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 2024

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

Building a better working world

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

Independent Auditors' Review Report on 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, 2024 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 Group management is responsible for the preparation and fair presentation of these consolidated 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 consolidated interim financial statements based on our review.

Scope of Review

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

Basis of Qualified Conclusion

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

Qualified Conclusion

Based on our review, except for the effects of the matter referred in the basis of qualified conclusion paragraph on the consolidated Balance sheet as at December 31, 2023 which is presented comparatively with the Financial statements prepared as at March 31, 2024; nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not give a true view of the financial position of the Group as at March 31, 2024 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 VII, 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 28, 2024
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 2024

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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. Other Disclosures
7. Independent Auditors' Report

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

Subsidiaries

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

Structured Entities

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

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

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

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

The authorized contact person for questions on this financial report:

Name-Surname/Title: Handan SAYGIN/Director of Investor Relations
Phone no: 90 212 318 23 50
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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 796 domestic branches, 8 foreign branches and 1 representative office (31 December 2023: 796 domestic branches, 8 foreign branches and 1 representative office). The Bank's head office is located in Istanbul.

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

As of 31 March 2024, group of companies under BBVA that currently owns 85.97% shares of the Bank, is defined as the BBVA Group ("the Group") and it is the main shareholder.

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

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

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

On 21 February 2017, BBVA agreed with Doğuş Group to acquire 41.790.000.000 shares at a nominal value of TL 417,900 representing 9.95% ownership and on 22 March 2017 in accordance with the terms of the 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 Türkiye in accordance with the Communiqué on Takeover Bids no. II-26.1 on 31 March 2022, in their letter numbered E-29833736-110.05.05-19391 and dated 31 March 2022 ended as of 18 May 2022. During the voluntary tender offer process, BBVA acquired shares of the bank with a total nominal value of TL 1,517,196 which corresponds to 36.12%. As a result, the total share capital of the bank owned by BBVA reached 85.97%.

BBVA Group

BBVA is operating for more than 165 years, providing variety of wide spread financial and non-financial services to 74.1 million retail and commercial customers.
The Group's headquarter is in Spain, where the Group has concrete leadership in retail and commercial markets. BBVA adopting innovative, and customer and community oriented management style, besides banking, operates in insurance sector in Europe and portfolio management, private banking and investment banking in global markets.
BBVA which is the largest financial institution in Mexico and also a market leader in South America, operates in more than 25 countries with more than 121 thousand employees.

(Thousands of Turkish Lira (TL))

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

Board of Directors Chairman and Members:

Name and Surname	Responsibility	Appointment Date	Education	Experience in Banking and Business Administration
Süleyman Sözen	Chairman	29.05.1997	University	43 years
Jorge Saenz Azcunaga Carranza	Vice Chairman Independent Member and Member of Audit Committee	24.03.2016	University	31 years
Recep Baştuğ	Member and CEO	06.09.2019	University	34 years
Sait Ergun Özen	Member	14.05.2003	University	37 years
Jaime Saenz de Tejada Pulido	Member	02.10.2014	University	32 years
Pablo Alfonso Pastor Munoz	Member	31.03.2021	Master	34 years
Rafael Salinas Martinez de Lecea	Member	08.05.2017	Master	33 years
Belkıs Sema Yurdum	Independent Member and Member of Audit Committee	30.04.2013	University	44 years
Avni Aydın Düren	Independent Member and Member of Audit Committee	17.06.2020	Master	33 years
Mevhibe Canan Özsoy	Independent Member	04.04.2019	Master	33 years
Ebru Oğan Knottnerus	Independent Member and Member of Audit Committee	27.03.2024	Master	33 years

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

CEO and Executive Vice Presidents:

Name and Surname	Responsibility	Appointment Date	Education	Experience in Banking and Business Administration
Recep Baştuğ	CEO	06.09.2019	University	34 years
İlker Kuruöz	EVP-Engineering Services and Data	14.03.2018	Master	32 years
Mahmut Akten	EVP-Corporate, Investment Banking and Global Markets	17.01.2017	Master	25 years
Cemal Onaran	EVP-Commercial Banking	17.01.2017	University	33 years
Tuba Köseoğlu Okçu	EVP- Talent and Culture	12.09.2022	University	26 years
Aydın Güler	EVP- Finance and Treasury	03.02.2016	University	34 years
Murat Atay	Head of Credit Risk Management	01.01.2021	PhD	20 years
Ceren Acer Kezik	EVP-Retail Banking	06.06.2022	Master	13 years
Murat Çağrı Süzer	EVP-Payment Systems, Partnership, Customer Solutions and Digital Banking	06.06.2022	Master	17 years
Sibel Kaya	EVP- SME Banking	02.02.2021	University	26 years

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

1.4 Information on Parent Bank's qualified shareholders

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

1.5 Summary information on Parent Bank's activities and services

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

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

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

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

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

1.6 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.

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

	ASSETS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD 31 March 2024			PRIOR PERIOD 31 December 2023		
			TL	FC	Total	TL	FC	Total
I.	**FINANCIAL ASSETS (Net)**		**266,149,357**	**425,009,280**	**691,158,637**	**261,450,671**	**384,648,421**	**646,099,092**
1.1	**Cash and Cash Equivalents**	**5.1.1**	**190,421,711**	**358,412,895**	**548,834,606**	**195,895,964**	**328,410,486**	**524,306,450**
1.1.1	Cash and Balances with Central Bank		187,010,292	186,172,572	373,182,864	167,131,445	163,623,905	330,755,350
1.1.2	Banks		4,253,633	159,693,874	163,947,507	3,422,349	153,467,791	156,890,140
1.1.3	Money Market Placements		-	13,338,433	13,338,433	26,504,601	12,094,686	38,599,287
1.1.4	Expected Credit Losses (-)		842,214	791,984	1,634,198	1,162,431	775,896	1,938,327
1.2	**Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)**	**5.1.2**	**8,047,021**	**4,489,018**	**12,536,039**	**3,702,038**	**4,887,651**	**8,589,689**
1.2.1	Government Securities		2,729,568	3,327,654	6,057,222	1,559,847	3,797,552	5,357,399
1.2.2	Equity Securities		5,252,563	144,805	5,397,368	2,046,832	120,971	2,167,803
1.2.3	Other Financial Assets		64,890	1,016,559	1,081,449	95,359	969,128	1,064,487
1.3	**Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)**	**5.1.3**	**61,255,541**	**52,397,755**	**113,653,296**	**57,354,432**	**44,220,821**	**101,575,253**
1.3.1	Government Securities		60,606,052	25,736,549	86,342,601	56,706,609	23,236,403	79,943,012
1.3.2	Equity Securities		238,645	2,020,538	2,259,183	203,391	1,726,725	1,930,116
1.3.3	Other Financial Assets		410,844	24,640,668	25,051,512	444,432	19,257,693	19,702,125
1.4	**Derivative Financial Assets**	**5.1.4**	**6,425,084**	**9,709,612**	**16,134,696**	**4,498,237**	**7,129,463**	**11,627,700**
1.4.1	Derivative Financial Assets Measured at FVTPL		6,318,304	8,709,443	15,027,747	4,390,584	6,115,669	10,506,253
1.4.2	Derivative Financial Assets Measured at FVOCI		106,780	1,000,169	1,106,949	107,653	1,013,794	1,121,447
II.	**FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)**		**1,068,198,939**	**561,785,616**	**1,629,984,555**	**907,797,438**	**515,766,554**	**1,423,563,992**
2.1	**Loans**	**5.1.5**	**895,353,272**	**491,260,266**	**1,386,613,538**	**769,134,587**	**448,841,379**	**1,217,975,966**
2.2	**Lease Receivables**	**5.1.6**	**10,377,299**	**21,497,420**	**31,874,719**	**10,029,940**	**19,992,190**	**30,022,130**
2.3	**Factoring Receivables**	**5.1.7**	**10,499,181**	**1,339,534**	**11,838,715**	**9,955,846**	**1,637,780**	**11,593,626**
2.4	**Other Financial Assets Measured at Amortised Cost**	**5.1.8**	**177,601,563**	**76,573,288**	**254,174,851**	**141,655,134**	**74,727,731**	**216,382,865**
2.4.1	Government Securities		174,148,748	59,618,880	233,767,628	138,073,167	60,934,162	199,007,329
2.4.2	Other Financial Assets		3,452,815	16,954,408	20,407,223	3,581,967	13,793,569	17,375,536
2.5	**Expected Credit Losses (-)**		**25,632,376**	**28,884,892**	**54,517,268**	**22,978,069**	**29,432,526**	**52,410,595**
III.	**ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)**	**5.1.9**	**2,244,617**	**9,813**	**2,254,430**	**2,133,015**	**8,039**	**2,141,054**
3.1	Asset Held for Resale		2,244,617	9,813	2,254,430	2,133,015	8,039	2,141,054
3.2	Assets of Discontinued Operations		-	-	-	-	-	-
IV.	**INVESTMENTS IN ASSOCIATES,SUBSIDIARIES AND JOINT VENTURES**		**6,953,813**	**175,757**	**7,129,570**	**6,221,102**	**158,689**	**6,379,791**
4.1	**Associates (Net)**	**5.1.10**	**139,509**	**28**	**139,537**	**130,474**	**26**	**130,500**
4.1.1	Associates Consolidated Under Equity Accounting		-	-	-	-	-	-
4.1.2	Unconsolidated Associates		139,509	28	139,537	130,474	26	130,500
4.2	**Subsidiaries (Net)**	**5.1.11**	**6,814,304**	**175,729**	**6,990,033**	**6,090,628**	**158,663**	**6,249,291**
4.2.1	Unconsolidated Financial Investments in Subsidiaries		-	-	-	-	-	-
4.2.2	Unconsolidated Non-Financial Investments in Subsidiaries		6,814,304	175,729	6,990,033	6,090,628	158,663	6,249,291
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**	**21,025,400**	**1,646,103**	**22,671,503**	**20,425,129**	**1,527,851**	**21,952,980**
VI.	**INTANGIBLE ASSETS (Net)**	**5.1.14**	**2,243,088**	**613,104**	**2,856,192**	**1,983,956**	**564,293**	**2,548,249**
6.1	Goodwill		6,388	-	6,388	6,388	-	6,388
6.2	Others		2,236,700	613,104	2,849,804	1,977,568	564,293	2,541,861
VII.	**INVESTMENT PROPERTY (Net)**	**5.1.15**	**1,590,712**	**-**	**1,590,712**	**1,590,712**	**-**	**1,590,712**
VIII.	**CURRENT TAX ASSET**		**-**	**136,195**	**136,195**	**16,749**	**110,841**	**127,590**
IX.	**DEFERRED TAX ASSET**	**5.1.16**	**23,722,121**	**115,772**	**23,837,893**	**20,153,115**	**137,948**	**20,291,063**
X.	**OTHER ASSETS (Net)**	**5.1.17**	**74,688,047**	**6,167,081**	**80,855,128**	**70,637,295**	**6,381,277**	**77,018,572**
	TOTAL ASSETS		**1,466,816,094**	**995,658,721**	**2,462,474,815**	**1,292,409,182**	**909,303,913**	**2,201,713,095**

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 2024

	LIABILITIES AND SHAREHOLDERS' EQUITY	Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD 31 March 2024			PRIOR PERIOD 31 December 2023		
			TL	FC	Total	TL	FC	Total
I.	**DEPOSITS**	**5.2.1**	**916,925,386**	**837,015,153**	**1,753,940,539**	**878,028,393**	**726,902,316**	**1,604,930,709**
II.	**FUNDS BORROWED**	**5.2.2**	**4,926,985**	**58,144,635**	**63,071,620**	**6,059,032**	**54,380,527**	**60,439,559**
III.	**MONEY MARKET FUNDS**	**5.2.3**	**6,747,592**	**79,852,897**	**86,600,489**	**3,732,294**	**52,262,264**	**55,994,558**
IV.	**SECURITIES ISSUED (NET)**	**5.2.4**	**2,560,373**	**10,472,835**	**13,033,208**	**1,563,225**	**9,579,727**	**11,142,952**
4.1	Bills		2,560,373	1,380,332	3,940,705	1,563,225	950,964	2,514,189
4.2	Asset Backed Securities		-	-	-	-	-	-
4.3	Bonds		-	9,092,503	9,092,503	-	8,628,763	8,628,763
V.	**FUNDS**		-	-	-	-	-	-
5.1	Borrowers' Funds		-	-	-	-	-	-
5.2	Others		-	-	-	-	-	-
VI.	**FINANCIAL LIABILITIES MEASURED AT FVTPL**	**5.2.5**	-	**53,343,472**	**53,343,472**	-	**49,046,956**	**49,046,956**
VII.	**DERIVATIVE FINANCIAL LIABILITIES**	**5.2.6**	**9,316,547**	**4,739,024**	**14,055,571**	**6,797,534**	**4,771,691**	**11,569,225**
7.1	Derivative Financial Liabilities Measured at FVTPL		9,160,940	4,685,270	13,846,210	6,787,369	4,715,309	11,502,678
7.2	Derivative Financial Liabilities Measured at FVOCI		155,607	53,754	209,361	10,165	56,382	66,547
VIII.	**FACTORING LIABILITIES**	**5.2.7**	-	-	-	-	-	-
IX.	**LEASE LIABILITIES (Net)**	**5.2.8**	**1,783,123**	**795,776**	**2,578,899**	**1,534,855**	**738,171**	**2,273,026**
X.	**PROVISIONS**	**5.2.9**	**12,793,626**	**9,461,307**	**22,254,933**	**11,511,923**	**10,067,042**	**21,578,965**
10.1	Restructuring Reserves		-	-	-	-	-	-
10.2	Reserve for Employee Benefits		4,905,511	490,016	5,395,527	4,494,360	410,348	4,904,708
10.3	Insurance Technical Provisions (Net)		2,306,742	2,807,068	5,113,810	1,930,022	2,251,747	4,181,769
10.4	Other Provisions		5,581,373	6,164,223	11,745,596	5,087,541	7,404,947	12,492,488
XI.	**CURRENT TAX LIABILITY**	**5.2.10**	**19,441,618**	**523,834**	**19,965,452**	**10,779,309**	**921,272**	**11,700,581**
XII.	**DEFERRED TAX LIABILITY**	**5.2.10**	**93,611**	**81,610**	**175,221**	**50,916**	**78,453**	**129,369**
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**	**1,079,436**	**41,062,790**	**42,142,226**	**1,067,593**	**22,571,810**	**23,639,403**
14.1	Borrowings		-	663,600	663,600	-	629,332	629,332
14.2	Other Debt Instruments		1,079,436	40,399,190	41,478,626	1,067,593	21,942,478	23,010,071
XV.	**OTHER LIABILITIES**	**5.2.13**	**113,932,317**	**21,330,792**	**135,263,109**	**87,711,744**	**15,934,530**	**103,646,274**
XVI.	**SHAREHOLDERS' EQUITY**	**5.2.14**	**254,377,346**	**1,672,730**	**256,050,076**	**243,912,127**	**1,709,391**	**245,621,518**
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		15,276,673	714,070	15,990,743	14,748,655	551,033	15,299,688
16.4	Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss		23,641,427	377,514	24,018,941	23,045,196	407,846	23,453,042
16.5	Profit Reserves		187,319,985	581,146	187,901,131	113,838,518	750,512	114,589,030
16.5.1	Legal Reserves		4,687,868	581,146	5,269,014	2,938,316	544,305	3,482,621
16.5.2	Status Reserves		-	-	-	-	-	-
16.5.3	Extraordinary Reserves		182,366,190	-	182,366,190	110,645,558	-	110,645,558
16.5.4	Other Profit Reserves		265,927	-	265,927	254,644	206,207	460,851
16.6	Profit/Loss		22,290,266	-	22,290,266	86,374,997	-	86,374,997
16.6.1	Prior Periods' Profit/Loss		-	-	-	-	-	-
16.6.2	Current Period's Net Profit/Loss		22,290,266	-	22,290,266	86,374,997	-	86,374,997
16.7	Minority Interest		864,561	-	864,561	920,327	-	920,327
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**1,343,977,960**	**1,118,496,855**	**2,462,474,815**	**1,252,748,945**	**948,964,150**	**2,201,713,095**

