Türkiye Garanti Bankası Anonim Şirketi
and Its Financial Subsidiaries

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

as of and for the Three-Month Period Ended

31 March 2023

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

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

Independent Auditors' Report on Review of Consolidated Interim Financial Information

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

Introduction

We have reviewed the consolidated statement of financial position of Türkiye Garanti Bankası A.Ş. ("the Bank") and its subsidiaries (together will be referred as "the Group"), at March 31,2023 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the consolidated financial statements for the three month period then ended. The Bank Management is responsible for the preparation and fair presentation of interim financial information in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006, and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Accounting Standard 34 "Interim Financial Reporting" for those matters not regulated by the aforementioned regulations. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

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

Basis of Qualified Conclusion

As explained in Section Five Part 2.9.4, the accompanying consolidated financial statements as at March 31, 2023 include a free provision at an amount of Thousand TL 8,000,000 which was provided in prior years by the Group management for the possible effects of the negative circumstances which may arise from the possible changes in the economy and market conditions which does not meet the recognition criteria of TAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

Qualified Conclusion

Based on our review, except for the effect of the matter referred in the basis of qualified conclusion paragraph on the consolidated financial statements, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not give a true view of the financial position of the Group at March 31,2023 and of the results of its consolidated operations and its consolidated cash flows for the three month period then ended in all aspects in accordance with the BRSA Accounting and Financial Reporting Legislation.

Report on other regulatory requirements arising from legislation

Based on our review, nothing has come to our attention that causes us to believe that the financial information provided in the accompanying interim activity report in Section 7, are not consistent with the consolidated financial statements and disclosures in all material respects.

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

Damla Harman, SMMM
Partner

April 26, 2023
İstanbul, Türkiye

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

TÜRKİYE GARANTİ BANKASI ANONİM ŞİRKETİ AND ITS FINANCIAL SUBSIDIARIES CONSOLIDATED FINANCIAL REPORT AS OF AND FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

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

1. General Information about Parent Bank
2. Consolidated Financial Statements of Parent Bank
3. Accounting Policies
4. Consolidated Financial Position and Results of Operations, and Risk Management Applications of Group
5. Disclosures and Footnotes on Consolidated Financial Statements
6. Limited Review Report
7. Interim Activity Report

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

Subsidiaries

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

Structured Entities

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

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

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

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

The authorized contact person for questions on this financial report:

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Phone no: 90 212 318 23 50
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SECTION FIVE

Disclosures and Footnotes on Consolidated Financial Statements

SECTION SIX

Other Disclosures on Activities

SECTION SEVEN

Interim Activity Report

1 General Information

1.1 History of Parent Bank including its incorporation date, initial legal status, amendments to legal status

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

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

The Bank provides banking services through 828 domestic branches, 8 foreign branches and 1 representative offices (31 December 2022: 829 domestic branches, 8 foreign branches and 1 representative offices). The Bank's head office is located in Istanbul.

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

As of 31 March 2022, group of companies under BBVA that currently owns 85.97% shares of the Bank, is defined as the BBVA Group ("the Group") and it is the main shareholder.

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

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

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

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

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

BBVA Group

BBVA is operating for more than 160 years, providing variety of wide spread financial and non-financial services to 89.3 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.

(Thousands of Turkish Lira (TL))

BBVA which is the largest financial institution in Mexico and also the market leader in South America, operates in more than 25 countries with more than 115 thousand employees.

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

Board of Directors Chairman and Members:

Name and Surname	Responsibility	Appointment Date	Education	Experience in Banking and Business Administration
Süleyman Sözen	Chairman	29.05.1997	University	42 years
Jorge Saenz Azcunaga Carranza	Vice Chairman Independent Member and Member of Audit Committee	24.03.2016	University	30 years
Recep Baştuğ	Member and CEO	06.09.2019	University	33 years
Sait Ergun Özen	Member	14.05.2003	University	36 years
Dr. Muammer Cüneyt Sezgin	Member	30.06.2004	PhD	35 years
Jaime Saenz de Tejada Pulido	Member	02.10.2014	University	31 years
Pablo Alfonso Pastor Munoz	Member	31.03.2021	Master	33 years
Rafael Salinas Martinez de Lecea	Member	08.05.2017	Master	32 years
Belkıs Sema Yurdum	Independent Member and Member of Audit Committee	30.04.2013	University	43 years
Avni Aydın Düren	Independent Member and Member of Audit Committee	17.06.2020	Master	32 years
Mevhibe Canan Özsoy	Independent Member	04.04.2019	Master	32 years

CEO and Executive Vice Presidents:

Name and Surname	Responsibility	Appointment Date	Education	Experience in Banking and Business Administration
Recep Baştuğ	CEO	06.09.2019	University	33 years
İlker Kuruöz	EVP-Engineering Services and Data	14.03.2018	Master	31 years
Mahmut Akten	EVP-Corporate, Investment Banking and Global Markets	17.01.2017	Master	24 years
Işıl Akdemir Evlioğlu	EVP- Client Solutions	01.03.2020	Master	20 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 and Partnership	06.06.2022	Master	16 years
Sibel Kaya	EVP- SME Banking	02.02.2021	University	25 years

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

1.4 Information on Parent Bank's qualified shareholders

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

1.5 Summary information on Parent Bank's activities and services

A9ctivities of the Bank as stated at the third clause of its Articles of Association are as follows:

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

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

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

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

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

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

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

None.

2 Consolidated Financial Statements

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Subsidiaries

Consolidated Balance Sheet (Statement of Financial Position)

At 31 March 2023

	ASSETS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD 31 March 2023			PRIOR PERIOD 31 December 2022		
			TL	FC	Total	TL	FC	Total
I.	**FINANCIAL ASSETS (Net)**		**167,688,290**	**264,169,830**	**431,858,120**	**116,594,984**	**260,639,834**	**377,234,818**
1.1	**Cash and Cash Equivalents**	**5.1.1**	**92,669,197**	**230,648,701**	**323,317,898**	**44,684,945**	**226,814,796**	**271,499,741**
1.1.1	Cash and Balances with Central Bank		64,586,120	121,024,439	185,610,559	9,205,355	130,364,387	139,569,742
1.1.2	Banks		1,514,174	72,063,159	73,577,333	1,029,482	61,129,299	62,158,781
1.1.3	Money Market Placements		27,087,020	38,042,395	65,129,415	34,809,528	35,871,173	70,680,701
1.1.4	Expected Credit Losses (-)		518,117	481,292	999,409	359,420	550,063	909,483
1.2	**Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)**	**5.1.2**	**4,726,178**	**1,874,966**	**6,601,144**	**3,747,045**	**2,024,414**	**5,771,459**
1.2.1	Government Securities		1,600,900	1,265,119	2,866,019	1,144,328	1,369,671	2,513,999
1.2.2	Equity Securities		3,104,986	73,795	3,178,781	2,580,133	67,322	2,647,455
1.2.3	Other Financial Assets		20,292	536,052	556,344	22,584	587,421	610,005
1.3	**Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)**	**5.1.3**	**63,824,675**	**25,611,339**	**89,436,014**	**63,766,271**	**25,162,129**	**88,928,400**
1.3.1	Government Securities		62,779,170	14,516,266	77,295,436	63,312,355	13,784,771	77,097,126
1.3.2	Equity Securities		306,442	986,777	1,293,219	136,664	886,055	1,022,719
1.3.3	Other Financial Assets		739,063	10,108,296	10,847,359	317,252	10,491,303	10,808,555
1.4	**Derivative Financial Assets**	**5.1.4**	**6,468,240**	**6,034,824**	**12,503,064**	**4,396,723**	**6,638,495**	**11,035,218**
1.4.1	Derivative Financial Assets Measured at FVTPL		6,211,787	5,085,042	11,296,829	4,201,002	5,576,712	9,777,714
1.4.2	Derivative Financial Assets Measured at FVOCI		256,453	949,782	1,206,235	195,721	1,061,783	1,257,504
II.	**FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)**		**632,575,001**	**332,025,818**	**964,600,819**	**545,071,650**	**313,974,340**	**859,045,990**
2.1	**Loans**	**5.1.5**	**536,678,976**	**289,851,040**	**826,530,016**	**488,158,178**	**272,946,066**	**761,104,244**
2.2	**Lease Receivables**	**5.1.6**	**6,637,377**	**14,264,912**	**20,902,289**	**5,368,497**	**13,563,796**	**18,932,293**
2.3	**Factoring Receivables**	**5.1.7**	**9,896,158**	**1,225,543**	**11,121,701**	**8,499,216**	**1,043,186**	**9,542,402**
2.4	**Other Financial Assets Measured at Amortised Cost**	**5.1.8**	**99,285,528**	**48,541,956**	**147,827,484**	**62,454,628**	**47,565,228**	**110,019,856**
2.4.1	Government Securities		97,714,920	43,559,916	141,274,836	62,420,560	42,843,973	105,264,533
2.4.2	Other Financial Assets		1,570,608	4,982,040	6,552,648	34,068	4,721,255	4,755,323
2.5	**Expected Credit Losses (-)**		**19,923,038**	**21,857,633**	**41,780,671**	**19,408,869**	**21,143,936**	**40,552,805**
III.	**ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)**	**5.1.9**	**825,406**	**6,452**	**831,858**	**778,290**	**2,128**	**780,418**
3.1	Asset Held for Resale		825,406	6,452	831,858	778,290	2,128	780,418
3.2	Assets of Discontinued Operations		-	-	-	-	-	-
IV.	**INVESTMENTS IN ASSOCIATES,SUBSIDIARIES AND JOINT VENTURES**		**2,657,226**	**93,093**	**2,750,319**	**2,196,176**	**84,786**	**2,280,962**
4.1	**Associates (Net)**	**5.1.10**	**113,239**	**17**	**113,256**	**111,641**	**16**	**111,657**
4.1.1	Associates Consolidated Under Equity Accounting		-	-	-	-	-	-
4.1.2	Unconsolidated Associates		113,239	17	113,256	111,641	16	111,657
4.2	**Subsidiaries (Net)**	**5.1.11**	**2,543,987**	**93,076**	**2,637,063**	**2,084,535**	**84,770**	**2,169,305**
4.2.1	Unconsolidated Financial Investments in Subsidiaries		-	-	-	-	-	-
4.2.2	Unconsolidated Non-Financial Investments in Subsidiaries		2,543,987	93,076	2,637,063	2,084,535	84,770	2,169,305
4.3	**Joint Ventures (Net)**	**5.1.12**	**-**	**-**	**-**	**-**	**-**	**-**
4.3.1	Joint-Ventures Consolidated Under Equity Accounting		-	-	-	-	-	-
4.3.2	Unconsolidated Joint-Ventures		-	-	-	-	-	-
V.	**TANGIBLE ASSETS (Net)**	**5.1.13**	**12,949,354**	**961,365**	**13,910,719**	**10,868,068**	**919,939**	**11,788,007**
VI.	**INTANGIBLE ASSETS (Net)**	**5.1.14**	**1,125,388**	**246,880**	**1,372,268**	**1,108,330**	**154,692**	**1,263,022**
6.1	Goodwill		6,388	-	6,388	6,388	-	6,388
6.2	Others		1,119,000	246,880	1,365,880	1,101,942	154,692	1,256,634
VII.	**INVESTMENT PROPERTY (Net)**	**5.1.15**	**1,226,000**	**-**	**1,226,000**	**926,800**	**-**	**926,800**
VIII.	**CURRENT TAX ASSET**		**-**	**86,008**	**86,008**	**-**	**9,604**	**9,604**
IX.	**DEFERRED TAX ASSET**	**5.1.16**	**12,324,737**	**154,804**	**12,479,541**	**6,952,355**	**153,036**	**7,105,391**
X.	**OTHER ASSETS (Net)**	**5.1.17**	**37,834,425**	**4,714,344**	**42,548,769**	**38,675,419**	**4,468,052**	**43,143,471**
	TOTAL ASSETS		**869,205,827**	**602,458,594**	**1,471,664,421**	**723,172,072**	**580,406,411**	**1,303,578,483**

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

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

	LIABILITIES AND SHAREHOLDERS' EQUITY	Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD 31 March 2023			PRIOR PERIOD 31 December 2022		
			TL	FC	Total	TL	FC	Total
I.	**DEPOSITS**	**5.2.1**	**562,985,871**	**476,909,342**	**1,039,895,213**	**424,860,771**	**483,878,688**	**908,739,459**
II.	**FUNDS BORROWED**	**5.2.2**	**5,441,739**	**41,044,279**	**46,486,018**	**5,959,345**	**39,897,378**	**45,856,723**
III.	**MONEY MARKET FUNDS**	**5.2.3**	**2,637,745**	**34,172,923**	**36,810,668**	**1,806,883**	**22,492,126**	**24,299,009**
IV.	**SECURITIES ISSUED (NET)**	**5.2.4**	**1,094,457**	**7,435,175**	**8,529,632**	**1,184,471**	**16,423,718**	**17,608,189**
4.1	Bills		942,786	477,769	1,420,555	494,963	990,538	1,485,501
4.2	Asset Backed Securities		-	-	-	-	-	-
4.3	Bonds		151,671	6,957,406	7,109,077	689,508	15,433,180	16,122,688
V.	**FUNDS**		**-**	**-**	**-**	**-**	**-**	**-**
5.1	Borrowers' Funds		-	-	-	-	-	-
5.2	Others		-	-	-	-	-	-
VI.	**FINANCIAL LIABILITIES MEASURED AT FVTPL**	**5.2.5**	**-**	**30,963,251**	**30,963,251**	**-**	**32,020,818**	**32,020,818**
VII.	**DERIVATIVE FINANCIAL LIABILITIES**	**5.2.6**	**4,481,352**	**7,879,515**	**12,360,867**	**4,984,444**	**5,967,916**	**10,952,360**
7.1	Derivative Financial Liabilities Measured at FVTPL		4,460,812	7,867,041	12,327,853	4,954,713	5,961,041	10,915,754
7.2	Derivative Financial Liabilities Measured at FVOCI		20,540	12,474	33,014	29,731	6,875	36,606
VIII.	**FACTORING LIABILITIES**	**5.2.7**	**-**	**-**	**-**	**-**	**-**	**-**
IX.	**LEASE LIABILITIES (Net)**	**5.2.8**	**1,283,748**	**412,045**	**1,695,793**	**1,071,865**	**387,385**	**1,459,250**
X.	**PROVISIONS**	**5.2.9**	**9,056,575**	**12,861,144**	**21,917,719**	**8,382,488**	**13,093,913**	**21,476,401**
10.1	Restructuring Reserves		-	-	-	-	-	-
10.2	Reserve for Employee Benefits		3,548,162	272,521	3,820,683	3,478,801	274,427	3,753,228
10.3	Insurance Technical Provisions (Net)		1,504,791	1,023,003	2,527,794	1,392,752	877,772	2,270,524
10.4	Other Provisions		4,003,622	11,565,620	15,569,242	3,510,935	11,941,714	15,452,649
XI.	**CURRENT TAX LIABILITY**	**5.2.10**	**12,289,529**	**149,070**	**12,438,599**	**7,755,761**	**294,566**	**8,050,327**
XII.	**DEFERRED TAX LIABILITY**	**5.2.10**	**-**	**70,583**	**70,583**	**129,591**	**68,237**	**197,828**
XIII.	**LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)**	**5.2.11**	**-**	**-**	**-**	**-**	**-**	**-**
13.1	Asset Held for Sale		-	-	-	-	-	-
13.2	Assets of Discontinued Operations		-	-	-	-	-	-
XIV.	**SUBORDINATED DEBTS**	**5.2.12**	**1,019,145**	**15,113,902**	**16,133,047**	**1,021,983**	**14,223,946**	**15,245,929**
14.1	Borrowings		-	416,694	416,694	-	177,086	177,086
14.2	Other Debt Instruments		1,019,145	14,697,208	15,716,353	1,021,983	14,046,860	15,068,843
XV.	**OTHER LIABILITIES**	**5.2.13**	**55,983,283**	**13,962,624**	**69,945,907**	**52,080,998**	**12,467,072**	**64,548,070**
XVI.	**SHAREHOLDERS' EQUITY**	**5.2.14**	**173,947,610**	**469,514**	**174,417,124**	**152,453,361**	**670,759**	**153,124,120**
16.1	Paid-in Capital		4,200,000	-	4,200,000	4,200,000	-	4,200,000
16.2	Capital Reserves		784,434	-	784,434	784,434	-	784,434
16.2.1	Share Premium		11,880	-	11,880	11,880	-	11,880
16.2.2	Share Cancellation Profits		-	-	-	-	-	-
16.2.3	Other Capital Reserves		772,554	-	772,554	772,554	-	772,554
16.3	Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss		9,209,690	275,148	9,484,838	4,362,383	199,038	4,561,421
16.4	Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss		21,150,371	(239,684)	20,910,687	20,091,780	(177,731)	19,914,049
16.5	Profit Reserves		63,367,580	434,050	63,801,630	63,133,332	649,452	63,782,784
16.5.1	Legal Reserves		1,929,877	300,833	2,230,710	1,855,184	287,765	2,142,949
16.5.2	Status Reserves		-	-	-	-	-	-
16.5.3	Extraordinary Reserves		61,333,438	-	61,333,438	61,173,883	-	61,173,883
16.5.4	Other Profit Reserves		104,265	133,217	237,482	104,265	361,687	465,952
16.6	Profit/Loss		74,762,540	-	74,762,540	59,396,697	-	59,396,697
16.6.1	Prior Periods' Profit/Loss		59,396,697	-	59,396,697	1,111,319	-	1,111,319
16.6.2	Current Period's Net Profit/Loss		15,365,843	-	15,365,843	58,285,378	-	58,285,378
16.7	Minority Interest		472,995	-	472,995	484,735	-	484,735
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**830,221,054**	**641,443,367**	**1,471,664,421**	**661,691,961**	**641,886,522**	**1,303,578,483**

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

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

			THOUSANDS OF TURKISH LIRA (TL)					
		Footnotes	CURRENT PERIOD 31 March 2023			PRIOR PERIOD 31 December 2022		
			TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)			**848,803,817**	**995,074,504**	**1,843,878,321**	**671,097,930**	**891,778,505**	**1,562,876,435**
I.	**GUARANTEES AND SURETIES**	**5.3.1**	**141,214,058**	**134,621,707**	**275,835,765**	**109,607,909**	**122,760,648**	**232,368,557**
1.1	Letters of guarantee		129,713,888	89,111,126	218,825,014	103,006,476	84,083,930	187,090,406
1.1.1	Guarantees subject to State Tender Law		-	3,289,734	3,289,734	-	3,426,185	3,426,185
1.1.2	Guarantees given for foreign trade operations		4,877,783	2,373,000	7,250,783	4,397,754	2,191,958	6,589,712
1.1.3	Other letters of guarantee		124,836,105	83,448,392	208,284,497	98,608,722	78,465,787	177,074,509
1.2	Bank acceptances		612,449	3,344,389	3,956,838	496,948	3,421,615	3,918,563
1.2.1	Import letter of acceptance		612,449	3,344,389	3,956,838	496,948	3,421,615	3,918,563
1.2.2	Other bank acceptances		-	-	-	-	-	-
1.3	Letters of credit		292,981	41,081,524	41,374,505	746,185	34,313,538	35,059,723
1.3.1	Documentary letters of credit		-	-	-	-	-	-
1.3.2	Other letters of credit		292,981	41,081,524	41,374,505	746,185	34,313,538	35,059,723
1.4	Guaranteed prefinancings		-	-	-	-	-	-
1.5	Endorsements		10,594,740	144,638	10,739,378	5,358,300	295,471	5,653,771
1.5.1	Endorsements to the Central Bank of Turkey		10,594,740	144,638	10,739,378	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		-	940,030	940,030	-	646,094	646,094
1.9	Other sureties		-	-	-	-	-	-
II.	**COMMITMENTS**	**5.3.1**	**331,629,477**	**60,013,404**	**391,642,881**	**218,307,341**	**31,192,316**	**249,499,657**
2.1	Irrevocable commitments		327,763,987	47,217,005	374,980,992	215,581,203	19,686,627	235,267,830
2.1.1	Asset purchase and sale commitments		2,349,739	39,553,049	41,902,788	5,186,628	13,131,771	18,318,399
2.1.2	Deposit purchase and sale commitments		-	-	-	-	-	-
2.1.3	Share capital commitments to associates and subsidiaries		85,000	6,379	91,379	-	6,102	6,102
2.1.4	Loan granting commitments		89,882,948	5,308,309	95,191,257	66,318,811	4,373,698	70,692,509
2.1.5	Securities issuance brokerage commitments		-	-	-	-	-	-
2.1.6	Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7	Commitments for cheque payments		9,022,264	-	9,022,264	5,515,488	-	5,515,488
2.1.8	Tax and fund obligations on export commitments		454,511	-	454,511	342,576	-	342,576
2.1.9	Commitments for credit card limits		225,964,087	2,114,595	228,078,682	138,214,417	1,949,586	140,164,003
2.1.10	Commitments for credit cards and banking services related promotions		5,438	-	5,438	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		-	234,673	234,673	-	225,470	225,470
2.2	Revocable commitments		3,865,490	12,796,399	16,661,889	2,726,138	11,505,689	14,231,827
2.2.1	Revocable loan granting commitments		601,500	10,348,589	10,950,089	614,415	8,683,209	9,297,624
2.2.2	Other revocable commitments		3,263,990	2,447,810	5,711,800	2,111,723	2,822,480	4,934,203
III.	**DERIVATIVE FINANCIAL INSTRUMENTS**	**5.3.2**	**375,960,282**	**800,439,393**	**1,176,399,675**	**343,182,680**	**737,825,541**	**1,081,008,221**
3.1	Derivative financial instruments held for risk management		8,599,805	54,581,549	63,181,354	6,845,713	63,054,448	69,900,161
3.1.1	Fair value hedges		-	20,474,445	20,474,445	-	18,740,678	18,740,678
3.1.2	Cash flow hedges		8,599,805	34,107,104	42,706,909	6,845,713	44,313,770	51,159,483
3.1.3	Net foreign investment hedges		-	-	-	-	-	-
3.2	Trading derivatives		367,360,477	745,857,844	1,113,218,321	336,336,967	674,771,093	1,011,108,060
3.2.1	Forward foreign currency purchases/sales		16,590,847	28,336,258	44,927,105	28,750,548	36,107,056	64,857,604
3.2.1.1	Forward foreign currency purchases		15,646,895	7,403,424	23,050,319	26,847,707	6,125,174	32,972,881
3.2.1.2	Forward foreign currency sales		943,952	20,932,834	21,876,786	1,902,841	29,981,882	31,884,723
3.2.2	Currency and interest rate swaps		189,480,786	465,101,724	654,582,510	242,486,045	484,949,862	727,435,907
3.2.2.1	Currency swaps-purchases		2,505,211	155,870,759	158,375,970	14,428,681	193,137,881	207,566,562
3.2.2.2	Currency swaps-sales		75,702,031	104,019,789	179,721,820	130,336,228	94,361,813	224,698,041
3.2.2.3	Interest rate swaps-purchases		55,636,772	102,605,588	158,242,360	48,860,568	98,725,084	147,585,652
3.2.2.4	Interest rate swaps-sales		55,636,772	102,605,588	158,242,360	48,860,568	98,725,084	147,585,652
3.2.3	Currency, interest rate and security options		156,286,627	161,597,175	317,883,802	61,410,164	66,783,796	128,193,960
3.2.3.1	Currency call options		154,409,561	2,629,924	157,039,485	56,297,080	5,668,401	61,965,481
3.2.3.2	Currency put options		1,706,976	151,805,134	153,512,110	4,988,213	55,625,430	60,613,643
3.2.3.3	Interest rate call options		-	4,283,156	4,283,156	-	3,423,170	3,423,170
3.2.3.4	Interest rate put options		-	2,878,961	2,878,961	-	2,066,795	2,066,795
3.2.3.5	Security call options		6,683	-	6,683	1,558	-	1,558
3.2.3.6	Security put options		163,407	-	163,407	123,313	-	123,313
3.2.4	Currency futures		2,816,170	2,576,375	5,392,545	1,095,258	966,375	2,061,633
3.2.4.1	Currency futures-purchases		1,782,915	1,002,783	2,785,698	1,014,417	79,016	1,093,433
3.2.4.2	Currency futures-sales		1,033,255	1,573,592	2,606,847	80,841	887,359	968,200
3.2.5	Interest rate futures		-	-	-	-	-	-
3.2.5.1	Interest rate futures-purchases		-	-	-	-	-	-
3.2.5.2	Interest rate futures-sales		-	-	-	-	-	-
3.2.6	Others		2,186,047	88,246,312	90,432,359	2,594,952	85,964,004	88,558,956
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)			**2,043,411,739**	**3,525,338,890**	**5,568,750,629**	**1,763,916,306**	**2,929,814,698**	**4,693,731,004**
IV.	**ITEMS HELD IN CUSTODY**		**244,248,849**	**210,200,164**	**454,449,013**	**223,862,156**	**175,855,978**	**399,718,134**
4.1	Customers' securities held		158,203,209	-	158,203,209	142,781,394	-	142,781,394
4.2	Investment securities held in custody		22,737,674	116,869,968	139,607,642	24,555,572	86,675,159	111,230,731
4.3	Checks received for collection		55,678,599	13,622,946	69,301,545	50,307,847	13,539,627	63,847,474
4.4	Commercial notes received for collection		6,535,117	2,118,382	8,653,499	5,291,418	2,181,164	7,472,582
4.5	Other assets received for collection		454,644	66,422,357	66,877,001	381,599	64,271,009	64,652,608
4.6	Assets received through public offering		-	465,353	465,353	-	452,123	452,123
4.7	Other items under custody		639,606	10,701,158	11,340,764	544,326	8,736,896	9,281,222
4.8	Custodians		-	-	-	-	-	-
V.	**PLEDGED ITEMS**		**1,799,162,890**	**3,315,138,726**	**5,114,301,616**	**1,540,054,150**	**2,753,958,720**	**4,294,012,870**
5.1	Securities		22,118,376	16,963,097	39,081,473	16,399,213	11,846,706	28,245,919
5.2	Guarantee notes		22,789,967	54,728,967	77,518,934	22,882,786	52,708,119	75,590,905
5.3	Commodities		713,031	-	713,031	799,406	-	799,406
5.4	Warranties		-	1,991,183	1,991,183	-	1,663,667	1,663,667
5.5	Real estates		454,759,371	491,091,810	945,851,181	366,121,707	434,988,472	801,110,179
5.6	Other pledged items		1,298,782,145	2,750,363,669	4,049,145,814	1,133,851,038	2,252,751,756	3,386,602,794
5.7	Pledged items-depository		-	-	-	-	-	-
VI.	**CONFIRMED BILLS OF EXCHANGE AND SURETIES**		-	-	-	-	-	-
	TOTAL OFF-BALANCE SHEET ITEMS (A+B)		**2,892,215,556**	**4,520,413,394**	**7,412,628,950**	**2,435,014,236**	**3,821,593,203**	**6,256,607,439**

