 24,927,940) compose 1.03% (31 December 2022: 2.16%) of the Bank's total assets. The non-cash loans of the risk group amounting TL 9,712,294 (31 December 2022: TL 6,327,111) compose 2.42% (31 December 2022: 2.85%) of the Bank's total non-cash loans.

The deposits of the risk group amounting TL 16,464,945 (31 December 2022: TL 9,411,449) compose 1.19% (31 December 2022: 1.19%) of the Bank's total deposits.

The funds borrowed by the Bank from its risk group amounting TL 57,310,453 (31 December 2022: TL 38,241,093) compose 61.84% (31 December 2022: 57.25%) of the Bank's total funds borrowed. The pricing in transactions with the risk group companies is set on an arm's-length basis.

The credit card ("POS") payables to the related parties, amounted to TL 784,183 (31 December 2022: TL 393,091).

A total rent income of TL 53,026 (31 December 2022: TL 24,190) was recognized for the real estates rented to the related parties.

Operating expenses for TL 569,550 (31 December 2022: TL 219,772) were incurred for the IT services rendered by the related parties. Banking services fees of TL 402,459 (31 December 2022: TL 97,877) were recognized from the related parties.

Insurance brokerage fee of TL 1,440,036 (31 December 2022: 701,677 TL), shares brokerage fee of TL 1,099,594 (31 December 2022: TL 540,923), and fixed-rate securities brokerage fee of TL 34,206 (31 December 2022: TL 18,993) were received from the subsidiaries.

Operating expenses of TL 82,140 (31 December 2022: TL 77,096) for operational leasing services rendered by the related parties were recognized as expenses.

Including the payments related to resigners, the net payment provided or to be provided to the key management of the Bank amounts to TL 259,937 as of 31 December 2023 (31 December 2022: TL 181,604).

5.7.2.3 Other matters not required to be disclosed

None.

5.7.2.4 Transactions accounted for under equity method

Please refer to Note 5.1.10 investments in subsidiaries.

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

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

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

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

5.8.1 Domestic and foreign branches and representative offices

<i>Current Period</i>	Number of Branches	Number Of Employees			
Domestic Branches	796	18,840			
			Country		
Foreign Representative Offices	1	1	1- China		
				Total Assets	Legal Capital
Foreign Branches	1	14	1- Malta	67,673,675	-
	7	111	2- NCTR	21,085,164	80,000

<i>Prior Period</i>	Number of Branches	Number Of Employees			
Domestic Branches	829	18,422			
			Country		
Foreign Representative Offices	1	1	1-Germany 2- China		
				Total Assets	Legal Capital
Foreign Branches	1	14	1- Malta	51,670,225	-
	7	107	2- NCTR	12,826,835	80,000

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

In 2023, no domestic branch has been opened and 33 branches has been closed. (In 2022, no domestic branch has been opened and 34 branches has been closed.)

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.

	<i>Current Period</i>	<i>Prior Period</i>
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 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 Disclosures on Limited Review Report

6.1 Bank's latest international risk ratings

MOODY'S (January 2024)

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

FITCH RATINGS (September 2023)

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

6.2 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 Disclosures on Independent Auditors' Report

7.1 Disclosure on independent auditors' report

The unconsolidated 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.