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 2024

		Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD 31 March 2024			PRIOR PERIOD 31 December 2023		
			TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)			**1,605,669,087**	**1,460,488,551**	**3,066,157,638**	**1,189,910,715**	**1,156,829,806**	**2,346,740,521**
I.	**GUARANTEES AND SURETIES**	**5.3.1**	**267,199,722**	**225,631,140**	**492,830,862**	**222,242,700**	**197,667,566**	**419,910,266**
1.1	Letters of guarantee		252,774,437	152,934,684	405,709,121	207,649,439	136,086,694	343,736,133
1.1.1	Guarantees subject to State Tender Law		-	4,931,342	4,931,342	-	4,358,146	4,358,146
1.1.2	Guarantees given for foreign trade operations		10,166,112	6,305,360	16,471,472	9,658,232	5,605,753	15,263,985
1.1.3	Other letters of guarantee		242,608,325	141,697,982	384,306,307	197,991,207	126,122,795	324,114,002
1.2	Bank acceptances		2,031,093	6,999,571	9,030,664	2,152,734	5,809,391	7,962,125
1.2.1	Import letter of acceptance		1,806,617	6,999,571	8,806,188	2,152,734	5,809,391	7,962,125
1.2.2	Other bank acceptances		224,476	-	224,476	-	-	-
1.3	Letters of credit		558,439	63,009,370	63,567,809	396,874	53,151,881	53,548,755
1.3.1	Documentary letters of credit		-	-	-	-	-	-
1.3.2	Other letters of credit		558,439	63,009,370	63,567,809	396,874	53,151,881	53,548,755
1.4	Guaranteed prefinancings		-	-	-	-	-	-
1.5	Endorsements		11,835,753	-	11,835,753	12,043,653	-	12,043,653
1.5.1	Endorsements to the Central Bank of Turkey		11,835,753	-	11,835,753	12,043,653	-	12,043,653
1.5.2	Other endorsements		-	-	-	-	-	-
1.6	Underwriting commitments		-	-	-	-	-	-
1.7	Factoring related guarantees		-	-	-	-	-	-
1.8	Other guarantees		-	2,687,515	2,687,515	-	2,619,600	2,619,600
1.9	Other sureties		-	-	-	-	-	-
II.	**COMMITMENTS**	**5.3.1**	**905,295,415**	**104,437,095**	**1,009,732,510**	**676,681,739**	**72,210,677**	**748,892,416**
2.1	Irrevocable commitments		902,002,048	86,684,825	988,686,873	674,580,826	58,063,745	732,644,571
2.1.1	Asset purchase and sale commitments		1,584,441	50,671,200	52,255,641	4,282,615	30,021,807	34,304,422
2.1.2	Deposit purchase and sale commitments		-	-	-	-	-	-
2.1.3	Share capital commitments to associates and subsidiaries		257	28	285	-	27	27
2.1.4	Loan granting commitments		184,640,400	24,456,512	209,096,912	131,818,877	17,216,978	149,035,855
2.1.5	Securities issuance brokerage commitments		-	-	-	-	-	-
2.1.6	Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7	Commitments for cheque payments		14,925,676	-	14,925,676	9,642,506	-	9,642,506
2.1.8	Tax and fund obligations on export commitments		1,101,043	-	1,101,043	858,088	-	858,088
2.1.9	Commitments for credit card limits		699,744,320	4,000,452	703,744,772	527,973,745	3,560,443	531,534,188
2.1.10	Commitments for credit cards and banking services related promotions		5,911	-	5,911	4,995	-	4,995
2.1.11	Receivables from "short" sale commitments on securities		-	-	-	-	-	-
2.1.12	Payables from "short" sale commitments on securities		-	-	-	-	-	-
2.1.13	Other irrevocable commitments		-	7,556,633	7,556,633	-	7,264,490	7,264,490
2.2	Revocable commitments		3,293,367	17,752,270	21,045,637	2,100,913	14,146,932	16,247,845
2.2.1	Revocable loan granting commitments		375,000	14,102,490	14,477,490	450,000	11,508,753	11,958,753
2.2.2	Other revocable commitments		2,918,367	3,649,780	6,568,147	1,650,913	2,638,179	4,289,092
III.	**DERIVATIVE FINANCIAL INSTRUMENTS**	**5.3.2**	**433,173,950**	**1,130,420,316**	**1,563,594,266**	**290,986,276**	**886,951,563**	**1,177,937,839**
3.1	Derivative financial instruments held for risk management		20,923,027	113,014,768	133,937,795	5,396,976	70,927,092	76,324,068
3.1.1	Fair value hedges		-	65,641,741	65,641,741	-	34,448,844	34,448,844
3.1.2	Cash flow hedges		20,923,027	47,373,027	68,296,054	5,396,976	36,478,248	41,875,224
3.1.3	Net foreign investment hedges		-	-	-	-	-	-
3.2	Trading derivatives		412,250,923	1,017,405,548	1,429,656,471	285,589,300	816,024,471	1,101,613,771
3.2.1	Forward foreign currency purchases/sales		69,501,951	83,458,273	152,960,224	44,064,524	53,291,477	97,356,001
3.2.1.1	Forward foreign currency purchases		55,070,926	23,648,159	78,719,085	41,460,609	9,430,315	50,890,924
3.2.1.2	Forward foreign currency sales		14,431,025	59,810,114	74,241,139	2,603,915	43,861,162	46,465,077
3.2.2	Currency and interest rate swaps		325,005,359	760,644,572	1,085,649,931	228,622,855	611,282,078	839,904,933
3.2.2.1	Currency swaps-purchases		(26,836)	296,958,014	296,931,178	787,243	201,350,022	202,137,265
3.2.2.2	Currency swaps-sales		188,477,482	169,805,477	358,282,959	107,058,336	139,612,409	246,670,745
3.2.2.3	Interest rate swaps-purchases		68,288,727	146,940,540	215,229,267	60,388,638	135,159,823	195,548,461
3.2.2.4	Interest rate swaps-sales		68,265,986	146,940,541	215,206,527	60,388,638	135,159,824	195,548,462
3.2.3	Currency, interest rate and security options		12,150,523	13,412,269	25,562,792	8,287,254	10,179,512	18,466,766
3.2.3.1	Currency call options		4,177,458	8,213,917	12,391,375	4,855,929	4,135,798	8,991,727
3.2.3.2	Currency put options		7,748,838	5,198,352	12,947,190	3,187,418	6,043,714	9,231,132
3.2.3.3	Interest rate call options		-	-	-	-	-	-
3.2.3.4	Interest rate put options		-	-	-	-	-	-
3.2.3.5	Security call options		122,479	-	122,479	111,270	-	111,270
3.2.3.6	Security put options		101,748	-	101,748	132,637	-	132,637
3.2.4	Currency futures		3,598,644	3,230,324	6,828,968	3,578,801	3,344,243	6,923,044
3.2.4.1	Currency futures-purchases		3,588,143	29,783	3,617,926	3,578,801	1,393	3,580,194
3.2.4.2	Currency futures-sales		10,501	3,200,541	3,211,042	-	3,342,850	3,342,850
3.2.5	Interest rate futures		-	714,690	714,690	-	174,258	174,258
3.2.5.1	Interest rate futures-purchases		-	714,690	714,690	-	-	-
3.2.5.2	Interest rate futures-sales		-	-	-	-	174,258	174,258
3.2.6	Others		1,994,446	155,945,420	157,939,866	1,035,866	137,752,903	138,788,769
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)			**3,652,278,586**	**5,735,348,961**	**9,387,627,547**	**3,025,305,395**	**5,199,237,676**	**8,224,543,071**
IV.	**ITEMS HELD IN CUSTODY**		**569,811,889**	**284,045,603**	**853,857,492**	**396,628,687**	**255,511,184**	**652,139,871**
4.1	Customers' securities held		365,356,197	-	365,356,197	245,361,373	-	245,361,373
4.2	Investment securities held in custody		91,262,408	121,956,122	213,218,530	53,469,009	112,968,042	166,437,051
4.3	Checks received for collection		98,691,765	22,827,181	121,518,946	84,305,832	19,520,939	103,826,771
4.4	Commercial notes received for collection		11,083,752	5,027,911	16,111,663	9,979,379	4,188,461	14,167,840
4.5	Other assets received for collection		448,531	112,667,166	113,115,697	431,391	101,448,674	101,880,065
4.6	Assets received through public offering		-	772,997	772,997	-	708,084	708,084
4.7	Other items under custody		2,969,236	20,794,226	23,763,462	3,081,703	16,676,984	19,758,687
4.8	Custodians		-	-	-	-	-	-
V.	**PLEDGED ITEMS**		**3,082,466,697**	**5,451,303,358**	**8,533,770,055**	**2,628,676,708**	**4,943,726,492**	**7,572,403,200**
5.1	Securities		24,919,852	28,198,362	53,118,214	24,257,437	22,920,878	47,178,315
5.2	Guarantee notes		22,649,014	92,743,039	115,392,053	22,707,329	83,177,929	105,885,258
5.3	Commodities		418,506	-	418,506	510,466	-	510,466
5.4	Warranties		-	5,809,666	5,809,666	-	4,580,995	4,580,995
5.5	Real estates		1,002,653,592	848,517,784	1,851,171,376	831,298,980	832,365,207	1,663,664,187
5.6	Other pledged items		2,031,825,733	4,476,034,507	6,507,860,240	1,749,902,496	4,000,681,483	5,750,583,979
5.7	Pledged items-depository		-	-	-	-	-	-
VI.	**CONFIRMED BILLS OF EXCHANGE AND SURETIES**		-	-	-	-	-	-
	TOTAL OFF-BALANCE SHEET ITEMS (A+B)		**5,257,947,673**	**7,195,837,512**	**12,453,785,185**	**4,215,216,110**	**6,356,067,482**	**10,571,283,592**

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 2024

	INCOME AND EXPENSE ITEMS	Footnotes	THOUSANDS OF TURKISH LIRA (TL) CURRENT PERIOD 1 January 2024- 31 March 2024	PRIOR PERIOD 1 January 2023- 31 March 2023
I.	**INTEREST INCOME**	**5.4.1**	**104,498,974**	**36,740,099**
1.1	Interest income on loans		76,214,793	26,228,741
1.2	Interest income on reserve deposits		3,450,600	20,548
1.3	Interest income on banks		3,082,424	538,851
1.4	Interest income on money market transactions		2,207,581	614,942
1.5	Interest income on securities portfolio		16,753,357	8,289,581
1.5.1	Financial assets measured at FVTPL		237,928	70,101
1.5.2	Financial assets measured at FVOCI		5,627,366	3,672,264
1.5.3	Financial assets measured at amortised cost		10,888,063	4,547,216
1.6	Financial lease interest income		1,412,609	656,025
1.7	Other interest income		1,377,610	391,411
II.	**INTEREST EXPENSE (-)**	**5.4.2**	**79,559,222**	**18,073,043**
2.1	Interest on deposits		74,142,657	15,210,481
2.2	Interest on funds borrowed		2,293,082	1,086,203
2.3	Interest on money market transactions		1,369,904	320,501
2.4	Interest on securities issued		1,183,166	671,549
2.5	Lease interest expense		107,054	57,431
2.6	Other interest expenses		463,359	726,878
III.	**NET INTEREST INCOME (I - II)**		**24,939,752**	**18,667,056**
IV.	**NET FEES AND COMMISSIONS INCOME/EXPENSES**	**5.4.12**	**19,626,300**	**6,608,235**
4.1	Fees and commissions received		28,233,141	8,746,286
4.1.1	Non-cash loans		1,130,943	648,474
4.1.2	Others		27,102,198	8,097,812
4.2	Fees and commissions paid (-)		8,606,841	2,138,051
4.2.1	Non-cash loans		24,676	17,306
4.2.2	Others		8,582,165	2,120,745
V.	**DIVIDEND INCOME**	**5.4.3**	**8,022**	**11,999**
VI.	**NET TRADING INCOME/LOSSES (Net)**	**5.4.4**	**5,455,697**	**4,455,369**
6.1	Trading account income/losses		(4,234)	836,469
6.2	Income/losses from derivative financial instruments		(1,472,752)	109,276
6.3	Foreign exchange gains/losses		6,932,683	3,509,624
VII.	**OTHER OPERATING INCOME**	**5.4.5**	**15,276,200**	**10,192,728**
VIII.	**TOTAL OPERATING PROFIT (III+IV+V+VI+VII)**		**65,305,971**	**39,935,387**
IX.	**EXPECTED CREDIT LOSSES (-)**	**5.4.6**	**15,971,476**	**10,345,298**
X.	**OTHER PROVISIONS (-)**	**5.4.6**	**39,785**	**30,328**
XI.	**PERSONNEL EXPENSES (-)**		**8,640,634**	**4,274,087**
XII.	**OTHER OPERATING EXPENSES (-)**	**5.4.7**	**13,139,030**	**7,709,442**
XIII.	**NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)**		**27,515,046**	**17,576,232**
XIV.	**INCOME RESULTED FROM MERGERS**		**-**	**-**
XV.	**INCOME/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING**		**751,652**	**487,346**
XVI.	**GAIN/LOSS ON NET MONETARY POSITION**		**-**	**-**
XVII.	**PROFIT/LOSS BEFORE TAXES (XIII+...+XVI)**	**5.4.8**	**28,266,698**	**18,063,578**
XVIII.	**PROVISION FOR TAXES (±)**	**5.4.9**	**5,787,115**	**2,611,021**
18.1	Current tax charge		8,399,106	4,510,972
18.2	Deferred tax charge (+)		1,482,037	899,765
18.3	Deferred tax credit (-)		(4,094,028)	(2,799,716)
XIX.	**NET OPERATING PROFIT/LOSS AFTER TAXES (XVII±XVIII)**	**5.4.10**	**22,479,583**	**15,452,557**
XX.	**INCOME FROM DISCONTINUED OPERATIONS**		**-**	**-**
20.1	Income from assets held for sale		-	-
20.2	Income from sale of associates, subsidiaries and joint-ventures		-	-
20.3	Others		-	-
XXI.	**EXPENSES FROM DISCONTINUED OPERATIONS (-)**		**-**	**-**
21.1	Expenses on assets held for sale		-	-
21.2	Expenses on sale of associates, subsidiaries and joint-ventures		-	-
21.3	Others		-	-
XXII.	**PROFIT/LOSS BEFORE TAXES ON DISCONTINUED OPERATIONS (XX-XXI)**	**5.4.8**	**-**	**-**
XXIII.	**PROVISION FOR TAXES OF DISCONTINUED OPERATIONS (±)**	**5.4.9**	**-**	**-**
23.1	Current tax charge		-	-
23.2	Deferred tax charge (+)		-	-
23.3	Deferred tax credit (-)		-	-
XXIV.	**NET PROFIT/LOSS AFTER TAXES ON DISCONTINUED OPERATIONS (XXII±XXIII)**	**5.4.10**	**-**	**-**
XXV.	**NET PROFIT/LOSS (XIX+XXIV)**	**5.4.11**	**22,479,583**	**15,452,557**
25.1	Equity holders of the bank		22,290,266	15,365,843
25.2	Minority interest		189,317	86,714
	Earnings per Share		**0.05307**	**0.03659**

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 2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD 1 January 2024 - 31 March 2024	**PRIOR PERIOD 1 January 2023 - 31 March 2023**
I.	**CURRENT PERIOD PROFIT/LOSS**	**22,479,583**	**15,452,557**
II.	**OTHER COMPREHENSIVE INCOME**	**1,253,258**	**5,919,665**
2.1	**Other Income/Expense Items not to be Recycled to Profit or Loss**	**691,055**	**4,923,417**
2.1.1	Revaluation Surplus on Tangible Assets	123,288	1,534,593
2.1.2	Revaluation Surplus on Intangible Assets	-	-
2.1.3	Defined Benefit Plans' Actuarial Gains/Losses	(445,092)	-
2.1.4	Other Income/Expense Items not to be Recycled to Profit or Loss	316,061	264,199
2.1.5	Deferred Taxes on Other Comprehensive Income not to be Recycled to Profit or Loss	696,798	3,124,625
2.2	**Other Income/Expense Items to be Recycled to Profit or Loss**	**562,203**	**996,248**
2.2.1	Translation Differences	2,501,916	962,444
2.2.2	Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI	(925,070)	528,777
2.2.3	Gains/losses from Cash Flow Hedges	(942,393)	39,231
2.2.4	Gains/Losses on Hedges of Net Investments in Foreign Operations	(1,133,857)	(464,138)
2.2.5	Other Income/Expense Items to be Recycled to Profit or Loss	192,569	(23,606)
2.2.6	Deferred Taxes on Other Comprehensive Income to be Recycled to Profit or Loss	869,038	(46,460)
III.	**TOTAL COMPREHENSIVE INCOME (I+II)**	**23,732,841**	**21,372,222**

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 2024

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Footnotes	THOUSANDS OF TURKISH LIRA (TL)															
						Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss			Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss								
		Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves	Revaluation surplus on tangible and intangible assets	Defined Benefit Plans' Actuarial Gains/Losses	Others	Foreign Currency Translation Differences	Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI	Others	Profit Reserves	Prior Periods' Profit/Loss	Current Period's Net Profit/Loss	Shareholders' Equity Before Minority Interest	Minority Interest	Total Shareholders' Equity
PRIOR 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**
CURRENT PERIOD (01/01/2024-31/03/2024)																	
I. Balances at Beginning of Period		**4,200,000**	**11,880**	**-**	**772,554**	**15,971,976**	**(1,994,953)**	**1,322,665**	**28,894,950**	**3,337,016**	**(8,778,924)**	**114,589,030**	**86,374,997**	**-**	**244,701,191**	**920,327**	**245,621,518**
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**	**15,971,976**	**(1,994,953)**	**1,322,665**	**28,894,950**	**3,337,016**	**(8,778,924)**	**114,589,030**	**86,374,997**	**-**	**244,701,191**	**920,327**	**245,621,518**
IV. Total Comprehensive Income		-	-	-	-	**701,398**	**(311,564)**	**301,221**	**2,501,916**	**(656,537)**	**(1,279,480)**	-	-	**22,290,266**	**23,547,220**	**185,621**	**23,732,841**
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		-	-	-	-	-	-	-	-	-	-	**36,862**	-	-	**36,862**	-	**36,862**
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	**73,275,239**	**(86,374,997)**	-	**(13,099,758)**	**(241,387)**	**(13,341,145)**
11.1 Dividends		-	-	-	-	-	-	-	-	-	-	-	(13,099,758)	-	(13,099,758)	(241,387)	(13,341,145)
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	73,257,539	(73,257,539)	-	-	-	-
11.3 Others		-	-	-	-	-	-	-	-	-	-	17,700	(17,700)	-	-	-	-
Balances at end of the period (III+IV+…+X+XI)		**4,200,000**	**11,880**	**-**	**772,554**	**16,673,374**	**(2,306,517)**	**1,623,886**	**31,396,866**	**2,680,479**	**(10,058,404)**	**187,901,131**	**-**	**22,290,266**	**255,185,515**	**864,561**	**256,050,076**

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Subsidiaries
Consolidated Statement of Cash Flows
At 31 March 2024

	STATEMENT OF CASH FLOWS	Footnotes	THOUSANDS OF TURKISH LIRA (TL) CURRENT PERIOD 1 January 2024- 31 March 2024	PRIOR PERIOD 1 January 2023 - 31 March 2023
A.	**CASH FLOWS FROM BANKING OPERATIONS**			
1.1	**Operating profit before changes in operating assets and liabilities**	**5.6**	**49,676,563**	**23,882,727**
1.1.1	Interests received		85,964,847	32,307,946
1.1.2	Interests paid		(61,512,248)	(15,637,733)
1.1.3	Dividend received		8,022	11,999
1.1.4	Fees and commissions received		28,233,141	8,746,286
1.1.5	Other income		14,310,300	10,192,728
1.1.6	Collections from previously written-off receivables		641,363	321,606
1.1.7	Cash payments to personnel and service suppliers		(19,038,445)	(10,694,998)
1.1.8	Taxes paid		(186,139)	(596,327)
1.1.9	Others		1,255,722	(768,780)
1.2	**Changes in operating assets and liabilities**	**5.6**	**(61,173,296)**	**47,696,531**
1.2.1	Net (increase) decrease in financial assets measured at FVTPL		(3,797,615)	(1,728,780)
1.2.2	Net (increase) decrease in due from banks		(63,774,440)	(17,693,416)
1.2.3	Net (increase) decrease in loans		(175,726,680)	(75,060,488)
1.2.4	Net (increase) decrease in other assets		(6,727,537)	511,507
1.2.5	Net increase (decrease) in bank deposits		655,956	3,212,924
1.2.6	Net increase (decrease) in other deposits		134,139,424	125,817,060
1.2.7	Net increase (decrease) in financial liabilities measured at FVTPL		-	-
1.2.8	Net increase (decrease) in funds borrowed		31,588,564	8,212,542
1.2.9	Net increase (decrease) in matured payables		-	-
1.2.10	Net increase (decrease) in other liabilities		22,469,032	4,425,182
I.	**Net cash flow from banking operations**	**5.6**	**(11,496,733)**	**71,579,258**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**			
II.	**Net cash flow from investing activities**	**5.6**	**(36,552,859)**	**(34,942,891)**
2.1	Cash paid for purchase of associates, subsidiaries and joint-ventures		-	-
2.2	Cash obtained from sale of associates, subsidiaries and joint-ventures		-	-
2.3	Purchases of tangible assets		(1,367,343)	(1,346,338)
2.4	Sales of tangible assets		127,612	(108,906)
2.5	Cash paid for purchase of financial assets measured at FVOCI		(18,651,987)	(5,704,141)
2.6	Cash obtained from sale of financial assets measured at FVOCI		9,709,761	8,324,124
2.7	Cash paid for purchase of financial assets measured at amortised cost		(39,419,243)	(37,694,811)
2.8	Cash obtained from sale of financial assets measured at amortised cost		13,048,341	1,587,181
2.9	Others		-	-
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**			
III.	**Net cash flow from financing activities**		**3,407,248**	**(5,697,871)**
3.1	Cash obtained from funds borrowed and securities issued		22,347,788	8,055,883
3.2	Cash used for repayment of funds borrowed and securities issued		(13,024,840)	(13,505,202)
3.3	Equity instruments issued		-	-
3.4	Dividends paid		(5,168,804)	-
3.5	Payments for leases		(746,896)	(248,552)
3.6	Others		-	-
IV.	**Effect of translation differences on cash and cash equivalents**	**5.6**	**5,030,712**	**3,241,592**
V.	**Net increase/(decrease) in cash and cash equivalents (I+II+III+IV)**	**5.6**	**(39,611,632)**	**34,180,088**
VI.	**Cash and cash equivalents at beginning of period**	**5.6**	**295,973,109**	**149,464,537**
VII.	**Cash and cash equivalents at end of period (V+VI)**	**5.6**	**256,361,477**	**183,644,625**

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 2024 have no material effect on the financial statements, financial performance, and on the Bank's accounting policies. New and revised Turkish Accounting Standards issued but not yet effective as of the finalization date of the financial statements have no material effect on the financial statements, financial performance, and on the Bank's accounting policies.