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

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

	INCOME AND EXPENSE ITEMS	Footnotes	THOUSANDS OF TURKISH LIRA (TL) CURRENT PERIOD 1 January 2023- 31 March 2023	PRIOR PERIOD 1 January 2022- 31 March 2022
I.	**INTEREST INCOME**	**5.4.1**	**36,740,099**	**22,093,201**
1.1	Interest income on loans		26,228,741	15,473,618
1.2	Interest income on reserve deposits		20,548	242,621
1.3	Interest income on banks		538,851	53,915
1.4	Interest income on money market transactions		614,942	1,012,296
1.5	Interest income on securities portfolio		8,289,581	4,893,897
1.5.1	Financial assets measured at FVTPL		70,101	90,309
1.5.2	Financial assets measured at FVOCI		3,672,264	2,748,112
1.5.3	Financial assets measured at amortised cost		4,547,216	2,055,476
1.6	Financial lease income		656,025	287,018
1.7	Other interest income		391,411	129,836
II.	**INTEREST EXPENSE (-)**	**5.4.2**	**18,073,043**	**7,849,368**
2.1	Interest on deposits		15,210,481	6,196,579
2.2	Interest on funds borrowed		1,086,203	521,359
2.3	Interest on money market transactions		320,501	120,582
2.4	Interest on securities issued		671,549	683,417
2.5	Lease interest expense		57,431	38,363
2.6	Other interest expenses		726,878	289,068
III.	**NET INTEREST INCOME (I - II)**		**18,667,056**	**14,243,833**
IV.	**NET FEES AND COMMISSIONS INCOME/EXPENSES**	**5.4.12**	**6,608,235**	**3,206,043**
4.1	Fees and commissions received		8,746,286	4,377,263
4.1.1	Non-cash loans		648,474	375,021
4.1.2	Others		8,097,812	4,002,242
4.2	Fees and commissions paid (-)		2,138,051	1,171,220
4.2.1	Non-cash loans		17,306	15,502
4.2.2	Others		2,120,745	1,155,718
V.	**DIVIDEND INCOME**	**5.4.3**	**11,999**	**14,049**
VI.	**NET TRADING INCOME/LOSSES (Net)**	**5.4.4**	**4,455,369**	**2,393,556**
6.1	Trading account income/losses		836,469	1,216,203
6.2	Income/losses from derivative financial instruments		109,276	(13,665,754)
6.3	Foreign exchange gains/losses		3,509,624	14,843,107
VII.	**OTHER OPERATING INCOME**	**5.4.5**	**10,192,728**	**4,767,405**
VIII.	**TOTAL OPERATING PROFIT (III+IV+V+VI+VII)**		**39,935,387**	**24,624,886**
IX.	**EXPECTED CREDIT LOSSES (-)**	**5.4.6**	**10,345,298**	**7,150,931**
X.	**OTHER PROVISIONS (-)**	**5.4.6**	**30,328**	**1,129,700**
XI.	**PERSONNEL EXPENSES (-)**		**4,274,087**	**2,023,051**
XII.	**OTHER OPERATING EXPENSES (-)**	**5.4.7**	**7,709,442**	**3,262,472**
XIII.	**NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)**		**17,576,232**	**11,058,732**
XIV.	**INCOME RESULTED FROM MERGERS**		**-**	**-**
XV.	**INCOME/LOSS FROM INVESTMENTS UNDER EQUITY**		**487,346**	**270,823**
XVI.	**GAIN/LOSS ON NET MONETARY POSITION**		**-**	**-**
XVII.	**PROFIT/LOSS BEFORE TAXES (XIII+...+XVI)**	**5.4.8**	**18,063,578**	**11,329,555**
XVIII.	**PROVISION FOR TAXES (±)**	**5.4.9**	**2,611,021**	**3,066,941**
18.1	Current tax charge		4,510,972	7,646,826
18.2	Deferred tax charge (+)		899,765	425,570
18.3	Deferred tax credit (-)		(2,799,716)	(5,005,455)
XIX.	**NET OPERATING PROFIT/LOSS AFTER TAXES (XVII±XVIII)**	**5.4.10**	**15,452,557**	**8,262,614**
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 OPERAT**	**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 OPEF**	**5.4.10**	**-**	**-**
XXV.	**NET PROFIT/LOSS (XIX+XXIV)**	**5.4.11**	**15,452,557**	**8,262,614**
25.1	Equity holders of the bank		15,365,843	8,215,682
25.2	Minority interest		86,714	46,932
	Earnings per Share		**0.03659**	**0.01956**

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

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

	STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD 1 January 2023 - 31 March 2023	**PRIOR PERIOD 1 January 2022 - 31 March 2022**
I.	**CURRENT PERIOD PROFIT/LOSS**	**15,452,557**	**8,262,614**
II.	**OTHER COMPREHENSIVE INCOME**	**5,919,665**	**9,733,263**
2.1	**Other Income/Expense Items not to be Recycled to Profit or Loss**	**4,923,417**	**1,254,157**
2.1.1	Revaluation Surplus on Tangible Assets	1,534,593	1,362,724
2.1.2	Revaluation Surplus on Intangible Assets	-	-
2.1.3	Defined Benefit Plans' Actuarial Gains/Losses	-	65
2.1.4	Other Income/Expense Items not to be Recycled to Profit or Loss	264,199	57,518
2.1.5	Deferred Taxes on Other Comprehensive Income not to be Recycled to Profit or Loss	3,124,625	(166,150)
2.2	**Other Income/Expense Items to be Recycled to Profit or Loss**	**996,248**	**8,479,106**
2.2.1	Translation Differences	962,444	1,308,671
2.2.2	Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI	528,777	9,522,350
2.2.3	Gains/losses from Cash Flow Hedges	39,231	485,290
2.2.4	Gains/Losses on Hedges of Net Investments in Foreign Operations	(464,138)	(643,594)
2.2.5	Other Income/Expense Items to be Recycled to Profit or Loss	(23,606)	-
2.2.6	Deferred Taxes on Other Comprehensive Income to be Recycled to Profit or Loss	(46,460)	(2,193,611)
III.	**TOTAL COMPREHENSIVE INCOME (I+II)**	**21,372,222**	**17,995,877**

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

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

THOUSANDS OF TURKISH LIRA (TL)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY		Footnotes	Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves	Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss: Revaluation surplus on tangible and intangible assets	Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss: Defined Benefit Plans' Actuarial Gains/Losses	Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss: Others	Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss: Foreign Currency Translation Differences	Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss: Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI	Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss: Others	Profit Reserves	Prior Periods' Profit/Loss	Current Period's Net Profit/Loss	Shareholders' Equity Before Minority Interest	Minority Interest	Total Shareholders' Equity
	PRIOR PERIOD (01/01/2022-31/03/2022)																	
I.	**Balances at Beginning of Period**		**4,200,000**	**11,880**	**-**	**772,554**	**2,013,061**	**(420,279)**	**259,473**	**10,662,419**	**432,618**	**(3,903,334)**	**51,937,355**	**14,015,592**	**-**	**79,981,339**	**319,516**	**80,300,855**
II.	**Correction made as per TAS 8**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1.	Effect of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2.	Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	**Adjusted Balances at Beginning of Period (I+II)**	5.5	**4,200,000**	**11,880**	**-**	**772,554**	**2,013,061**	**(420,279)**	**259,473**	**10,662,419**	**432,618**	**(3,903,334)**	**51,937,355**	**14,015,592**	**-**	**79,981,339**	**319,516**	**80,300,855**
IV.	**Total Comprehensive Income**		**-**	**-**	**-**	**-**	**1,197,458**	**50**	**56,649**	**1,308,671**	**7,309,949**	**(140,068)**	**13,283**	**(13,283)**	**8,215,682**	**17,948,391**	**47,486**	**17,995,877**
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**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**36,351**	**-**	**-**	**36,351**	**-**	**36,351**
XI.	**Profit Distribution**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**11,672,520**	**(12,979,851)**	**-**	**(1,307,331)**	**(60,346)**	**(1,367,677)**
11.1	Dividends		-	-	-	-	-	-	-	-	-	-	-	(1,307,331)	-	(1,307,331)	(60,346)	(1,367,677)
11.2	Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	11,615,313	(11,615,313)	-	-	-	-
11.3	Others		-	-	-	-	-	-	-	-	-	-	57,207	(57,207)	-	-	-	-
	Balances at end of the period (III+IV+…+X+XI)		**4,200,000**	**11,880**	**-**	**772,554**	**3,210,519**	**(420,229)**	**316,122**	**11,971,090**	**7,742,567**	**(4,043,402)**	**63,659,509**	**1,022,458**	**8,215,682**	**96,658,750**	**306,656**	**96,965,406**
	CURRENT PERIOD (01/01/2023-31/03/2023)																	
I.	**Balances at Beginning of Period**		**4,200,000**	**11,880**	**-**	**772,554**	**5,405,144**	**(1,315,532)**	**471,809**	**15,758,923**	**8,711,262**	**(4,556,136)**	**63,782,784**	**59,396,697**	**-**	**152,639,385**	**484,735**	**153,124,120**
II.	**Correction made as per TAS 8**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1.	Effect of Corrections		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2.	Effect of Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	**Adjusted Balances at Beginning of Period (I+II)**	5.5	**4,200,000**	**11,880**	**-**	**772,554**	**5,405,144**	**(1,315,532)**	**471,809**	**15,758,923**	**8,711,262**	**(4,556,136)**	**63,782,784**	**59,396,697**	**-**	**152,639,385**	**484,735**	**153,124,120**
IV.	**Total Comprehensive Income**		**-**	**-**	**-**	**-**	**4,674,417**	**-**	**249,000**	**962,444**	**388,261**	**(354,067)**	**-**	**-**	**15,365,843**	**21,285,898**	**86,324**	**21,372,222**
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**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**18,846**	**-**	**-**	**18,846**	**-**	**18,846**
XI.	**Profit Distribution**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(98,064)**	**(98,064)**
11.1	Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(98,064)	(98,064)
11.2	Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.3	Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Balances at end of the period (III+IV+…+X+XI)		**4,200,000**	**11,880**	**-**	**772,554**	**10,079,561**	**(1,315,532)**	**720,809**	**16,721,367**	**9,099,523**	**(4,910,203)**	**63,801,630**	**59,396,697**	**15,365,843**	**173,944,129**	**472,995**	**174,417,124**

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

	STATEMENT OF CASH FLOWS	Footnotes	THOUSANDS OF TURKISH LIRA (TL) CURRENT PERIOD 1 January 2023-31 March 2023	PRIOR PERIOD 1 January 2022 - 31 March 2022
A.	**CASH FLOWS FROM BANKING OPERATIONS**			
1.1	**Operating profit before changes in operating assets and liabilities**	**5.6**	**23,882,727**	**20,083,319**
1.1.1	Interests received		32,307,946	20,839,288
1.1.2	Interests paid		(15,637,733)	(4,580,091)
1.1.3	Dividend received		11,999	14,049
1.1.4	Fees and commissions received		8,746,286	4,377,263
1.1.5	Other income		10,192,728	4,767,405
1.1.6	Collections from previously written-off receivables		321,606	213,957
1.1.7	Cash payments to personnel and service suppliers		(10,694,998)	(4,450,571)
1.1.8	Taxes paid		(596,327)	(2,509,031)
1.1.9	Others		(768,780)	1,411,050
1.2	**Changes in operating assets and liabilities**	**5.6**	**47,696,531**	**(4,614,126)**
1.2.1	Net (increase) decrease in financial assets measured at FVTPL		(1,728,780)	4,230,999
1.2.2	Net (increase) decrease in due from banks		(17,693,416)	1,562,165
1.2.3	Net (increase) decrease in loans		(75,060,488)	(78,321,735)
1.2.4	Net (increase) decrease in other assets		511,507	(156,430)
1.2.5	Net increase (decrease) in bank deposits		3,212,924	1,926,150
1.2.6	Net increase (decrease) in other deposits		125,817,060	67,885,790
1.2.7	Net increase (decrease) in financial liabilities measured at FVTPL		-	-
1.2.8	Net increase (decrease) in funds borrowed		8,212,542	(8,143,882)
1.2.9	Net increase (decrease) in matured payables		-	-
1.2.10	Net increase (decrease) in other liabilities		4,425,182	6,402,817
I.	**Net cash flow from banking operations**	**5.6**	**71,579,258**	**15,469,193**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**			
II.	**Net cash flow from investing activities**	**5.6**	**(34,942,891)**	**(23,352,992)**
2.1	Cash paid for purchase of associates, subsidiaries and joint-ventures		-	(828)
2.2	Cash obtained from sale of associates, subsidiaries and joint-ventures		-	-
2.3	Purchases of tangible assets		(1,346,338)	(252,259)
2.4	Sales of tangible assets		(108,906)	134,246
2.5	Cash paid for purchase of financial assets measured at FVOCI		(5,704,141)	(13,504,675)
2.6	Cash obtained from sale of financial assets measured at FVOCI		8,324,124	6,622,975
2.7	Cash paid for purchase of financial assets measured at amortised cost		(37,694,811)	(17,465,048)
2.8	Cash obtained from sale of financial assets measured at amortised cost		1,587,181	1,112,597
2.9	Others		-	-
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**			
III.	**Net cash flow from financing activities**		**(5,697,871)**	**3,188,962**
3.1	Cash obtained from funds borrowed and securities issued		8,055,883	3,880,659
3.2	Cash used for repayment of funds borrowed and securities issued		(13,505,202)	(572,503)
3.3	Equity instruments issued		-	-
3.4	Dividends paid		-	-
3.5	Payments for leases		(248,552)	(119,194)
3.6	Others		-	-
IV.	**Effect of translation differences on cash and cash equivalents**	**5.6**	**3,241,592**	**3,967,277**
V.	**Net increase/(decrease) in cash and cash equivalents (I+II+III+IV)**	**5.6**	**34,180,088**	**(727,560)**
VI.	**Cash and cash equivalents at beginning of period**	**5.6**	**149,464,537**	**122,462,323**
VII.	**Cash and cash equivalents at end of period (V+VI)**	**5.6**	**183,644,625**	**121,734,763**

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

3 Accounting Policies

3.1 Basis of presentation

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

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

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

The accounting policies and the valuation principles applied in the preparation of the accompanying financial statements are explained in Notes from 3.2 to 3.29.

3.1.1 Changes in Accounting policies and disclosures

New and revised Turkish Accounting Standards effective for annual periods beginning on or after 1 January 2023 have no material effect on the financial statements, financial performance and on the Bank's accounting policies. New and revised Turkish Accounting Standards issued but not yet effective as of the finalization date of the financial statements have no material effect on the financial statements, financial performance and on the Bank's accounting policies.

3.1.2 Other

TAS 29 Financial Reporting in Hyperinflation Economies requires entities whose functional currency is that of a hyperinflationary economy to prepare their financial statements in terms of the measuring unit current at the end of the reporting period. TAS 29 describes characteristics that may indicate that an economy is hyperinflationary, and it requires all entities that report in the currency of the same hyperinflationary economy apply this Standard from the same date. Therefore, it is expected that TAS 29 will start to be applied simultaneously by all entities with the announcement of Public Oversight Accounting and Auditing Standards Authority to ensure consistency of the application required by TAS 29 throughout the country. However, the Authority has not published any announcement that determines entities would restate their financial statements for the accounting period ending on 31 March 2023 in accordance with TAS 29. In this context, TMS 29 is not applied and inflation adjustment has not been reflected in the consolidated financial statements as of March 31, 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 consolidated financial statements of its subsidiary Garanti Emeklilik.

3.2 Strategy for use of financial instruments and foreign currency transactions

3.2.1 Strategy for use of financial instruments

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

In order to manage the interest rate risk arising from short-term deposits, the Bank and its financial subsidiaries are keen on maintaining floating rate instruments such as government bonds with quarterly coupon payments and instruments like credit cards and consumer loans providing regular cash inflows. A portion of the fixed-rate securities and loans, and the bonds are hedged under fair value hedges. The fair value risks of such fixed-rate assets and financial liabilities are hedged with interest rate swaps and cross currency swaps. The fair value changes of the hedged fixed-rate financial assets and financial liabilities together with the changes in the fair value of the hedging instruments, namely interest rate swaps and cross currency swaps, are accounted under net trading income/losses in the income statement. At the inception of the hedge and during the subsequent periods, the hedge is expected to achieve the offsetting of changes in fair value attributable to the hedged risk for which the hedge is designated, and accordingly, the hedge effectiveness tests are performed.

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

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

Another influential factor in the management of the interest and liquidity risk on balance sheet is product diversification both on asset and liability sides.

Exchange rate risk, interest rate risk and liquidity risk are controlled and measured by various risk management systems, and the balance sheet is managed under the limits set by these systems and the limits legally required. Asset-liability management and value at risk models, stress tests and scenario analysis are used for this purpose.

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

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

3.2.2 Foreign currency transactions

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

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

In the current period, net investment hedge amounting to EUR 517,642,455 (31 December 2022: EUR 501,598,663) is applied in total among investments in Garanti Bank International NV and Garanti Holding BV having capitals denominated in foreign currencies and long term foreign currency borrowings. Foreign exchange losses amounting to TL 8,235,688 (31 December 2022: TL 7,771,551), arising from conversion of both foreign currency investments and long term foreign currency borrowings are accounted under capital reserves and other comprehensive income/expense items to be recycled to profit/loss, respectively under equity as of 31 March 2023. There is no ineffective portion arising from net investment hedge accounting.

3.3 Information on consolidated subsidiaries

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

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

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

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

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

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

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

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

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

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

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

3.4 Forwards, options and other derivative transactions

3.4.1 Derivative financial assets

Derivative financial assets measured at fair value through profit or loss

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

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

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

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

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

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

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

Credit default swap; is a contract, in which the protection seller commits to pay the protection value to the protection buyer in case of certain credit risk events in return for the premium paid by the buyer for the contract. Credit default swaps are valued daily at their fair values.

Total return swap; is a contract, in which the protection seller commits to make a certain payment and compensate the decreases in market values of the reference assets to the buyer under the condition that the protection buyer will transfer all the cash flows to be created by and the increases in market values of the reference asset. It is entered into total return swap contract for the purpose of generating long-term funding.

3.4.2 Derivative financial instruments held for hedging purpose

TFRS 9 permits to defer application of TFRS 9 hedge accounting and continue to apply hedge accounting in accordance with TAS 39 as a policy choice. Accordingly, the Bank and its consolidated financial subsidiaries continue to apply hedge accounting in accordance with TAS 39 in this context.

The Bank and its consolidated financial subsidiaries enter into interest rate and cross currency swap transactions in order to hedge the changes in fair values of fixed-rate financial instruments. The changes in fair values of derivative financial assets held for fair value hedges are recognised in "income/losses from derivative financial instruments". If the hedging is effective, the changes in fair value of the hedged item is presented in the statement of financial position together with the fixed-rate loan, and in case of the fixed-rate financial assets at fair value through other comprehensive income, such changes are reclassified from shareholders' equity to statement of profit or loss.

Derivative financial assets measured at fair value through other comprehensive income

The Bank and its consolidated financial subsidiaries enter into interest rate and cross currency swap transactions in order to hedge the changes in cash flows of the floating-rate financial instruments. While applying cash flow hedge accounting, the effective portion of the changes in the fair value of the hedging instrument is accounted for under "accumulated other comprehensive income or expense to be reclassified to profit or loss" in shareholders' equity, and the ineffective portion is recognised in income statement. The changes recognized in shareholders' equity are removed and included in statement of profit or loss in the same period when the hedged cash flows effect the income or loss.

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

The hedge accounting is discontinued when the hedging instrument expires, is exercised, sold or no longer effective. When discontinuing fair value hedge accounting, the cumulative fair value changes in carrying value of the hedged item arising from the hedged risk are amortised to statement of profit or loss under trading account income/loss caption over the maturity of the hedged item from that date of the hedge accounting is discontinued.

While expiring, sale, discontinuing cash flow hedge accounting or when no longer effective the cumulative gains/losses recognised in shareholders' equity and presented under "accumulated other comprehensive income or expense to be reclassified to profit or loss" are continued to be kept in this account. When the cash flows of hedged item incur, the gain/losses accounted for under shareholders' equity are recognised in statement of profit or loss considering the original maturity.

3.5 Interest income and expenses

General

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

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

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

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

If the financial asset is impaired and classified as a non-performing receivable, it is applied the effective interest rate on the amortized cost of the asset for subsequent reporting periods. Such interest income calculation is made on an individual contract basis for all financial assets subject to impairment calculation. It is used effective interest rate during calculation of loss given default rate in expected credit loss models and accordingly, the calculation of expected credit losses includes an interest amount. Therefore, a reclassification is made between the accounts of “expected credit losses” expense and “interest income from loans” for interest amounts calculated in this way.

If the credit risk of the financial instrument improves to the extent that the financial asset is no longer considered as impaired and the improvement can be attributed to an incident that eventually takes place (such as an increase in the loan's credit rating), the system calculates interest income at subsequent reporting periods by applying the effective interest rate to the gross amount.

Financial lease activities

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

3.6 Fees and commissions

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

3.7 Financial instruments

3.7.1 Initial recognition of financial instruments

It shall be recognised a financial asset or a financial liability in its statement of financial position when, and only when, an entity becomes party to the contractual provisions of the instrument. A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. Purchase and sale transactions of securities are accounted 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, financial assets or financial liabilities are measured at fair value. At initial recognition, financial asset or a financial liability exclusive the ones at fair value through profit or loss are measured at its fair value plus or minus, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

3.7.3 Classification of financial instruments

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

3.7.3.1 Assessment of the business model

As per TFRS 9, the business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The business model does not depend on management's intentions for an individual instrument. Accordingly, this condition is not an instrument-by-instrument approach to classification and should be determined on a higher level of aggregation.

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

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

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

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

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

- A business model whose objective is to hold assets in order to collect contractual cash flows: A business model whose objective is to hold assets in order to collect contractual cash flows are managed to realise cash flows by collecting contractual payments over the life of the instrument. The financial assets that are held within the scope of this business model are measured at amortised cost when the contractual terms of the financial asset meet the condition of giving rise on specified dates to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

- A business model whose objective is achieved by both collecting contractual cash flows and selling financial assets: It may be held financial assets in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Fair value change of the financial assets that are held within the scope of this business model 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, a financial asset is classified on the basis of its contractual cash flow characteristics if the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

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

3.7.4 Measurement categories of financial assets and liabilities

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

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

Financial investments and loans measured at amortised cost

Financial investments and loans are measured at amortised cost if both of the following conditions are met:

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

Financial investments measured at amortised cost: subsequent to the initial recognition, financial investments measured at amortised cost are accounted at amortised cost calculated by using the effective interest rate method. The expected losses calculated for the relevant financial assets in accordance with TFRS 9 is presented in Note 5.1.8.5.

Loans: financial assets other than those held for trading in short term or generated through providing money, commodity and services to debtors. Loans are financial assets with fixed or determinable payments and not quoted in an active market.

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

Financial assets measured at fair value through other comprehensive income

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

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

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

Financial assets measured at fair value through other comprehensive income are measured at their fair values subsequently. However, assets for which fair values could not be determined reliably are valued at amortized cost by using the discounting method with effective interest rate, that approximates to fair value, for floating-rate securities; and by using valuation models or discounted cash flow techniques for fixed-rate securities.

Unrecognised 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 income statement.

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

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

Equity instruments measured at fair value through other comprehensive income

At initial recognition, it can be made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument within the scope of TFRS 9 that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which TFRS 3 applies. Such election is made on an instrument by instrument basis.

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

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

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

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

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

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

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

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

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

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

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

3.8.1 Calculation of expected credit losses

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

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

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

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

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

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

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

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

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

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

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

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

It is considered a debt as default on these two below conditions;

1. Objective Default Definition: It means debt having past due more than 90 days. Current definition of default is based on a more than 90 days past due definition. If a loan is exactly 90 days past due, it will not be considered as default. Default status starts on the 91st day.
2. Subjective Default Definition: It means it is considered that a debt is unlikely to be paid. Whenever it is considered that an obligor is unlikely to pay its credit obligations, it should be considered as defaulted regardless of the existence of any past-due amount or 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, financial instruments are grouped on the basis of shared credit risk characteristics. In this context, the methodology developed for the estimation of expected credit losses should include the risk features which meet the criteria for carrying the same credit risk characteristics. Examples of the common credit risk characteristics include, but are not limited to, the following:

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

In addition, a certain portion of commercial and corporate loans is assessed individually in accordance with the internal policies in the calculation of the expected credit losses based on TFRS 9. Such calculations are made by discounting the expected cash deficits from the individual financial instrument to its present value using the effective interest rate.

When measuring expected credit losses, it shall be considered the risk or probability that a credit loss occurs by reflecting the possibility that a credit loss occurs and the possibility that no credit loss occurs, even if the possibility of a credit loss occurring is very low. Such assessment is made by reflecting the estimate of expected credit loss which is unbiased and probability-weighted determined by evaluating a range of possible outcomes.

In accordance with the internal policies, TFRS 9 models are updated once a year. The related model update was made in the last quarter of 2022 and has calculated credit losses provision is continued to calculated based on the updated model during 2022.

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

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 when becoming a party to the irrevocable commitment.

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

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

3.8.1.2 Debt instruments measured at fair value through other comprehensive income

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

3.8.1.3 Credit cards and other revolving loans

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

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

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

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

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

3.8.2 Forward-looking macroeconomic information

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

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

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

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

(Thousands of Turkish Lira (TL))

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 macroeconomic value estimates taken into account in the expected loss provision calculation are presented below.

Date	GDP
31.12.2023	3.0%
31.12.2024	1.5%
31.12.2025	3.8%
31.12.2026	4.2%
31.12.2027	3.9%
31.12.2028	3.7%

3.8.3 Significant increase in credit risk

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

Qualitative assessment:

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

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

Quantitative assessment:

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

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

It is classified the related financial asset as stage 2 (Significant Increase in Credit Risk) where both of the following criteria are satisfied as a result of quantitative assessment.

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

3.8.4 Low credit risk

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

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

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

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

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

- Receivables from the Central Bank of the Republic of Turkey (required reserves, free reserves, placements etc.)
- Loans with the counterparty of the Treasury of the Republic of Turkey,
- Receivables (reserves, free reserves, placements, etc.) from the central banks of the branches of the Bank or its subsidiaries, securities issued or guaranteed by these central banks and securities issued / guaranteed by the treasury of these countries,

- Loans granted to the treasury of countries having rating note of AA- and above and the securities issued or guaranteed by the treasury of these countries,
- Local currency loans granted to the treasury of countries having rating below AA-, and securities in local currency issued or guaranteed by the treasury of these countries,
- Securities exported or guaranteed by multilateral development banks or international organizations having rating of AA- and above.

3.8.5 Disclosures on write down policy

The amendment with respect to the regulation on the Principles and Procedures Regarding the Classification of Loans and Reserves Set Aside for These Loans entered into force with its publication in the Official Gazette No.30961 on 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 Disclosures about netting and derecognition of financial instruments

3.9.1 Netting of financial instruments

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

3.9.2 Derecognition of financial instruments

3.9.2.1 Derecognition of financial assets due to change in the contractual terms

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

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

Where all risks and rewards of ownership of the asset have not been transferred to another party and it is retained control of the asset, it is continued to recognize the remaining portion of the asset and liabilities arising from such asset.

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

3.9.2.2 Derecognition of a financial asset without any change in the contractual terms

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

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

3.9.2.3 Derecognition of financial liabilities

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

3.9.3 Reclassification of financial instruments

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

3.9.4 Restructuring and refinancing of financial instruments

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

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

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

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

- Subsequent to the thorough review of company's financial data and its owners' equity position, 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, 10% (or the ratio specified in the legislation) of the total principal amount at the time restructuring /refinancing shall be paid and no overdue amount (principal and interest) shall remain at the date of restructuring / refinancing.

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

- Recovery in debt service,
- At least 1 year should pass over the date of restructuring,
- Payment of all accrued and overdue amounts by debtor (interest and principal) since the date of restructuring /refinancing or the date when the debtor is classified as non-performing (earlier date to be considered) and fulfillment of the payment condition of all overdue amounts as of the date of restructuring /refinancing,
- Collection of all overdue amounts, disappearance of the reasons for classification as non-performing receivable (based on the conditions mentioned above) and having no overdue more than 30 days as of the date of reclassification.

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

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

3.10 Repurchase and resale agreements and securities lending

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

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

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

3.11 Assets held for sale, assets of discontinued operations and related liabilities

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

A discontinued operation is a part of the business classified as sold or held-for-sale. The operating results of the discontinued operations are disclosed separately in income statement. The Bank or its financial subsidiaries have no discontinued operations.

3.12 Goodwill and other intangible assets

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

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

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

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

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

- Availability of the Bank and its financial subsidiaries' intention to complete and use the intangible asset,

- The ability to use the intangible asset,

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

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

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

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

The intangible assets are amortised over their estimated useful lives based on their inflation adjusted costs on a straight-line basis.

Goodwill represents the excess of the total acquisition costs over the shares owned in the net assets of the acquired company at the date of acquisition. The "net goodwill" resulted from the acquisition of the investment and to be included in the consolidated balance sheet, is calculated based on the financial statements of the investee company as adjusted according to the required accounting principles.

If any goodwill is computed at consolidation, it is recorded under intangible assets on the asset side of the consolidated balance sheet as an asset. It is assessed to identify whether there is any indication of impairment. If any such indication exists, the necessary provision is recorded as an expense in the income statement. The goodwill is not amortized.

Estimated useful lives of the intangible assets except for goodwill, are 3-15 years and amortisation rates are 6.67-33.3%.

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

3.13 Tangible assets

The cost of the tangible assets purchased before 31 December 2004 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.

(Thousands of Turkish Lira (TL))

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 estimated useful lives of tangible assets are presented below. Depreciation method in use was not changed in the current period.

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

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

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

Investment properties

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

Investment properties accounted at fair value are not depreciated.

Right-of-use assets

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

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

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

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

3.14 Leasing activities

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

Leases, in which the majority of risks and returns of the related asset belong to the lessor, are classified as operational 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 lease liability is measured at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the incremental borrowing interest rate.

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

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

After the commencement date, the lease liability is remeasured to reflect changes to the lease payments. The amount of the remeasurement of the lease liability is recognised as an adjustment to the right-of-use asset.

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

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

3.15 Provisions and contingent liabilities

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

3.16 Contingent assets

The contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the Bank or its financial subsidiaries. If an inflow of economic benefits has become probable, then the contingent asset is disclosed in the footnotes 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.

(Thousands of Turkish Lira (TL))

3.17 Liabilities for employee benefits

Severance indemnities and short-term employee benefits

As per the existing labor law in Turkey, the entities are required to pay certain amounts to the employees retired or fired except for resignations or misbehaviors specified in the Turkish Labor Law.

Accordingly, the Bank and its financial subsidiaries subject to the labor law, reserved for employee severance indemnities in the accompanying financial statements using actuarial method in compliancewith 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:

	31 March 2023	31 December 2022
Net Effective Discount Rate	3.00%	3.00%
Discount Rate	17.79%	17.79%
Expected Rate of Salary Increase	15.86%	15.86%
Inflation Rate	14.36%	14.36%

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

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

The actuarial gains/losses are recognised under shareholders' equity as per the revised TAS19.

Retirement benefit obligations

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

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

The Plan is funded through contributions of both by the employees and the employer as required by Social Security Law No. 506. These contributions are as follows:

	31 March 2023		31 December 2022	
	Employer	**Employee**	**Employer**	**Employee**
Pension contributions	15.5%	10.0%	15.5%	10.0%
Medical benefit contributions	6.0%	5.0%	6.0%	5.0%

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

a) Benefits transferable to SSF

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

The Constitutional Court stated that the reason behind this cancellation was the possible loss of antecedent rights of the fund members. Following the publication of the verdict, the Turkish Grand National Assembly ("Turkish Parliament") started to work on the new legal arrangements by taking the cancellation reasoning into account and the Articles of the Law No.5754 regulating the principles related with such transfers were accepted and approved by Turkish Parliament on 17 April 2008, and enacted on 8 May 2008 after being published in the Official Gazette No.26870.

As per the Law, the present value of post-employment benefits as at the transfer date for the fund members to be transferred, are to be calculated by a commission composing from the representatives of the SSF, the Ministry of Finance, the Undersecretariat of Treasury, the Undersecretariat of State Planning Organisation, the BRSA, the Savings Deposit Insurance Fund ("SDIF"), the banks and the funds, by using a technical discount rate of 9.80% taking into account the Funds' income and expenses as per insurance classes and the transferable contributions and payments of the funds including any salary and income differences paid by the funds above the limits of SSF for such payments. The transfers are to take place within the three-year period starting from 1 January 2008.

Subsequently, the transfer of the contributors and the persons receiving monthly or regular income and their right-holders from such funds established for employees of the banks, insurance and reinsurance companies, trade chambers, stock markets and unions that are part of these organizations subject to the provisional Article 20 of the Social Security Law No.506 to the SSF, has been postponed for two years. The decision was made by the Council of Ministers on 14 March 2011 and published in the Official Gazette No. 27900 dated 9 April 2011 as per the decision of the Council of Ministers No. 2011/1559, and as per the letter No. 150 of the Ministry of Labor and Social Security dated 24 February 2011 and according to the provisional Article 20 of the Social Security and Public Health Insurance Law No.5510.

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

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

b) Other benefits not transferable to SSF

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

The actuarial gains/losses are recognised under shareholders' equity as per the revised TAS19.

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

3.18 Insurance technical reserves and technical income and expense

3.18.1 Insurance technical reserves

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

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

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

3.18.2 Insurance technical income and expense

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

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

3.19 Taxation

3.19.1 Corporate tax

While corporate tax which is applied to corporate earnings at the rate of 20% in Turkey, in accordance with the regulation introduced by the Law No. 7394 on the "Law on Evaluation of Immovable Property Owned by the Treasury and Amendment to the Value Added Tax Law", this rate has been determined to be applied as 25% for the corporate earnings of 2022 and later taxation periods for the banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies.

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

Dividends paid to the resident institutions and the institutions working through local offices or representatives in Turkey are not subject to withholding tax. As per the decisions No. 2009/14593 and 2009/14594 of the Council of Ministers published in the Official Gazette No. 27130 dated 3 February 2009, certain duty rates included in the Articles No.15 and 30 of the new Corporate Tax Law No.5520 are revised. Accordingly, the witholding tax rate on the dividend payments other than the ones paid to the nonresident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions has been changed to 10% from 15% by the Presidential decision published in the Official Gazette No. 31697 dated 22 December 2021. In applying the withholding tax rates on dividend payments to the nonresident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

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

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

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

All earnings generated through transfer of equity shares, founders' shares, redeemed shares and 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 2022, the conditions sought for inflation adjustment in the calculation of corporate tax have been fulfilled, within the framework of the repeated provision of Article 298/ 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, will not be subject to inflation adjustment, and for the 2023 accounting period; will not be subject to inflation adjustment as of the provisional tax periods, and the financial statements dated 31 December 2023 will be subject to inflation adjustment regardless of whether the inflation adjustment conditions are met or not. Profit/loss difference arising from inflation adjustment in the financial statements will be shown in previous years' profit/loss accounts and will not affect the corporate tax base.

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 Comminiqué, 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. Accordingly, corporate income tax has calculated with respect to revaluated real estate and depreciation units.

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), 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 amortisation unless they prepare and have certified their balance sheets, income statements and accounting records used for tax calculations by an auditor authorized by the Ministry of Finance. In cases where it is revealed that the earnings of a corporation were not subject to taxation in prior years or the tax paid on such earnings are understated, additional taxes can be charged in the next seven years following that the related taxation period. The corporate tax returns are filed in the tax administration office in April after following the end of the accounting year to which they relate. The corporate taxes are paid in two equal installments in May and October. According to the Decision of the TRNC Council of Ministers dated 25 March 2020, the prepaid taxes are calculated and paid at the rate of 15% tax on quarterly commercial earnings of the related year. The prepayments can be deducted from the annual corporate tax calculated for the whole year earnings.

MALTA

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

Tax applications for foreign financial subsidiaries

THE NETHERLANDS

In the Netherlands, corporate income tax is levied at the rate of 19% for tax profits up to EUR 200,000 and 25.80% for the excess part over this amount on the worldwide income of resident companies, which is determined by modifying accounting income for certain exclusions and allowances for tax purposes for the related year. Based on the unilateral decree for the avoidance of double taxation between Turkey and The Netherlands, the dividend taxation is 0% percent under certain conditions. Under the Dutch taxation system up to 2022, tax losses incurred in fiscal years 2019 up to and including 2021 can be carried forward six fiscal years after the year in which they occur. Tax losses relating to fiscal years 2018 and earlier can be carried forward nine fiscal years. As of 2022, losses of previous years no longer vaporize but can be carried forward indefinitely. However the losses can only be used up to an amount of EUR 1 mln, or if the profit exceeds EUR 1 mln, the amount of losses that can be offset is EUR 1 mln plus 50% of the excess of the profit over EUR 1 mln. Companies must file their tax returns within five months following the end of the tax year to which they relate, unless the company applies for an extension (normally an additional eleven months).

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

ROMANIA

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

3.19.2 Deferred taxes

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

As stated in Note 3.19.1, corporate income tax has been determined to be applied as 25% in accordance with the regulation introduced by the Law No. 7394 on the "Law on Evaluation of Immovable Property Owned by the Treasury and Amendment to the Value Added Tax Law" for the corporate earnings for the taxation period of 2022 for the banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies. Therefore, as of 31 March 2023, the Bank has calculated deferred tax at the rate of 25% for assets and liabilities.

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

The deferred tax assets and liabilities of the Bank and its consolidated subsidiaries are reported as net in their individual financial statements.

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

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

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

3.19.3 Transfer pricing

The Article No.13 of the Corporate Tax Law describes the issue of transfer pricing under the title of "Disguised Profit Distribution by Way of Transfer Pricing". "The General Communiqué on Disguised Profit Distribution by Way of Transfer Pricing" published 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.

3.20 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.

3.21 Share and share issuances

If the Bank issues a share at a price above its nominal value, the difference between the issue price and the nominal value is accounted for “share premium” under shareholders’ equity.

3.22 Confirmed bills of exchange and acceptances

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

3.23 Government incentives

As of 31 March 2023, the Bank or its financial subsidiaries do not have any government incentives or grants (31 December 2022: None).

3.24 Segment reporting

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

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

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

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

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

(Thousands of Turkish Lira (TL))

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

Current Period	**Retail Banking**	**Corporate Banking**	**Investment Banking**	**Other**	**Total Operations**
Net Interest Income	5,511,366	6,927,444	2,511,035	3,717,211	18,667,056
Net Fees And Commıssıons Income	4,440,094	1,986,750	(3,762)	185,153	6,608,235
Dividend Income	-	-	-	11,999	11,999
Net Tradıng Income/Losses (Net)	363,901	965,643	2,515,796	610,029	4,455,369
Other Operatıng Income (*)	138,944	315,152	21,702	1,896,110	2,371,908
Expected Credıt Losses (*)	(2,354,078)	(379,146)	108,687	100,059	(2,524,478)
Other Provisions	-	-	-	(30,328)	(30,328)
Personnel and Other Operatıng Expenses	(6,018,243)	(2,105,596)	(209,242)	(3,650,448)	(11,983,529)
Income/Loss From Investments Under Equıty Accountıng	-	-	-	487,346	487,346
Net Operating Profit	**2,081,984**	**7,710,247**	**4,944,216**	**3,327,131**	**18,063,578**
Provision for Taxes	-	-	-	(2,611,021)	(2,611,021)
Net Profit	**2,081,984**	**7,710,247**	**4,944,216**	**716,110**	**15,452,557**
Segment Assets	264,598,366	515,286,294	477,965,784	211,063,658	1,468,914,102
Investments in Associates and Subsidiaries	-	-	-	2,750,319	2,750,319
Total Assets	**264,598,366**	**515,286,294**	**477,965,784**	**213,813,977**	**1,471,664,421**
Segment Liabilities	690,064,924	367,400,660	130,897,291	108,884,422	1,297,247,297
Shareholders' Equity	-	-	-	174,417,124	174,417,124
Total Liabilities and Shareholders' Equity	**690,064,924**	**367,400,660**	**130,897,291**	**283,301,546**	**1,471,664,421**

Prior Period	**Retail Banking**	**Corporate Banking**	**Investment Banking**	**Other**	**Total Operations**
Net Interest Income	3,268,363	4,364,747	5,032,675	1,578,048	14,243,833
Net Fees And Commıssıons Income	2,148,331	909,370	(28,159)	176,501	3,206,043
Dividend Income	-	-	-	14,049	14,049
Net Tradıng Income/Losses (Net)	126,969	1,937,434	(1,042,485)	1,371,638	2,393,556
Other Operatıng Income (*)	89,001	23,389	7,986	976,668	1,097,044
Expected Credıt Losses (*)	(306,764)	(2,843,390)	(270,556)	(59,860)	(3,480,570)
Other Provisions	43	-	-	(1,129,743)	(1,129,700)
Personnel and Other Operatıng Expenses	(2,364,184)	(1,062,721)	(194,379)	(1,664,239)	(5,285,523)
Income/Loss From Investments Under Equıty Accountıng	-	-	-	270,823	270,823
Net Operating Profit	**2,961,759**	**3,328,829**	**3,505,082**	**1,533,885**	**11,329,555**
Provision for Taxes	-	-	-	(3,066,941)	(3,066,941)
Net Profit	**2,961,759**	**3,328,829**	**3,505,082**	**(1,533,056)**	**8,262,614**
Segment Assets	217,813,066	503,893,520	401,778,779	177,812,156	1,301,297,521
Investments in Associates and Subsidiaries	-	-	-	2,280,962	2,280,962
Total Assets	**217,813,066**	**503,893,520**	**401,778,779**	**180,093,118**	**1,303,578,483**
Segment Liabilities	599,719,386	338,737,003	125,156,216	86,841,758	1,150,454,363
Shareholders' Equity	-	-	-	153,124,120	153,124,120
Total Liabilities and Shareholders' Equity	**599,719,386**	**338,737,003**	**125,156,216**	**239,965,878**	**1,303,578,483**

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

3.25 Profit reserves and profit appropriation

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

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

In the ordinary General Assembly Meeting dated 13 April 2023, a decision has been made regarding appropriation of the unconsolidated net profit of the Bank deriving from operations in 2022 amounting to TL 58,509,158 and aforementioned distribution has been disclosed in Note 5.9.

3.26 Earnings per share

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

	Current Period	***Prior Period***
Distributable net profit	15,365,843	8,215,682
Average number of issued common shares (thousand)	420,000,000	420,000,000
Earnings per share (amounts presented full TL)	0.03659	0.01956

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

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

3.27 Related parties

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

3.28 Cash and cash equivalents

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

3.29 Other disclosures

None.

(Thousands of Turkish Lira (TL))

4 Consolidated Financial Position and Results of Operations and Risk Management

4.1 Consolidated total capital

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

4.1.1 Components of consolidated total capital (*)

	Current Period	*Prior Period*
COMMON EQUITY TIER I CAPITAL		
Paid-in Capital to be Entitled for Compensation after All Creditors	4,972,554	4,972,554
Share Premium	11,880	11,880
Reserves	63,801,630	63,782,784
Other Comprehensive Income according to TAS	40,109,893	33,927,212
Profit	65,986,166	59,396,697
Current Period's Profit	15,365,843	58,285,378
Prior Periods' Profit	50,620,323	1,111,319
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	9,069	9,069
Minority Interest	269,081	211,148
Common Equity Tier I Capital Before Deductions	**175,160,273**	**162,311,344**
Deductions From Common Equity Tier I Capital		
Valuation adjustments calculated as per the Article 9. (i) of the Regulation on Bank Capital	-	-
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	9,331,894	8,959,825
Leasehold Improvements on Operational Leases (-)	106,071	111,522
Goodwill Netted with Deferred Tax Liabilities	-	-
Other Intangible Assets Netted with Deferred Tax Liabilities Except Mortgage Servicing Rights	1,028,317	1,214,857
Net Deferred Tax Asset/Liability (-)	-	-
Differences arise when assets and liabilities not held at fair value, are subjected to cash flow hedge accounting	-	-
Total credit losses that exceed total expected loss calculated according to the Regulation on Calculation of Credit Risk by Internal Ratings Based Approach	-	-
Securitization gains	-	-
Unrealized gains and losses from changes in bank's liabilities' fair values due to changes in creditworthiness	-	-
Net amount of defined benefit plans	-	-
Direct and Indirect Investments of the Bank on its own Tier I Capital (-)	-	-
Shares Obtained against Article 56, Paragraph 4 of the Banking Law (-)	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	-
Mortgage Servicing Rights Exceeding the 10% Threshold of Tier I Capital (-)	-	-
Net Deferred Tax Assets arising from Temporary Differences Exceeding the10% Threshold of Tier I Capital (-)	-	-
Amount Exceeding the 15% Threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-	-

(Thousands of Turkish Lira (TL))

	Current Period	*Prior Period*
The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital not deducted from Tier I Capital (-)	-	-
Excess Amount arising from Mortgage Servicing Rights (-)	-	-
Excess Amount arising from Deferred Tax Assets from Temporary Differences (-)	-	-
Other items to be Defined by the BRSA (-)	-	-
Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals (-)	-	-
Total Deductions from Common Equity Tier I Capital	**10,466,282**	**10,286,204**
Total Common Equity Tier I Capital	**164,693,991**	**152,025,140**
ADDITIONAL TIER I CAPITAL		
Preferred Stock not Included in Common Equity Tier I Capital and the Related Share Premiums	-	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	-	-
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4)	-	-
Shares of Third Parties in Additional Tier I Capital	-	-
Shares of Third Parties in Additional Tier I Capital (Covered by Temporary Article 3)	-	-
Additional Tier I Capital before Deductions	-	-
Deductions from Additional Tier I Capital		
Direct and Indirect Investments of the Bank on its own Additional Tier I Capital (-)	-	-
Investments in Equity Instruments Issued by Banks or Financial Institutions Invested in Bank’s Additional Tier I Capital and Having Conditions Stated in the Article 7 of the Regulation	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	-
The Total of Net Long Position of the Direct or Indirect Investments in Additional Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital (-)	-	-
Other items to be defined by the BRSA (-)	-	-
Items to be Deducted from Tier I Capital During the Transition Period		
Goodwill and Other Intangible Assets and Related Deferred Taxes not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-	-
Net Deferred Tax Asset/Liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-	-
Deduction from Additional Tier I Capital when there is not enough Tier II Capital (-)	-	-
Total Deductions from Additional Tier I Capital	-	-
Total Additional Tier I Capital	-	-
Total Tier I Capital (Tier I Capital= Common Equity Tier I Capital + Additional Tier I Capital)	**164,693,991**	**152,025,140**
TIER II CAPITAL		
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	12,470,680	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)	12,360,740	10,212,658
Total Deductions from Tier II Capital	**24,831,420**	**22,370,738**
Deductions from Tier II Capital		
Direct and Indirect Investments of the Bank on its own Tier II Capital (-)	-	-
Investments in equity instruments issued by Banks and Financial Institutions Invested in Bank’s Tier II Capital and having conditions stated in the Article 8 of the Regulation	-	-

(Thousands of Turkish Lira (TL))

	Current Period	*Prior Period*
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	-
Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital (-)	-	-
Other items to be defined by the BRSA (-)	-	-
Total Deductions from Tier II Capital	**-**	**-**
Total Tier II Capital	**24,831,420**	**22,370,738**
Total Equity (Total Tier I and Tier II Capital)	**189,525,411**	**174,395,878**
Total Tier I Capital and Tier II Capital (Total Equity)		
Loans Granted against the Articles 50 and 51 of the Banking Law (-)	314	53
Other items to be Defined by the BRSA (-)	358	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)	**189,524,739**	**174,395,796**
Total Risk Weighted Assets	**1,172,368,998**	**937,541,310**
CAPITAL ADEQUACY RATIOS		
Consolidated CET1 Capital Ratio (%)	**14.05**	**16.22**
Consolidated Tier I Capital Ratio (%)	**14.05**	**16.22**
Consolidated Capital Adequacy Ratio (%)	**16.17**	**18.60**
BUFFERS		
Total Additional CET1 Capital Requirement Ratio (a+b+c)	4.14	4.12
a) Capital Conservation Buffer Ratio (%)	2.50	2.50
b) Bank-specific Counter-Cyclical Capital Buffer Ratio (%)	0.14	0.12
c) Systemically Important Banks Buffer Ratio (%)	1.50	1.50
Additional CET1 Capital Over Total Risk Weighted Assets Ratio Calculated According to the Article 4 of Capital Conservation and Counter-Cyclical Capital Buffers Regulation (%)	8.05	10.22
Amounts Lower Than Excesses as per Deduction Rules		
Remaining Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital		-
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Issued Share Capital		-
Remaining Mortgage Servicing Rights		-
Net Deferred Tax Assets arising from Temporary Differences	12,159,114	7,059,239

(Thousands of Turkish Lira (TL))

	Current Period	*Prior Period*
Limits for Provisions Used in Tier II Capital Calculation		
General Loan Provisions for Exposures in Standard Approach (before limit of one hundred and twenty five per ten thousand)	32,895,530	31,048,395
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	12,360,742	10,212,658
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach	-	-
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, Limited by 0.6% Risk Weighted Assets	-	-
Debt Instruments Covered by Temporary Article 4 (effective between 1.1.2018-1.1.2022)		
Upper Limit for Additional Tier I Capital Items subject to Temporary Article 4	-	-
Amount of Additional Tier I Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	-
Upper Limit for Additional Tier II Capital Items subject to Temporary Article 4	-	-
Amount of Additional Tier II Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	-

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

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

As of 31 March 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 to15.86% as of 31 March 2023.