3.1.2 Other

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

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

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

3.2 Strategy for use of financial instruments and foreign currency transactions

3.2.1 Strategy for use of financial instruments

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

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

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

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

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

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

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

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

3.2.2 Foreign currency transactions

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

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

In the current period, net investment hedge amounting to EUR 530,583,575 (31 December 2023: EUR 530,583,575) 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 16,037,154 (31 December 2023: TL 14,903,297), arising from conversion of both foreign currency investments and long-term foreign currency borrowings are accounted under capital reserves and other comprehensive income/expense items to be recycled to profit/loss, respectively under equity as of 31 March 2024. There is no ineffective portion arising from net investment hedge accounting.

3.3 Information on consolidated subsidiaries

As of 31 March 2024, 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), Garanti Holding BV (Garanti Holding) and Garanti Ödeme ve Elektronik Para Hizmetleri AŞ (TAMİ).

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 Ödeme ve Elektronik Para Hizmetleri was established in 2022 with a partnership of 50% Garanti BBVA and 50% Garanti Ödeme Sistemleri AŞ. On January 30, 2024, it was granted a license by the Central Bank of the Republic of Türkiye, allowing it to operate as a payment and electronic money institution to provide electronic money issuance services.

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 DPR 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. The Parent Bank uses off-shore market curve for swap and forward transactions with foreign institutions and uses the TLREF-based OIS ("Overnight Indexed Swap") market curve for swap and forward transactions with domestic institutions in order to reflect the fair value measurement and performed the necessary fair value measurement adjustments.

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

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

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

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

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

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

3.4.2 Derivative financial instruments held for hedging purpose

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

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

Derivative financial assets measured at fair value through other comprehensive income

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

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

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

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

3.5 Interest income and expenses

General

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

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

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

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

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

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

Financial lease activities

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

3.6 Fees and commissions

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

3.7 Financial instruments

3.7.1 Initial recognition of financial instruments

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

3.7.2 Initial measurement of financial instruments

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

3.7.3 Classification of financial instruments

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

3.7.3.1 Assessment of the business model

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

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

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

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

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

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

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

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

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

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

3.7.4 Measurement categories of financial assets and liabilities

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

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

Financial investments and loans measured at amortised cost

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

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

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

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

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

Financial assets measured at fair value through other comprehensive income

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

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

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

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

Unrecognised gains/losses derived from the difference between their fair value and the discounted values are recorded in accumulated other comprehensive income or expense to be reclassified to profit or loss under the shareholders' equity. In case of sales, the gain/losses arising from fair value measurement accumulated under shareholders' equity are recognized in income statement.

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

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

Equity instruments measured at fair value through other comprehensive income

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

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

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

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

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

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

3.8 Disclosures on impairment of financial instruments

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

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

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

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

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

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

3.8.1 Calculation of expected credit losses

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3.8.1.1 Loan commitments and non-cash loans

The expected credit losses on a loan commitment shall be discounted using the effective interest rate, or an approximation thereof, that will be applied when recognising the financial asset resulting from the loan commitment. This is because for the purpose of applying the impairment requirements, a financial asset that is recognised following a drawdown on a loan commitment shall be treated as a continuation of that commitment instead of as a new financial instrument.

The expected credit losses on the financial asset shall therefore be measured considering the initial credit risk of the loan commitment from the date when becoming a party to the irrevocable commitment.

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

3.8.1.2 Debt instruments measured at fair value through other comprehensive income

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

3.8.1.3 Credit cards and other revolving loans

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

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

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

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

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

3.8.2 Forward-looking macroeconomic information

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

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

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

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

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

(Thousands of Turkish Lira (TL))

The Parent Bank takes into account different scenarios in the calculation of expected credit loss by evaluating the current economic conditions and expert opinions. Accordingly, the updated macroeconomic value estimates taken into account in the expected loss provision calculation are presented below as of 31 March 2024.

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

3.8.3 Significant increase in credit risk

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

Qualitative assessment:

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

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

Quantitative assessment:

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

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

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

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

3.8.4 Low credit risk

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

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

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

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

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

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

3.8.5 Disclosures on write down policy

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

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

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

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

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

3.9 Disclosures about netting and derecognition of financial instruments

3.9.1 Netting of financial instruments

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

3.9.2 Derecognition of financial instruments

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

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

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

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

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

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

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

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

3.9.2.3 Derecognition of financial liabilities

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

3.9.3 Reclassification of financial instruments

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

3.9.4 Restructuring and refinancing of financial instruments

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

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

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

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

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

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

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

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

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

3.10 Repurchase and resale agreements and securities lending

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

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

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

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

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

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

3.12 Goodwill and other intangible assets

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

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

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

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

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

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

- The ability to use the intangible asset,

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

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

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

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

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

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

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

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

3.13 Tangible assets

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

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

(Thousands of Turkish Lira (TL))

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

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

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

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

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

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

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

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

Investment properties

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

Investment properties accounted at fair value are not depreciated.

Right-of-use assets

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

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

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

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

3.14 Leasing activities

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

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

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

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

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

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

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

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

3.15 Provisions and contingent liabilities

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

3.16 Contingent assets

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

3.17 Liabilities for employee benefits

Severance indemnities and short-term employee benefits

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

(Thousands of Turkish Lira (TL))

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

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

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

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

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

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

Retirement benefit obligations

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

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

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

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

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

a) Benefits transferable to SSF

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

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

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

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

On 19 June 2008, Cumhuriyet Halk Partisi ("CHP") applied to the Constitutional Court for the cancellation of various articles of the Law including the first paragraph of the provisional Article 20. At the meeting of the Constitutional Court on 30 March 2011, it was decided that the Article 73 and the first paragraph of the provisional Article 20 added to the Law No. 5510 are not contradictory to the Constitutional Law, and accordingly the dismissal of the cancellation request has been denied with the majority of votes. Before the completion of two-year period set by the Council of Ministers on 14 March 2011 as explained above, as per the Article No. 51 of the Law No. 6645, published in the Official Gazette No. 29335 dated 23 April 2015, the Article No. 20 of the Law No. 5510 was amended giving the Council of Ministers the authority to determine the date of transfer without defining any timeline.

b) Other benefits not transferable to SSF

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

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

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

3.18 Insurance technical reserves and technical income and expense

3.18.1 Insurance technical reserves

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

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

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

3.18.2 Insurance technical income and expense

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

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

3.19 Taxation

3.19.1 Corporate tax

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

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

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

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

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

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

The exemption rate for real estates previously included in the assets of institutions has been determined as 25%.

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

As of 31 December 2021, the conditions sought for inflation adjustment in the calculation of corporate tax have been fulfilled, within the framework of the repeated provision of Article 298/ Ç of the Tax Procedure Law. These conditions are both the exceed in the increase of Producer Price Index in the last 3 accounting periods including current period by 100% and the exceed in the increase in the current period by 10%. However, temporary article 33 has been added on the Tax Procedure Law No. 213 with the regulation made with the Tax Procedure Law and the Law on Change in Corporate Tax Law No. 7352 published in the Official Gazette No.31734 dated 29 January 2022, the application of inflation adjustment in the calculation of corporate tax was postponed to 2023. According to this, the financial statements for the 2021 and 2022 accounting periods, including the provisional tax periods, are not subject to inflation adjustment, and for the 2023 accounting period; are not subject to inflation adjustment as of the provisional tax periods, and the financial statements dated 31 December 2021 will be subject to inflation adjustment regardless of whether the inflation adjustment conditions are met or not. Profit/loss difference arising from inflation adjustment in the financial statements are to be shown in previous years' profit/loss accounts and does not affect the corporate tax base.

According to Article 17 of the Law No. 7491 on Amendments to Certain Laws and Decree Laws published in the Official Gazette No. 32413 dated 28 December 2023, it has become law that profit/loss differences arising from the inflation adjustment to be made in the 2024 and 2025 accounting periods, including the provisional tax periods, do not be taken into account in determining the income of banks, companies within the scope of the Financial Leasing, Factoring, Financing and Savings Financing Companies Law No. 6361 dated 21 November 2012, payment and electronic money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies.

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

The tax applications for foreign branches;

NORTHERN CYPRUS

According to the Corporate Tax Law of the Turkish Republic of Northern Cyprus No.41/1976 as amended, the corporate earnings (including foreign corporations) are subject to a 10% corporate tax and 15% income tax. This tax is calculated based on the income that the taxpayers earn in an accounting period. Tax base is determined by modifying accounting income for certain exclusions and allowances for tax purposes. The corporations cannot benefit from the rights of offsetting losses, investment incentives and amortization unless their balance sheets, income statements and accounting records used for tax calculations examined and prepared by an accountant and an auditor authorized by the Ministry of Finance. In cases where it is revealed that the earnings of a corporation were not subject to taxation in prior years or the tax paid on such earnings are understated, additional taxes can be charged in the next seven years following that the related taxation period. The corporate tax returns are filed in the tax administration office in April after following the end of the accounting year to which they relate. The corporate taxes are paid in two equal installments in May and October. According to the Decision of the TRNC Council of Ministers dated 25 March 2020, the prepaid taxes are calculated and paid at the rate of 15% tax on quarterly commercial earnings of the related year. The prepayments can be deducted from the annual corporate tax calculated for the whole year earnings.

MALTA

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

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 Türkiye 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 million, or if the profit exceeds EUR 1 million, the amount of losses that can be offset is EUR 1 million plus 50% of the excess of the profit over EUR 1 million. 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. The fiscal loss incurred starting with 2024 is recovered within the limit of 70% from the taxable profits generated in the next 5 consecutive years. The deferred tax asset from fiscal losses is recognized to the extent that the realization of the related tax benefit through the future taxable profits is probable.

Levy on turnover (“tax on turnover”)

In accordance with Law 296/2023, the Romanian Fiscal Code was amended to introduce, starting 1 January 2024, an additional tax established for credit institutions (Romanian legal entities and Romanian branches of credit institutions) foreign legal entities, namely “tax on turnover”. Therefore, credit institutions owe, in addition to the corporate income tax, a minimum “tax on turnover” computed by applying the following rates on the turnover (which is specifically defined):

i) 2% for the period 1 January 2024 - 31 December 2025 inclusively,

ii) 1% starting with 1 January 2026.

3.19.2 Deferred taxes

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

As stated in Note 3.19.1, in accordance with the regulation introduced by the Law No.7456 "On the Formation of Additional Motor Vehicle Tax to Compensate the Economic Losses Caused by the Earthquakes That Occurred on 6 February 2023, corporate income tax has been determined to be applied as 30% for the banks, companies within the scope of Law No. 6361, electronic payment and money institutions, authorized foreign exchange institutions, asset management companies, capital market institutions, insurance and reinsurance companies and pension companies. Therefore, as of 31 March 2024, the Bank has calculated deferred tax at the rate of 30% for assets and liabilities.

According to the Provisional Article 33 of the Tax Procedure Law, in the financial statements dated 31 March 2024, the tax effects arising from the subject of inflation correction of the corporate tax are included in the deferred tax calculation as of 31 March 2024.

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

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

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

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

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

3.19.3 Transfer pricing

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

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

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

3.20 Funds borrowed

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

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

3.21 Share and share issuances

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

3.22 Confirmed bills of exchange and acceptances

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

3.23 Government incentives

None.

3.24 Segment reporting

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

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

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

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

(Thousands of Turkish Lira (TL))

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

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	14,470,568	24,301,123	(35,303,377)	21,471,438	24,939,752
Net Fees And Commıssıons Income	15,345,300	3,714,999	(37,847)	603,848	19,626,300
Dividend Income	-	-	-	8,022	8,022
Net Tradıng Income/Losses (Net)	972,828	2,329,700	2,137,004	16,165	5,455,697
Other Operatıng Income (*)	822,471	610,219	44,108	2,442,745	3,919,543
Expected Credıt Losses (*)	(4,858,999)	(617,913)	(5,459)	867,552	(4,614,819)
Other Provisions	318	-	-	(40,103)	(39,785)
Personnel and Other Operatıng Expenses	(12,400,365)	(4,577,090)	(583,303)	(4,218,906)	(21,779,664)
Income/Loss From Investments Under Equıty Accountıng	-	-	-	751,652	751,652
Net Operating Profit	**14,352,121**	**25,761,038**	**(33,748,874)**	**21,902,413**	**28,266,698**
Provision for Taxes	-	-	-	(5,787,115)	(5,787,115)
Net Profit	**14,352,121**	**25,761,038**	**(33,748,874)**	**16,115,298**	**22,479,583**
Segment Assets	471,485,849	856,660,936	762,175,124	365,023,336	2,455,345,245
Investments in Associates and Subsidiaries	-	-	-	7,129,570	7,129,570
Total Assets	**471,485,849**	**856,660,936**	**762,175,124**	**372,152,906**	**2,462,474,815**
Segment Liabilities	1,214,130,670	594,518,850	248,284,813	149,490,406	2,206,424,739
Shareholders' Equity	-	-	-	256,050,076	256,050,076
Total Liabilities and Shareholders' Equity	**1,214,130,670**	**594,518,850**	**248,284,813**	**405,540,482**	**2,462,474,815**

Prior 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	409,958,201	756,249,560	693,748,254	335,377,289	2,195,333,304
Investments in Associates and Subsidiaries	-	-	-	6,379,791	6,379,791
Total Assets	**409,958,201**	**756,249,560**	**693,748,254**	**341,757,080**	**2,201,713,095**
Segment Liabilities	1,095,394,269	555,777,835	179,022,937	125,896,536	1,956,091,577
Shareholders' Equity	-	-	-	245,621,518	245,621,518
Total Liabilities and Shareholders' Equity	**1,095,394,269**	**555,777,835**	**179,022,937**	**371,518,054**	**2,201,713,095**

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

3.26 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	22,290,266	15,365,843
Average number of issued common shares (thousand)	420,000,000	420,000,000
Earnings per share (amounts presented full TL)	0.05307	0.03659

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

As of 31 March 2024, there are no bonus shares issued (31 December 2023: 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 Türkiye; 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	187,901,131	114,589,030
Other Comprehensive Income according to TAS	63,639,996	60,142,834
Profit	22,290,266	86,374,997
Current Period's Profit	22,290,266	86,374,997
Prior Periods' Profit	-	-
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	14,686	9,790
Minority Interest	537,019	416,247
Common Equity Tier I Capital Before Deductions	**279,367,532**	**266,517,332**
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 (-)	23,171,279	22,016,744
Leasehold Improvements on Operational Leases (-)	279,237	291,647
Goodwill Netted with Deferred Tax Liabilities	-	-
Other Intangible Assets Netted with Deferred Tax Liabilities Except Mortgage Servicing Rights	2,717,126	2,542,752
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	**26,167,642**	**24,851,143**
Total Common Equity Tier I Capital	**253,199,890**	**241,666,189**
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)	**253,199,890**	**241,666,189**
TIER II CAPITAL		
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	31,639,036	14,502,317
Debt Instruments and the Related Issuance Premiums Defined by the BRSA (Covered by Temporary Article 4)		-
Provisions (Amounts explained in the first paragraph of the Article 8 of the Regulation on Bank Capital)	19,988,199	15,924,173
Total Deductions from Tier II Capital	**51,627,235**	**30,426,490**
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	**51,627,235**	**30,426,490**
Total Equity (Total Tier I and Tier II Capital)	**304,827,125**	**272,092,679**
Total Tier I Capital and Tier II Capital (Total Equity)		
Loans Granted against the Articles 50 and 51 of the Banking Law (-)	100	1,168
Other items to be Defined by the BRSA (-)	1,484	1,188
Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) during the Transition Period		
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	-	-
The Portion of Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% of the Issued Share Capital Exceeding the 10% Threshold of above Tier I Capital not deducted from Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation (-)	-	-
The Portion of Net Long Position of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or more of the Issued Share Capital, of the Net Deferred Tax Assets arising from Temporary Differences and of the Mortgage Servicing Rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation (-)	-	-
CAPITAL		
Total Capital (Total of Tier I Capital and Tier II Capital)	**304,825,541**	**272,090,323**
Total Risk Weighted Assets	**1,851,905,168**	**1,437,302,870**
CAPITAL ADEQUACY RATIOS		
Consolidated CET1 Capital Ratio (%)	**13.67**	**16.81**
Consolidated Tier I Capital Ratio (%)	**13.67**	**16.81**
Consolidated Capital Adequacy Ratio (%)	**16.46**	**18.93**
BUFFERS		
Total Additional CET1 Capital Requirement Ratio (a+b+c)	4.12	4.11
a) Capital Conservation Buffer Ratio (%)	2.50	2.50
b) Bank-specific Counter-Cyclical Capital Buffer Ratio (%)	0.12	0.11
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 (%)	7.67	10.81
Amounts Lower Than Excesses as per Deduction Rules		
Remaining Total of Net Long Positions of the Investments in Equity Items of Unconsolidated Banks and Financial Institutions where the Bank Owns 10% or less of the Issued Share Capital		-
Remaining Total of Net Long Positions of the Investments in Tier I Capital of Unconsolidated Banks and Financial Institutions where the Bank Owns more than 10% or less of the Issued Share Capital		-
Remaining Mortgage Servicing Rights		-
Net Deferred Tax Assets arising from Temporary Differences	23,837,894	20,291,063

(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)	45,441,885	43,753,909
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	19,988,199	15,924,173
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach	-	-
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, Limited by 0.6% Risk Weighted Assets	-	-
Debt Instruments Covered by Temporary Article 4 (effective between 1.1.2018-1.1.2022)	-	
Upper Limit for Additional Tier I Capital Items subject to Temporary Article 4	-	-
Amount of Additional Tier I Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	-
Upper Limit for Additional Tier II Capital Items subject to Temporary Article 4	-	-
Amount of Additional Tier II Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit	-	-

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

Within the scope of the regulation dated 12 December 2023 by the Banking Regulation and Supervision Agency, the amount subject to credit risk is calculated with the Central Bank foreign exchange buying rates as of 26 June 2023 and the net valuation differences of the securities in the securities portfolio whose fair value difference is reflected in other comprehensive income are negative. In this case, these differences are not taken into account in the equity amount to be used for the capital adequacy ratio.