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

(Thousands of Turkish Lira (TL))

4.1.2 Items included in capital calculation

Current Period	***Information about instruments included in total capital calculation***		
Issuer	T. Garanti Bankası A.Ş.	T. Garanti Bankası A.Ş.	T. Garanti Bankası A.Ş.
Identifier (CUSIP, ISIN vb.)	Reg S: ISIN: XS1617531063 Common Code: 161753106 144A: CUSIP: 900148 AE7 ISIN: US900148AE73 Common Code: 161752479	ISIN: TRSGRANE2915	ISIN: TRSGRAN23013
Governing law (s) of the instrument	Subject to English Law and in terms of certain articles to Turkish Regulations. It is issued within the scope of the Communiqué VII-128.8 on Debt Instruments of the Capital Markets Board and the Regulation on Bank Capital of the BRSA.	It is subject to English Law and in terms of certain articles to Turkish Regulations. It is also issued within the scope of the “Regulation on Equities of Banks” and “the Communiqué Regarding the Capital Instruments that will be included in own funds of banks” within the legislation of Capital Markets Board of Turkey.	It is subject to English Law and in terms of certain articles to Turkish Regulations. It is also issued within the scope of the “Regulation on Equities of Banks” and “the Communiqué Regarding the Capital Instruments that will be included in own funds of banks” within the legislation of Capital Markets Board of Turkey.
Regulatory treatment			
Subject to 10% deduction as of 1/1/2015	No	No	No
Eligible on unconsolidated and /or consolidated basis	Eligible on unconsolidated and consolidated	Eligible on unconsolidated and consolidated	Eligible on unconsolidated and consolidated
Instrument type	Subordinated debt instruments (Notes)	Subordinated debt instruments (Notes)	Subordinated debt instruments (Notes)
Amount recognized in regulatory capital (Currency in TL million, as of most recent reporting date)	10,910 (31 December 2021: 9,820)	253 (31 December 2021: 253)	750 (31 December 2021: 750)
Nominal value of instrument (TL million)	10,910 (31 December 2021: 9,820)	253 (31 December 2021: 253)	750 (31 December 2021: 750)
Accounting classification of the instrument	34701 – Secondary Subordinated Loans	34601– Secondary Subordinated Loans	34601– Secondary Subordinated Loans
Issuance date of instrument	23.05.2017	09.10.2019	14.02.2020
Maturity structure of the instrument (demand/time)	Time	Time	Time
Original maturity of the instrument	24.05.2027	07.10.2029	14.02.2030
Issuer call subject to prior supervisory (BRSA) approval	None	Yes	Yes
Optional call date, contingent call dates and redemption amount	-	07.10.2024 – TL 252,880,000	14.02.2025 – TL 750,000,000
Subsequent call dates, if applicable	-	-	-
Interest/dividend payment			
Fixed or floating coupon/dividend payments	Fixed	Floating	Floating
Coupon rate and any related index	%7.1770	TLREF + 130 bps	TLREF + 250 bps
Existence of any dividend payment restriction	None	None	None
Fully discretionary, partially discretionary or mandatory	-	-	-

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

(Thousands of Turkish Lira (TL))

4.1.3 Reconciliation of capital items to balance sheet

Current Period	***Carrying value***	***Amount of correction***	***Value of the capital report***	***Explanation of differences***
Paid-in Capital	4,200,000	772,554	4,972,554	Inflation adjustments included in Paid-in Capital according to Regulation’s Temporary Article 1
Capital Reserves	784,434	(772,554)	11,880	Inflation adjustments included in Paid-in Capital according to Regulation’s Temporary Article 1
Other Capital Reserves	*772,554*	(772,554)	-	Inflation adjustments included in Paid-in Capital according to Regulation’s Temporary Article 1
Bonus Shares of Associates, Subsidiaries and Joint-Ventures	-	-	-	
Share Premium	11,880	-	11,880	
Other Comprehensive Income/Expenses in Shareholders’ Equity as per TMS	30,395,525	391,543	30,787,068	Items not included in the calculation as per Regulation’s Article 9-1-f and Gain on sale of associate/subsidiaries’ shares and real estate classified as different in the value of the capital report
Other Comprehensive Income/Expense Items not to be Recycled to Profit/Loss	*9,484,838*	-	*9,484,838*	
Other Comprehensive Income/Expense Items to be Recycled to Profit/Loss	*20,910,687*	*391,543*	*21,302,230*	Items not included in the calculation as per Regulation’s Article 9-1-f
Profit Reserves	63,801,630	-	63,801,630	
Profit or Loss	74,762,540	(8,776,374)	65,986,166	
Prior Periods’ Profit/Loss	*59,396,697*	(8,776,374)	*50,620,323*	
Current Period Net Profit/Loss	*15,365,843*	-	*15,365,843*	
Minority Interest	472,995	(203,914)	269,081	Items are calculated as per Regulation’s Article 12
Deductions from Common Equity Tier I Capital (-)	-		1,134,388	Deductions from Common Equity Tier 1 Capital as per the Regulation
Common Equity Tier I Capital	**174,417,124**		**164,693,991**	
Subordinated Debts				
Deductions from Tier I Capital (-)			-	Deductions from Tier 1 Capital as per the Regulation
Tier I Capital			**164,693,991**	
Subordinated Debts			12,470,680	
12 Month ECL (Stage 1) and Lifetime ECL Significant Increase in Credit Risk (Stage 2)			12,360,740	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			**24,831,420**	
Deductions from Total Capital (-)			672	Deductions from Capital as per the Regulation
Total			**189,524,739**	

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

(Thousands of Turkish Lira (TL))

Prior Period	***Carrying value***	***Amount of correction***	***Value of the capital report***	***Explanation of differences***
Paid-in Capital	4,200,000	772,554	4,972,554	Inflation adjustments included in Paid-in Capital according to Regulation's Temporary Article 1
Capital Reserves	784,434	(772,554)	11,880	Inflation adjustments included in Paid-in Capital according to Regulation's Temporary Article 1
Other Capital Reserves	772,554	(772,554)	-	Inflation adjustments included in Paid-in Capital according to Regulation's Temporary Article 1
Bonus Shares of Associates, Subsidiaries and Joint-Ventures	-	-	-	
Share Premium	11,880	-	11,880	
Other Comprehensive Income/Expenses in Shareholders' Equity as per TMS	24,475,470	500,986	24,976,456	Items not included in the calculation as per Regulation's Article 9-1-f and Gain on sale of associate/subsidiaries' shares and real estate classified as different in the value of the capital report
Other Comprehensive Income/Expense Items not to be Recycled to Profit/Loss	4,561,421	-	4,561,421	
Other Comprehensive Income/Expense Items to be Recycled to Profit/Loss	19,914,049	500,986	20,415,035	Items not included in the calculation as per Regulation's Article 9-1-f
Profit Reserves	63,782,784	-	63,782,784	
Profit or Loss	59,396,697	-	59,396,697	
Prior Periods' Profit/Loss	1,111,319	-	1,111,319	
Current Period Net Profit/Loss	58,285,378	-	58,285,378	
Minority Interest	484,735	(273,587)	211,148	Items are calculated as per Regulation's Article 12
Deductions from Common Equity Tier I Capital (-)	-		1,326,379	Deductions from Common Equity Tier 1 Capital as per the Regulation
Common Equity Tier I Capital	**153,124,120**		**152,025,140**	
Subordinated Debts			-	
Deductions from Tier I Capital (-)			-	Deductions from Tier 1 Capital as per the Regulation
Tier I Capital			**152,025,140**	
Subordinated Debts			12,158,080	
12 Month ECL (Stage 1) and Lifetime ECL Significant Increase in Credit Risk (Stage 2)			10,212,658	Stage 1 and Stage 2 expected credit losses added to Tier II Capital as per the Regulation's Article 8
Deductions from Tier II Capital (-)			-	Deductions from Tier II Capital as per the Regulation
Tier II Capital			**22,370,738**	
Deductions from Total Capital (-)			82	Deductions from Capital as per the Regulation
Total			**174,395,796**	

(Thousands of Turkish Lira (TL))

4.2 Consolidated credit risk

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

4.3 Consolidated currency risk

Foreign currency open position limit is set in compliance with the legal standard ratio of net foreign currency position. As of 31 March 2023, the Bank and its financial subsidiaries' net 'on balance sheet' foreign currency open position amounts to TL 30,980,933 (31 December 2022: TL 32,492,211), net 'off-balance sheet' foreign currency close position amounts to TL 35,508,960 (31 December 2022: TL 42,382,203), while net foreign currency close position amounts to TL 4,528,027 (31 December 2022: TL 9,889,992).

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

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

	EUR	USD
The Parent Bank's foreign currency purchase rate at balance sheet date	20.7720	19.1130
Foreign currency rates for the days before balance sheet date;		
Day 1	20.8540	19.1070
Day 2	20.6680	19.0790
Day 3	20.6340	19.0470
Day 4	20.5130	19.0290
Day 5	20.4280	19.0050
Last 30-days arithmetical average rate	20.2682	18.9432

(Thousands of Turkish Lira (TL))

The Bank's consolidated currency risk

	EUR	USD	Other FCs	Total
Current Period				
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	32,557,803	58,610,775	29,855,861	121,024,439
Banks	52,758,279	13,632,806	5,672,074	72,063,159
Financial Assets Measured at Fair Value through Profit/Loss	136,140	1,738,826	-	1,874,966
Money Market Placements	-	38,042,395	-	38,042,395
Financial Assets Measured at Fair Value through Other Comprehensive Income	9,061,230	14,459,320	2,090,789	25,611,339
Loans (*)	150,839,284	128,542,912	26,135,148	305,517,344
Investments in Associates, Subsidiaries and Joint-Ventures	13,004	-	80,089	93,093
Financial Assets Measured at Amortised Cost	924,663	42,741,811	4,875,482	48,541,956
Derivative Financial Assets Held for Hedging Purpose	308,820	988,450	17,674	1,314,944
Tangible Assets	582,738	378	378,249	961,365
Intangible Assets (**)	129,982	-	116,898	246,880
Other Assets (***)	(8,709,527)	(4,029,863)	(476,795)	(13,216,185)
Total Assets	**238,602,416**	**294,727,810**	**68,745,469**	**602,075,695**
Liabilities				
Bank Deposits	1,275,998	87,463	176,405	1,539,866
Foreign Currency Deposits	170,338,880	209,949,918	43,341,807	423,630,605
Money Market Funds	4,196,276	29,976,198	449	34,172,923
Other Fundings	23,855,849	16,229,572	1,375,552	41,460,973
Securities Issued (****)	950,332	51,947,621	197,681	53,095,634
Miscellaneous Payables	2,980,919	3,845,348	489,931	7,316,198
Derivative Financial Liabilities Held for Hedging Purpose	10,982	-	22,446	33,428
Other Liabilities (*****)	5,821,217	12,640,116	53,345,668	71,807,001
Total Liabilities	**209,430,453**	**324,676,236**	**98,949,939**	**633,056,628**
Net 'On Balance Sheet' Position	**29,171,963**	**(29,948,426)**	**(30,204,470)**	**(30,980,933)**
Net 'Off-Balance Sheet' Position	**(24,811,901)**	**23,088,654**	**37,232,207**	**35,508,960**
Derivative Assets	50,318,643	134,856,861	41,892,455	227,067,959
Derivative Liabilities	75,130,544	111,768,207	4,660,248	191,558,999
Non-Cash Loans	-	-	-	-
Prior Period				
Total Assets	**224,211,106**	**310,702,347**	**63,612,115**	**598,525,568**
Total Liabilities	**203,480,330**	**339,326,551**	**88,210,898**	**631,017,779**
Net 'On Balance Sheet' Position	**20,730,776**	**(28,624,204)**	**(24,598,783)**	**(32,492,211)**
Net 'Off-Balance Sheet' Position	**(16,234,941)**	**27,002,287**	**31,614,857**	**42,382,203**
Derivative Assets	61,555,031	136,735,847	34,552,849	232,843,727
Derivative Liabilities	77,789,972	109,733,560	2,937,992	190,461,524
Non-Cash Loans	-	-	-	-

(*) The foreign currency-indexed loans amounting TL 175,849 included under TL loans in the accompanying consolidated financial statements are presented above under the related foreign currency code.

(**) As per the principles of "Regulation on the Calculation and Implementation of Foreign Currency Net General Position/Equity Standard Ratio by Banks on Consolidated and Non-Consolidated Basis", Intangible Assets have not been included in the currency risk measurement.

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

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

(*****) The gold deposits of TL 51,738,871 included under deposits in the accompanying consolidated financial statements are presented above under other liabilities.

4.4 Consolidated interest rate risk

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

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

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

(Thousands of Turkish Lira (TL))

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

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing (*)	Total
Assets							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	1,911,300	-	-	-	-	183,699,259	**185,610,559**
Banks	54,949,837	627,114	6,641	40,968	-	17,952,773	**73,577,333**
Financial Assets Measured at Fair Value through Profit/Loss	1,334,552	78,842	1,087,030	356,839	123,813	3,620,068	**6,601,144**
Money Market Placements	55,470,229	9,543,035	-	-	-	116,151	**65,129,415**
Financial Assets Measured at Fair Value through Other Comprehensive Income	22,060,962	2,956,080	4,098,565	17,402,586	3,644,948	39,272,873	**89,436,014**
Loans	308,779,420	131,871,487	227,680,540	111,202,978	42,753,784	36,265,797	**858,554,006**
Financial Assets Measured at Amortised Cost	13,916,323	1,285,254	14,227,487	89,551,637	5,583,923	23,262,860	**147,827,484**
Other Assets (**)	28,658	370,351	126,656	181,539	-	44,221,262	**44,928,466**
Total Assets	**458,451,281**	**146,732,163**	**247,226,919**	**218,736,547**	**52,106,468**	**348,411,043**	**1,471,664,421**
Liabilities							
Bank Deposits	762,692	771,804	103,884	87,297	-	1,483,455	**3,209,132**
Other Deposits	342,678,062	182,861,825	80,814,832	7,350,808	-	422,980,554	**1,036,686,081**
Money Market Funds	31,120,041	1,151,070	4,222,630	247,832	-	69,095	**36,810,668**
Miscellaneous Payables	229,801	102,157	20,523	-	-	47,566,084	**47,918,565**
Securities Issued (***)	9,457,545	1,895,658	1,016,421	15,704,522	26,217,230	917,860	**55,209,236**
Other Fundings	16,619,874	17,998,676	8,828,270	2,643,049	773,047	39,796	**46,902,712**
Other Liabilities	40,050	102,243	245,860	890,798	158,509	243,490,567	**244,928,027**
Total Liabilities	**400,908,065**	**204,883,433**	**95,252,420**	**26,924,306**	**27,148,786**	**716,547,411**	**1,471,664,421**
On Balance Sheet Long Position	**57,543,216**	**-**	**151,974,499**	**191,812,241**	**24,957,682**	**-**	**426,287,638**
On Balance Sheet Short Position	**-**	**(58,151,270)**	**-**	**-**	**-**	**(368,136,368)**	**(426,287,638)**
Off-Balance Sheet Long Position	**34,416,308**	**65,062,794**	**30,919,762**	**34,718,281**	**27,695,431**	**-**	**192,812,576**
Off-Balance Sheet Short Position	**(19,357,294)**	**(57,420,667)**	**(27,434,921)**	**(58,635,657)**	**(29,069,407)**	**-**	**(191,917,946)**
Total Position	**72,602,230**	**(50,509,143)**	**155,459,340**	**167,894,865**	**23,583,706**	**(368,136,368)**	**894,630**

(*) Interest accruals are included in non-interest bearing column.
(**) Includes expected credit losses in accordance with TFRS 9.
(***) Includes securities issued having qualification of subordinated loan presented under subordinated debts and financial liabilities measured at FVTPL in the balance sheet.

(Thousands of Turkish Lira (TL))

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

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

(Thousands of Turkish Lira (TL))

4.4.2 Average interest rates on monetary financial instruments (%)

Current Period	**EURO**	**USD**	**JPY**	**TL**
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	(1.03)	(2.02)	-	-
Banks	0.01-3.00	1.50	-	8.00-30.00
Financial Assets at Fair Value through Profit/Loss	5.04	6.61-7.48	-	13.28
Money Market Placements	-	4.40	-	9.47
Financial Assets Measured at Fair Value through Other Comprehensive Income	2.38-4.73	4.38-11.88	-	18.60-43.07
Loans (*)	0.20-16.52	2.65-17.95	-	11.98-39.11
Financial Assets Measured at Amortised Cost	4.39	6.02	-	15.28
Liabilities				
Bank Deposits	2.75-3.65	4.83	-	25.74
Other Deposits	0.13-3.80	0.23-5.50	-	5.00-16.00
Money Market Fundings	0.67-0.77	2.62-3.71	-	4.71-30.00
Miscellaneous Payables	-	-	-	-
Securities Issued	5.27	7.14	-	12.29-30.00
Other Fundings	0.68-8.80	1.66-11.03	-	14.12-32.00

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

(*) Lease receivables and factoring receivables are included.

(Thousands of Turkish Lira (TL))

4.5 Consolidated position risk of equity securities

4.5.1 Equity shares in associates and subsidiaries

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

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

Current Period		**Comparison**		
Equity Securities (shares)		**Carrying Value**	**Fair Value**	**Market Value**
1	**Investment in Shares- Grade A**	**2,722,878**	**-**	**403,984**
	Quoted Securities	-	-	403,984
2	**Investment in Shares- Grade B**	**25,557**	**-**	**-**
	Quoted Securities	-	-	-
3	**Investment in Shares- Grade C**	**822**	**-**	**-**
	Quoted Securities	**-**	-	-
4	**Investment in Shares- Grade D**	-	**-**	**-**
	Quoted Securities	**-**	-	-
5	**Investment in Shares- Grade E**	**1,014**	**-**	**-**
	Quoted Securities	-	-	-
6	**Investment in Shares- Grade F**	**48**	**-**	**-**
	Quoted Securities	-	-	-

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

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

Current Period		**Gains/Losses in Current Period**	**Revaluation Surpluses**		**Unrealized Gains and Losses**		
Portfolio			**Total**	**Amount in Tier I Capital**	**Total**	**Amount in Core Capital**	**Amount in Tier I Capital**
1	Private Equity Investments	-	-	-	-	-	-
2	Quoted Shares	-	-	-	226,463	-	226,463
3	Other Shares	-	114,434	114,434	-	-	-
	Total	-	**114,434**	**114,434**	**226,463**	-	**226,463**

(Thousands of Turkish Lira (TL))

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

4.5.4 Capital requirement as per equity shares

	Current Period			
	Portfolio	**Carrying Value**	**RWA Total**	**Minimum Capital Requirement**
1	Private Equity Investments	-	-	-
2	Quoted Shares	-	-	-
3	Other Shares	4,428,434	4,396,249	351,700
	Total	**4,428,434**	**4,396,249**	**351,700**

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

4.6 Liquidity risk management and consolidated liquidity coverage ratio

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

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

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

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

Head of Risk management defines the Parent Bank's liquidity risk, measures and monitors the risks with liquidity risk measurement methods that are in compliance with international standards, presents measurement results periodically to related departments, committees and senior management.

Head of Risk management coordinates related parties in order to ensure compliance of risk management process in accordance with the Parent Bank's risk profile, operation environment and strategic plan with regulations. Head of Risk management analyses, develops and revises relevant liquidity risk measurement in accordance with changing market conditions and the Parent Bank's structure. Head of Risk Management department reviews assumptions and parameters used in liquidity risk analysis.

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

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

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

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

Diversification of assets and liabilities is assured so as to be able to continuously meet the obligations, also taking into account the relevant currencies. Funding sources are monitored actively during identification of concentration risk related to funding.

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

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

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

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

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

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

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

The Parent Bank's liabilities consist of TL and foreign currency funding, of which a large portion is USD/EUR and Gold. Deposits and capital constitute most of TL funding. Retail customers cannot use foreign currency loans but are able to purchase FX for foreign currency deposits, leading to imbalances in deposit and loan volumes in the TL and FC balance sheet.. Long term funding obtained from foreign banks and creditors are mainly in foreign currency. For these reasons overall foreign currency liabilities are usually more than foreign currency assets and unused portion of USD, EURO and gold are used in TL funding via currency swap transactions. Swap transactions which is made for TL funding are made with CBRT, however swap transactions with foreign banks are being made in legal swap limits. Repo lines by open market operations and Borsa Istanbul ("OMO / BİST") are not utilized , unused limits and high quality liquid asset stock is held is kept to use in the case of a liquidity scarcity in market. Also Eurobonds of Republic of Turkey aren't used to secure funding and kept as reserve to use in the case of a foreign currency liquidity scarcity in market. In TL and foreign currency liquidity management, regulatory ratios, internally set warnings, limits and other liquidity and funding metrics are monitored. First quarter of 2023, The Bank turned to sticky consumer deposits to increase of weights Consumer/SME deposits in TL deposits which significantly contributes to liquidity metrics such as the internal stress test.

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

4.6.1 Liquidity coverage ratio

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

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

High quality liquid assets consist of cash, deposits in central banks and securities considered as high quality liquid assets. Reserve deposits are included in high quality liquid assets, limited by the amount that is allowed by central bank to use in liquidity shortages. High quality liquid assets are composed of 8.28 % cash, 36.00 % deposits in central banks and 55.72 % securities considered as high quality liquid assets.

The Parent Bank's main funding sources are deposits, funds borrowed, money market borrowings and securities issued. Consolidated funding source composition as of report date is 84.77 % deposits, 6.79 % funds borrowed and money market borrowings, 4.53 % securities issued and 3.91 % other liabilities.