As of 31 March 2024, the amount subject to credit risk in calculating the regulatory capital adequacy ratio was calculated by taking into account the regulation changes. If the regulation changes are not taken into account, the capital adequacy ratio is at 15.43% as of 31 March 2024.

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.	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	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.	Subject to English Law and in terms of certain articles to Turkish Regulations. It is issued within the scope of the Communiqué VII-128.8 on Debt Instruments of the Capital Markets Board and the Regulation on Bank Capital of the BRSA.
		Regulatory treatment		
Subject to 10% deduction as of 1/1/2015	No	No	No	No
Eligible on unconsolidated and /or consolidated basis	Eligible on unconsolidated and consolidated	Eligible on unconsolidated and consolidated	Eligible on unconsolidated and consolidated	Eligible on unconsolidated and consolidated
Instrument type	Subordinated debt instruments (Notes)	Subordinated debt instruments (Notes)	Subordinated debt instruments (Notes)	Subordinated debt instruments (Notes)
Amount recognized in regulatory capital (Currency in TL million, as of most recent reporting date)	14,294 (31 December 2023: 13,069)	253 (31 December 2023: 253)	750 (31 December 2023: 750)	15,882
Nominal value of instrument (TL million)	23,823 (31 December 2023: 21,782)	253 (31 December 2023: 253)	750 (31 December 2023: 750)	15,882
Accounting classification of the instrument	34701 – Secondary Subordinated Loans	34601– Secondary Subordinated Loans	34601– Secondary Subordinated Loans	34701 – Secondary Subordinated Loans
Issuance date of instrument	23.05.2017	09.10.2019	14.02.2020	28.02.2024
Maturity structure of the instrument (demand/time)	Time	Time	Time	Time
Original maturity of the instrument	24.05.2027	07.10.2029	14.02.2030	28.02.2034
Issuer call subject to prior supervisory (BRSA) approval	No	Yes	Yes	Yes
Optional call date, contingent call dates and redemption amount	-	07.10.2024 – TL 252,880,000	14.02.2025 – TL 750,000,000	28.02.2029-USD 500,000,000
Subsequent call dates, if applicable	-	-	-	-
		Interest/dividend payment		
Fixed or floating coupon/dividend payments	Fixed	Floating	Floating	Fixed
Coupon rate and any related index	7.1770%	TLREF + 130 bps	TLREF + 250 bps	8.375%
Existence of any dividend payment restriction	None	None	None	None
Fully discretionary, partially discretionary or mandatory	-	-	-	-

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

(Thousands of Turkish Lira (TL))

Current Period	***Information about instruments included in total capital calculation***			
Issuer	responsAbility SICAV (Lux) acting for its sub-funds responsAbility SICAV (Lux) Micro and SME Finance Leaders responsAbility SICAV (Lux) Financial Inclusion Fund	MultiConcept Fund Management S.A. acting in its own name for responsAbility Global Micro and SME Finance Fund	responsAbility SICAV (Lux) acting for its sub-funds responsAbility SICAV (Lux) Micro and SME Finance Leaders responsAbility SICAV (Lux) Financial Inclusion Fund responsAbility SICAV (Lux) Micro and SME Finance Debt Fund	MultiConcept Fund Management S.A. acting in its own name for responsAbility Global Micro and SME Finance Fund
Identifier (CUSIP, ISIN vb.)	LEI:529900S7V25UG37A2Q19 LEI:5299008N49S2T1SWIP98	LEI:529900J0CQ7V9271DC81	LEI: 5299008N49S2T1SWIP98 LEI: 529900S7V25UG37A2Q19 LEI: 529900IHHF9LIQY6AH65	LEI: 529900J0CQ7V9271DC81
Governing law (s) of the instrument	The provisions of the Loan Agreement shall be governed by and construed in accordance with the laws of the Grand Duchy of Luxembourg, without giving effect to any conflicts of law provisions.	The provisions of the Loan Agreement shall be governed by and construed in accordance with the laws of the Grand Duchy of Luxembourg, without giving effect to any conflicts of law provisions.	The provisions of the Loan Agreement shall be governed by and construed in accordance with the laws of the Grand Duchy of Luxembourg, without giving effect to any conflicts of law provisions.	The provisions of the Loan Agreement shall be governed by and construed in accordance with the laws of the Grand Duchy of Luxembourg, without giving effect to any conflicts of law provisions.
Regulatory treatment				
Subject to 10% deduction as of 1/1/2015	No	No	No	No
Eligible on unconsolidated and /or consolidated basis	Eligible on consolidated basis	Eligible on consolidated basis	Eligible on consolidated basis	Eligible on consolidated basis
Instrument type	Subordinated debt instruments (Loan Agreement)	Subordinated debt instruments (Loan Agreement)	Subordinated debt instruments (Loan Agreement)	Subordinated debt instruments (Loan Agreement)
Amount recognized in regulatory capital (Currency in TL million, as of most recent reporting date)	115	92	92	161
Nominal value of instrument (TL million)	171 (31 December 2023: 160)	137 (31 December 2023: 129)	137	240
Accounting classification of the instrument	-	-	-	-
Issuance date of instrument	28.12.2022	28.12.2022	23.02.2023	23.02.2023
Maturity structure of the instrument (demand/time)	Time	Time	Time	Time
Original maturity of the instrument	03.01.2029	03.01.2029	28.02.2029	28.02.2029
Issuer call subject to prior supervisory (BRSA) approval	None	None	None	None
Optional call date, contingent call dates and redemption amount	-	-	-	-
Subsequent call dates, if applicable	-	-	-	-
Interest/dividend payment				
Fixed or floating coupon/dividend payments	Floating	Floating	Floating	Floating
Coupon rate and any related index	EURIBOR 6M + 5%	EURIBOR 6M + 5%	EURIBOR 6M + 5%	EURIBOR 6M + 5%

Existence of any dividend payment restriction	None	None	None	None
Fully discretionary, partially discretionary or mandatory	-	-	-	-
Existence of step up or other incentive to redeem	None	None	None	None
Noncumulative or cumulative	None	None	None	None
Convertible into equity shares	None	None	None	None
If convertible, conversion trigger (s)	-	-	-	-
If convertible, fully or partially	-	-	-	-
If convertible, conversion rate	-	-	-	-
If convertible, mandatory or optional conversion	-	-	-	-
If convertible, type of instrument convertible into	-	-	-	-
If convertible, issuer of instrument to be converted into	-	-	-	-
Write-down feature	None	None	None	None
If bonds can be written-down, write-down trigger(s)	-	-	-	-
If bond can be written-down, full or partial	-	-	-	-
If bond can be written-down, permanent or temporary	Permanent	Permanent	Permanent	Permanent
If temporary write-down, description of write-up mechanism	There are no any temporary write-up mechanisms.	There are no any temporary write-up mechanisms.	There are no any temporary write-up mechanisms.	There are no any temporary write-up mechanisms.
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	In priority of receivables, it comes after the senior obligations of the Issuer.	In priority of receivables, it comes after the senior obligations of the Issuer.	In priority of receivables, it comes after the senior obligations of the Issuer.	In priority of receivables, it comes after the senior obligations of the Issuer.
In compliance with article number 7 and 8 of Regulation on Bank Capital	Instrument is in compliant with Article 8 of the Regulation on Bank Capital.	Instrument is in compliant with Article 8 of the Regulation on Bank Capital.	Instrument is in compliant with Article 8 of the Regulation on Bank Capital.	Instrument is in compliant with Article 8 of the Regulation on Bank Capital.
Details of incompliances with article number 7 and 8 of Regulation on Bank Capital	Instrument is not in compliant with Article 7 of the Regulation on Bank Capital.	Instrument is not in compliant with Article 7 of the Regulation on Bank Capital.	Instrument is not in compliant with Article 7 of the Regulation on Bank Capital.	Instrument is not in compliant with Article 7 of the Regulation on Bank Capital.

(Thousands of Turkish Lira (TL))

4.1.3 Reconciliation of capital items to balance sheet

Current Period	***Carrying value***	***Amount of correction***	***Value of the capital report***	***Explanation of differences***
Paid-in Capital	4,200,000	772,554	4,972,554	Inflation adjustments included in Paid-in Capital according to Regulation's Temporary Article 1
Capital Reserves	784,434	(772,554)	11,880	Inflation adjustments included in Paid-in Capital according to Regulation's Temporary Article 1
Other Capital Reserves	772,554	(772,554)	-	Inflation adjustments included in Paid-in Capital according to Regulation's Temporary Article 1
Bonus Shares of Associates, Subsidiaries and Joint-Ventures	-	-	-	
Share Premium	11,880	-	11,880	
Other Comprehensive Income/Expenses in Shareholders' Equity as per TMS	40,009,684	473,719	40,483,403	Items not included in the calculation as per Regulation's Article 9-1-f and Gain on sale of associate/subsidiaries' shares and real estate classified as different in the value of the capital report
Other Comprehensive Income/Expense Items not to be Recycled to Profit/Loss	15,990,743	-	15,990,743	
Other Comprehensive Income/Expense Items to be Recycled to Profit/Loss	24,018,941	473,719	24,492,660	Items not included in the calculation as per Regulation's Article 9-1-f
Profit Reserves	187,901,131	-	187,901,131	
Profit or Loss	22,290,266	-	22,290,266	
Prior Periods' Profit/Loss	-	-	-	
Current Period Net Profit/Loss	22,290,266	-	22,290,266	
Minority Interest	864,561	(327,542)	537,019	Items are calculated as per Regulation's Article 12
Deductions from Common Equity Tier I Capital (-)	-		2,996,363	Deductions from Common Equity Tier 1 Capital as per the Regulation
Common Equity Tier I Capital	**256,050,076**		**253,199,890**	
Subordinated Debts				
Deductions from Tier I Capital (-)			-	Deductions from Tier 1 Capital as per the Regulation
Tier I Capital			**253,199,890**	
Subordinated Debts			31,639,036	
12 Month ECL (Stage 1) and Lifetime ECL Significant Increase in Credit Risk (Stage 2)			19,988,199	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			**51,627,235**	
Deductions from Total Capital (-)			1,584	Deductions from Capital as per the Regulation
Total			**304,825,541**	

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	38,752,730	(616,850)	38,135,880	Items not included in the calculation as per Regulation's Article 9-1-f and Gain on sale of associate/subsidiaries' shares and real estate classified as different in the value of the capital report
Other Comprehensive Income/Expense Items not to be Recycled to Profit/Loss	15,299,688	-	15,299,688	
Other Comprehensive Income/Expense Items to be Recycled to Profit/Loss	23,453,042	(616,850)	22,836,192	Items not included in the calculation as per Regulation's Article 9-1-f
Profit Reserves	114,589,030	-	114,589,030	
Profit or Loss	86,374,997	-	86,374,997	
Prior Periods' Profit/Loss	-	-	-	
Current Period Net Profit/Loss	86,374,997	-	86,374,997	
Minority Interest	920,327	(504,080)	416,247	Items are calculated as per Regulation's Article 12
Deductions from Common Equity Tier I Capital (-)	-		2,834,399	Deductions from Common Equity Tier 1 Capital as per the Regulation
Common Equity Tier I Capital	**245,621,518**		**241,666,189**	
Subordinated Debts				
Deductions from Tier I Capital (-)			-	Deductions from Tier 1 Capital as per the Regulation
Tier I Capital			**241,666,189**	
Subordinated Debts			14,502,317	
12 Month ECL (Stage 1) and Lifetime ECL Significant Increase in Credit Risk (Stage 2)			15,924,173	Stage 1 and Stage 2 expected credit losses added to Tier II Capital as per the Regulation's Article 8
Deductions from Tier II Capital (-)			-	Deductions from Tier II Capital as per the Regulation
Tier II Capital			**30,426,490**	
Deductions from Total Capital (-)			2,356	Deductions from Capital as per the Regulation
Total			**272,090,323**	

(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 2024, the Bank and its financial subsidiaries' net 'on balance sheet' foreign currency short position amounts to TL 123,089,155 (31 December 2023: TL 38,145,793), net 'off-balance sheet' foreign currency long position amounts to TL 150,681,296 (31 December 2023: TL 63,780,438), while net foreign currency long position amounts to TL 27,592,141 (31 December 2023: TL 25,634,645).

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	34.2900	31.7640
Foreign currency rates for the days before balance sheet date;		
Day 1	34.2900	31.7640
Day 2	34.3220	31.7760
Day 3	34.3140	31.7300
Day 4	34.4180	31.7480
Day 5	34.5850	31.9080
Last 30-days arithmetical average rate	34.3865	31.6499

(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 Türkiye	59,388,756	91,657,505	35,126,311	186,172,572
Banks	18,591,642	47,758,329	93,343,903	159,693,874
Financial Assets Measured at Fair Value through Profit/Loss	313,870	4,175,148	-	4,489,018
Money Market Placements	-	13,338,433	-	13,338,433
Financial Assets Measured at Fair Value through Other Comprehensive Income	26,301,591	25,311,557	784,607	52,397,755
Loans (*)	245,433,454	220,133,377	48,711,500	514,278,331
Investments in Associates, Subsidiaries and Joint-Ventures	22,460	-	153,297	175,757
Financial Assets Measured at Amortised Cost	4,617,137	59,021,630	12,934,521	76,573,288
Derivative Financial Assets Held for Hedging Purpose	221,678	1,323,874	30,253	1,575,805
Tangible Assets	873,890	779	771,434	1,646,103
Intangible Assets	268,354	-	344,750	613,104
Other Assets (**)	(11,424,306)	(5,584,319)	(281,204)	(17,289,829)
Total Assets	**344,608,526**	**457,136,313**	**191,919,372**	**993,664,211**
Liabilities				
Bank Deposits	1,186,522	125,879	111,242	1,423,643
Foreign Currency Deposits	311,982,824	346,709,608	86,806,351	745,498,783
Money Market Funds	5,965,114	73,887,052	731	79,852,897
Other Fundings	33,046,084	25,259,496	502,655	58,808,235
Securities Issued (***)	701,096	102,567,229	947,172	104,215,497
Miscellaneous Payables	4,993,266	8,146,358	667,459	13,807,083
Derivative Financial Liabilities Held for Hedging Purpose	22,708	19,304	66,542	108,554
Other Liabilities (****)	8,238,334	11,959,597	92,840,743	113,038,674
Total Liabilities	**366,135,948**	**568,674,523**	**181,942,895**	**1,116,753,366**
Net 'On Balance Sheet' Position	**(21,527,422)**	**(111,538,210)**	**9,976,477**	**(123,089,155)**
Net 'Off-Balance Sheet' Position	**(35,039,720)**	**114,567,255**	**71,153,761**	**150,681,296**
Derivative Assets	78,810,623	253,138,788	82,492,463	414,441,874
Derivative Liabilities	113,850,343	138,571,533	11,338,702	263,760,578
Non-Cash Loans	-	-	-	-
Prior Period				
Total Assets	**381,165,476**	**426,403,770**	**100,921,741**	**908,490,987**
Total Liabilities	**325,147,039**	**469,890,758**	**151,598,983**	**946,636,780**
Net 'On Balance Sheet' Position	**56,018,437**	**(43,486,988)**	**(50,677,242)**	**(38,145,793)**
Net 'Off-Balance Sheet' Position	**(46,350,310)**	**48,349,041**	**61,781,707**	**63,780,438**
Derivative Assets	40,713,097	162,917,986	68,696,478	272,327,561
Derivative Liabilities	87,063,407	114,568,945	6,914,771	208,547,123
Non-Cash Loans	-	-	-	-

(*) The foreign currency-indexed loans amounting TL 181,111 included under TL loans in the accompanying consolidated financial statements are presented above under the related foreign currency code.
(**) Includes expected credit losses in accordance with TFRS 9.
(***) Includes securities issued as subordinated loan presented under subordinated debts and financial liabilities measured at FVTPL in the balance sheet.
(****) The gold deposits of TL 90,092,727 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 Türkiye	124,561,411	-	-	-	-	248,621,453	373,182,864
Banks	99,678,325	509,200	34,229	67,896	-	63,657,857	163,947,507
Financial Assets Measured at Fair Value through Profit/Loss	5,211,207	2,101,289	1,363,800	1,878,094	616,841	1,364,808	12,536,039
Money Market Placements	6,329,485	6,886,876	-	-	-	122,072	13,338,433
Financial Assets Measured at Fair Value through Other Comprehensive Income	18,014,794	3,423,316	22,110,574	26,746,615	8,142,568	35,215,429	113,653,296
Loans	83,241,587	300,485,893	650,230,780	265,065,000	103,176,237	28,127,475	1,430,326,972
Financial Assets Measured at Amortised Cost	29,172,504	5,354,960	41,754,408	107,117,717	25,682,505	45,092,757	254,174,851
Other Assets (**)	345,277	547,166	261,911	257,175	12	99,903,312	101,314,853
Total Assets	**366,554,590**	**319,308,700**	**715,755,702**	**401,132,497**	**137,618,163**	**522,105,163**	**2,462,474,815**
Liabilities							
Bank Deposits	690,398	513	-	71,925	-	2,213,568	2,976,404
Other Deposits	502,637,961	214,375,729	252,895,042	13,636,184	-	767,419,219	1,750,964,135
Money Market Funds	84,511,586	671,635	1,237,925	-	-	179,343	86,600,489
Miscellaneous Payables	245,311	185,715	-	-	-	106,675,364	107,106,390
Securities Issued (***)	60,206,178	3,517,041	2,330,576	24,507,189	15,670,441	1,623,881	107,855,306
Other Fundings	28,823,403	16,768,571	9,742,546	7,812,859	327,243	260,598	63,735,220
Other Liabilities	64,861	156,101	398,529	1,163,263	199,535	341,254,582	343,236,871
Total Liabilities	**677,179,698**	**235,675,305**	**266,604,618**	**47,191,420**	**16,197,219**	**1,219,626,555**	**2,462,474,815**
On Balance Sheet Long Position	**-**	**83,633,395**	**449,151,084**	**353,941,077**	**121,420,944**	**-**	**1,008,146,500**
On Balance Sheet Short Position	**(310,625,108)**	**-**	**-**	**-**	**-**	**(697,521,392)**	**(1,008,146,500)**
Off-Balance Sheet Long Position	**32,882,173**	**97,584,065**	**38,410,418**	**63,697,757**	**36,212,354**	**-**	**268,786,767**
Off-Balance Sheet Short Position	**(21,988,090)**	**(69,314,636)**	**(63,442,960)**	**(77,681,539)**	**(38,505,689)**	**-**	**(270,932,914)**
Total Position	**(299,731,025)**	**111,902,824**	**424,118,542**	**339,957,295**	**119,127,609**	**(697,521,392)**	**(2,146,147)**

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

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

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

(***) Includes 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	EUR	USD	JPY	TL
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Türkiye	(2.03)	(0.17)	-	12.65
Banks	1.77-4.00	2.53	-	43.50-59.95
Financial Assets at Fair Value through Profit/Loss	4.88	6.08-7.69	-	0.38-40.63
Money Market Placements	-	5.03	-	0.66
Financial Assets Measured at Fair Value through Other Comprehensive Income	2.13-5.07	3.00-11.88	-	6.30-80.00
Loans (*)	0.20-63.00	2.42-78.57	-	17.01-80.14
Financial Assets Measured at Amortised Cost	4.31	6.24	-	22.55
Liabilities				
Bank Deposits	3.91-3.97	-	-	59.62
Other Deposits	0.09-5.50	0.14-5.56	-	6.00-45.00
Money Market Fundings	4.25	2.62-4.13	-	0.54-54.00
Miscellaneous Payables	-	-	-	
Securities Issued	5.27	7.66	-	52.00-69.00
Other Fundings	0.80-9.95	1.66-11.95	-	0.66-54.64

Prior Period	EUR	USD	JPY	TL
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Türkiye	-	-	-	-
Banks	2.51-11.00	2.53	-	36.50-47.00
Financial Assets at Fair Value through Profit/Loss	4.82	6.15-7.41	-	39.57
Money Market Placements	-	5.03	-	54.46
Financial Assets Measured at Fair Value through Other Comprehensive Income	2.38-4.58	3.0-11.88	-	14.90-80.00
Loans (*)	0.20-22.24	3.39-25.45	-	16.93-69.80
Financial Assets Measured at Amortised Cost	4.31	6.10	-	24.21
Liabilities				
Bank Deposits	3.88-3.98	5.15	-	48.17
Other Deposits	0.09-5.00	0.15-6.05	-	6.0-33.00
Money Market Fundings	2.30	2.62-5.59	-	19.27-48.00
Miscellaneous Payables	-	-	-	-
Securities Issued	5.27	7.19	-	28.50-50.15
Other Fundings	0.80-9.95	1.50-11.95	-	13.40-48.30

(*) 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**	**7,102,129**	-	**356,172**
	Quoted Securities	-	-	356,172
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**	**6,352,350**	-	**573,928**
	Quoted Securities	-	-	573,928
2	**Investment in Shares- Grade B**	**25,557**	-	-
	Quoted Securities	-	-	-
3	**Investment in Shares- Grade C**	**822**	-	-
	Quoted Securities	-	-	-
4	**Investment in Shares- Grade D**	-	-	-
	Quoted Securities	-	-	-
5	**Investment in Shares- Grade E**	**1,014**	-	-
	Quoted Securities	-	-	-
6	**Investment in Shares- Grade F**	**48**	-	-
	Quoted Securities	-	-	-

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			Revaluation Surpluses		Unrealized Gains and Losses		
Portfolio		**Gains/Losses in Current Period**	**Total**	**Amount in Tier I Capital**	**Total**	**Amount in Core Capital**	**Amount in Tier I Capital**
1	Private Equity Investments	-	-	-	-	-	-
2	Quoted Shares	-	-	-	163,908	-	163,908
3	Other Shares	-	552,632	552,632	-	-	-
	Total	-	**552,632**	**552,632**	**163,908**	-	**163,908**

(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	-	-	-	139,230	-	139,230
3	Other Shares	-	390,017	390,017	-	-	-
	Total	**-**	**390,017**	**390,017**	**139,230**	**-**	**139,230**

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	10,095,000	13,426,930	1,074,154
	Total	**10,095,000**	**13,426,930**	**1,074,154**

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

4.6 Liquidity risk management, consolidated liquidity coverage ratio and consolidated net stable funding ratio

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

The Board of Directors reviews the liquidity risk management policy and approves the liquidity and funding risk management policy, ensures the effective of practice of policies and integrations with the 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 Türkiye Ministry of Treasury and Finance have active secondary market are comprised in the Bank's assets.

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

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

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

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

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

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

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

The Parent Bank turns to permanent consumer deposits to increase of weights Consumer/SME deposits in TL deposits which significantly contributes to liquidity metrics such as the internal stress test during 2024 first quarter.

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 4.34% cash, 49.83% deposits in central banks and 45.83% 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 79.07% deposits, 6.75% funds borrowed and money market borrowings, 4.89% securities issued and 9.29% 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				649,779,650	336,510,221
1	Total high-quality liquid assets (HQLA)	651,220,991	336,510,221	649,779,650	336,510,221
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which:	1,125,396,981	501,931,373	101,847,702	49,608,612
3	Stable deposits	213,839,909	11,690,489	10,691,995	584,524
4	Less stable deposits	911,557,072	490,240,884	91,155,707	49,024,088
5	Unsecured wholesale funding, of which:	437,559,330	264,575,429	219,322,790	131,202,213
6	Operational deposits	-	-	-	-
7	Non-operational deposits	346,741,490	226,595,956	152,477,100	97,573,436
8	Unsecured funding	90,817,840	37,979,473	66,845,690	33,628,777
9	Secured wholesale funding	1,191,280	-	1,150,575	-
10	Other cash outflows of which:	1,222,561,904	186,211,013	114,050,500	51,922,159
11	Outflows related to derivative exposures and other collateral requirements	18,136,788	26,363,236	18,136,788	26,363,236
12	Outflows related to restructured financial Instruments	-	-	-	-
13	Payment commitments and other off-balance sheet commitments granted for debts to financial markets	1,204,425,116	159,847,777	95,913,712	25,558,923
14	Other revocable off-balance sheet commitments and contractual obligations	16,622,895	14,667,086	831,145	733,354
15	Other irrevocable or conditionally revocable off-balance sheet obligations	64,644,848	61,574,492	3,232,245	3,078,725
16	**Total Cash Outflows**	**2,867,977,238**	**1,028,959,393**	**440,434,957**	**236,545,063**
Cash Inflows					
17	Secured receivables	40,490	6	-	-
18	Unsecured receivables	245,059,630	106,305,979	165,865,659	81,175,399
19	Other cash inflows	4,529,060	23,142,913	4,302,581	23,141,416
20	**Total Cash Inflows**	**249,629,180**	**129,448,898**	**170,168,240**	**104,316,815**
				Upper Limit Applied Values	
21	**Total HQLA**			**649,779,650**	**336,510,221**
22	**Total Net Cash Outflows**			**270,266,718**	**132,228,250**
23	**Liquidity Coverage Ratio (%)**			**241.74%**	**267.36%**

(*) 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 2024	235.85%	316.96%
29 February 2024	254.25%	244.29%
31 March 2024	235.12%	240.82%

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

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

The table below presents the last three months' consolidated Liquidity Ratios of the year 2023:

Period	**TL+FC**	**FC**
31 October 2023	230.51%	273.56%
30 November 2023	216.66%	275.78%
31 December 2023	221.86%	316.78%

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	78,865,991	293,596,259	720,614	-	-	-	-	373,182,864
Banks	78,528,415	84,612,140	547,500	34,346	225,106	-	-	163,947,507
Financial Assets at Fair Value through Profit/Loss	6,079,102	98,414	854,430	1,442,343	2,067,183	1,960,183	34,384	12,536,039
Money Market Placements	-	6,338,211	7,000,222	-	-	-	-	13,338,433
Financial Assets Measured at Fair Value through Other Comprehensive Income	2,259,183	461,822	2,916,500	15,390,773	70,526,643	22,098,375	-	113,653,296
Loans	4,703,200	342,051,398	204,440,687	461,659,773	280,092,749	69,626,073	67,753,092	1,430,326,972
Financial Assets Measured at Amortised Cost	-	3,238,166	11,119,602	47,759,587	143,245,925	48,811,571	-	254,174,851
Other Assets (*)	23,731,125	10,186,261	1,640,847	3,477,518	5,804,759	3,728,399	52,745,944	101,314,853
Total Assets	**194,167,016**	**740,582,671**	**229,240,402**	**529,764,340**	**501,962,365**	**146,224,601**	**120,533,420**	**2,462,474,815**
Liabilities								
Bank Deposits	2,213,974	689,993	517	-	71,920	-	-	2,976,404
Other Deposits	758,618,398	464,963,641	233,674,105	268,898,771	24,775,428	33,792	-	1,750,964,135
Other Fundings	3,274,857	5,660,260	18,666,559	22,031,550	5,351,458	8,750,536	-	63,735,220
Money Market Funds	-	84,634,733	691,457	1,274,299	-	-	-	86,600,489
Securities Issued (**)	-	2,345,578	3,694,903	4,220,367	30,186,937	67,407,521	-	107,855,306
Miscellaneous Payables	100,426,368	525,463	606,633	606,176	106,701	317	4,834,732	107,106,390
Other Liabilities (***)	16,931,017	10,410,509	7,543,533	2,507,901	7,978,429	3,050,001	294,815,481	343,236,871
Total Liabilities	**881,464,614**	**569,230,177**	**264,877,707**	**299,539,064**	**68,470,873**	**79,242,167**	**299,650,213**	**2,462,474,815**
Liquidity Gap	**(687,297,598)**	**171,352,494**	**(35,637,305)**	**230,225,276**	**433,491,492**	**66,982,434**	**(179,116,793)**	**-**
Net Off-Balance Sheet Position	**1,933**	**(3,744,874)**	**(3,960,516)**	**1,681,015**	**(2,025,808)**	**113,109**	**-**	**(7,935,141)**
Derivative Financial Assets	(2,594,544)	290,348,967	115,140,470	91,144,607	28,683,040	3,730,887	-	526,453,427
Derivative Financial Liabilities	(2,596,477)	294,093,841	119,100,986	89,463,592	30,708,848	3,617,778	-	534,388,568
Non-Cash Loans	**686**	**65,143,341**	**24,980,649**	**22,169,406**	**27,215,201**	**9,938,500**	**1,353,115,589**	**1,502,563,372**
Prior Period								
Total Assets	**301,793,772**	**532,456,965**	**198,731,136**	**490,182,353**	**450,738,797**	**118,956,308**	**108,853,764**	**2,201,713,095**
Total Liabilities	**755,934,438**	**547,451,086**	**204,334,850**	**293,497,221**	**61,979,955**	**58,669,011**	**279,846,534**	**2,201,713,095**
Liquidity Gap	**(454,140,666)**	**(14,994,121)**	**(5,603,714)**	**196,685,132**	**388,758,842**	**60,287,297**	**(170,992,770)**	**-**
Net Off-Balance Sheet Position	**-**	**(2,182,874)**	**932,512**	**3,044,641**	**(1,135,818)**	**70,700**	**-**	**729,161**
Derivative Financial Assets	-	227,068,489	34,051,809	76,991,326	20,886,002	3,141,877	-	362,139,503
Derivative Financial Liabilities	-	229,251,363	33,119,297	73,946,685	22,021,820	3,071,177	-	361,410,342
Non-Cash Loans	**643**	**40,163,436**	**19,135,844**	**22,236,726**	**24,769,639**	**6,026,028**	**1,056,470,366**	**1,168,802,682**

(*) 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))

4.6.4 Net Stable Funding Ratio

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

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

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

	Current Period	a	b	c	ç	d
		Unweighted Amount According to Residual Maturity				Total Weighted Amount
		Non Maturity	Residual maturity of less than 6 months	Residual maturity of six months and longer but less than one year	Residual maturity of one year or more	
	Available stable funding					
1	Capital Instruments	332,052,102	-	-	-	332,052,102
2	Tier 1 Capital and Tier 2 Capital	332,052,102	-	-	-	332,052,102
3	Other Capital Instruments	-	-	-	-	-
4	Real-person and Retail Customer Deposits	528,187,568	628,388,922	71,202,251	6,545,224	1,122,926,025
5	Stable Deposits	116,398,841	118,302,057	4,174,303	1,813,897	228,654,646
6	Less Stable Deposits	411,788,726	510,086,864	67,027,947	4,731,327	894,271,380
7	Other Obligations	206,508,778	380,793,375	47,381,586	54,031,760	316,311,236
8	Operational deposits	1,888,247	-	-	-	944,124
9	Other Obligations	204,620,530	380,793,375	47,381,586	54,031,760	315,367,112
10	Liabilities equivalent to interconnected assets	-	-	-	-	-
11	Other Liabilities	-	-	-	-	23,392,377
12	Derivative liabilities	-	4,635,493			-
13	All other equity not included in the above categories	182,471,520	9,001,825	2,403,795	8,782,623	23,392,377
14	**Available stable funding**	-	-	-	-	**1,794,681,740**
	Required stable funding					
15	High Quality Liquid Assets	-	-	-	-	46,638,675
16	Deposits held at financial institutions for operational purposes	21	159	-	-	90
17	Performing Loans	151,687,946	834,830,663	266,931,303	314,941,975	819,045,505
18	Encumbered loans to financial institutions, where the loan is secured against Level 1 assets	16,521,220	13,744,732	34,406	170,008	14,691,369
19	Unencumbered loans to financial institutions or encumbered loans that are not secured against Level 1 assets	57,548,300	39,938,207	10,747,637	5,988,659	23,144,137
20	Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	77,561,318	776,524,683	248,042,707	245,955,665	732,768,573
21	*Loans with a risk weight of less than or equal to %35*	-	98	5,048,870	5,203,075	5,906,483
22	Residential mortgages	-	3,997,141	4,804,697	53,866,920	40,416,660

(Thousands of Turkish Lira (TL))

23	*Residential mortgages with a risk weight of less than or equal to %35*	-	1,113,617	2,775,078	40,719,947	28,677,585
24	Securities that are not in default and do not qualify as HQLA and exchange-traded equities	57,108	625,900	3,301,857	8,960,723	8,024,766
25	Assets equivalent to interconnected liabilities	-	-	-	-	-
26	Other Assets	-	-	-	-	217,552,537
27	Physical traded commodities, including gold	8,536,507	-	-	-	8,536,507
28	Initial margin posted or given guarantee fund to central counterparty	-	1,339,899			1,138,914
29	Derivative Assets	-	12,488,195			12,281,366
30	Derivative Liabilities before the deduction of the variation margin	-	1,418,345			1,418,345
31	Other Assets not included above	142,502,515	59,345,198	-	17,871,260	194,177,406
32	Off-balance sheet commitments	-	170,237,455	156,596,121	1,116,461,215	72,164,740
33	**Total Required stable funding**	-	-	-	-	**1,155,401,546**
34	**Net Stable Funding Ratio (%)**	-	-	-	-	**155.33**

As of 31 March 2024, consolidated NSFR is calculated as 155.33% (previous period: 164.30%). Considering the amounts to which the consideration rate is applied, Capital items corresponds to 18.5% of Available Stable Funding amount (previous period: 18.3%) and Real Person and Retail Customer Deposits corresponds to 62.6% of Available Stable Funding amount. (previous period: 62.7%), where those two refers to items to which the highest consideration rates are applied within the scope of the legislation.
Performing Receivables, which have the largest share in Required Stable Funding, constitute 70.9% (previous period: 70.0%) of Required Stable Fund amount.
Factors such as the development of major balance sheet items such as Loans and Deposits, the change in balance sheet maturity structure and asset encumbrance are effective in the development of the ratio between the periods.

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

Period	**Ratio**
31 January 2024	163.89%
29 February 2024	163.63%
31 March 2024	155.33%
3 Month Average	160.95%

(Thousands of Turkish Lira (TL))

Prior Period		a	b	c	ç	d
		Unweighted Amount According to Residual Maturity				Total Weighted Amount
		Non Maturity	Residual maturity of less than 6 months	Residual maturity of six months and longer but less than one year	Residual maturity of one year or more	
Available stable funding						
1	Capital Instruments	298,445,228	-	-	-	298,445,228
2	Tier 1 Capital and Tier 2 Capital	298,445,228	-	-	-	298,445,228
3	Other Capital Instruments	-	-	-	-	-
4	Real-person and Retail Customer Deposits	459,277,496	603,984,815	56,111,298	5,938,926	1,023,338,353
5	Stable Deposits	109,664,436	95,993,615	3,942,828	1,540,566	200,584,372
6	Less Stable Deposits	349,613,061	507,991,200	52,168,470	4,398,360	822,753,981
7	Other Obligations	180,414,942	338,479,358	49,831,582	50,872,978	300,855,723
8	Operational deposits	2,854,897	-	-	-	1,427,449
9	Other Obligations	177,560,045	338,479,358	49,831,582	50,872,978	299,428,274
10	Liabilities equivalent to interconnected assets	-	-	-	-	-
11	Other Liabilities	-	-	-		10,784,429
12	Derivative liabilities	-		806,086		-
13	All other equity not included in the above categories	138,382,120	14,641,965	2,071,061	5,949,440	10,784,429
14	**Available stable funding**	-	-	-	-	**1,633,423,732**
Required stable funding						
15	High Quality Liquid Assets	-	-	-	-	44,882,399
16	Deposits held at financial institutions for operational purposes	8	168	-	-	88
17	Performing Loans	109,652,578	753,481,674	244,666,329	243,706,299	695,465,115
18	Encumbered loans to financial institutions, where the loan is secured against Level 1 assets	6,245,711	38,866,209	32,208	145,056	15,084,929
19	Unencumbered loans to financial institutions or encumbered loans that are not secured against Level 1 assets	49,955,399	31,769,977	10,785,611	2,714,128	18,477,530
20	Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	53,430,016	676,771,599	227,361,760	180,419,613	614,915,876
21	*Loans with a risk weight of less than or equal to %35*	-	10,059,814	4,413,732	3,509,430	9,517,903
22	Residential mortgages	-	5,400,286	5,061,204	49,788,069	38,517,323
23	*Residential mortgages with a risk weight of less than or equal to %35*	-	3,372,775	2,671,361	38,586,462	28,364,998
24	Securities that are not in default and do not qualify as HQLA and exchange-traded equities	21,452	673,604	1,425,546	10,639,434	8,469,456
25	Assets equivalent to interconnected liabilities	-	-	-	-	-
26	Other Assets	-	-	-	-	197,614,379
27	Physical traded commodities, including gold	5,416,802				5,416,802
28	Initial margin posted or given guarantee fund to central counterparty	-		1,450,642		1,233,045
29	Derivative Assets	-		11,228,088		11,374,045
30	Derivative Liabilities before the deduction of the variation margin	-		1,137,637		1,137,637
31	Other Assets not included above	131,828,177	53,818,955	-	17,227,032	178,452,849
32	Off-balance sheet commitments	-	157,867,190	111,473,717	854,594,482	56,196,769
33	**Total Required stable funding**	-	-	-	-	**994,158,750**
34	**Net Stable Funding Ratio (%)**	-	-	-	-	**164.30**

(Thousands of Turkish Lira (TL))

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

Period	Ratio
31 October 2023	164.03%
30 November 2023	162.86%
31 December 2023	164.30%
3 Month Average	163.73%

4.7 Consolidated leverage ratio

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

The Bank's consolidated leverage ratio calculated by taking average of end of month leverage ratios for the last three-month periods, is 6.50% (31 December 2023: 6.95%). While the capital increased by 9.92% mainly as a result of increase in net profits, total risk amount increased by 17.67%. Therefore, the current period leverage ratio decreased by 45 basis points compared to prior period.