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

(Thousands of Turkish Lira (TL))

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

	Current Period	**Total Unweighted Value (Average) (*)**		**Total Weighted Value (Average) (*)**	
		TL+FC	**FC**	**TL+FC**	**FC**
High-Quality Liquid Assets				383,063,891	211,182,784
1	Total high-quality liquid assets (HQLA)	384,293,344	211,182,784	383,063,891	211,182,784
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which:	647,291,859	328,404,506	59,228,315	32,723,159
3	Stable deposits	110,017,409	2,345,838	5,500,870	117,292
4	Less stable deposits	537,274,450	326,058,668	53,727,445	32,605,867
5	Unsecured wholesale funding, of which:	278,352,329	152,107,985	141,615,820	71,004,506
6	Operational deposits	-	-	-	-
7	Non-operational deposits	227,931,587	138,989,457	103,499,601	60,742,855
8	Unsecured funding	50,420,742	13,118,528	38,116,219	10,261,651
9	Secured wholesale funding	1,632,453	-	390,202	-
10	Other cash outflows of which:	517,216,207	119,965,547	56,696,398	42,204,400
11	Outflows related to derivative exposures and other collateral requirements	11,698,478	27,370,279	11,698,478	27,370,279
12	Outflows related to restructured financial Instruments	-	-	-	-
13	Payment commitments and other off-balance sheet commitments granted for debts to financial markets	505,517,729	92,595,268	44,997,920	14,834,121
14	Other revocable off-balance sheet commitments and contractual obligations	12,871,656	10,280,610	643,583	514,030
15	Other irrevocable or conditionally revocable off-balance sheet obligations	39,011,310	37,171,868	1,950,568	1,858,593
16	**Total Cash Outflows**	**1,496,375,814**	**647,930,516**	**260,524,886**	**148,304,688**
Cash Inflows					
17	Secured receivables	73,174	-	-	-
18	Unsecured receivables	117,753,816	52,339,834	78,749,020	37,566,531
19	Other cash inflows	2,890,066	85,916,043	2,773,474	85,911,079
20	**Total Cash Inflows**	**120,717,056**	**138,255,877**	**81,522,494**	**123,477,610**
				Upper Limit Applied Values	
21	**Total HQLA**			**383,063,891**	**211,182,784**
22	**Total Net Cash Outflows**			**179,002,391**	**42,838,434**
23	**Liquidity Coverage Ratio (%)**			**215.04%**	**519.60%**

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

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

Period	**TL+FC**	**FC**
31 January 2023	212.02%	503.27%
28 February 2023	216.75%	585.70%
31 March 2023	216.35%	469.84%

(Thousands of Turkish Lira (TL))

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

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

The table below presents the last three months' consolidated Liquidity Ratios of the year 2021 :

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

4.6.2 Contractual maturity analysis of liabilities according to remaining maturities

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

(Thousands of Turkish Lira (TL))

4.6.3 Maturity analysis of liabilities according to remaining maturities

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Undistributed	Total
Current Period								
Assets								
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank	109,966,877	75,643,417	-	-	-	-	265	**185,610,559**
Banks	19,877,213	53,023,808	628,606	6,666	-	41,040	-	**73,577,333**
Financial Assets at Fair Value through Profit/Loss	3,511,001	32,281	69,017	1,285,349	1,163,452	523,328	16,716	**6,601,144**
Money Market Placements	-	55,508,101	9,621,314	-	-	-	-	**65,129,415**
Financial Assets Measured at Fair Value through Other Comprehensive Income	1,293,219	1,704,291	3,152,539	13,541,712	46,439,988	23,304,265	-	**89,436,014**
Loans	6,186,524	159,222,258	140,502,821	274,152,983	184,765,416	58,759,432	34,964,572	**858,554,006**
Financial Assets Measured at Amortised Cost	-	466,420	5,382,844	12,839,986	113,890,223	15,247,272	739	**147,827,484**
Other Assets (*)	16,599,469	5,554,808	3,298,753	1,635,596	4,229,937	2,673,511	10,936,392	**44,928,466**
Total Assets	**157,434,303**	**351,155,384**	**162,655,894**	**303,462,292**	**350,489,016**	**100,548,848**	**45,918,684**	**1,471,664,421**
Liabilities								
Bank Deposits	1,478,805	763,105	775,911	103,989	87,322	-	-	**3,209,132**
Other Deposits	446,853,946	319,161,433	186,103,011	78,575,495	5,970,395	21,801	-	**1,036,686,081**
Other Fundings	2,188,361	2,663,804	19,826,220	12,743,917	1,697,496	7,782,914	-	**46,902,712**
Money Market Funds	-	31,125,030	1,156,663	4,270,705	258,270	-	-	**36,810,668**
Securities Issued (**)	-	556,293	549,790	2,117,999	22,630,503	29,354,651	-	**55,209,236**
Miscellaneous Payables	45,361,859	430,804	291,563	254,908	12,619	317	1,566,495	**47,918,565**
Other Liabilities (***)	13,483,612	4,500,796	8,503,421	1,156,783	4,367,427	4,939,384	207,976,604	**244,928,027**
Total Liabilities	**509,366,583**	**359,201,265**	**217,206,579**	**99,223,796**	**35,024,032**	**42,099,067**	**209,543,099**	**1,471,664,421**
Liquidity Gap	**(351,932,280)**	**(8,045,881)**	**(54,550,685)**	**204,238,496**	**315,464,984**	**58,449,781**	**(163,624,415)**	**-**
Net Off-Balance Sheet Position	**-**	**(1,047,528)**	**1,695,725**	**1,415,175**	**(751,011)**	**(9,648)**	**-**	**1,302,713**
Derivative Financial Assets	-	216,827,086	127,356,931	31,730,540	21,239,403	3,816,798	-	**400,970,758**
Derivative Financial Liabilities	-	217,874,614	125,661,206	30,315,365	21,990,414	3,826,446	-	**399,668,045**
Non-Cash Loans	**415**	**50,278,632**	**14,765,419**	**11,717,348**	**16,809,909**	**2,175,678**	**571,731,245**	**667,478,646**
Prior Period								
Total Assets	**116,911,378**	**318,934,643**	**124,880,328**	**300,797,423**	**308,090,760**	**98,230,822**	**35,733,129**	**1,303,578,483**
Total Liabilities	**487,889,682**	**312,451,238**	**162,403,933**	**76,519,784**	**39,418,742**	**41,188,235**	**183,706,869**	**1,303,578,483**
Liquidity Gap	**(370,978,304)**	**6,483,405**	**(37,523,605)**	**224,277,639**	**268,672,018**	**57,042,587**	**(147,973,740)**	**-**
Net Off-Balance Sheet Position	**-**	**(1,704,182)**	**124,833**	**2,180,394**	**(685,770)**	**155,850**	**-**	**71,125**
Derivative Financial Assets	-	221,204,685	87,519,273	27,780,043	20,460,454	2,456,023	-	**359,420,478**
Derivative Financial Liabilities	-	222,908,867	87,394,440	25,599,649	21,146,224	2,300,173	-	**359,349,353**
Non-Cash Loans	397	25,315,316	7,952,161	11,159,514	15,120,428	2,011,364	420,309,034	**481,868,214**

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

(Thousands of Turkish Lira (TL))

4.7 Consolidated leverage ratio

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

The Bank's consolidated leverage ratio calculated by taking average of end of month leverage ratios for the last three-month periods, is 7.89% (31 December 2022: 8.28%). While the capital increased by 11.46% mainly as a result of increase in net profits, total risk amount increased by 17.09%. Therefore, the current period leverage ratio decreased by 39 basis points compared to prior period.

		Current Period (***)	***Prior Period*** (***)
1	Total assets in consolidated financial statements prepared in accordance with Turkish Accounting Standards (*) (**)	1,306,660,253	1,097,037,332
2	The difference between total assets prepared in accordance with Turkish Accounting Standards (*) and total assets in consolidated financial statements prepared in accordance with the Communiqué "Preparation of Consolidated Financial Statements" (**)	(3,081,770)	(962,406)
3	The difference between the amounts of derivative financial instruments and credit derivatives in consolidated financial statements prepared in accordance with the Communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such instruments	(37,721,573)	(37,329,018)
4	The difference between the amounts of securities or commodity financing transactions in consolidated financial statements prepared in accordance with the Communiqué "Preparation of Consolidated Financial Statements" and risk	115,255,138	122,305,567
5	The difference between the amounts of off-balance items in consolidated financial statements prepared in accordance with the Communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such items	2,278,911	2,124,372
6	Other differences between the amounts in consolidated financial statements prepared in accordance with the Communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such items	-	-
7	Total risk amount	2,029,721,199	1,733,421,089

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

(**) The consolidated financial statements prepared in accordance with Turkish Accounting Standards as of 31 January 2022 for the current period and 30 June 2022 for the prior period, are considered.

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

(Thousands of Turkish Lira (TL))

		Current Period(*)	***Prior Period***(*)
On-balance sheet assets			
1	On-balance sheet items (excluding derivative financial instruments and credit derivatives but including collateral)	1,332,515,108	1,207,081,211
2	(Assets deducted in determining Tier I capital)	(1,308,263)	(1,255,657)
3	Total on-balance sheet risks (sum of lines 1 and 2)	1,331,206,845	1,205,825,554
Derivative financial instruments and credit derivatives			
4	Replacement cost associated with all derivative financial instruments and credit derivatives	9,604,375	9,262,221
5	Add-on amounts for PFE associated with all derivative financial instruments and credit derivatives	40,382,175	39,327,319
6	Total risks of derivative financial instruments and credit derivatives (sum of lines 4 and 5)	49,986,550	48,589,540
Securities or commodity financing transactions (SCFT)			
7	Risks from SCFT assets (excluding on-balance sheet)	14,198,424	7,742,053
8	Risks from brokerage activities related exposures	0	-
9	Total risks related with securities or commodity financing transactions (sum of lines 7 and 8)	14,198,424	7,742,053
Other off-balance sheet transactions			
10	Gross notional amounts of off-balance sheet transactions	636,608,291	473,388,314
11	(Adjustments for conversion to credit equivalent amounts)	(2,278,911)	(2,124,372)
12	Total risks of off-balance sheet items (sum of lines 10 and 11)	634,329,380	471,263,942
Capital and total risks			
13	Tier I capital	160,058,395	143,601,330
14	Total risks (sum of lines 3, 6, 9 and 12)	2,029,721,199	1,733,421,089
Leverage ratio			
15	Leverage ratio	7.89%	8.28%

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

4.8 Fair values of financial assets and liabilities

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

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

None.

4.10 Risk management objectives and policies

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

4.10.1 Risk management strategy and weighted amounts

4.10.1.1 Risk management strategy

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

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

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

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

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

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

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

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

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

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

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

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

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

(Thousands of Turkish Lira (TL))

4.10.1.2 Risk weighted amounts

		Risk Weighted Amounts		**Minimum Capital Requirements**
		Current Period	***Prior Period***	***Current Period***
1	Credit risk (excluding counterparty credit risk) (CCR) (*)	955,409,782	794,865,528	76,432,783
2	Of which standardised approach (SA)	955,409,782	794,865,528	76,432,783
3	Of which internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	33,435,373	22,133,416	2,674,830
5	Of which standardised approach for counterparty credit risk (SA-CCR)	33,435,373	22,133,416	2,674,830
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	14,191	13,673	1,135
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	52,213,438	48,877,025	4,177,075
17	Of which standardised approach (SA)	52,213,438	48,877,025	4,177,075
18	Of which internal model approaches (IMM)	-	-	-
19	Operational risk	131,296,214	71,651,668	10,503,697
20	Of which basic indicator approach	131,296,214	71,651,668	10,503,697
21	Of which standardised approach	-	-	-
22	Of which advanced measurement approach	-	-	-
23	Amounts below the thresholds for deduction from capital (subject to 250% risk weight)	-	-	-
24	Floor adjustment	-	-	-
25	**Total (1+4+7+8+9+10+11+12+16+19+23+24)**	**1,172,368,998**	**937,541,310**	**93,789,520**

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

4.10.2 Linkages between financial statements and risk amounts

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

4.10.3 Consolidated credit risk

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

4.10.4 Consolidated counterparty credit risk

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

4.10.5 Consolidated securitisations

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

4.10.6 Consolidated market risk

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

4.10.7 Consolidated operational risk

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

4.10.8 Consolidated banking book interest rate risk

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

(Thousands of Turkish Lira (TL))

5 Disclosures and Footnotes on Consolidated Financial Statements

5.1 Consolidated assets

5.1.1 Cash and Cash Equivalents

5.1.1.1 Cash and balances with Central Bank

	Current Period		*Prior Period*	
	TP	**FC**	**TP**	**FC**
Cash in TL/Foreign Currency	3,557,383	19,733,392	3,310,207	18,504,580
Central Bank of Turkey	61,028,437	96,459,059	5,895,148	108,120,522
Others	300	4,831,988	-	3,739,285
Total	**64,586,120**	**121,024,439**	**9,205,355**	**130,364,387**

Balances with the Central Bank of Turkey

	Current Period		*Prior Period*	
	TP	**FC**	**TP**	**FC**
Unrestricted Demand Deposits	61,028,437	20,815,640	5,895,148	35,586,176
Unrestricted Time Deposits	-	-	-	-
Restricted Time Deposits	-	75,643,419	-	72,534,346
Total	**61,028,437**	**96,459,059**	**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 July 1, 2021 and numbered 31528, the facility for maintain Turkish lira reserve requirements in foreign currency was terminated as of October 1, 2021.

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 will be terminated as of June 23, 2023.

The required reserve rates for TL liabilities vary between 3% and 8% for TL deposits and other liabilities according to their maturities as of 31 March 2023 (31 December 2022: 3% and 8% for all TL liabilities); the reserve rates for foreign currency liabilities vary between 5% and 26% for deposit and other foreign currency liabilities according to their maturities as of 31 March 2023 (31 December 2022: 5% and 26% for all foreign currency liabilities). As of 28 April 2023, foreign currency reserve requirement ratios will be 5 points higher for banks with a "TL Deposit Share" ratio below 60%, calculated separately for real and legal person deposit portfolio.

Within the scope of the Communiqué No. 2021/14 on Supporting the Conversion of TL Deposit and Participation Accounts who practices regarding the establishment of additional required reserves and payment of commissions according to the conversion rate to foreign currency deposit accounts in USD, EUR and GBP and time deposit accounts was terminated as of 23 December 2022.

In accordance with the instruction dated 2 September 2022, the commission practice according to the share of Turkish Lira deposits in total deposits has been changed to be applied as of 23 December 2022. As per this amendment, banks with a share of Turkish Lira deposits below 50% will pay 8% commission and banks with a share between 50% and 60% will pay 3% commission, separately for real and legal persons. The commissions to be paid will be calculated over the amount of reserve requirements for foreign currency deposit liabilities.

(Thousands of Turkish Lira (TL))

5.1.1.2 Banks

	Current Period		*Prior Period*	
	TP	**FC**	**TP**	**FC**
Banks				
Domestic banks	1,190,004	957,363	548,751	838,155
Foreign banks	324,170	71,105,796	480,731	60,291,144
Foreign head office and branches	-	-	-	-
Total	**1,514,174**	**72,063,159**	**1,029,482**	**61,129,299**

The placements at foreign banks include blocked accounts amounting TL 9,484,367 (31 December 2022: TL 9,152,303) of which TL 320,386 (31 December 2022: TL 1,236) kept at the central banks of Malta, TL 650,387 (31 December 2022: TL 606,643) kept at Turkish Republic of Northern Cyprus and TL 8,513,594 (31 December 2022: TL 8,544,424) kept at various banks as collateral.

Furthermore, there are restricted deposits at various domestic banks amounting TL 845,805 (31 December 2022: TL 329,141) as required for insurance activities.

Due from foreign banks

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

5.1.1.3 Receivables from reserve repo transactions

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Domestic Transactions	**27,087,020**	**-**	**34,809,528**	**-**
Central Bank of Turkey	-	-	-	-
Banks	27,045,009	-	34,809,528	-
Others	42,011	-	-	-
Foreign Transactions	-	38,042,395	**-**	**35,871,173**
Central banks	-	-	-	-
Banks	-	38,042,395	-	35,871,173
Others	-	-	-	-
Total	**27,087,020**	**38,042,395**	**34,809,528**	**35,871,173**

5.1.1.4 Expected credit losses for cash and cash equivalents

Current Period	*Stage 1*	*Stage 2*	*Stage 3*	*Total*
Balances at Beginning of Period	**905,454**	**4,029**	**-**	**909,483**
Additions during the Period (+)	757,162	-	-	757,162
Disposal (-)	(687,437)	(4,046)	-	(691,483)
Transfer to Stage1	4	(4)	-	-
Transfer to Stage 2	(3)	3	-	-
Transfer to Stage 3	-	-	-	-
Foreign Currency Differences	24,239	8	-	24,247
Balances at End of Period	**999,419**	**(10)**	**-**	**999,409**

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

(Thousands of Turkish Lira (TL))

5.1.2 Financial assets at fair value through profit/loss

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

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Collateralised/Blocked Assets	-	778,997	-	752,685
Assets Subject to Repurchase Agreements	-	-	-	-
Total	**-**	**778,997**	**-**	**752,685**

5.1.2.2 Financial assets measured at fair value through profit or loss

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Government Securities	1,600,900	1,265,119	1,144,328	1,369,671
Equity Securities	3,104,986	73,795	2,580,133	67,322
Other Financial Assets (*)	20,292	536,052	22,584	587,421
Total	**4,726,178**	**1,874,966**	**3,747,045**	**2,024,414**

(*) Loans whose contractual conditions are inconsistent with a basic lending agreement (consideration for the time value of money and credit risk are typically the most significant elements of interest) are measured at fair value through profit or loss. As of 31 March 2023, loans with a fair value of TL 21,980 (31 December 2022: TL 58,884) have been classified under other financial assets.

5.1.3 Financial assets measured at fair value through other comprehensive income

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

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Collateralised/Blocked Assets	34,701,321	4,636,813	28,104,711	6,114,128
Assets subject to Repurchase Agreements	-	11,853,076	-	8,452,415
Total	**34,701,321**	**16,489,889**	**28,104,711**	**14,566,543**

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

	Current Period	*Prior Period*
Debt Securities	**51,183,467**	**53,835,518**
Quoted at Stock Exchange	51,183,467	53,835,518
Unquoted at Stock Exchange	-	-
Common Shares/Investment Fund	**14,285**	**13,859**
Quoted at Stock Exchange	4,491	4,491
Unquoted at Stock Exchange	9,794	9,368
Value Increase/Impairment Losses (-)	**38,238,262**	**35,079,023**
Total	**89,436,014**	**88,928,400**

Expected losses of TL 274,120 TL (31 December 2022: TL 280,881) are accounted under shareholders' equity for financial assets measured at fair value through other comprehensive income.

(Thousands of Turkish Lira (TL))

5.1.4 Derivative financial assets

5.1.4.1 Positive differences on derivative financial assets measured at FVTPL

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Forward Transactions	862,993	67,124	357,376	103,420
Swap Transactions	2,765,085	4,401,929	3,088,701	4,661,058
Futures	-	-	-	-
Options	2,583,709	217,540	754,925	453,506
Others	-	1,447	-	109
Total	**6,211,787**	**4,688,040**	**4,201,002**	**5,218,093**

5.1.4.2 Positive differences on derivative financial instruments held for hedging purpose

Derivative Financial Assets Held for Hedging Purpose	*Current Period*		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Fair Value Hedges	-	385,194	-	358,619
Cash Flow Hedges	256,453	961,590	195,721	1,061,783
Net Foreign Investment Hedges	-	-	-	-
Total	**256,453**	**1,346,784**	**195,721**	**1,420,402**

As of 31 March 2023, the face values and the net fair values, recognised in the balance sheet, of the derivative financial instruments held for hedging purpose, are summarized below:

	Current Period			*Prior Period*		
	Face Value	**Asset**	**Liability**	**Face Value**	**Asset**	**Liability**
Interest Rate Swaps	51,542,723	1,355,722	36,944	55,794,354	1,353,175	3,659
-TL	3,624,000	98,246	8,285	620,000	17,025	3,659
-FC	47,918,723	1,257,476	28,659	55,174,354	1,336,150	-
Currency Swaps	9,486,727	12,274	-	11,068,932	11,708	21,111
-TL	4,742,659	12,274	-	5,550,445	11,708	21,111
-FC	4,744,068	-	-	5,518,487	-	-
Cross Currency Swaps	1,756,822	179,226	29,169	2,553,835	182,038	11,106
-TL	233,146	145,933	12,255	653,406	154,899	4,961
-FC	1,523,676	33,293	16,914	1,900,429	27,139	6,145
Currency Forwards	25,515	-	1,340	94,940	12,089	730
-TL	-	-	-	21,862	12,089	-
-FC	25,515	-	1,340	73,078	-	730
Interest Rate Options	369,567	56,015	-	388,100	57,113	-
-TL	-		-	-	-	-
-FC	369,567	56,015	-	388,100	57,113	-
Total	**63,181,354**	**1,603,237**	**67,453**	**69,900,161**	**1,616,123**	**36,606**

(Thousands of Turkish Lira (TL))

5.1.4.3 Fair value hedge accounting

Current Period

Hedging Item	Hedged Item	Type of Risk	Fair Value Change of Hedged Item	Net Fair Value Change of Hedging Item		Income Statement Effect (gains/losses from derivative financial instruments)
				Asset	Liability	
Interest Rate Swaps	Fixed-rate commercial loans	Interest rate risk	11,888	15,551	-	27,439
Interest Rate Swaps	Fixed-rate securities	Interest rate risk	(220,410)	369,643	(28,652)	46,749

Prior Period

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

(Thousands of Turkish Lira (TL))

5.1.4.4 Cash flow hedge accounting

Current Period							
Hedging Item	**Hedged Item**	**Type of Risk**	**Fair Value Change of Hedged Item**		**Gains/Losses Accounted under Shareholders' Equity in the Period**	**Gains/Losses Accounted under Income Statement in the Period**	**Ineffective Portion (net) Accounted under Income Statement**
			Asset	**Liability**			
Interest Rate Swaps	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates	23,527	(4,281)	(6,868)	2,206	-
Interest Rate Swaps	Floating-rate deposit	Cash flow risk resulted from change in market interest rates	947,001	(4,011)	132,401	134,614	17,753
Cross Currency Swaps	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	145,933	(12,255)	9,903	1,396	-
Cross Currency Swaps	Fixed-rate funds borrowed	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	33,293	(16,914)	(1,179)	(399)	-
Currency Forwards	Mile payments	Cash flow risk resulted from foreign currency exchange rates	-	-	-		-
Currency Forwards	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	-	(1,340)	(414)	399	-
Interest Rate Options	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	56,015	-	41,400	-	-
Currency Swaps	Expected investment /Operational expenses	Cash flow risk resulted from foreign currency exchange rates	12,274	-	20,059	-	-
Spot Position	Mile payments	Cash flow risk resulted from foreign currency exchange rates	-	-	20,840	-	-

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 (276,285) and the amount recognized in equity is TL (159,664).

(Thousands of Turkish Lira (TL))

Prior Period

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

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

(Thousands of Turkish Lira (TL))

5.1.5 Loans

5.1.5.1 Loans and advances to shareholders and employees of the Bank

	Current Period		*Prior Period*	
	Cash Loans	**Non-Cash Loans**	**Cash Loans**	**Non-Cash Loans**
Direct Lendings to Shareholders	-	**3,236,980**	-	**2,405,182**
Corporates	-	3,236,980	-	2,405,182
Individuals	-	-	-	-
Indirect Lendings to Shareholders	**80,443**	-	**89,672**	**9,938**
Loans to Employees	**1,002,844**	**86**	**878,273**	**77**
Total	**1,083,287**	**3,237,066**	**967,945**	**2,415,197**

5.1.5.2 *Performing loans and loans under follow-up including restructured loans, and provisions allocated for such loans*
Loans measured at amortised cost

Current Period	**Performing Loans**	**Loans under Follow-up**		
			Restructured	
Cash Loans (*)		**Non-restructured**	**Revised Contract Terms**	**Refinanced**
Loans	**688,915,877**	**70,305,720**	**26,618,203**	**21,400,741**
Working Capital Loans	80,464,833	7,967,051	1,250,417	10,624,015
Export Loans	82,593,190	2,696,753	75,655	87,501
Import Loans	170,237	-	-	-
Loans to Financial Sector	20,514,056	97,895	-	40,044
Consumer Loans	141,828,617	17,134,517	1,244,178	32,115
Credit Cards	122,470,578	20,608,870	609,760	-
Others	240,874,366	21,800,634	23,438,193	10,617,066
Specialization Loans	-	-	-	-
Other Receivables	**28,705,228**	**1,383,449**	**644,313**	**23,316**
Total	**717,621,105**	**71,689,169**	**27,262,516**	**21,424,057**

(*) Non-performing loans are not included.

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

(*) Non-performing loans are not included.

(Thousands of Turkish Lira (TL))

Current Period	Corporate/ Commercial Loans		Consumer Loans		Financial Lease		Factoring		Total	
	TL	FC	TL	FC	TL	FC	TL	FC	TL	FC
Performing Loans (Stage 1)	240,505,330	209,088,205	222,143,422	17,162,959	6,310,481	11,416,439	9,790,935	1,203,334	478,750,168	238,870,937
Loans under Follow-up (Stage 2)	25,961,023	58,134,869	31,860,420	2,368,352	77,547	1,906,224	66,899	408	57,965,889	62,409,853
Total Stage 1 and 2 Loans	**266,466,353**	**267,223,074**	**254,003,842**	**19,531,311**	**6,388,028**	**13,322,663**	**9,857,834**	**1,203,742**	**536,716,057**	**301,280,790**
Expected Credit losses-Stage 1-2 (-)	4,937,444	17,994,479	2,804,676	300,185	73,168	450,275	45,357	1,610	7,860,645	18,746,549
Total Non-performing Loans	**11,330,046**	**2,549,876**	**4,878,735**	**546,779**	**249,349**	**942,249**	**38,324**	**21,801**	**16,496,454**	**4,060,705**
Expected Credit losses-Stage 3 (-)	8,403,735	1,856,006	2,976,913	423,585	237,089	603,227	31,671	21,801	11,649,408	2,904,619

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

	Current Period		*Prior Period*	
	Performing Loans	**Loans Under Follow-Up**	**Performing Loans**	**Loans Under Follow-Up**
12-Month ECL (Stage 1)	4,399,961	-	4,490,335	-
Significant Increase in Credit Risk (Stage 2)	-	22,207,233	-	20,906,952

As of 31 March 2023, loans amounting to TL 6,454,064 are benefited as collateral under funding transactions (31 December 2022: TL 6,480,885).

Collaterals received for loans under follow-up

Current Period	Corporate / Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	3,017,784	78,743	-	3,096,527
Loans Collateralized by Mortgages / Shares/ Credit Guarantee Fund Sureties	27,699,731	3,050,681	-	30,750,412
Loans Collateralized by Pledged Assets	13,473,800	595,824	-	14,069,624
Loans Collateralized by Cheques and Notes	215,369	5,992	-	221,361
Loans Collateralized by Other Collaterals	31,910,543	11,901,384	-	43,811,927
Unsecured Loans	4,429,075	2,778,186	21,218,630	28,425,891
Total	**80,746,302**	**18,410,810**	**21,218,630**	**120,375,742**

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

(Thousands of Turkish Lira (TL))

Delinquency periods of loans under follow-up

Current Period	**Corporate / Commercial Loans**	**Consumer Loans**	**Credit Cards**	**Total**
31-60 days	280,428	1,155,026	526,822	1,962,276
61-90 days	114,375	365,948	180,110	660,433
Other	80,351,499	16,889,836	20,511,698	117,753,033
Total	**80,746,302**	**18,410,810**	**21,218,630**	**120,375,742**

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

5.1.5.3 Maturity analysis of cash loans

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

(Thousands of Turkish Lira (TL))

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

Current Period	Short-Term	Medium and Long-Term	Total
Consumer Loans – TL	**27,100,883**	**97,736,890**	**124,837,773**
Housing Loans	34,733	26,444,967	26,479,700
Automobile Loans	1,601,705	6,586,134	8,187,839
General Purpose Loans	25,464,445	64,705,789	90,170,234
Others	-	-	-
Consumer Loans – FC-indexed	-	**124,005**	**124,005**
Housing Loans	-	124,005	124,005
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Others	-	-	-
Consumer Loans – FC	**2,922,981**	**15,321,155**	**18,244,136**
Housing Loans	515,493	9,777,307	10,292,800
Automobile Loans	-	16,995	16,995
General Purpose Loans	973,966	3,095,039	4,069,005
Others	1,433,522	2,431,814	3,865,336
Retail Credit Cards – TL	**107,361,229**	**390,392**	**107,751,621**
With Installment	57,463,450	390,392	57,853,842
Without Installment	49,897,779	-	49,897,779
Retail Credit Cards – FC	**1,105,936**	**9,513**	**1,115,449**
With Installment	-	-	-
Without Installment	1,105,936	9,513	1,115,449
Personnel Loans – TL	**155,659**	**200,012**	**355,671**
Housing Loan	-	182	182
Automobile Loans	-	386	386
General Purpose Loans	155,659	199,444	355,103
Others	-	-	-
Personnel Loans - FC-indexed	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Others	-	-	-
Personnel Loans – FC	**17,769**	**127,364**	**145,133**
Housing Loans	4,122	65,661	69,783
Automobile Loans	-	-	-
General Purpose Loans	11,190	48,050	59,240
Others	2,457	13,653	16,110
Personnel Credit Cards – TL	**480,916**	**1,700**	**482,616**
With Installment	225,710	1,700	227,410
Without Installment	255,206	-	255,206
Personnel Credit Cards – FC	**19,270**	**139**	**19,409**
With Installment	-	-	-
Without Installment	19,270	139	19,409
Deposit Accounts– TL (Real Persons)	**16,532,694**	**-**	**16,532,694**
Deposit Accounts– TL (Personnel)	**15**	**-**	**15**
Deposit Accounts– FC (Real Persons)	**-**	**-**	**-**
Total	**155,697,352**	**113,911,170**	**269,608,522**

(Thousands of Turkish Lira (TL))

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

(Thousands of Turkish Lira (TL))

5.1.5.5 Installment based commercial loans and corporate credit cards

Current Period	Short-Term	Medium and Long-Term	Total
Installment-based Commercial Loans – TL	**13,807,188**	**21,815,657**	**35,622,845**
Real Estate Loans	48,704	884,423	933,127
Automobile Loans	3,535,606	13,185,003	16,720,609
General Purpose Loans	10,222,878	7,746,231	17,969,109
Others	-	-	-
Installment-based Commercial Loans - FC-indexed	-	**48,782**	**48,782**
Real Estate Loans	-	33,357	33,357
Automobile Loans	-	-	-
General Purpose Loans	-	15,425	15,425
Others	-	-	-
Installment-based Commercial Loans – FC	**9,353,457**	**14,046,993**	**23,400,450**
Real Estate Loans	-	-	-
Automobile Loans	3,170	1,224,561	1,227,731
General Purpose Loans	-	47,351	47,351
Others	9,350,287	12,775,081	22,125,368
Corporate Credit Cards – TL	**33,367,270**	**820,886**	**34,188,156**
With Installment	17,340,059	820,886	18,160,945
Without Installment	16,027,211	-	16,027,211
Corporate Credit Cards – FC	**131,957**	-	**131,957**
With Installment	-	-	-
Without Installment	131,957	-	131,957
Deposit Accounts– TL (Corporates)	**3,303,602**	-	**3,303,602**
Deposit Accounts– FC (Corporates)	-	-	-
Total	**59,963,474**	**36,732,318**	**96,695,792**

(Thousands of Turkish Lira (TL))

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

5.1.5.6 Allocation of loans by customers

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

5.1.5.7 Allocation of domestic and foreign loans (*)

	Current Period	*Prior Period*
Domestic Loans	748,636,936	680,243,288
Foreign Loans	89,359,911	89,045,847
Total	837,996,847	**769,289,135**

(*) Non-performing loans are not included.

5.1.5.8 Loans to associates and subsidiaries

	Current Period	*Prior Period*
Direct Lending	1,676,844	1,273,242
Indirect Lending	-	-
Total	**1,676,844**	**1,273,242**

(Thousands of Turkish Lira (TL))

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

	Current Period	*Prior Period*
Substandard Loans- Limited Collectability	1,885,522	1,624,465
Doubtful Loans	1,545,682	1,289,382
Uncollectible Loans	11,122,823	11,775,155
Total	**14,554,027**	**14,689,002**

5.1.5.10 Non-performing loans (NPLs) (net)

Non-performing loans and loans restructured from this category

	Group III	**Group IV**	**Group V**
	Substandard Loans	**Doubtful Loans**	**Uncollectible Loans**
Current Period			
(Gross amounts before provisions)	1,528,103	511,279	6,154,184
Restructured Loans and Receivables	1,528,103	511,279	6,154,184
Prior Period			
(Gross amounts before provisions)	1,225,984	479,624	7,648,409
Restructured Loans and Receivables	1,225,984	479,624	7,648,409

Movements in non-performing loan groups

	Group III	**Group IV**	**Group V**
Current Period	**Substandard Loans**	**Doubtful Loans**	**Uncollectible Loans**
Balances at End of Prior Period	**2,824,648**	**1,976,525**	**15,488,631**
Additions during the Period (+)	2,125,084	84,902	254,921
Transfer from Other NPL Categories (+)	13,458	1,523,224	817,388
Transfer to Other NPL Categories (-)	1,527,193	816,035	10,842
Collections during the Period (-)	348,623	245,808	965,575
Write down /Write-offs (-)(*)	-	-	731,982
Debt Sale (-)(**)	-	-	-
Corporate and Commercial Loans	-	-	-
Retail Loans	-	-	-
Credit Cards	-	-	-
Other (***)	-	-	(51,055)
Foreign Currency Differences	64,221	10,497	70,773
Balances at End of Period	**3,151,595**	**2,533,305**	**14,872,259**
Provisions (-)	1,885,522	1,545,682	11,122,823
Net Balance on Balance Sheet	**1,266,073**	**987,623**	**3,749,436**

(Thousands of Turkish Lira (TL))

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

(*) Includes loans for which 100 % provision is provided during the corresponding period.
(**) As of 31 March 2023, Bank's and consolidated subsidiaries, has also written down "Group V Loan" (Loans Classified as Loss) amounting to TL 12,769,166 (31 December 2022: TL 12,020,470). During the period, the non-performing loan ratio of the Group calculated as 3.82% (31 December 2022: 4.03%) by taking into account the written-off loans in accordance with the amendment on the relevant Provisions Regulation instead of 2.39% (31 December 2022: 2.57%). The loan granted to LYY Telekomünikasyon A.Ş. amounting to USD 459,033,539 (TL 7,576,349) has been transferred as non-performing loans and has been written-down at the same time and then has been written-off in the prior period.
(***) Consists of sale of non-performing loans.
(****) Includes receivables that have been reclassifed to non-defaulted status (31 December 2022: TL 254,928).

Non-performing loans in foreign currencies

	Group III **Substandard Loans and Receivables**	**Group IV** **Doubtful Loans and Receivables**	**Group V** **Uncollectible Loans and Receivables**
Current Period			
Balance at End of Period	**1,725,130**	**438,360**	**9,548,039**
Provisions (-)	1,148,788	255,830	7,086,077
Net Balance at Balance Sheet	**576,342**	**182,530**	**2,461,962**
Prior Period			
Balance at End of Period	**1,410,735**	**265,669**	**10,542,501**
Provisions (-)	858,800	236,342	8,003,547
Net Balance at Balance Sheet	**551,935**	**29,327**	**2,538,954**

(Thousands of Turkish Lira (TL))

Gross and net non-performing loans as per customer categories

	Group III Substandard Loans	**Group IV Doubtful Loans**	**Group V Uncollectible Loans**
Current Period (Net)	**1,266,073**	**987,623**	**3,749,436**
Loans to Individuals and Corporates (Gross)	3,079,822	2,529,223	14,775,539
Provision (-)	1,855,552	1,543,743	11,039,522
Loans to Individuals and Corporates (Net)	1,224,270	985,480	3,736,017
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	71,773	4,082	96,720
Provision (-)	29,970	1,939	83,301
Other Loans and Receivables (Net)	41,803	2,143	13,419
Prior Period (Net)	**1,200,190**	**687,143**	**3,713,469**
Loans to Individuals and Corporates (Gross)	2,768,734	1,964,835	15,383,332
Provision (-)	1,599,159	1,280,431	11,684,864
Loans to Individuals and Corporates (Net)	1,169,575	684,404	3,698,468
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	55,921	11,690	105,292
Provision (-)	25,306	8,951	90,291
Other Loans and Receivables (Net)	30,615	2,739	15,001

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

	Group III Substandard Loans	**Group IV Doubtful Loans**	**Group V Uncollectible Loans**
Current Period (Net)	**61,782**	**71,770**	**244,356**
Interest accruals and valuation differences	143,557	187,741	904,552
Provision (-)	81,775	115,971	660,196
Prior Period (Net)	**55,872**	**56,266**	**224,494**
Interest accruals and valuation differences	127,784	146,307	876,362
Provision (-)	71,912	90,041	651,868

(Thousands of Turkish Lira (TL))

Collaterals received for non-performing loans

Current Period	**Corporate/ Commercial Loans**	**Consumer Loans**	**Credit Cards**	**Total**
Loans Collateralized by Cash	7,555	268	-	7,823
Loans Collateralized by Mortgages	8,134,085	138,568	-	8,272,653
Loans Collateralized by Pledged Assets	1,382,591	21,215	-	1,403,806
Loans Collateralized by Cheques and Notes	107,050	1,263	-	108,313
Loans Collateralized by Other Collaterals	2,769,152	3,385,193	-	6,154,345
Unsecured Loans	2,466,689	667,275	1,476,255	4,610,219
Total	**14,867,122**	**4,213,782**	**1,476,255**	**20,557,159**

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

5.1.5.11 *Expected credit loss for loans*

Current Period	***Stage 1***	***Stage 2***	***Stage 3***	***Total***
Balances at End of Prior Period	**4,490,335**	**20,906,952**	**14,689,002**	**40,086,289**
Additions during the Period (+)	2,100,206	4,816,554	914,497	7,831,257
Disposal (-)	(3,246,685)	(2,498,169)	(1,041,828)	(6,786,682)
Debt Sale (-)	-	-	-	-
Write-offs (-)	-	-	(731,982)	(731,982)
Transfer to Stage1	1,479,324	(1,474,229)	(5,095)	-
Transfer to Stage 2	(472,978)	535,363	(62,385)	-
Transfer to Stage 3	(5,474)	(679,194)	684,668	-
Foreign Currency Differences	55,233	599,956	107,150	762,339
Balances at End of Period	**4,399,961**	**22,207,233**	**14,554,027**	**41,161,221**

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

(Thousands of Turkish Lira (TL))

5.1.5.12 Liquidation policy for uncollectible loans

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

5.1.5.13 Write-off policy

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

5.1.6 Lease receivable (Net)

5.1.6.1 Financial lease receivables according to remaining maturities (*)

	Current Period		*Prior Period*	
	Gross	**Net**	**Gross**	**Net**
Less than 1 Year	9,309,869	7,697,320	8,073,335	6,810,218
Between 1-5 Years	13,030,117	11,728,105	11,731,327	10,613,736
Longer than 5 Years	301,010	285,266	326,227	312,161
Total	**22,640,996**	**19,710,691**	**20,130,889**	**17,736,115**

(*) Non-performing loans are not included.

5.1.6.2 Net financial lease receivables (*)

	Current Period	*Prior Period*
Gross Financial Lease Receivables	22,640,996	20,130,889
Unearned Income on Financial Lease Receivables (-)	(2,930,305)	(2,394,774)
Terminated Lease Contracts (-)	-	-
Net Financial Lease Receivables	**19,710,691**	**17,736,115**

(*) Non-performing loans are not included.

5.1.6.3 Financial lease agreements

Criteria applied for financial lease agreements

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

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

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

Details monitored subsequent to signing of financial lease agreements

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

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

5.1.7 Factoring receivables

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

(Thousands of Turkish Lira (TL))

5.1.8 Financial assets measured at amortised cost

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

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Collateralised/Blocked Investments	84,981,869	10,781,615	52,040,944	19,264,769
Investments subject to Repurchase Agreements	53,718	30,526,859	42,589	16,293,681
Total	**85,035,587**	**41,308,474**	**52,083,533**	**35,558,450**

5.1.8.2 Government securities measured at amortised cost

	Current Period	*Prior Period*
Government Bonds	133,576,827	97,364,114
Treasury Bills	163,148	174,069
Other Government Securities	7,534,861	7,726,350
Total	**141,274,836**	**105,264,533**

5.1.8.3 Financial assets measured at amortised cost

	Current Period	*Prior Period*
Debt Securities	**126,538,879**	**90,619,870**
Quoted at Stock Exchange	126,246,597	90,320,793
Unquoted at Stock Exchange	292,282	299,077
Valuation Increase / (Decrease)	**21,288,605**	**19,399,986**
Total	**147,827,484**	**110,019,856**

5.1.8.4 Movement of financial assets measured at amortised cost

	Current Period	*Prior Period*
Balances at Beginning of Period	**110,019,856**	**40,167,047**
Foreign Currency Differences on Monetary Assets	1,454,780	12,482,328
Purchases during the Period	36,057,027	51,352,248
Disposals through Sales/Redemptions	(1,592,798)	(5,655,451)
Valuation Effect	1,888,619	11,673,684
Balances at End of Period	**147,827,484**	**110,019,856**

(Thousands of Turkish Lira (TL))

5.1.8.5 Expected credit loss for financial assets measured at amortised cost

Current Period	*Stage 1*	*Stage 2*	*Stage 3*	*Total*
Balances at End of Prior Period	**466,516**	**-**	**-**	**466,516**
Additions during the Period (+)	172,709	-	-	172,709
Disposal (-)	(25,615)	-	-	(25,615)
Transfer to Stage1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Foreign Currency Differences	5,840	-	-	5,840
Balances at End of Period	**619,450**	**-**	**-**	**619,450**

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

5.1.9 Assets held for sale and assets of discontinued operations

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

	Current Period	*Prior Period*
End of Prior Period		
Cost	**782,707**	**596,163**
Accumulated Depreciation (-)	**(2,289)**	**(10,215)**
Net Book Value	**780,418**	**585,948**
End of Current Period		
Additions	92,258	565,733
Disposals (Cost)	(41,840)	(391,709)
Disposals (Accumulated Depreciation)	-	8,038
Reversal of Impairment / Impairment Losses	804	8,991
Depreciation Expense for Current Period (-)	-	(112)
Currency Translation Differences on Foreign Operations	218	3,529
Cost	**834,147**	**782,707**
Accumulated Depreciation (-)	**(2,289)**	**(2,289)**
Net Book Value	**831,858**	**780,418**

(Thousands of Turkish Lira (TL))

5.1.9.2 Investments in subsidiaries and associates to be disposed

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

(*) In the current period within the context of the existing loan agreements, all creditors including the Bank have reached an agreement on restructuring the loans granted to Ojer Telekomünikasyon A.Ş. (OTAŞ) who is the main shareholder of Türk Telekomünikasyon A.Ş. (Türk Telekom) and it is contemplated that Türk Telekom's number of 192.500.000.000 A group shares owned by OTAŞ, representing 55% of its issued share capital corresponding to A group shares have been pledged as a guarantee for the existing facilities would be taken over by a special purpose entity which is incorporated or will be incorporated in the Turkish Republic, and owned by directly or indirectly by all creditors. As per the agreed structure, it is agreed on the corresponding agreements, completed all required corporate and administrative permissions and the transaction is concluded by a transfer of the aforementioned shares to the special purpose entity incorporated in the Turkish Republic, and owned by directly or indirectly by all creditors. In this context, the Bank owned 22.1265% of the founded special purpose entity and the related investment is considered within the scope of TFRS 5 "Assets Held for Sale and Discontinued Operations".
As per the decision made at the 2018 annual general assembly of related special purpose entity, it was decided to increase the capital of the special purpose entity by TL 3,982,230, all of which will be covered by common receivables. The Entity's paid-in capital after the general assembly had been TL 3,982,280. The Bank's shareholding ratios in the Entity's capital did not change as a result of the increase, and the nominal value of the direct shares increased from TL 11 to TL 881.140 and the number of shares increased from 1,106,325 to 88,114,036,863. Valuation differences recorded on the financial asset are presented as impairment in Assets Held for Sale and Discontinued Operations after capital increase. In 2020, all of the assets acquired under TFRS 5 was impaired. The liquidation of the related special purpose entity has been registered in Trade Registry Gazette dated 28 December 2022 and numbered 10735. As of 31 December 2022, the capital share amounting to TL 881,140, which is fully impaired, has been written off regarding to completion of the liquidation process.

5.1.10 Investments in associates

5.1.10.1 Unconsolidated investments in associates

	Associates	Address (City/ Country)	Parent Bank's Share – If Different, Voting Rights (%)	Bank Risk Group's Share (%)
1	Emeklilik Gözetim Merkezi AŞ(1)	İstanbul/Turkey	-	6.25
2	Bankalararası Kart Merkezi AŞ (1)	İstanbul/Turkey	4.98	4.98
3	Yatırım Finansman Menkul Değerler AŞ (1)	İstanbul/Turkey	0.77	0.77
4	İstanbul Takas ve Saklama Bankası AŞ (1)	İstanbul/Turkey	4.95	4.97
5	Borsa İstanbul AŞ (2)	İstanbul/Turkey	0.30	0.34
6	Kredi Kayıt Bürosu AŞ ("KKB") (1)	İstanbul/Turkey	9.09	9.09
7	Türkiye Cumhuriyet Merkez Bankası AŞ (1)	Ankara/ Turkey	2.48	2.48
8	Kredi Garanti Fonu AŞ (2)	Ankara/ Turkey	1.49	1.49
9	JCR Avrasya Derecelendirme AŞ	İstanbul/Turkey	2.86	2.86
10	Birleşik İpotek Finansmanı AŞ (1)	İstanbul/Turkey	8.33	8.33
11	İhracatı Geliştirme A.Ş. (İGE) (1)	İstanbul/Turkey	2.18	2.18

(Thousands of Turkish Lira (TL))

	Total Assets	**Shareholders' Equity**	**Total Fixed Assets (*)**	**Interest Income**	**Income on Securities Portfolio**	**Current Period Profit/Loss**	**Prior Period Profit/Loss**	**Company's Fair Value**
1	37,958	13,997	6,040	1,441	18	184	3,755	-
2	805,905	685,073	130,598	82,758	-	314,832	137,294	-
3	3,706,023	346,228	11,486	31,962	3,472	115,122	66,201	-
4	85,804,572	4,516,938	157,872	1,493,313	193,627	1,732,121	890,757	-
5	48,592,331	6,073,643	630,443	348,746	-	1,754,959	1,754,959	-
6	875,483	117,467	414,875	42,415	1,333	(1,800)	75,307	-
7	3,575,062,693	84,895,025	1,148,976	135,246,966	31,372,141	72,029,068	57,483,159	-
8	1,876,776	1,291,670	27,058	156,954	-	311,631	199,221	-
9	181,747	142,869	10,448	15,346	-	100,751	58,825	-
10	75,238	70,952	2,900	3,763	9,149	18,745	1,958	-
11	4,558,837	4,533,383	9,694	427,529	-	1,151,536	25,822	-

(1) Financial information is as of 31 December 2022.
(2) Financial information is as of 31 December 2021.
(*) Total fixed assets include tangible and intangible assets.

Unconsolidated investments in associates sold during the current period

None.

Unconsolidated investments in associates acquired during the current period

None.

5.1.10.2 Consolidated investments in associates

None.

5.1.10.3 Movement of consolidated investments in associates

None.

Valuation methods of consolidated investments in associates

None.

Sectoral distribution of consolidated investments and associates

None.

Quoted consolidated investments in associates

None.

Investments in associates sold during the current period

None.

Investments in associates acquired during the current period

None.

(Thousands of Turkish Lira (TL))

5.1.11 Investments in subsidiaries (net)

Information on capital adequacy of major subsidiaries

Current Period	Garanti Bank International NV	Garanti Holding BV	Garanti Finansal Kiralama AŞ	Garanti Emeklilik ve Hayat AŞ	Garanti Yatırım Menkul
COMMON EQUITY TIER I CAPITAL					
Paid-in Capital to be Entitled for Compensation after All Creditors	2,847,114	9,116,604	357,848	517,159	13,750
Share Premium	-	269,495	-	-	-
Share Cancellation Profits	-	-	-	-	-
Legal Reserves	1,309,244	764,754	952,933	526,544	1,006,982
Other Comprehensive Income according to TAS	8,836,906	444,119	-	15,530	-
Current and Prior Periods' Profits	1,199,440	989,233	3,094,858	721,111	1,842,155
Minority interest	-	-	-	-	50,656
Common Equity Tier I Capital Before Deductions	**14,192,704**	**11,584,205**	**4,405,639**	**1,780,344**	**2,913,543**
Deductions From Common Equity Tier I Capital					
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	130,870	2,627,399	36,591	15,871	6,436
Leasehold Improvements on Operational Leases (-)	-	134	-	88	1,425
Goodwill and Other Intangible Assets and Related Deferred Taxes (-)	129,983	1,164,979	-	49,163	10,809
Net Deferred Tax Asset/Liability (-)	-	-	-	-	-
Total Deductions from Common Equity Tier I Capital	**260,853**	**3,792,512**	**36,591**	**65,122**	**18,670**
Total Common Equity Tier I Capital	**13,931,851**	**7,791,693**	**4,369,048**	**1,715,222**	**2,894,873**
Total Deductions From Tier I Capital	-	-	-	-	-
Total Tier I Capital	**13,931,851**	**7,791,693**	**4,369,048**	**1,715,222**	**2,894,873**
TIER II CAPITAL	**-**	**415,526**	-	-	-
TOTAL CAPITAL	**13,931,851**	**8,207,219**	**4,369,048**	**1,715,222**	**2,894,873**

(Thousands of Turkish Lira (TL))

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

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

(Thousands of Turkish Lira (TL))

5.1.11.1 Unconsolidated investments in subsidiaries

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

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

	Total Assets	**Shareholders' Equity**	**Total Fixed Assets (*)**	**Interest Income**	**Income on Securities Portfolio**	**Current Period Profit/Loss**	**Prior Period Profit/Loss**	**Company's Fair Value**	**Amount of Equity Requirement**
1	7,987	1,690	659	-	-	25	82	-	-
2	7,670	4,904	-	145	-	1,603	(407)	-	-
3	24,869	20,700	24,861	-	-	(4)	6	-	-
4	168,042	80,081	148,072	127	-	4,288	3,136	-	-
5	8,671,186	2,435,586	7,772,811	4,346	-	461,092	269,902	-	-
6	13,661	10,282	-	615	-	2,469	521	-	-
7	104,611	98,073	65,629	2,180	-	18,297	-	-	-

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

Unconsolidated subsidiaries sold during the current period

None.

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

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

(Thousands of Turkish Lira (TL))

5.1.11.2 Movement of consolidated investments in subsidiaries

	Current Period	*Prior Period*
Balances at Beginning of Period	**28,945,277**	**19,862,618**
Movements during the Period	**3,038,572**	**9,082,659**
Acquisitions (**)	-	50,000
Bonus Shares Received	-	-
Dividends from Current Year Profit	2,628,448	5,335,746
Sales/Liquidations	-	(881,140)
Reclassifications	-	-
Value Increase/Decrease (*)	(543,934)	(1,298,382)
Currency Differences on Foreign Subsidiaries	954,058	4,995,295
Reversal of Impairment Losses / Impairment Losses (-)	-	-
Balances at End of Period	**31,983,849**	**28,945,277**
Capital Commitments	-	-
Share Percentage at the End of Period (%)	-	-

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

Valuation methods of consolidated investments in subsidiaries

	Current Period	*Prior Period*
Valued at Cost	-	-
Valued at Fair Value (*)	31,983,849	28,945,277

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

Sectoral distribution of consolidated investments in subsidiaries

	Current Period	*Prior Period*
Banks	14,044,221	12,949,862
Insurance Companies	1,500,051	1,736,718
Factoring Companies	703,821	566,300
Leasing Companies	4,436,533	3,769,188
Finance Companies	-	-
Other Subsidiaries	11,299,223	9,923,209

Quoted consolidated investments in subsidiaries

	Current Period	*Prior Period*
Quoted at Domestic Stock Exchanges	708,753	571,718
Quoted at International Stock Exchanges	-	-

(Thousands of Turkish Lira (TL))

Other information on consolidated investments in subsidiaries

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

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

	Total Assets	Shareholders' Equity	Total Fixed Assets (**)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
1	19,034,095	4,447,549	35,466	601,214	-	690,703	704,174	-
2	11,323,564	860,011	21,269	575,738	-	167,937	66,821	-
3	9,297,659	2,861,822	73,921	357,570	-	631,275	219,974	-
4	456,923	379,499	3,857	18,494	-	60,056	30,606	-
5	5,800,608	1,764,472	63,620	151,900	79,897	371,329	194,670	-
6	109,713,277	14,077,995	712,713	1,084,206	14,612	486,866	124,736	-
7	8,174,502	8,173,189	-	-	-	(439)	(337)	-
8	6,755,661	6,752,601	-	-	-	(845)	(712)	-
9	57,747,549	7,753,185	1,460,341	650,748	132,245	296,467	119,131	-
10	4,258,720	833,866	28,916	80,779	-	26,427	12,055	-
11	3,163,714	327,125	54,133	68,317	-	(26,524)	(4,946)	-
12	52,741	51,732	507	139	-	123	5,583	136,640
13	229,982	147,418	359	3,859	-	26,231	7,208	-

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

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

Consolidated investments in subsidiaries disposed during the current period

None.

Consolidated investments in subsidiaries acquired during the current period

None.

(Thousands of Turkish Lira (TL))

5.1.12 Investments in joint-ventures (net)

None.