		Current Period(***)	*Prior Period*(***)
1	Total assets in consolidated financial statements prepared in accordance with Turkish Accounting Standards (*) (**)	2,202,153,922	1,892,976,252
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" (**)	(440,827)	(1,883,475)
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	(68,659,426)	(57,225,070)
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	90,957,929	117,282,678
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	3,223,485	2,227,561
6	Other differences between the amounts in consolidated financial statements prepared in accordance with the Communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such items	-	-
7	Total risk amount	3,860,570,469	3,280,885,314

(*) 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 December 2023 for the current period and 30 June 2023 for the prior period, are considered.

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

(Thousands of Turkish Lira (TL))

		Current Period (*)	*Prior Period* (*)
On-balance sheet assets			
1	On-balance sheet items (excluding derivative financial instruments and credit derivatives but including collateral)	2,351,013,499	2,070,737,606
2	(Assets deducted in determining Tier I capital)	(2,924,486)	(1,839,648)
3	Total on-balance sheet risks (sum of lines 1 and 2)	2,348,089,013	2,068,897,958
Derivative financial instruments and credit derivatives			
4	Replacement cost associated with all derivative financial instruments and credit derivatives	11,556,830	11,511,439
5	Add-on amounts for PFE associated with all derivative financial instruments and credit derivatives	61,081,753	59,883,063
6	Total risks of derivative financial instruments and credit derivatives (sum of lines 4 and 5)	72,638,583	71,394,502
Securities or commodity financing transactions (SCFT)			
7	Risks from SCFT assets (excluding on-balance sheet)	14,752,805	17,018,589
8	Risks from brokerage activities related exposures	-	-
9	Total risks related with securities or commodity financing transactions (sum of lines 7 and 8)	14,752,805	17,018,589
Other off-balance sheet transactions			
10	Gross notional amounts of off-balance sheet transactions	1,428,313,553	1,125,801,829
11	(Adjustments for conversion to credit equivalent amounts)	(3,223,485)	(2,227,563)
12	Total risks of off-balance sheet items (sum of lines 10 and 11)	1,425,090,068	1,123,574,266
Capital and total risks			
13	Tier I capital	250,722,060	228,086,753
14	Total risks (sum of lines 3, 6, 9 and 12)	3,860,570,469	3,280,885,315
Leverage ratio			
15	Leverage ratio	6.50%	6.95%

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

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

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

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

(Thousands of Turkish Lira (TL))

4.10.1.2 Risk weighted amounts

		Risk Weighted Amounts		**Minimum Capital Requirements**
		Current Period	***Prior Period***	***Current Period***
1	Credit risk (excluding counterparty credit risk) (CCR) (*)	1,569,193,668	1,254,666,523	125,535,493
2	Of which standardised approach (SA)	1,569,193,668	1,254,666,523	125,535,493
3	Of which internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	29,584,434	19,247,313	2,366,755
5	Of which standardised approach for counterparty credit risk (SA-CCR)	29,584,434	19,247,313	2,366,755
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	277,820	20,008	22,226
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	36,079,888	32,072,812	2,886,391
17	Of which standardised approach (SA)	36,079,888	32,072,812	2,886,391
18	Of which internal model approaches (IMM)	-	-	-
19	Operational risk	216,769,358	131,296,214	17,341,549
20	Of which basic indicator approach	216,769,358	131,296,214	17,341,549
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)**	**1,851,905,168**	**1,437,302,870**	**148,152,414**

(*) 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	5,446,316	24,349,018	4,233,945	29,406,906
Central Bank of Türkiye	181,561,476	153,284,773	162,896,000	128,798,019
Others	2,500	8,538,781	1,500	5,418,980
Total	**187,010,292**	**186,172,572**	**167,131,445**	**163,623,905**

Balances with the Central Bank of Türkiye

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

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

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

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

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

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

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

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

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

As of 1 March 2024, It has been decided that 25% of the TL Reserve Requirement amount held on average in CBRT accounts will be established as blocked and remaining 75% can be continued to be held as average in CBRT accounts.

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

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

(Thousands of Turkish Lira (TL))

5.1.1.2 Banks

	Current Period		*Prior Period*	
	TP	**FC**	**TP**	**FC**
Banks				
Domestic banks	2,709,049	536,821	2,327,313	629,681
Foreign banks	1,544,584	159,157,053	1,095,036	152,838,110
Foreign head office and branches	-	-	-	-
Total	**4,253,633**	**159,693,874**	**3,422,349**	**153,467,791**

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

Furthermore, there are restricted deposits at various domestic banks amounting TL 1,234,490 (31 December 2023: TL 1,201,751) 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	**-**	**-**	**26,504,601**	**-**
Central Bank of Türkiye	-	-	-	-
Banks	-	-	26,504,601	-
Others	-	-	-	-
Foreign Transactions	**-**	**13,338,433**	**-**	**12,094,686**
Central banks	-	-	-	-
Banks	-	13,338,433	-	12,094,686
Others	-	-	-	-
Total	**-**	**13,338,433**	**26,504,601**	**12,094,686**

5.1.1.4 Expected credit losses for cash and cash equivalents

Current Period	*Stage 1*	*Stage 2*	*Stage 3*	*Total*
Balances at Beginning of Period	**1,938,327**	**-**	**-**	**1,938,327**
Additions during the Period (+)	1,167,468	-	-	1,167,468
Disposal (-)	(1,549,295)	-	-	(1,549,295)
Transfer to Stage1	-	-	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	-	-
Foreign Currency Differences	77,698	-	-	77,698
Balances at End of Period	**1,634,198**	**-**	**-**	**1,634,198**

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

(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	13,952	1,203,228	-	1,320,961
Assets Subject to Repurchase Agreements	41,977	-	-	-
Total	**55,929**	**1,203,228**	**-**	**1,320,961**

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

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Government Securities	2,729,568	3,327,654	1,559,847	3,797,552
Equity Securities	5,252,563	144,805	2,046,832	120,971
Other Financial Assets (*)	64,890	1,016,559	95,359	969,128
Total	**8,047,021**	**4,489,018**	**3,702,038**	**4,887,651**

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

5.1.3 Financial assets measured at fair value through other comprehensive income

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

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Collateralised/Blocked Assets	16,681,887	25,224,548	10,158,989	18,341,054
Assets subject to Repurchase Agreements	27,838,002	505,067	15,891,877	916,270
Total	**44,519,889**	**25,729,615**	**26,050,866**	**19,257,324**

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

	Current Period	*Prior Period*
Debt Securities	**79,332,984**	**70,123,752**
Quoted at Stock Exchange	79,332,984	70,123,752
Unquoted at Stock Exchange	-	-
Common Shares/Investment Fund	**20,659**	**19,651**
Quoted at Stock Exchange	4,491	4,491
Unquoted at Stock Exchange	16,168	15,160
Value Increase/Impairment Losses (-)	**34,299,653**	**31,431,850**
Total	**113,653,296**	**101,575,253**

Expected losses of TL 363,910 (31 December 2023: TL 358,301) are accounted under shareholders' equity for financial assets measured at fair value through other comprehensive income.

(Thousands of Turkish Lira (TL))

5.1.4 Derivative financial assets

5.1.4.1 Positive differences on derivative financial assets measured at FVTPL

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Forward Transactions	1,008,083	140,300	809,247	47,032
Swap Transactions	5,249,790	7,936,052	3,516,859	5,569,576
Futures	124	203	-	-
Options	60,307	32,670	64,478	30,252
Others	-	2,532	-	731
Total	**6,318,304**	**8,111,757**	**4,390,584**	**5,647,591**

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	-	597,686	-	468,078
Cash Flow Hedges	106,780	1,000,169	107,653	1,013,794
Net Foreign Investment Hedges	-	-	-	-
Total	**106,780**	**1,597,855**	**107,653**	**1,481,872**

As of 31 March 2024, the face values and the net fair values, recognised in the balance sheet, of the derivative financial instruments held for hedging purpose, are summarized below:

	Current Period			*Prior Period*		
	Face Value	**Asset**	**Liability**	**Face Value**	**Asset**	**Liability**
Interest Rate Swaps	92,985,593	1,615,724	72,511	61,585,670	1,482,966	58,489
-TL	887,430	53,051	24,754	918,680	23,797	-
-FC	92,098,163	1,562,673	47,757	60,666,990	1,459,169	58,489
Currency Swaps	20,151,027	-	89,002	-	-	-
-TL	10,275,705	-	89,002	-	-	-
-FC	9,875,322	-	-	-	-	-
Cross Currency Swaps	15,720,896	67,517	90,038	13,774,436	96,968	102,559
-TL	7,049,203	53,729	41,851	4,017,217	83,856	10,165
-FC	8,671,693	13,788	48,187	9,757,219	13,112	92,394
Currency Forwards	5,080,279	21,394	34,662	963,962	9,591	2,741
-TL	2,710,689	-	-	461,079	-	-
-FC	2,369,590	21,394	34,662	502,883	9,591	2,741
Total	**133,937,795**	**1,704,635**	**286,213**	**76,324,068**	**1,589,525**	**163,789**

(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	664	1,440	-	2,104
Interest Rate Swaps	Fixed-rate securities	Interest rate risk	(365,327)	583,107	(27,979)	13,550
Interest Rate Swaps	Fixed-rate securities issued	Interest rate risk	(28,099)	-	(18,316)	(46,414)
Cross Currency Swaps	Fixed-rate securities issued	Interest rate and foreign currency exchange rate risk	-	13,139	(30,557)	-

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	2,172	2,654	(4,216)	52
Interest Rate Swaps	Fixed-rate securities	Interest rate risk	(225,011)	452,312	(53,710)	118,371
Interest Rate Swaps	Fixed-rate securities issued	Interest rate risk	-	-	-	-
Cross Currency Swaps	Fixed-rate securities issued	Interest rate and foreign currency exchange rate risk	-	13,112	(39,316)	(191)

(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	126,264	(26,216)	(140,800)	4,841	-
Interest Rate Swaps	Floating-rate deposit	Cash flow risk resulted from change in market interest rates	904,913	-	222,706	141,621	715,630
Cross Currency Swaps	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	-	-	145,279	-	-
Cross Currency Swaps	Fixed-rate funds borrowed	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	54,378	(59,481)	(38,231)	37,194	-
Currency Forwards	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	21,394	(34,662)	33,742	(32,215)	-
Currency Swaps	Expected investment /Operational expenses	Cash flow risk resulted from foreign currency exchange rates	-	(89,002)	-	-	-
Spot Position	Mile payments	Cash flow risk resulted from foreign currency exchange rates	-	-	(666,192)	-	-

In the current period, the amount reclassified from the shareholders' equity to the statement of profit or loss due to the ceased hedging transactions is TL 12,890 and the amount recognized in equity is TL 360,346.

(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	43,966	(563)	(20,886)	15,309	-
Interest Rate Swaps	Floating-rate deposit	Cash flow risk resulted from change in market interest rates	926,268	-	460,021	486,012	154,520
Cross Currency Swaps	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	-	(9,603)	224,844	-	-
Cross Currency Swaps	Fixed-rate funds borrowed	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	83,856	(53,640)	(417)	(878)	-
Currency Forwards	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	9,591	(2,741)	8,197	(8,249)	-
Interest Rate Options	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	57,766	-	(85,884)	-	-
Currency Swaps	Expected investment /Operational expenses	Cash flow risk resulted from foreign currency exchange rates	-	-	293,253	-	-
Spot Position	Mile payments	Cash flow risk resulted from foreign currency exchange rates	-	-	104,510	-	-

As of 31 December 2023, the amount reclassified from the shareholders' equity to the statement of profit or loss due to the ceased hedging transactions is TL (663,046) and the amount recognized in equity is TL (613,194).

(Thousands of Turkish Lira (TL))

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	**-**	**3,164,089**	**-**	**3,877,104**
Corporates	-	3,164,089	-	3,877,104
Individuals	-	-	-	-
Indirect Lendings to Shareholders	**498,420**	**15,993**	**418,887**	**50**
Loans to Employees	**1,850,579**	**1,523**	**1,468,534**	**21**
Total	**2,348,999**	**3,181,605**	**1,887,421**	**3,877,175**

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

Loans measured at amortised cost

Current Period	**Performing Loans**	**Loans under Follow-up**		
			Restructured	
Cash Loans (*)		**Non-restructured**	**Revised Contract Terms**	**Refinanced**
Loans	**1,226,362,304**	**87,035,824**	**40,411,890**	**7,331,259**
Working Capital Loans	158,050,766	5,119,300	3,766,922	943,110
Export Loans	154,926,560	3,693,917	39,676	105,383
Import Loans	3,595,204	-	-	-
Loans to Financial Sector	46,140,410	54,094	-	-
Consumer Loans	207,619,859	21,757,379	1,002,188	33,512
Credit Cards	249,038,843	33,229,028	6,480,734	-
Others	406,990,662	23,182,106	29,122,370	6,249,254
Specialization Loans	-	-	-	-
Other Receivables	**38,847,130**	**1,596,989**	**1,065,113**	**84,949**
Total	**1,265,209,434**	**88,632,813**	**41,477,003**	**7,416,208**

(*) Non-performing loans are not included.

Prior Period	**Performing Loans**	**Loans under Follow-up**		
			Restructured	
Cash Loans (*)		**Non-restructured**	**Revised Contract Terms**	**Refinanced**
Loans	**1,066,191,888**	**85,329,228**	**26,669,749**	**15,668,485**
Working Capital Loans	134,550,256	4,536,357	2,082,874	2,934,740
Export Loans	138,514,558	5,082,766	45,305	106,199
Import Loans	3,339,507	-	-	-
Loans to Financial Sector	39,354,474	419	-	-
Consumer Loans	188,256,776	19,563,350	882,970	35,293
Credit Cards	208,070,262	30,976,279	3,322,427	-
Others	354,106,055	25,170,057	20,336,173	12,592,253
Specialization Loans	**-**	-	-	-
Other Receivables	**37,345,668**	**1,506,159**	**645,162**	**76,777**
Total	**1,103,537,556**	**86,835,387**	**27,314,911**	**15,745,262**

(*) Non-performing loans are not included.

(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)	401,506,408	404,656,273	393,193,348	26,990,382	9,682,943	17,434,267	10,406,279	1,339,534	814,788,978	450,420,456
Loans under Follow-up (Stage 2)	25,674,723	52,449,503	53,248,830	3,405,916	136,565	2,602,253	8,234	-	79,068,352	58,457,672
Total Stage 1 and 2 Loans	**427,181,131**	**457,105,776**	**446,442,178**	**30,396,298**	**9,819,508**	**20,036,520**	**10,414,513**	**1,339,534**	**893,857,330**	**508,878,128**
Expected Credit losses-Stage 1-2 (-)	5,118,269	24,027,977	5,071,645	512,540	83,743	620,175	26,877	1,098	10,300,534	25,161,790
Total Non-performing Loans	**15,413,457**	**3,000,143**	**6,316,506**	**758,049**	**557,791**	**1,460,900**	**84,668**	**-**	**22,372,422**	**5,219,092**
Expected Credit losses-Stage 3 (-)	10,262,814	1,948,457	3,763,449	593,495	462,244	894,654	83,392	-	14,571,899	3,436,606

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

	Current Period		***Prior Period***	
	Performing Loans	**Loans Under Follow-Up**	**Performing Loans**	**Loans Under Follow-Up**
12-Month ECL (Stage 1)	6,510,735	-	5,851,076	-
Significant Increase in Credit Risk (Stage 2)	-	28,951,589	-	27,784,054

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

Collaterals received for loans under follow-up

Current Period	**Corporate / Commercial Loans**	**Consumer Loans**	**Credit Cards**	**Total**
Loans Collateralized by Cash	5,695,651	19,082	-	5,714,733
Loans Collateralized by Mortgages / Shares/ Credit Guarantee Fund Sureties	24,576,588	2,897,128	-	27,473,716
Loans Collateralized by Pledged Assets	7,425,232	1,143,561	-	8,568,793
Loans Collateralized by Cheques and Notes	202,209	5,383	-	207,592
Loans Collateralized by Other Collaterals	34,634,712	13,454,026	-	48,088,738
Unsecured Loans	2,488,791	5,273,899	39,709,762	47,472,452
Total	**75,023,183**	**22,793,079**	**39,709,762**	**137,526,024**

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

(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	413,077	2,379,963	2,460,244	5,253,284
61-90 days	286,674	682,984	1,098,590	2,068,248
Other	74,323,432	19,730,132	36,150,928	130,204,492
Total	**75,023,183**	**22,793,079**	**39,709,762**	**137,526,024**

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

5.1.5.3 Maturity analysis of cash loans

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

(Thousands of Turkish Lira (TL))