5.1.13 Tangible assets

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

5.1.14 Intangible assets

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

5.1.15 Investment property

	Current Period	*Prior Period*
Net Book Value at Beginning of Period	**926,800**	**652,633**
Additions	-	7,471
Disposals	-	(70,662)
Transfers	-	(740,645)
Fair Value Change	299,200	1,078,003
Net Currency Translation Differences on Foreign Subsidiaries	-	-
Net Book Value at End of Period	**1,226,000**	**926,800**

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

5.1.16 Deferred tax asset

As of 31 March 2023, on a consolidated basis the Bank has a deferred tax asset of TL 12,479,541 (31 December 2022: TL 7,105,391) calculated as the net amount remaining after netting of tax deductible timing differences and taxable timing differences in its consolidated financial statements.

As of 31 March 2023, deferred tax assets of TL 14,957,168 (31 December 2022: TL 11,402,123) calculated on all taxable temporary differences arising between the carrying amounts and the taxable amounts of assets and liabilities on the financial statements that will be considered in the calculation of taxable earnings in the future periods and on tax losses, which is presented as netted-off in the accompanying consolidated financial statements, with a deferred tax liability of TL 2,477,627 (31 December 2022: TL 4,296,732).

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

(Thousands of Turkish Lira (TL))

	Current Period		*Prior Period*	
	Tax Base	**Deferred Tax Amount**	**Tax Base**	**Deferred Tax Amount**
Provisions (*)	4,853,886	1,201,954	4,629,242	1,146,554
Stages 1&2 Credit Losses	31,442,768	7,590,081	29,689,852	7,173,568
Differences between the Carrying Values and Taxable Values of Financial Assets (**)	(83,418)	78,701	(1,900,909)	(366,711)
Revaluation Differences on Real Estates (***)	5,459,880	2,164,924	(7,453,148)	(1,155,583)
Differences Between Book Value and Tax Value of Fixed Assets (***)	1,830,363	458,558	(213,119)	(53,280)
Other	3,941,292	985,323	1,405,627	360,843
Deferred Tax Asset	**47,444,771**	**12,479,541**	**26,157,545**	**7,105,391**

(*) Consists of reserve for employee benefits, provision for promotion expenses of credit cards and other provisions.
(**) Calculations are performed at the relevant tax rates applicable in the country of the foreign branches and subsidiaries' financial assets.
(***) Includes the revaluation of immovable and depreciable economic assets within the scope of the provisions of Provisional Article 32 and Repeated Article 298/ç of the Tax Procedure Law.

5.1.17 Other Assets

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Derivative Assets (Derivative Guarantees)	313,349	2,752,691	355,861	2,620,765
Receivables From Clearing Transactions	13,416,979	153,704	14,572,861	164,132
Prepaid Expenses (*)	18,983,590	104,029	18,924,354	100,637
Cash Guarantees Given	1,409,846	220,407	1,000,779	351,954
Receivables From Forward Sale of Assets	25,137	-	65,137	-
Other	3,685,524	1,483,513	3,756,427	1,230,564
Total	**37,834,425**	**4,714,344**	**38,675,419**	**4,468,052**

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

(Thousands of Turkish Lira (TL))

5.2 Consolidated liabilities

5.2.1 Maturity profile of deposits

Current Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	Total
Saving Deposits	**70,070,308**	**-**	**9,112,616**	**226,217,060**	**25,590,328**	**4,115,550**	**30,288,984**	**788**	**365,395,634**
Foreign Currency Deposits	**271,130,566**	**-**	**32,626,003**	**66,606,782**	**19,576,582**	**18,151,127**	**15,204,943**	**42,908**	**423,338,911**
Residents in Turkey	218,111,165	-	16,260,676	43,593,963	5,589,772	2,035,693	1,901,148	42,874	287,535,291
Residents in Abroad	53,019,401	-	16,365,327	23,012,819	13,986,810	16,115,434	13,303,795	34	135,803,620
Public Sector Deposits	**6,380,605**	-	**14,175**	**38,661**	**768**	**10**	-	-	**6,434,219**
Commercial Deposits	**48,021,380**	-	**37,635,604**	**80,453,366**	**5,282,301**	**2,854,250**	**3,907,492**	-	**178,154,393**
Others	**1,145,222**	-	**627,889**	**6,542,557**	**2,133,995**	**774,812**	**403,397**	-	**11,627,872**
Precious Metal Deposits	**50,105,865**	-	-	**662,993**	**266,181**	**42,192**	**657,821**	-	**51,735,052**
Bank Deposits(*)	**1,478,805**	-	**767,923**	**768,211**	**103,989**	-	**90,204**	-	**3,209,132**
Central Bank of Turkey	3,819	-	-	-	-	-	-	-	3,819
Domestic Banks	15,309	-	420,878	503,247	-	-	-	-	939,434
Foreign Banks	924,088	-	347,045	264,964	103,989	-	90,204	-	1,730,290
Special Financial Institutions	535,589	-	-	-	-	-	-	-	535,589
Others	-	-	-	-	-	-	-	-	-
Total(**)	**448,332,751**	**-**	**80,784,210**	**381,289,630**	**52,954,144**	**25,937,941**	**50,552,841**	**43,696**	**1,039,895,213**

Prior Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	Total
Saving Deposits	**58,794,730**	**-**	**9,395,834**	**177,231,319**	**6,114,011**	**3,510,353**	**16,198,229**	**686**	**271,245,162**
Foreign Currency Deposits	**275,382,023**	**-**	**35,381,212**	**81,574,757**	**13,671,756**	**17,805,081**	**15,042,688**	**43,513**	**438,901,030**
Residents in Turkey	219,165,200	-	21,315,290	63,310,873	5,315,819	3,728,622	2,640,308	42,784	315,518,896
Residents in Abroad	56,216,823	-	14,065,922	18,263,884	8,355,937	14,076,459	12,402,380	729	123,382,134
Public Sector Deposits	**3,155,441**	-	**14,677**	**22,606**	**814**	**9**	-	-	**3,193,547**
Commercial Deposits	**50,399,426**	-	**41,195,921**	**35,363,642**	**2,170,320**	**6,744,576**	**5,165,713**	-	**141,039,598**
Others	**905,434**	-	**730,655**	**2,489,086**	**2,311,118**	**744,246**	**1,420,901**	-	**8,601,440**
Precious Metal Deposits	**42,187,783**	-	-	**732,265**	**268,913**	**81,233**	**659,280**	-	**43,929,474**
Bank Deposits(*)	**913,859**	-	**799,301**	**13,962**	-	-	**102,086**	-	**1,829,208**
Central Bank of Turkey	3,410	-	-	-	-	-	-	-	3,410
Domestic Banks	20,836	-	517,038	-	-	-	-	-	537,874
Foreign Banks	873,118	-	282,263	13,962	-	-	102,086	-	1,271,429
Special Financial Institutions	16,495	-	-	-	-	-	-	-	16,495
Others	-	-	-	-	-	-	-	-	-
Total(**)	**431,738,696**	**-**	**87,517,600**	**297,427,637**	**24,536,932**	**28,885,498**	**38,588,897**	**44,199**	**908,739,459**

(*) Includes Interbank precious metal accounts.
(**) As of 31 March 2023, the Parent Bank has a total of TL 220,431,710 (31 December 2021: TL 168,381,687) foreign exchange-protected deposit instrument of which TL 188,573,638 (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 31,858,073 (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 1,733,646 (31 December 2022: TL : 1,867,023) regarding the foreign exchange-protected deposit instrument calculated as of the balance sheet date are presented in other assets under assets and included in deposits under liabilities.

(Thousands of Turkish Lira (TL))

5.2.1.1 Saving deposits insured by Saving Deposit Insurance Fund

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

Saving Deposits	**Covered by Deposit Insurance Over Deposit Insurance Limit(*)**		**Over Deposit Insurance Limit**	
	Current Period	***Prior Period***	***Current Period***	***Prior Period***
Saving Deposits	126,544,321	86,399,007	236,401,824	182,675,592
Foreign Currency Saving Deposits	127,402,032	98,923,923	136,679,405	175,471,602
Other Saving Deposits	28,863,856	18,354,267	20,980,541	24,026,437
Foreign Branches' Deposits Under Foreign Insurance Coverage	16,452,725	1,472,283	1,825,549	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	25,145,777	18,562,770	158,979,069	129,017,685
Foreign Currency Commercial Deposits	13,833,740	10,317,394	161,758,513	171,532,282
Other Commercial Deposits	147,671	76,244	1,640,270	1,382,546
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-

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

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

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

5.2.1.3 Deposits not covered by insurance limits

Saving Deposits	***Current Period***	***Prior Period***
Deposits and Other Accounts held at Foreign Branches	1,118,528	1,048,098
Deposits and Other Accounts held by Shareholders and their Relatives	-	-
Deposits and Other Accounts of the Chairman and Members of Board of Directors, Chief Executive Officer, Senior Executive Officers and their Relatives	7,239,961	5,527,069
Deposits and Other Accounts held as Assets subject to the Crime defined in the Article 282 of the Turkish Criminal Code No. 5237 dated 26 September 2004	-	-
Deposits at Depository Banks established for Off-Shore Banking Activities in Turkey	-	-

Commercial Deposits	***Current Period***	***Prior Period***
Deposits and Other Accounts held at Foreign Branches	7,069,589	6,975,598
Deposits and Other Accounts held by Main Shareholder with Qualified Shareholders and Corporates Under Their Control	5,204,189	3,308,311
Official Institutions Deposits and Other Accounts	6,436,149	3,271,941
Credit and Financial Institutions Deposits	46,347,359	37,589,841

(Thousands of Turkish Lira (TL))

5.2.2 Funds borrowed

Information on funds borrowed is as follows;

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Central Bank of Turkey	-	-	-	-
Domestic Banks and Institutions	5,402,780	1,065,247	5,920,614	1,527,063
Foreign Banks, Institutions and Funds	38,959	39,979,032	38,731	38,370,315
Total	**5,441,739**	**41,044,279**	**5,959,345**	**39,897,378**

5.2.2.1 Maturities of funds borrowed

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Short-Term	3,091,833	4,828,164	3,528,280	3,641,334
Medium and Long-Term	2,349,906	36,216,115	2,431,065	36,256,044
Total	**5,441,739**	**41,044,279**	**5,959,345**	**39,897,378**

5.2.2.2 Disclosures for concentration areas of bank's liabilities

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

5.2.3 Money market funds

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

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Domestic Transactions	**139,526**	**29,716,895**	**119,365**	**14,873,679**
Financial Institutions and Organizations	-	29,135,393	-	10,278,030
Other Institutions and Organizations	54,785	581,502	50,401	3,121,198
Individuals	84,741	-	68,964	1,474,451
Foreign Transactions	**35**	**4,455,578**	**357**	**7,618,017**
Financial Institutions and Organizations	-	4,455,578	-	7,618,017
Other Institutions and Organizations	-	-	235	-
Individuals	35	-	122	-
Total	**139,561**	**34,172,473**	**119,722**	**22,491,696**

5.2.4 Securities issued

Current Period	**TL**		**FC**	
	Short-Term	**Medium and Long-Term**	**Short-Term**	**Medium and Long-Term**
Nominal	2,023,127	990,320	470,905	6,740,377
Cost	797,960	990,320	470,905	6,728,461
Carrying Value (*)	942,786	151,671	477,769	6,957,406

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

(*) The Bank and/or its financial subsidiaries repurchased the Bank's own TL securities with a total face value of TL 342,918 and foreign currency securities with a total face value of USD 50,335,000 (31 December 2022: TL 1,346,780 and USD 50,335,000) and netted off such securities in the accompanying consolidated financial statements.

(Thousands of Turkish Lira (TL))

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

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Securities Issued	-	30,963,251	-	32,020,818
Total	**-**	**30,963,251**	**-**	**32,020,818**

In accordance with TFRS 9, the Bank classified a part of borrowings obtained through securitisations amounting to USD 1,730,312,500 (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 March 2023, the accumulated fair value change of the related financial liability amounted to TL 2,956,565 (31 December 2022: TL 1,919,509) and the corresponding gain/loss recognised in the statement of profit/loss amounted to TL 1,037,056 (31 March 2022: TL 763,876). The carrying value of the related financial liability amounted to TL 30,963,251 (31 December 2022: TL 32,020,818).

5.2.6 Derivative financial liabilities

5.2.6.1 Negative differences on derivative financiala liabilities measured at FVTPL

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

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Forward Transaction	34,824	27,321	451,058	15,650
Swap Transactions	3,442,311	5,943,571	4,158,675	5,387,221
Futures	-	-	-	-
Options	983,677	1,860,408	344,980	557,804
Others	-	1,302	-	366
Total	**4,460,812**	**7,832,602**	**4,954,713**	**5,961,041**

5.2.6.2 Derivative financial liabilities held for hedging purpose

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

Derivative Financial Liabilities Held for Hedging Purpose	*Current Period*		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Fair Value Hedges	-	28,652	-	-
Cash Flow Hedges	20,540	18,261	29,731	6,875
Net Foreign Investment Hedges	-	-	-	-
Total	**20,540**	**46,913**	**29,731**	**6,875**

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

5.2.7 Factoring payables

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

(Thousands of Turkish Lira (TL))

5.2.8 Lease payables

5.2.8.1 Operational lease agreements

	Current Period		*Prior Period*	
	Gross	**Net**	**Gross**	**Net**
Less than 1 Year	655,806	490,720	570,670	426,463
Between 1-5 Years	1,265,329	931,423	1,082,587	795,549
Longer than 5 Years	389,404	273,650	343,377	237,238
Total	**2,310,539**	**1,695,793**	**1,996,634**	**1,459,250**

As of 31 March 2023, the weighted average of the incremental borrowing interest rates applied to TL, EUR, USD and RON lease liabilities presented in the statement of financial position of the Group are 20.2%, 1.7%, 3.8% and 5.1% (31 December 2022:20.3%, 1.8%, 3.8% and 5.1%) respectively.

5.2.9 Provisions

5.2.9.1 Reserve for employee severance indemnity

	Current Period	*Prior Period*
Balances at Beginning of Period	**2,044,320**	**948,873**
Provision for the Period	125,520	313,907
Actuarial Gain/Loss	-	902,540
Payments During the Period	(106,513)	(121,000)
Balances at End of Period	**2,063,327**	**2,044,320**

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

None (31 December 2022: None).

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

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

5.2.9.4 Other provisions

	Current Period	*Prior Period*
Reserve for Employee Benefits	3,820,683	3,753,228
Insurance Technical Provisions, Net	2,527,794	2,270,524
Provision for Promotion Expenses of Credit Cards	618,858	539,822
Provision for Lawsuits	437,058	564,017
Provision for Non-Cash Loans	6,133,114	5,795,082
Other Provisions(*)	8,380,212	8,553,728
Total	**21,917,719**	**21,476,401**

(*)Includes total general reserve of total TL 8,000,000 previous years.

(Thousands of Turkish Lira (TL))

Recognized Liability for Defined Benefit Plan Obligations

The Bank obtained an actuarial report dated 10 January 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 12,154,168 at 31 December 2022 as details are given in the table below.

Furthermore, an actuarial report was prepared as of 31 December 2022 as per the requirements of the Law explained in Note 3.17, the accounting policies related with “employee benefits” for the benefits transferable to the SSF and as per TAS 19 for other benefits not transferable to the SSF and arising from other social rights and payments covered by the existing trust indenture of the Fund and medical benefits provided for employees. Based on the actuary’s 10 January 2023 dated report, the asset surplus over the fair value of the plan assets to be used for the payment of the obligations also fully covers the benefits not transferable and still a surplus of TL 5,864,689 remains as of 31 December 2022 as details are given in the table below.

	31 December 2022	*31 December 2021*
Transferable Pension and Medical Benefits:		
Net present value of pension benefits transferable to SSF	(5,662,430)	(3,605,978)
Net present value of medical benefits and health premiums transferable to SSF	2,107,010	849,322
General administrative expenses	(173,942)	(97,979)
Present Value of Pension and Medical Benefits Transferable to SSF (1)	**(3,729,362)**	**(2,854,635)**
Fair Value of Plan Assets (2)	**15,883,530**	**9,393,052**
Asset Surplus over Transferable Benefits ((2)-(1)=(3))	**12,154,168**	**6,538,417**
Non-Transferable Benefits:		
Other pension benefits	(3,428,501)	(1,680,862)
Other medical benefits	(2,860,977)	(1,496,672)
Total Non-Transferable Benefits (4)	**(6,289,478)**	**(3,177,534)**
Asset Surplus over Total Benefits ((3)-(4))	**5,864,690**	**3,360,883**

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

	31 December 2022	*31 December 2021*
Balance at Beginning of Period	-	-
Actual contributions paid during the period	(445,647)	(160,523)
Total expense recognized in the income statement	116,594	92,569
Amount recognized in the shareholders’ equity	329,053	67,954
Balance at End of Period	-	-

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

	31 December 2022	*31 December 2021*
	%	**%**
Discount Rate (*)	17.79	19.10
Inflation Rate (*)	14.36	15.10
Future Real Salary Increase Rate	1.50	1.50
Medical Cost Trend Rate	18.56	19.30
Future Pension Increase Rate (*)	14.36	15.10

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

(Thousands of Turkish Lira (TL))

The sensitivity analysis of defined benefit obligation of excess liabilities and retirement indemnities of the Bank are as follows:

Defined Benefit Obligation	Pension Benefits Effect	Medical Benefits Effect	Overall Effect
Assumption change	**%**	**%**	**%**
Discount rate +0.5%	(6.30)	(8.70)	(7.40)
Discount rate -0.5%	7.00	10.00	8.40
Medical inflation +0.5%	-	10.00	4.60
Medical inflation -0.5%	-	(8.70)	(3.90)

Retirement Indemnities	Sensitivity of Past Service Liability	Sensitivity of Normal Cost
Assumption change	**%**	**%**
Discount rate +0.5%	(5.40)	(7.10)
Discount rate -0.5%	5.90	7.90
Inflation rate +0.5%	5.60	(3.70)
Inflation rate -0.5%	(5.20)	3.80

5.2.10 Tax liability

5.2.10.1 Current tax liability

5.2.10.1.1 Tax liability

As of 31 March 2023, the corporate tax liability amounts to TL 10,927,140 (31 December 2022 : TL 6,759,609) after offsetting with prepaid taxes. If the differences arising between the book value and the tax base value of the assets subject to the current tax liability are related to the shareholders' equity account group, the current tax asset or liability is netted off by the relevant accounts in this group.

As of March 2023, TL 4,602,284 of total current period tax expense amounting to TL 4,510,972 (31 December 2022: TL 20,844,000) has been classified in the statement of profit or loss and TL 91,312 (31 December 2022: TL 2,969,029) has been classified in equity.

5.2.10.1.2 Taxes payable

	Current Period	*Prior Period*
Corporate Taxes Payable	10,927,140	6,759,609
Taxation on Securities Income	232,501	136,594
Taxation on Real Estates Income	9,282	7,199
Banking Insurance Transaction Tax	642,418	641,445
Foreign Exchange Transaction Tax	72,344	52,022
Value Added Tax Payable	64,068	120,569
Others	431,592	267,212
Total	**12,379,345**	**7,984,650**

(Thousands of Turkish Lira (TL))

5.2.10.1.3 Premiums payable

	Current Period	*Prior Period*
Social Security Premiums-Employees	21,350	26,692
Social Security Premiums-Employer	13,389	18,050
Bank Pension Fund Premium-Employees	861	732
Bank Pension Fund Premium-Employer	1,300	1,160
Pension Fund Membership Fees and Provisions-Employees	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employees	7,290	5,899
Unemployment Insurance-Employer	14,902	13,018
Others	162	126
Total	**59,254**	**65,677**

5.2.10.2 Deferred tax liability

As of 31 March 2023, the deferred tax liability amounts to TL 70,583 (31 December 2022: TL 197,828).

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

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

5.2.12 Subordinated debts

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

5.2.13 Other liabilities

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Payables from credit card transactions	37,517,320	431,598	37,106,273	339,001
Payables from clearing transactions	13,121,659	52,434	10,954,242	146,936
Other	5,344,304	13,478,592	4,020,483	11,981,135
Total	**55,983,283**	**13,962,624**	**52,080,998**	**12,467,072**

5.2.14 Shareholders' equity

5.2.14.1 Paid-in capital

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

5.2.14.2 Registered share capital system

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

5.2.14.3 Capital increases in current period

None.

(Thousands of Turkish Lira (TL))

5.2.14.4 Capital increases from capital reserves in current period

None.

5.2.14.5 Capital commitments for current and future financial periods

None.

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

None.

5.2.14.7 Information on privileges given to stocks representing the capital

None.

5.2.14.8 Securities value increase fund

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

	Current Period		***Prior Period***	
	TL	**FC**	**TL**	**FC**
Investments in Associates, Subsidiaries and Joint-Ventures	**-**	**-**	**-**	**-**
Valuation Difference	-	-	-	-
Exchange Rate Difference	-	-	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	**10,881,045**	**(1,069,415)**	**10,324,176**	**(1,149,811)**
Valuation Difference	10,529,875	(1,069,415)	9,995,275	(1,149,811)
Exchange Rate Difference	351,170		328,901	-
Total	**10,881,045**	**(1,069,415)**	**10,324,176**	**(1,149,811)**

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

	Current Period		***Prior Period***	
	TL	**FC**	**TL**	**FC**
Movables	642,347	78,462	460,912	10,897
Real Estates	9,882,875	196,686	5,217,003	188,141
Defined Benefit Plans' Actuarial Gains/Losses	(1,315,532)	-	(1,315,532)	-
Other	-	-	-	-
Total	**9,209,690**	**275,148**	**4,362,383**	**199,038**

5.2.14.10 Bonus shares of associates, subsidiaries and joint-ventures

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

(Thousands of Turkish Lira (TL))

5.2.14.11 Legal reserves

	Current Period	*Prior Period*
I. Legal Reserve	1,518,824	1,432,779
II. Legal Reserve	672,337	672,337
Special Reserves	39,549	37,833
Total	**2,230,710**	**2,142,949**

5.2.14.12 Extraordinary and other profit reserves

	Current Period	*Prior Period*
Legal Reserves allocated in compliance with the Decisions Made on the Annual General Assembly	61,570,920	61,639,835

5.2.14.13 Minority interest

	Current Period	*Prior Period*
Balance at Beginning of Period	**484,735**	**319,516**
Profit Share of Subsidiaries Net Profits	86,714	224,928
Prior Period Dividend Payment	(98,064)	(60,347)
Increase/(Decrease) in Minority Interest due to Sales	-	-
Others	(390)	638
Balance at End of Period	**472,995**	**484,735**

(Thousands of Turkish Lira (TL))

5.3 Consolidated off-balance sheet items

5.3.1 Off-balance sheet contingencies

5.3.1.1 Irrevocable credit commitments

The Bank and its consolidated financial subsidiaries have term asset purchase and sale commitments of TL 41,902,788 (31 December 2022: TL 18,318,399), commitments for cheque payments of TL 9,022,264 (31 December 2022: TL 5,515,488) and commitments for credit card limits of TL 228,078,682 (31 December 2022: TL 140,164,003).

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

	Current Period	*Prior Period*
Letters of Guarantee in Foreign Currency	89,111,126	84,083,930
Letters of Guarantee in TL	129,713,888	103,006,476
Letters of Credit	41,374,505	35,059,723
Bills of Exchange and Acceptances	3,956,838	3,918,563
Endorsements	10,739,378	5,653,771
Other Guarantees	940,030	646,094
Total	**275,835,765**	**232,368,557**

Expected losses for non-cash loans and irrevocable commitments

Current Period	*Stage 1*	*Stage 2*	*Stage 3*	*Total*
Balances at Beginning of Period	**1,092,246**	**2,927,503**	**1,775,333**	**5,795,082**
Additions during the Period (+)	641,663	1,349,946	33,430	2,025,039
Disposal (-)	(957,959)	(766,720)	(65,455)	(1,790,134)
Sales	-	-	-	-
Write-off	-	-	-	-
Transfer to Stage 1	460,150	(459,839)	(311)	-
Transfer to Stage 2	(73,158)	162,321	(89,163)	-
Transfer to Stage 3	(58)	(1,862)	1,920	-
Foreign Currency Differences	8,051	50,555	44,521	103,127
Balances at End of Period	**1,170,935**	**3,261,904**	**1,700,275**	**6,133,114**

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

Lifetime expected credit loss (Stage 3) of TL 2,506,460 (31 December 2022: TL 2,513,865) is made for unliquidated non-cash loans of TL 1,700,275 (31 December 2022: TL 1,759,925) recorded under the off-balance sheet items.

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

(Thousands of Turkish Lira (TL))

5.3.1.3 Non-cash loans

	Current Period	*Prior Period*
Non-Cash Loans against Cash Risks	49,833,992	39,122,899
With Original Maturity of 1 Year or Less	7,038,161	6,399,588
With Original Maturity of More Than 1 Year	42,795,831	32,723,311
Other Non-Cash Loans	226,001,773	193,245,658
Total	**275,835,765**	**232,368,557**

5.3.1.4 Other information on non-cash loans

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

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

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

5.3.2 Financial derivative instruments

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

5.3.3 Credit derivatives and risk exposures on credit derivatives

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

5.3.4 Contingent liabilities and assets

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

5.3.5 Services rendered on behalf of third parties

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

(Thousands of Turkish Lira (TL))

5.4 Consolidated statement of profit or loss

5.4.1 Interest income

5.4.1.1 Interest income from loans [(*)]

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Interest Income from Loans				
Short-term loans	11,724,881	1,746,634	5,933,495	483,403
Medium and long-term loans	8,910,204	3,525,270	6,616,377	2,231,989
Loans under follow-up	278,421	43,331	170,163	38,191
Interest Received from Resource Utilization Support Fund	-	-	-	-
Total	**20,913,506**	**5,315,235**	**12,720,035**	**2,753,583**

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

5.4.1.2 Interest income from banks

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Central Bank of Turkey	-	12,261	-	-
Domestic Banks	70,952	753	34,553	587
Foreign Banks	1,760	453,125	1,248	17,527
Foreign Head Offices and Branches	-	-	-	-
Total	**72,712**	**466,139**	**35,801**	**18,114**

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	49,121	20,980	82,640	7,669
Financial Assets Measured at Fair Value through Other Comprehensive Income	3,387,208	285,056	2,539,062	209,050
Financial Assets Measured at Amortised Cost	3,822,753	724,463	1,787,208	268,268
Total	**7,259,082**	**1,030,499**	**4,408,910**	**484,987**

As disclosed in the accounting policies, the Bank values CPI-indexed government bonds in its securities portfolio according to the reference index on the issue date and the index that is calculated according to the expected inflation rate. The inflation rate used during the valuation is being updated during the year when it is considered necessary. As of 31 March 2023, the valuation of such securities has been calculated according to the annual inflation forecast of 35%. In case the CPI forecast increases or decreases by 1%, profit before taxes as of 31 March 31 2023 will increase or decrease by approximately TL 134 million (full amount).

5.4.1.4 Interest income received from associates and subsidiaries

	Current Period	*Prior Period*
Interest Received from Investments in Associates and Subsidiaries	78,340	17,812

(Thousands of Turkish Lira (TL))

5.4.2 Interest expenses

5.4.2.1 Interest expenses on funds borrowed (*)

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Banks	291,885	78,635	126,190	150,362
Central Bank of Turkey	-	-	-	-
Domestic Banks	289,956	19,685	121,462	54,573
Foreign Banks	1,929	58,950	4,728	95,789
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	715,683	-	244,807
Total	**291,885**	**794,318**	**126,190**	**395,169**

(*) Also includes fees and commissions expenses on borrowings.

5.4.2.2 Interest expenses paid to associates and subsidiaries

	Current Period	*Prior Period*
Interest Paid to Investments in Associates and Subsidiaries	4,148	4,017

5.4.2.3 Interest expenses on securities issued

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

5.4.2.4 Maturity structure of interest expense on deposits

Current Period	**Demand Deposits**	**Time Deposits**						**Total**
		Up to 1 Month	**1-3 Months**	**3-6 Months**	**6-12 Months**	**Over 1 Year**	**Accumulating Deposit Accounts**	
Turkish Lira								
Bank Deposits	471	34,571	-	-	-	-	-	35,042
Saving Deposits	1,434	175,805	8,016,149	558,778	70,595	717,636	-	9,540,397
Public Sector Deposits	-	379	1,932	28	-	-	-	2,339
Commercial Deposits	136	1,367,424	2,491,870	171,218	168,636	160,127	-	4,359,411
Others	-	20,386	242,906	93,046	31,400	22,002	-	409,740
"7 Days Notice" Deposits	-	-	-	-	-	-	-	-
Total TL	**2,041**	**1,598,565**	**10,752,857**	**823,070**	**270,631**	**899,765**	**-**	**14,346,929**
Foreign Currency								
Foreign Currency Deposits	73,465	309,067	218,076	110,906	109,870	31,998	41	853,423
Bank Deposits	1,057	2,593	2,140	263	-	99	-	6,152
"7 Days Notice" Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	1,426	62	36	2,453	-	3,977
Total FC	74,522	311,660	221,642	111,231	109,906	34,550	41	863,552
Grand Total	**76,563**	**1,910,225**	**10,974,499**	**934,301**	**380,537**	**934,315**	**41**	**15,210,481**

(Thousands of Turkish Lira (TL))

Prior Period	Demand Deposits	Time Deposits						Total
		Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year	Accumulating Deposit Accounts	
Turkish Lira								
Bank Deposits	389	9,635	-	-	-	-	-	10,024
Saving Deposits	1,331	179,228	2,718,425	306,232	72,411	145,272	-	3,422,899
Public Sector Deposits	-	783	1,897	28	105	-	-	2,813
Commercial Deposits	67	866,440	494,345	374,401	411,642	104,339	-	2,251,234
Others	-	51,692	91,870	10,484	88,230	123,555	-	365,831
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Total TL	**1,787**	**1,107,778**	**3,306,537**	**691,145**	**572,388**	**373,166**	**-**	**6,052,801**
Foreign Currency								
Foreign Currency Deposits	4,663	25,228	46,372	19,757	20,852	23,499	54	140,425
Bank Deposits	262	2,841	-	-	165	-	-	3,268
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	1	84	-	85
Total FC	**4,925**	**28,069**	**46,372**	**19,757**	**21,018**	**23,583**	**54**	**143,778**
Grand Total	**6,712**	**1,135,847**	**3,352,909**	**710,902**	**593,406**	**396,749**	**54**	**6,196,579**

5.4.2.5 *Interest expense on money market transactions*

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

5.4.2.6 *Lease expenses*

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

5.4.2.7 Interest expenses on factoring payables

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

5.4.3 Dividend income

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

None.

5.4.4 Trading income/losses (net)

	Current Period	*Prior Period*
Income	**54,485,593**	**103,256,339**
Trading Account Income	2,193,381	1,659,159
Derivative Financial Instruments	11,809,790	21,496,078
Foreign Exchange Gain	40,482,422	80,101,102
Losses (-)	**50,030,224**	**100,862,783**
Trading Account Losses	1,356,912	442,956
Derivative Financial Instruments	11,700,514	35,161,832
Foreign Exchange Losses	36,972,798	65,257,995
Total	**4,455,369**	**2,393,556**

TL 1,688,857 (31 March 2022: TL 14,864,593) of foreign exchange gains and TL 2,121,129 (31 March 2022: TL 4,687,704) of foreign exchange losses are resulted from the exchange rate changes of derivative transactions.

(Thousands of Turkish Lira (TL))

5.4.5 Other operating income

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

	Current Period	*Prior Period*
Prior Year Reversals	**8,202,423**	**3,701,837**
Stage 1	4,140,070	1,874,238
Stage 2	2,786,888	1,055,865
Stage 3	893,862	740,258
Others	381,603	31,476
Income from term sale of assets	**8,920**	**97,741**
Others (*)	1,981,385	967,827
Total	**10,192,728**	**4,767,405**

(*) Premium income from insurance business amounting to TL 986,180 (31 March 2022: TL 572,571) which is included in other operating income in the accompanying financial statements is presented in "others" line item.

5.4.6 Expected credit losses and other provisions

	Current Period	*Prior Period*
Expected Credit Losses	**10,345,298**	**7,150,931**
12-Month ECL (Stage 1)	3,384,930	*2,964,758*
Significant Increase in Credit Risk (Stage 2)	5,856,522	*2,564,118*
Impaired Credits (Stage 3)	1,103,846	*1,622,055*
Other Provisions	**30,328**	**1,129,700**
Impairment Losses on Securities	-	14,659
Financial Assets Measured at Fair Value through Profit or Loss	-	*14,659*
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-
Impairment Losses on Associates, Subsidiaries and Joint-ventures	-	**373**
Associates	-	*373*
Subsidiaries	-	-
Joint-ventures (business partnership)	-	-
Others (*)	30,328	1,114,668
Total	**10,375,626**	**8,280,631**

(*)Includes general reserve for possible risks. There is no general reserve in the current year (Prior period: TL 500,000).

(Thousands of Turkish Lira (TL))

5.4.7 Other operating expenses

	Current Period	*Prior Period*
Reserve for Employee Termination Benefits	132,557	62,943
Defined Benefit Plan Obligations	-	-
Impairment Losses on Tangible Assets	-	1,525
Depreciation Expenses of Tangible Assets	212,827	121,075
Impairment Losses on Intangible Assets	-	-
Impairment Losses on Goodwill	-	-
Amortisation Expenses of Intangible Assets	95,218	67,539
Decrease in Value of Equity Accounting Shares	-	-
Impairment Losses on Assets to be Disposed	-	-
Depreciation Expenses of Right-of-use Assets	139,411	92,506
Impairment Losses on Assets Held for Sale and Discontinued Assets	201	765
Other Operating Expenses	5,383,605	2,023,540
Operational Lease related Expenses (*)	82,796	*54,383*
Repair and maintenance expenses	61,244	*33,203*
Advertisement expenses	122,769	*50,117*
Other expenses(**)	5,116,796	*1,885,837*
Loss on Sale of Assets	525	2,717
Others (***)	1,745,098	889,862
Total	**7,709,442**	**3,262,472**

(*) 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 581,186 (31 March 2021: TL 295,567) and insurance- business claim losses of TL 398,951 (31 March 2021: TL 221,617) in the current period.

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

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

5.4.9 Information on provision for taxes for continued and discontinued operations

As of 31 March 2023, on a consolidated basis, the Bank recorded a current tax expense of TL 4,510,972 (31 March 2022: TL 7,646,826) and a deferred tax income of TL 1,899,951 (31 March 2022: TL 4,579,885).

There is no amount from discontinued operations.

Deferred tax benefit/charge on timing differences

Deferred tax (benefit)/charge on timing differences	*Current Period*	*Prior Period*
Increase in Tax Deductible Timing Differences (+)	(1,712,563)	(2,962,445)
Decrease in Tax Deductible Timing Differences (-)	703,560	215,147
Increase in Taxable Timing Differences (-)	196,205	210,423
Decrease in Taxable Timing Differences (+)	(1,087,153)	(2,043,010)
Total	**(1,899,951)**	**(4,579,885)**

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

Deferred tax (benefit)/charge arising on timing differences, tax losses and tax deductions and exemptions	*Current Period*	*Prior Period*
(Increase)/Decrease in Tax Deductible Timing Differences (net)	(1,009,003)	(2,748,087)
(Increase)/Decrease in Taxable Timing Differences (net)	(890,948)	(1,832,587)
(Increase)/Decrease in Tax Losses (net)	-	789
(Increase)/Decrease in Tax Deductions and Exemptions (net)	-	-
Total	**(1,899,951)**	**(4,579,885)**

(Thousands of Turkish Lira (TL))

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

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

5.4.11 Net profit/loss

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

None.

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

None.

5.4.11.3 Minority interest's profit/loss

	Current Period	*Prior Period*
Net Profit/(Loss) of Minority Interest	86,714	46,932

5.4.12 Components of other items in income statement

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

5.5 Consolidated statement of changes in shareholders' equity

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

5.6 Consolidated statement of cash flows

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

(Thousands of Turkish Lira (TL))

5.7 Related party risks

5.7.1 Transactions with Parent Bank's risk group;

5.7.1.1 Loans and other receivables

Current Period:

Bank's Risk Group	**Associates, Subsidiaries and Joint-Ventures**		**Bank's Direct and Indirect Shareholders**		**Other Components in Risk Group**	
Loans and Other Receivables	**Cash**	**Non-cash**	**Cash**	**Non-cash**	**Cash**	**Non-cash**
Balance at beginning of period	1,404,085	35,317	575,562	2,805,182	47,629	18,802
Balance at end of period	1,885,902	27,885	629,502	3,237,023	31,727	11,732
Interest and Commission Income	**78,955**	**11**	**9,113**	-	**1,617**	-

Prior Period:

Bank's Risk Group	**Associates, Subsidiaries and Joint-Ventures**		**Bank's Direct and Indirect Shareholders**		**Other Components in Risk Group**	
Loans and Other Receivables	**Cash**	**Non-cash**	**Cash**	**Non-cash**	**Cash**	**Non-cash**
Balance at beginning of period	630,311	24,142	880,147	1,817,495	87,503	194,549
Balance at end of period	1,404,085	35,317	575,562	2,805,182	47,629	18,802
Interest and Commission Income	**18,308**	-	**6,086**	-	**977**	-

5.7.1.2 Deposits

Bank's Risk Group	**Associates, Subsidiaries and Joint-Ventures**		**Bank's Direct and Indirect Shareholders**		**Other Components in Risk Group**	
Deposits	***Current Period***	***Prior Period***	***Current Period***	***Prior Period***	***Current Period***	***Prior Period***
Balance at beginning of period	242,109	135,477	33,165	31,849	6,531,682	7,101,109
Balance at end of period	235,637	242,109	71,462	33,165	7,936,056	6,531,682
Interest Expenses	**4,148**	**4,017**	**36**	**18**	**317,787**	**291,486**

5.7.1.3 Derivative transactions

Bank's Risk Group	**Associates, Subsidiaries and Joint-Ventures**		**Bank's Direct and Indirect Shareholders**		**Other Components in Risk Group**	
	Current Period	***Prior Period***	***Current Period***	***Prior Period***	***Current Period***	***Prior Period***
Transactions at Fair Value Through Profit/(Loss)						
Balance at beginning of period	341,250	50,000	57,431,194	43,176,984	-	-
Balance at end of period	2,728,781	341,250	48,031,724	57,431,194	-	-
Total Profit/(Loss)	**(3,803)**	**(1,626)**	**24,465**	**348,666**	-	-
Transactions for Hedging						
Balance at beginning of period	-	-	-	220,100	-	-
Balance at end of period	-	-	-	-	-	-
Total Profit/(Loss)	-	-	**(288)**	**(470)**	-	-

5.7.2 Bank's risk group

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

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

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

The cash loans of the risk group amounting TL 1,757,287 (31 December 2022: TL 1,362,913) compose 0.21% (31 December 2022: 0.18%) of the Bank's total consolidated cash loans and 0.12% (31 December 2022: 0.10%) of the Bank's total consolidated assets. The total loans and similar receivables amounting TL 2,547,131 (31 December 2022: TL 2,027,276) compose 0.17% (31 December 2022: 0.16%) of the Bank's total consolidated assets. The non-cash loans of the risk group amounting TL 3,276,640 (31 December 2022: TL 2,859,301) compose 1.19% (31 December 2022: 1.23%) of the Bank's total consolidated non-cash loans. The deposits of the risk group amounting TL 8,243,155 (31 December 2022: TL 6,806,956) compose 0.81% (31 December 2022: 0.76%) of the Bank's total consolidated deposits. There are no funds borrowed by the Bank and its consolidated financial subsidiaries from their risk group of the Bank's total consolidated funds borrowed. The pricing in transactions with the risk group companies is set on an arm's-length basis.

A total rent income of TL 633 (31 March 2022: TL 1,191) was recognized for the real estates rented to the related parties.

Other income of TL 5,641 (31 March 2022: TL 3,164) for the IT services rendered and banking services fee income of TL 6,945 (31 March 2022: TL 731) were recognized from the related parties.

Operating expenses of TL 18,054 (31 March 2022: TL 19,927) for operational leasing services rendered by the related parties were recognized as expenses.

Including the payments related to resigners, the net payment provided or to be provided to the key management of the Bank and its consolidated financial subsidiaries amounts to TL 90,752 as of 31 March 2023 (31 March 2022: TL 53,861).

5.7.2.3 Other matters not required to be disclosed

None

5.7.2.4 Transactions accounted for under equity method

None.

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

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

Purchase of equipment for internal use are partly arranged through leasing.

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

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

(Thousands of Turkish Lira (TL))

5.9 Matters arising subsequent to the balance sheet date

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 Other disclosures on activities

6.1 Information on international risk ratings

6.1.1 Parent Bank's international risk ratings

MOODY'S ***(August 2022)***

Outlook	Stable
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 (*February 2023)*

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

JCR EURASIA RATINGS ***(September 2022)***

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

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

MOODY'S ***(November 2022)*** *(*)*

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

(*) Latest date in risk ratings or outlooks

6.1.3 International risk ratings of Garanti Faktoring, a consolidated subsidiary

FITCH RATINGS ***(July 2022)*** *(*)*

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

(*) Latest date in risk ratings or outlooks

6.1.3 International risk ratings of Garanti Leasing, a consolidated subsidiary

FITCH RATINGS ***(July 2022)*** *(*)*

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

(*) Latest date in risk ratings or outlooks

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

FITCH RATINGS *(December 2022)* (*)

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

(*) Latest date in risk ratings or outlooks

6.2 Dividends

Disclosed in Note 5.9.

6.3 Other disclosures

None.

7 Interim Activity Report

(Amounts are expressed in Turkish Lira (TL))

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

Türkiye Garanti Bankası A.Ş., announced its financial statements dated 31 March 2023. Based on the consolidated financials, the Bank's **net income** in the first 3 months of the year recorded as TL 15 billion 452 million 557 thousand. **Asset size** realized at TL 1 trillion 471 billion 664 million 421 thousand and the Bank's contribution to the economy through cash and non-cash **loans** was TL 1 trillion 083 billion 060 million 345 thousand. Actively managing the funding base, customer deposits continued to be the main funding source; 70% of assets are funded via deposits. Customer deposit base reached to TL 1 trillion 036 billion 686 million 081 thousand with 14% growth in the first 3 months of the year. Preserving the strong capital stance, Bank's capital adequacy ratio was realized at 15.9%*. The Bank delivered an **ROAE** (Return on Average Equity) of 38.2%** and an **ROAA** (Return on Average Assets) of 4.5%**.

**Calculated without the forbearance introduced by BRSA*

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

Commenting on the topic, **Garanti BBVA, Chairman Süleyman Sözen** stated that "2023 started with the earthquake disaster in February, that deeply saddened us all. As Garanti BBVA, we tried to give support as quickly as possible through both our donations and various other means to meet the urgent needs in the earthquake zone, and we will continue to do so in the coming period.

Looking at the global arena, this year has been a challenging start for the banking sector. With the bankruptcy of 3 banks in the United States of America and 1 in Switzerland, the year paved the way to question of the steps taken to prevent inflation in developed and developing economies as well as the existing risk management styles of banks.

In such a challenging period and economic environment, the Turkish banking sector, thanks to its robust balance sheet structure, dynamic assets-liabilities management and prudent positioning, continues to prove its resilience and strength, similar to the tests it has already passed successfully in the past years.

In these times of uncertainty and rapid change, as Garanti BBVA, we have continued to further strengthen our balance sheet with the successful results we have generated. Accordingly, in the first quarter of 2023, our Bank's return on equity was recorded as 38%, with the most important item supporting this being the core banking revenues. Underlying our core banking revenue generation capacity, differentiating and distinguishing our Bank in the sector, are both our capital-focused growth strategy and our long-run investments in customer experience, technology, and proficient human resources.

In addition to our financial strength, as Garanti BBVA, in the light of our motto "We take care of the earth, we take care of our future", we have also announced our interim decarbonisation targets in line with the Paris Agreement Capital Transition Assessment (PACTA) methodology. Joining Net-Zero Banking Alliance in 2021 as the first signatory from Turkey, we track our customers' progress in their decarbonisation processes and offer them financial support for their investments in new technologies and production methods along the way.

In the upcoming period, as always, we will continue to stand by our customers, support our citizens affected by the earthquake disaster in our country, and support economic recovery."

Garanti BBVA CEO Recep Baştuğ says; "As a country, we have completed a quarter in which we experienced the most difficult period. We faced a great disaster. As an institution, our first priority is to support the local community and employees financially and morally with the government along with our stakeholders. Our biggest homework right now is to be with our people and continue all kinds of support, without forgetting that the damage still prevails.

If we evaluate our banking activities, the year 2023 has started in a dynamic way in the global arena; the recession, high inflation, and the crisis in banks around the world once again showed the importance of a sound banking sector. The banking sector in Turkey has the power to support the needs of the country with its healthy balance sheet structure. In addition to this, for the sector, progressing to lower inflationary environment as soon as possible and the establishment of a more predictable and stable macro investment environment is essential. Considering that capital profitability is below inflation, I would like to underline once again the importance of sustainable profitability for the sector to maintain its strong capital and support to the economic growth.

Intense regulation continues to determine the direction and extent of credit growth. In the first quarter of the year, our commercial loan growth experienced a significant slowdown, while consumer loans and credit cards continued their business as usual growth trend. Our asset quality is quite high, and I do not expect a development that will negatively affect this in the upcoming period. However, as always, we continued our prudent provisioning policy in this period as well. We set aside the highest provision nominally in the sector."

Recep Baştuğ continues as follows: "Although customer acquisition is our strategic priority, we are in a period where deepening in existing customers becomes much more important. Undoubtedly, our key accelerators in this regard are digitalization, data and artificial intelligence. With the open banking service that we started as a pioneer in the sector at the end of 2022, we provide our customers with the opportunity to act independent from channel, time and place. We have carried digitalization to the highest level by including commercial customers, and we expect to contribute more to our customers with this feature that distinguish us from the sector in the coming period.

One of our main strategy, sustainability, has moved beyond financing for our Bank. We have had important main priorities such as informing customers, taking actions related to the future and becoming signatories of major commitments. We became the first bank from Turkey to announce its interim decarbonisation targets in line with the PACTA (Paris Agreement Capital Transition Assessment) methodology. We have been included in the Dow Jones Sustainability Index for the 8th year in a row and have the 5th highest score in the world. We will continue the Sustainable Future in Export seminars, which we started in 2022.

As Garanti BBVA, we will continue to stand by our customers and create value for our stakeholders with our strong balance sheet and competent human resources. I would like to thank my colleagues for their great effort and contribution to the results that our Bank reached in the first quarter of the year, and all our stakeholders who supported and trusted us."

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

(Thousands of Turkish Lira (TL))

7.1.1 Selected Figures of Consolidated Financial Statements

Selected Balance Sheet Items	Current Period 31.Mar.2023	Prior Period 31.Dec.2022	Change Δ %
Total Assets	1,471,664,421	1,303,578,483	12.9%
Loans*	826,530,016	761,104,244	8.6%
- Performing Loans	807,224,580	742,079,674	8.8%
- Non-Performing Loans	19,305,436	19,024,570	1.5%
Customer Deposits	1,036,686,081	906,910,251	14.3%
Shareholders' Equity	174,417,124	153,124,120	13.9%

** Excludes Leasing and Factoring receivables*

Selected P&L Items	Current Period 31.Mar.2023	Prior Period 31.Mar.2022	Change Δ %
Net Interest Income	18,667,056	14,243,833	31.1%
Operating Expenses	11,983,529	5,285,523	126.7%
- HR Cost	4,274,087	2,023,051	111.3%
- Other Operating Expenses	7,709,442	3,262,472	136.3%
Net Fees&Commissions	6,608,235	3,206,043	106.1%
Net Income	15,452,557	8,262,614	87.0%

Selected Financial Ratios	Current Period 31.Mar.2023	Prior Period 31.Dec.2022	Change Δ bps
Performing Loans/Assets	54.9%	56.9%	(208)
Customer Deposits/Assets	70.4%	69.6%	87
Return on Average Equity	38.2%	51.0%	(1,278)
Return on Average Assets	4.5%	5.4%	(89)
Non-Performing Loans Ratio	2.4%	2.6%	(18)
Capital Adequacy Ratio*	15.9%	16.8%	(92)

** Calculated without the forbearance introduced by BRSA*

Market Shares*	Current Period 31.Mar.2023	Prior Period 31.Dec.2022	Change Δ bps
Performing Loans	9.8%	9.9%	(12)
TL Performing Loans	9.9%	10.4%	(52)
FC Performing Loans	9.4%	8.7%	70
Customer Deposits	10.1%	9.9%	20
TL Customer Deposits	10.5%	9.9%	68
FC Customer Deposits	9.5%	10.0%	(52)

**Market Shares are calculated per bank-only financials, for fair comparison*

(Thousands of Turkish Lira (TL))

Garanti with Numbers[1]	**Current Period 31.Mar.2023**	**Prior Period 31.Dec.2022**	**Change Δ %**
Branch Network	834	838	(0.5)%
Number of Employees	18,552	18,544	0.0%
ATM	5,403	5,450	(0.9)%
POS*	766,788	777,497	(1.4)%
Number of Customers	23,469,658	23,035,557	1.9%
Number of Digital Customers**	13,681,855	13,386,156	2.2%
Number of Credit Card Customers	9,458,041	9,220,070	2.6%

1 Subsidiaries are not included.

**Includes shared and virtual POS.*

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

7.2 The amendments in the articles of association during period of 01.01.2023-31.03.2023

There is no change during the period.

7.3 Announcements regarding important developments in the period of 01.01.2023-31.03.2023

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

7.4 Assessment of financial information and risk management

You may find information regarding the assessment of financial position, profitability and debt payment capability, risk management explanations and ratings in the financial statements for the period ended 31 March 2023. Additionally, you may find detailed information in the earnings presentation regarding financial results of the related period published on Garanti BBVA Investor Relations website at www.garantibbvainvestorrelations.com.

You may find financial information on Garanti BBVA for the most recent five year period in the 2022 Integrated Annual Report that was published on the Public Disclosure Platform, the Bank's website, Garanti BBVA Investor Relations website and at www.garantibbvainvestorrelations.com/en/integrated-annual-report/ .

7.5 Information regarding management and corporate governance practices

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

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

7.6 Forward looking statements regarding the expectations

As per the Article 10 of the "Communiqué on Material Events Disclosure" (II-15.1) of Capital Markets Board, T. Garanti Bankası A.Ş. has announced it's forward looking statements regarding the expectations for the year 2023. You may access the related presentation that was published on the Public Disclosure Platform, the Bank's website and Garanti BBVA Investor Relations' website at www.garantibbvainvestorrelations.com in Operating Plan Guidance Presentations section.