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

Current Period	**Short-Term**	**Medium and Long-Term**	**Total**
Consumer Loans – TL	**68,751,118**	**96,031,218**	**164,782,336**
Housing Loans	75,397	37,685,950	37,761,347
Automobile Loans	6,003,137	7,113,882	13,117,019
General Purpose Loans	62,672,584	51,231,386	113,903,970
Others	-	-	-
Consumer Loans – FC-indexed	-	**139,137**	**139,137**
Housing Loans	-	139,137	139,137
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Others	-	-	-
Consumer Loans – FC	**4,798,646**	**23,238,155**	**28,036,801**
Housing Loans	866,117	14,157,691	15,023,808
Automobile Loans	-	27,719	27,719
General Purpose Loans	2,708,339	8,582,508	11,290,847
Others	1,224,190	470,237	1,694,427
Retail Credit Cards – TL	**236,960,047**	**2,402,520**	**239,362,567**
With Installment	114,281,189	2,402,520	116,683,709
Without Installment	122,678,858	-	122,678,858
Retail Credit Cards – FC	**2,197,218**	**29,059**	**2,226,277**
With Installment	-	-	-
Without Installment	2,197,218	29,059	2,226,277
Personnel Loans – TL	**468,037**	**231,016**	**699,053**
Housing Loan	-	420	420
Automobile Loans	155	501	656
General Purpose Loans	467,882	230,095	697,977
Others	-	-	-
Personnel Loans - FC-indexed	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Others	-	-	-
Personnel Loans – FC	**19,536**	**132,015**	**151,551**
Housing Loans	3,947	70,623	74,570
Automobile Loans	-	-	-
General Purpose Loans	12,090	60,713	72,803
Others	3,499	679	4,178
Personnel Credit Cards – TL	**903,829**	**1,602**	**905,431**
With Installment	374,078	1,602	375,680
Without Installment	529,751	-	529,751
Personnel Credit Cards – FC	**33,650**	**904**	**34,554**
With Installment	-	-	-
Without Installment	33,650	904	34,554
Deposit Accounts– TL (Real Persons)	**36,544,070**	-	**36,544,070**
Deposit Accounts– TL (Personnel)	**59,990**	-	**59,990**
Deposit Accounts– FC (Real Persons)	-	-	-
Total	**350,736,141**	**122,205,626**	**472,941,767**

(Thousands of Turkish Lira (TL))

Prior Period	Short-Term	Medium and Long-Term	Total
Consumer Loans – TL	**57,388,311**	**96,368,124**	**153,756,435**
Housing Loans	67,341	34,590,153	34,657,494
Automobile Loans	5,789,742	7,683,692	13,473,434
General Purpose Loans	51,531,228	54,094,279	105,625,507
Others	-	-	-
Consumer Loans – FC-indexed	-	**144,156**	**144,156**
Housing Loans	-	144,156	144,156
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Others	-	-	-
Consumer Loans – FC	**4,427,842**	**22,079,994**	**26,507,836**
Housing Loans	820,582	13,980,143	14,800,725
Automobile Loans	-	21,650	21,650
General Purpose Loans	2,381,460	7,520,911	9,902,371
Others	1,225,800	557,290	1,783,090
Retail Credit Cards – TL	**198,816,741**	**1,392,418**	**200,209,159**
With Installment	93,821,503	1,392,418	95,213,921
Without Installment	104,995,238	-	104,995,238
Retail Credit Cards – FC	**1,982,769**	**25,875**	**2,008,644**
With Installment	-	-	-
Without Installment	1,982,769	25,875	2,008,644
Personnel Loans – TL	**323,878**	**215,077**	**538,955**
Housing Loan	-	477	477
Automobile Loans	40	590	630
General Purpose Loans	323,838	214,010	537,848
Others	-	-	-
Personnel Loans - FC-indexed	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Others	-	-	-
Personnel Loans – FC	**17,963**	**129,577**	**147,540**
Housing Loans	3,671	69,146	72,817
Automobile Loans	-	-	-
General Purpose Loans	11,121	59,704	70,825
Others	3,171	727	3,898
Personnel Credit Cards – TL	**747,843**	**1,500**	**749,343**
With Installment	283,369	1,500	284,869
Without Installment	464,474	-	464,474
Personnel Credit Cards – FC	**31,511**	**1,163**	**32,674**
With Installment	-	-	-
Without Installment	31,511	1,163	32,674
Deposit Accounts– TL (Real Persons)	**27,643,453**	-	**27,643,453**
Deposit Accounts– TL (Personnel)	**14**	-	**14**
Deposit Accounts– FC (Real Persons)	-	-	-
Total	**291,380,325**	**120,357,884**	**411,738,209**

(Thousands of Turkish Lira (TL))

5.1.5.5 Installment based commercial loans and corporate credit cards

Current Period	Short-Term	Medium and Long-Term	Total
Installment-based Commercial Loans – TL	**20,807,660**	**41,026,667**	**61,834,327**
Real Estate Loans	12,794	732,012	744,806
Automobile Loans	5,258,671	23,014,812	28,273,483
General Purpose Loans	15,536,195	17,279,843	32,816,038
Others	-	-	-
Installment-based Commercial Loans - FC-indexed	-	**37,466**	**37,466**
Real Estate Loans	-	33,314	33,314
Automobile Loans	-	-	-
General Purpose Loans	-	4,152	4,152
Others	-	-	-
Installment-based Commercial Loans – FC	**15,592,758**	**24,812,707**	**40,405,465**
Real Estate Loans	-	-	-
Automobile Loans	24,981	2,148,332	2,173,313
General Purpose Loans	-	34,374	34,374
Others	15,567,777	22,630,001	38,197,778
Corporate Credit Cards – TL	**45,598,445**	**421,775**	**46,020,220**
With Installment	13,108,624	421,775	13,530,399
Without Installment	32,489,821	-	32,489,821
Corporate Credit Cards – FC	**199,556**	-	**199,556**
With Installment	-	-	-
Without Installment	199,556	-	199,556
Deposit Accounts– TL (Corporates)	**8,090,923**	-	**8,090,923**
Deposit Accounts– FC (Corporates)	-	-	-
Total	**90,289,342**	**66,298,615**	**156,587,957**

(Thousands of Turkish Lira (TL))

Prior Period	Short-Term	Medium and Long-Term	Total
Installment-based Commercial Loans – TL	**19,887,705**	**26,766,866**	**46,654,571**
Real Estate Loans	4,998	672,917	677,915
Automobile Loans	5,295,144	16,695,316	21,990,460
General Purpose Loans	14,587,563	9,398,633	23,986,196
Others	-	-	-
Installment-based Commercial Loans - FC-indexed	**-**	**40,177**	**40,177**
Real Estate Loans	-	34,845	34,845
Automobile Loans	-	-	-
General Purpose Loans	-	5,332	5,332
Others	-	-	-
Installment-based Commercial Loans – FC	**13,585,562**	**22,369,122**	**35,954,684**
Real Estate Loans	-	-	-
Automobile Loans	29,660	1,936,993	1,966,653
General Purpose Loans	-	37,997	37,997
Others	13,555,902	20,394,132	33,950,034
Corporate Credit Cards – TL	**38,845,506**	**344,223**	**39,189,729**
With Installment	9,447,695	344,223	9,791,918
Without Installment	29,397,811	-	29,397,811
Corporate Credit Cards – FC	**179,419**	**-**	**179,419**
With Installment	-	-	-
Without Installment	179,419	-	179,419
Deposit Accounts– TL (Corporates)	**5,939,213**	**-**	**5,939,213**
Deposit Accounts– FC (Corporates)	**-**	**-**	**-**
Total	**78,437,405**	**49,520,388**	**127,957,793**

5.1.5.6 Allocation of loans by customers (*)

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

5.1.5.7 Allocation of domestic and foreign loans (*)

	Current Period	*Prior Period*
Domestic Loans	1,233,063,252	1,093,499,547
Foreign Loans	169,672,206	139,933,569
Total	**1,402,735,458**	**1,233,433,116**

(*) Non-performing loans are not included.

5.1.5.8 Loans to associates and subsidiaries

	Current Period	*Prior Period*
Direct Lending	6,069,446	4,378,087
Indirect Lending	-	-
Total	**6,069,446**	**4,378,087**

(Thousands of Turkish Lira (TL))

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

	Current Period	*Prior Period*
Substandard Loans- Limited Collectability	4,147,151	4,637,432
Doubtful Loans	3,581,243	2,665,835
Uncollectible Loans	10,280,111	10,427,496
Total	**18,008,505**	**17,730,763**

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)	1,331,700	520,932	6,541,467
Restructured Loans and Receivables	1,331,700	520,932	6,541,467
Prior Period			
(Gross amounts before provisions)	1,243,885	557,626	6,966,649
Restructured Loans and Receivables	1,243,885	557,626	6,966,649

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	**8,265,265**	**4,301,581**	**13,591,760**
Additions during the Period (+)	6,210,624	48,269	588,141
Transfer from Other NPL Categories (+)	12,479	3,867,176	3,090,412
Transfer to Other NPL Categories (-)	5,449,871	1,491,141	29,055
Collections during the Period (-)	1,006,191	608,780	779,576
Write down /Write-offs (-) (*)(**)	4,455	42,163	1,352,882
Debt Sale (-) (***)	492,771	207,525	1,324,999
Corporate and Commercial Loans	11,726	6,669	81,737
Retail Loans	229,256	101,689	808,580
Credit Cards	251,789	99,167	434,682
Other	-	-	-
Foreign Currency Differences	164,200	23,883	217,133
Balances at End of Period	**7,699,280**	**5,891,300**	**14,000,934**
Provisions (-)	4,147,151	3,581,243	10,280,111
Net Balance on Balance Sheet	**3,552,129**	**2,310,057**	**3,720,823**

(Thousands of Turkish Lira (TL))

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

(*) Includes loans for which 100% provision is provided during the corresponding period.
(**) As of 31 March 2024, Bank's and consolidated subsidiaries, has also written down "Group V Loan" (Loans Classified as Loss) amounting to TL 15,055,752 (31 December 2023: TL 13,668,003). During the period, the non-performing loan ratio of the Group calculated as 1.93% (31 December 2023: 2.08%) by taking into account the written-off loans in accordance with the amendment on the relevant Provisions Regulation instead of 2.95% (31 December 2023: 3.13%).
(***) Consists of sale of non-performing loans.
(****) As of 31 December 2023, includes receivables which have been reclassified to non-defaulted status.

Non-performing loans in foreign currencies

	Group III	Group IV	Group V
	Substandard Loans and Receivables	**Doubtful Loans and Receivables**	**Uncollectible Loans and Receivables**
Current Period			
Balance at End of Period	**2,606,471**	**384,188**	**8,363,281**
Provisions (-)	1,568,385	279,539	6,043,149
Net Balance at Balance Sheet	**1,038,086**	**104,649**	**2,320,132**
Prior Period			
Balance at End of Period	**4,032,564**	**259,942**	**7,728,345**
Provisions (-)	2,449,675	220,690	6,044,948
Net Balance at Balance Sheet	**1,582,889**	**39,252**	**1,683,397**

(Thousands of Turkish Lira (TL))

Gross and net non-performing loans as per customer categories

	Group III	Group IV	Group V
	Substandard Loans	Doubtful Loans	Uncollectible Loans
Current Period (Net)	**3,552,129**	**2,310,057**	**3,720,823**
Loans to Individuals and Corporates (Gross)	7,581,194	5,880,477	13,908,062
Provision (-)	4,049,001	3,575,136	10,198,102
Loans to Individuals and Corporates (Net)	3,532,193	2,305,341	3,709,960
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	118,086	10,823	92,872
Provision (-)	98,150	6,107	82,009
Other Loans and Receivables (Net)	19,936	4,716	10,863
Prior Period (Net)	**3,627,833**	**1,635,746**	**3,164,264**
Loans to Individuals and Corporates (Gross)	8,159,059	4,277,837	13,516,842
Provision (-)	4,554,328	2,654,352	10,357,892
Loans to Individuals and Corporates (Net)	3,604,731	1,623,485	3,158,950
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	106,206	23,744	74,918
Provision (-)	83,104	11,483	69,604
Other Loans and Receivables (Net)	23,102	12,261	5,314

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

	Group III	Group IV	Group V
	Substandard Loans	Doubtful Loans	Uncollectible Loans
Current Period (Net)	**340,150**	**215,851**	**248,314**
Interest accruals and valuation differences	697,335	533,390	824,147
Provision (-)	357,185	317,539	575,833
Prior Period (Net)	**253,125**	**131,512**	**209,691**
Interest accruals and valuation differences	521,218	332,280	876,147
Provision (-)	268,093	200,768	666,456

(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	102,307	108	-	102,415
Loans Collateralized by Mortgages	5,922,486	152,594	-	6,075,080
Loans Collateralized by Pledged Assets	1,310,921	31,089	-	1,342,010
Loans Collateralized by Cheques and Notes	122,868	1,131	-	123,999
Loans Collateralized by Other Collaterals	4,654,659	5,138,154	-	9,792,813
Unsecured Loans	3,178,701	1,583,214	5,393,282	10,155,197
Total	**15,291,942**	**6,906,290**	**5,393,282**	**27,591,514**

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

5.1.5.11 Expected credit loss for loans

Current Period	***Stage 1***	***Stage 2***	***Stage 3***	***Total***
Balances at End of Prior Period	**5,851,076**	**27,784,054**	**17,730,763**	**51,365,893**
Additions during the Period (+)	3,090,957	4,864,323	2,125,289	10,080,569
Disposal (-)	(3,721,715)	(2,817,765)	(141,140)	(6,680,620)
Debt Sale (-)	-	-	(2,025,294)	(2,025,294)
Write-offs (-)	-	-	(1,399,500)	(1,399,500)
Transfer to Stage1	1,793,609	(1,782,132)	(11,477)	-
Transfer to Stage 2	(643,791)	656,545	(12,754)	-
Transfer to Stage 3	(15,146)	(1,443,436)	1,458,582	-
Foreign Currency Differences	155,745	1,690,000	284,036	2,129,781
Balances at End of Period	**6,510,735**	**28,951,589**	**18,008,505**	**53,470,829**

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

(Thousands of Turkish Lira (TL))

5.1.5.12 Liquidation policy for uncollectible loans

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

5.1.5.13 Write-off policy

5.1.5.13.1 Disclosures on write down policy

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

5.1.5.13.2 Disclosures on 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	17,864,915	14,475,978	16,556,025	13,162,231
Between 1-5 Years	17,003,243	15,171,546	16,482,581	14,692,508
Longer than 5 Years	218,951	208,504	222,545	210,200
Total	**35,087,109**	**29,856,028**	**33,261,151**	**28,064,939**

(*) Non-performing loans are not included.

5.1.6.2 Net financial lease receivables (*)

	Current Period	*Prior Period*
Gross Financial Lease Receivables	35,087,109	33,261,151
Unearned Income on Financial Lease Receivables (-)	(5,231,081)	(5,196,212)
Terminated Lease Contracts (-)	-	-
Net Financial Lease Receivables	**29,856,028**	**28,064,939**

(*) 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.

(Thousands of Turkish Lira (TL))

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".

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	89,784,435	22,178,705	68,545,597	18,567,981
Investments subject to Repurchase Agreements	70,231,169	1,993,557	35,973,781	963,355
Total	**160,015,604**	**24,172,262**	**104,519,378**	**19,531,336**

5.1.8.2 Government securities measured at amortised cost

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

5.1.8.3 Financial assets measured at amortised cost

	Current Period	*Prior Period*
Debt Securities	**212,022,540**	**178,719,091**
Quoted at Stock Exchange	211,436,595	178,104,178
Unquoted at Stock Exchange	585,945	614,913
Valuation Increase / (Decrease)	**42,152,311**	**37,663,774**
Total	**254,174,851**	**216,382,865**

5.1.8.4 Movement of financial assets measured at amortised cost

	Current Period	*Prior Period*
Balances at Beginning of Period	**216,382,865**	**110,019,856**
Foreign Currency Differences on Monetary Assets	6,932,550	27,980,704
Purchases during the Period	39,419,243	84,231,627
Disposals through Sales/Redemptions	(13,048,341)	(24,113,110)
Valuation Effect	4,488,534	18,263,788
Balances at End of Period	**254,174,851**	**216,382,865**

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	**1,044,702**	**-**	**-**	**1,044,702**
Additions during the Period (+)	179,283	1,629	-	180,912
Disposal (-)	(208,580)	(310)	-	(208,890)
Transfer to Stage1	-	-	-	-
Transfer to Stage 2	(61)	61	-	-
Transfer to Stage 3	-	-	-	-
Foreign Currency Differences	29,715	-	-	29,715
Balances at End of Period	**1,045,059**	**1,380**	**-**	**1,046,439**

(Thousands of Turkish Lira (TL))

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

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	**2,143,274**	**782,707**
Accumulated Depreciation (-)	**(2,220)**	**(2,289)**
Net Book Value	**2,141,054**	**780,418**
End of Current Period		
Additions	148,462	1,540,834
Disposals (Cost)	(35,690)	(185,214)
Disposals (Accumulated Depreciation)	-	69
Reversal of Impairment / Impairment Losses	-	830
Depreciation Expense for Current Period (-)	-	-
Currency Translation Differences on Foreign Operations	604	4,117
Cost	**2,256,650**	**2,143,274**
Accumulated Depreciation (-)	**(2,220)**	**(2,220)**
Net Book Value	**2,254,430**	**2,141,054**

5.1.9.2 Investments in subsidiaries and associates to be disposed

None.

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/Türkiye	-	6.25
2	Bankalararası Kart Merkezi AŞ (1)	İstanbul/Türkiye	4.98	4.98
3	Yatırım Finansman Menkul Değerler AŞ (1)	İstanbul/Türkiye	0.77	0.77
4	İstanbul Takas ve Saklama Bankası AŞ (1)	İstanbul/Türkiye	4.95	4.97
5	Borsa İstanbul AŞ (2)	İstanbul/Türkiye	0.30	0.34
6	Kredi Kayıt Bürosu AŞ ("KKB") (1)	İstanbul/Türkiye	9.09	9.09
7	Türkiye Cumhuriyet Merkez Bankası AŞ (2)	Ankara/ Türkiye	2.48	2.48
8	Kredi Garanti Fonu AŞ (1)	Ankara/ Türkiye	1.49	1.49
9	JCR Avrasya Derecelendirme AŞ (1)	İstanbul/Türkiye	2.86	2.86
10	Birleşik İpotek Finansmanı AŞ (1)	İstanbul/Türkiye	8.33	8.33
11	İhracatı Geliştirme A.Ş. (İGE) (1)	İstanbul/Türkiye	1.16	1.16

(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	125,018	76,033	44,176	8,537	37	4,371	184	-
2	3,534,105	2,669,477	789,979	997,600	-	1,355,227	163,900	-
3	5,666,888	705,698	118,464	157,947	38,751	111,806	(8,052)	-
4	121,341,014	7,280,762	352,806	4,594,751	378,167	3,639,129	1,732,121	-
5	91,710,707	9,454,794	837,195	552,580	0	3,583,577	1,754,959	-
6	1,602,207	309,184	685,517	48,131	1,029	204,592	(1,800)	-
7	3,575,062,693	84,895,025	1,148,976	135,246,966	31,372,14	72,029,068	57,483,159	-
8	4,440,345	2,170,509	43,068	393,112	-	878,840	311,631	-
9	352,333	283,702	17,721	64,267	2,359	148,440	100,751	-
10	179,458	101,196	978	23,785	23,224	30,600	18,653	-
11	7,248,953	7,169,849	23,515	2,007,906	22,718	1,916,637	1,151,536	-

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

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

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

(Thousands of Turkish Lira (TL))

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

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 A.Ş.	Istanbul/Türkiye	100.00	100.00
2	Garanti Konut Finansmanı Danışmanlık Hiz. A.Ş.	Istanbul/Türkiye	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 A.Ş.	Istanbul/Türkiye	-	100.00
6	Garanti Filo Sigorta Aracılık Hizmetleri A.Ş.	Istanbul/Türkiye	-	100.00
7	Garanti BBVA Finansal Teknoloji A.Ş.	İstanbul/Türkiye	100.00	100.00
8	Garanti BBVA Dijital Varlıklar A.Ş.	İstanbul/Türkiye	-	100.00

The financial information presented in the below table is as of 31 March 2024.

	Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value	Amount of Equity Requirement
1	17,711	(134)	991	-	-	(474)	25	-	-
2	2,967	1,548	-	410	-	-	(525)	-	-
3	40,880	33,593	40,867	-	-	(7)	(4)	-	-
4	278,751	153,267	234,186	393	-	6,016	4,288	-	-
5	18,722,843	6,481,861	16,326,171	17,409	-	796,970	461,092	-	-
6	28,222	26,929	-	3,247	-	7,796	2,469	-	-
7	447,653	447,593	-	329	-	234	(642)	-	-
8	354,681	302,744	218,621	714	-	(58,377)	(82,879)	-	-

(*) 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	**56,344,559**	**28,945,277**
Movements during the Period	**5,917,146**	**27,399,282**
Acquisitions (*)	-	72,500
Bonus Shares Received	260,263	508,558
Dividends from Current Year Profit	4,568,147	14,047,470
Sales/Liquidations		-
Reclassifications (**)	100,272	-
Value Increase/Decrease (***)	(1,539,545)	(860,113)
Currency Differences on Foreign Subsidiaries	2,528,009	13,630,867
Reversal of Impairment Losses / Impairment Losses (-)	-	-
Balances at End of Period	**62,261,704**	**56,344,559**
Capital Commitments	-	-
Share Percentage at the End of Period (%)	-	-

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

(**) Garanti Ödeme ve Elektronik Para Hizmetleri A.Ş. has been included in the scope of consolidation in the current 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 (*)	62,261,704	56,344,559

(*) 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	26,795,344	24,281,298
Insurance Companies	2,401,564	3,027,560
Factoring Companies	1,647,549	1,419,212
Leasing Companies	9,642,323	8,267,623
Finance Companies	-	-
Other Subsidiaries	21,774,924	19,348,866

Quoted consolidated investments in subsidiaries

	Current Period	*Prior Period*
Quoted at Domestic Stock Exchanges	1,657,715	1,426,928
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/Türkiye	100.00	-	Full Consolidation
2	Garanti Faktoring AŞ	Istanbul/Türkiye	81.84	-	Full Consolidation
3	Garanti Yatırım Menkul Kıymetler AŞ	Istanbul/Türkiye	100.00	-	Full Consolidation
4	Garanti Portföy Yönetimi AŞ	Istanbul/Türkiye	100.00	-	Full Consolidation
5	Garanti Emeklilik ve Hayat AŞ	Istanbul/Türkiye	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 / Türkiye	-	3.61	Full Consolidation
13	Garanti Ödeme Sistemleri AŞ	Istanbul/Türkiye	100.00	-	Full Consolidation
14	Garanti Ödeme ve Elektronik Para Hizmetleri AŞ (*)	Istanbul/Türkiye	50.00	100.00	Full Consolidation

(*) Garanti Ödeme ve Elektronik Para Hizmetleri A.Ş. has been included in the scope of consolidation in the current period.

The financial information presented in the below table is as of 31 March 2024.

	Total Assets	Shareholders' Equity	Total Fixed Assets (**)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
1	32,256,118	9,642,394	49,606	1,289,987	-	1,096,264	690,703	-
2	12,157,970	2,013,076	47,201	1,293,481	-	278,993	167,937	-
3	11,237,125	6,569,257	97,125	1,009,182	-	1,122,462	631,275	-
4	1,094,359	686,586	20,175	73,306	-	153,602	60,056	-
5	14,147,117	2,822,760	114,159	527,694	147,341	881,770	371,329	-
6	200,526,208	26,795,372	1,142,644	2,825,123	101,405	903,752	486,866	-
7	13,490,852	13,488,829	-	-	-	(754)	(439)	-
8	11,098,377	11,092,863	-	-	-	(1,434)	(845)	-
9	109,320,700	13,931,749	2,806,424	1,475,154	258,365	250,658	296,467	-
10	6,892,733	1,506,824	66,855	153,870	-	33,989	26,427	-
11	675,286	307,948	51,742	12,682	-	(27,963)	(26,524)	-
12	75,917	73,016	1,207	1,763	1,905	5,812	123	281,600
13	635,458	397,024	318	33,647	-	75,211	26,231	-
14	217,009	200,544	130,578	9,153	113	(14,342)	18,297	-

(*) 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

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	**1,590,712**	**926,800**
Additions	-	13,659
Disposals	-	-
Transfers	-	-
Fair Value Change	-	650,253
Net Currency Translation Differences on Foreign Subsidiaries	-	-
Net Book Value at End of Period	**1,590,712**	**1,590,712**

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 2024, on a consolidated basis the Bank has a deferred tax asset of TL 23,837,893 (31 December 2023: TL 20,291,063) 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 2024, deferred tax assets of TL 23,750,780 (31 December 2023: TL 20,146,755) 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 87,113 (31 December 2023: TL 144,308).

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

	Current Period		*Prior Period*	
	Tax Base	**Deferred Tax Amount**	**Tax Base**	**Deferred Tax Amount**
Provisions (*)	7,018,052	2,082,086	6,466,112	1,923,431
Stages 1&2 Credit Losses	42,817,240	12,774,373	41,616,742	12,408,790
Differences between the Carrying Values and Taxable Values of Financial Assets (**)(****)	7,362,422	2,508,794	1,120,809	720,548
Revaluation Differences on Real Estates (***)(****)	11,289,475	3,532,695	8,938,177	2,759,560
Differences Between Book Value and Tax Value of Fixed Assets (***)(****)	6,939,229	2,081,718	5,712,002	1,713,424
Other	2,883,554	858,227	2,596,186	765,310
Deferred Tax Asset	**78,309,972**	**23,837,893**	**66,450,028**	**20,291,063**

(*) Consists of reserve for employee benefits, provision for promotion expenses of credit cards and other provisions.
(**) Calculations are performed at the relevant tax rates applicable in the country of the foreign branches and subsidiaries' financial assets.
(***) Includes deferred tax assets resulting from inflation adjustments within the scope of the provisions of Provisional Article 33. of the Tax Procedure Law.
(****) The deferred tax effect from inflation adjustment between TAS29 and Tax Procedure Law is included.

(Thousands of Turkish Lira (TL))

5.1.17 Other Assets

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Derivative Assets (Derivative Guarantees)	790,528	2,078,365	549,320	2,594,019
Receivables From Clearing Transactions	20,753,126	192,364	20,098,805	42,326
Prepaid Expenses (*)	25,641,324	187,613	22,940,501	257,354
Cash Guarantees Given	889,073	512,449	1,005,772	433,760
Receivables From Forward Sale of Assets	1,137	-	1,137	-
Other (**)	26,612,859	3,196,290	26,041,760	3,053,818
Total	**74,688,047**	**6,167,081**	**70,637,295**	**6,381,277**

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

(**) As of 31 March 2024, the foreign exchange valuation differences amounting to TL 19,656,723 (31 December 2023: TL 22,616,675) calculated as of the balance sheet date related to the foreign exchange protected deposit accounts opened within the scope of the "Communiqué on Supporting the Conversion of Turkish Lira Deposit and Participation Accounts" published by the CBRT in the Official Gazette dated 21 December 2021 numbered 31696 and by the Republic of Türkiye Ministry of Treasury and Finance dated 24 December 2021 are included in other assets.

(Thousands of Turkish Lira (TL))

5.2 Consolidated liabilities

5.2.1 Maturity profile of deposits

Current Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	Total
Saving Deposits	**82,791,640**	**-**	**9,383,061**	**155,219,087**	**102,138,187**	**187,796,639**	**95,787,757**	**802**	**633,117,173**
Foreign Currency Deposits	**506,671,142**	**-**	**58,075,415**	**80,680,888**	**22,525,442**	**30,632,801**	**46,233,593**	**49,990**	**744,869,271**
Residents in Türkiye	413,787,157	-	24,802,537	47,725,345	3,949,317	4,590,771	3,483,915	45,575	498,384,617
Residents in Abroad	92,883,985	-	33,272,878	32,955,543	18,576,125	26,042,030	42,749,678	4,415	246,484,654
Public Sector Deposits	**7,842,192**	**-**	**329**	**23,854**	**58,612**	**10**	**-**	**-**	**7,924,997**
Commercial Deposits	**70,652,138**	**-**	**54,155,669**	**33,532,680**	**22,370,330**	**44,439,884**	**36,990,336**	**-**	**262,141,037**
Others	**2,027,101**	**-**	**646,580**	**2,522,359**	**45,616**	**1,919,875**	**5,670,164**	**-**	**12,831,695**
Precious Metal Deposits	**88,634,185**	**-**	**-**	**271,575**	**268,655**	**238,667**	**666,880**	**-**	**90,079,962**
Bank Deposits(*)	**2,213,974**	**-**	**688,796**	**1,642**	**-**	**-**	**71,992**	**-**	**2,976,404**
Central Bank of Türkiye	794,521	-	-	-	-	-	-	-	794,521
Domestic Banks	82,475	-	7,319	-	-	-	-	-	89,794
Foreign Banks	1,320,052	-	681,477	1,642	-	-	71,992	-	2,075,163
Special Financial Institutions	16,926	-	-	-	-	-	-	-	16,926
Others	-	-	-	-	-	-	-	-	-
Total(**)	**760,832,372**	**-**	**122,949,850**	**272,252,085**	**147,406,842**	**265,027,876**	**185,420,72**	**50,792**	**1,753,940,539**

Prior Period	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	Total
Saving Deposits	**78,986,567**	**-**	**9,121,384**	**154,088,675**	**184,967,429**	**91,388,659**	**83,958,627**	**732**	**602,512,073**
Foreign Currency Deposits	**441,262,980**	**-**	**49,659,591**	**74,218,865**	**23,757,098**	**24,549,870**	**40,162,135**	**46,615**	**653,657,154**
Residents in Türkiye	351,249,476	-	20,083,031	40,660,355	6,944,497	3,955,325	2,662,941	42,635	425,598,260
Residents in Abroad	90,013,504	-	29,576,560	33,558,510	16,812,601	20,594,545	37,499,194	3,980	228,058,894
Public Sector Deposits	**5,733,715**	**-**	**21,768**	**16,522**	**431,264**	**10**	**-**	**-**	**6,203,279**
Commercial Deposits	**64,140,871**	**-**	**73,477,204**	**21,408,812**	**30,654,909**	**33,501,337**	**33,450,544**	**-**	**256,633,677**
Others	**1,461,221**	**-**	**897,636**	**3,708,224**	**337,886**	**122,889**	**5,757,727**	**-**	**12,285,583**
Precious Metal Deposits	**70,023,287**	**-**	**-**	**287,245**	**316,133**	**82,885**	**606,796**	**-**	**71,316,346**
Bank Deposits(*)	**1,093,835**	**-**	**1,165,325**	**3,573**	**-**	**-**	**59,864**	**-**	**2,322,597**
Central Bank of Türkiye	15,356	-	-	-	-	-	-	-	**15,356**
Domestic Banks	71,707	-	300,445	25	-	-	-	-	372,177
Foreign Banks	991,709	-	864,880	3,548	-	-	59,864	-	1,920,001
Special Financial Institutions	15,063	-	-	-	-	-	-	-	15,063
Others	-	-	-	-	-	-	-	-	-
Total(**)	**662,702,476**	**-**	**134,342,908**	**253,731,916**	**240,464,719**	**149,645,650**	**163,995,69**	**47,347**	**1,604,930,709**

(*) Includes Interbank precious metal accounts.
(**) As of 31 March 2024, the Parent Bank has a total of TL 348,903,657 (31 December 2023: TL 366,592,635) foreign exchange-protected deposit instrument of which TL 322,450,113 (31 December 2023: TL 321,050,116) within the scope of the "Communiqué on Supporting the Conversion of Turkish Lira Deposit and Participation Accounts" published by the CBRT in the Official Gazette dated 21 December 2021 and numbered 31696, TL 26,453,544 (31 December 2023: TL 45,542,519) opened within the scope of the announcement of the Ministry of Treasury and Finance ("Treasury") dated 24 December 2021. Foreign exchange revaluation differences amounting to TL 19,656,723 (31 December 2023: TL : 22,616,675) regarding the foreign exchange-protected deposit instrument calculated as of the balance sheet date are included in deposits.

(Thousands of Turkish Lira (TL))

5.2.1.1 Saving deposits insured by Saving Deposit Insurance Fund

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

Saving Deposits	Covered by Deposit Insurance Over Deposit Insurance Limit(*)		Over Deposit Insurance Limit	
	Current Period	*Prior Period*	*Current Period*	*Prior Period*
Saving Deposits	182,506,852	155,001,752	439,412,686	435,827,047
Foreign Currency Saving Deposits	228,239,028	182,587,685	240,145,564	223,123,161
Other Saving Deposits	52,503,191	37,991,025	34,361,413	30,724,467
Foreign Branches' Deposits Under Foreign Insurance Coverage	2,701,652	2,497,951	3,377,801	2,794,926
Off-Shore Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-

Commercial Deposits (**)	Covered by Deposit Insurance Over Deposit Insurance Limit(*)		Over Deposit Insurance Limit	
	Current Period	*Prior Period*	*Current Period*	*Prior Period*
Commercial Deposits	37,770,215	30,584,777	230,179,554	227,879,654
Foreign Currency Commercial Deposits	18,803,371	13,676,099	245,751,856	225,350,271
Other Commercial Deposits	252,552	148,418	2,740,650	2,383,691
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-

(*) The amount of deposits subject to insurance is TL 650 for the current period (31 December 2023: TL 400).
(**) With the regulation published in the Official Gazette dated 27 August 2022 and numbered 31936, commercial deposits were included in the scope of insurance.

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

None.

5.2.1.3 Deposits not covered by insurance limits

Saving Deposits	*Current Period*	*Prior Period*
Deposits and Other Accounts held at Foreign Branches	2,234,740	1,984,473
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	516,577	511,995
Deposits and Other Accounts held as Assets subject to the Crime defined in the Article 282 of the Turkish Criminal Code No. 5237 dated 26 September 2004	-	-
Deposits at Depository Banks established for Off-Shore Banking Activities in Türkiye	-	-

Commercial Deposits	*Current Period*	*Prior Period*
Deposits and Other Accounts held at Foreign Branches	11,692,267	10,337,239
Deposits and Other Accounts held by Main Shareholder with Qualified Shareholders and Corporates Under Their Control	7,912,576	6,752,112
Official Institutions Deposits and Other Accounts	8,024,298	6,746,816
Credit and Financial Institutions Deposits	75,846,509	68,492,441

(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 Türkiye	-	-	-	-
Domestic Banks and Institutions	4,675,577	5,082,162	6,059,032	5,483,158
Foreign Banks, Institutions and Funds	251,408	53,062,473	-	48,897,369
Total	**4,926,985**	**58,144,635**	**6,059,032**	**54,380,527**

5.2.2.1 Maturities of funds borrowed

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Short-Term	2,223,726	7,225,490	1,953,699	6,351,248
Medium and Long-Term	2,703,259	50,919,145	4,105,333	48,029,279
Total	**4,926,985**	**58,144,635**	**6,059,032**	**54,380,527**

5.2.2.2 Disclosures for concentration areas of bank's liabilities

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

5.2.3 Money market funds

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

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Domestic Transactions	**151,052**	**79,852,166**	**159,631**	**43,343,975**
Financial Institutions and Organizations	1,933	78,111,014	1,193	42,469,072
Other Institutions and Organizations	73,173	966,183	82,108	874,903
Individuals	75,946	774,969	76,330	-
Foreign Transactions	**165,158**	**-**	**347**	**8,917,597**
Financial Institutions and Organizations	164,247	-	-	8,917,597
Other Institutions and Organizations	26	-	-	-
Individuals	885	-	347	-
Total	**316,210**	**79,852,166**	**159,978**	**52,261,572**

(Thousands of Turkish Lira (TL))

5.2.4 Securities issued

Current Period	**TL**		**FC**	
	Short-Term	**Medium and Long-Term**	**Short-Term**	**Medium and Long-Term**
Nominal	2,766,474	-	1,364,169	8,818,909
Cost	2,336,593	-	1,364,169	8,812,483
Carrying Value (*)	2,560,373	-	1,380,332	9,092,503

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

(*) The Bank and/or its financial subsidiaries repurchased the Bank's own TL securities with a total face value of TL 429,026 (31 December 2023: TL 979,893) and netted off such securities in the accompanying consolidated financial statements.

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

	Current Period		***Prior Period***	
	TL	**FC**	**TL**	**FC**
Securities Issued	-	53,343,472	-	49,046,956
Total	**-**	**53,343,472**	**-**	**49,046,956**

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

As of 31 March 2024, the accumulated fair value change of the related financial liability amounted to TL 55,715 (31 December 2023: TL 409,726) and the corresponding gain/loss recognised in the statement of profit/loss amounted to TL (354,011) (31 December 2023: TL (1,509,783)). The carrying value of the related financial liability amounted to TL 53,343,472 (31 December 2023: TL 49,046,956).

5.2.6 Derivative financial liabilities

5.2.6.1 Negative differences on derivative financial liabilities measured at FVTPL

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

	Current Period		***Prior Period***	
	TL	**FC**	**TL**	**FC**
Forward Transaction	407,030	98,921	220,677	93,003
Swap Transactions	8,518,425	4,474,443	6,376,729	4,459,682
Futures	-	571	47	808
Options	235,485	32,141	189,916	63,537
Others	-	2,342	-	1,037
Total	**9,160,940**	**4,608,418**	**6,787,369**	**4,618,067**

(Thousands of Turkish Lira (TL))

5.2.6.2 Derivative financial liabilities held for hedging purpose

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

Derivative Financial Liabilities Held for Hedging Purpose	***Current Period***		***Prior Period***	
	TL	**FC**	**TL**	**FC**
Fair Value Hedges	-	76,852	-	97,242
Cash Flow Hedges	155,607	53,754	10,165	56,382
Net Foreign Investment Hedges	-	-	-	-
Total	**155,607**	**130,606**	**10,165**	**153,624**

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

5.2.7 Factoring payables

None.

5.2.8 Lease payables

5.2.8.1 Operational lease agreements

	Current Period		***Prior Period***	
	Gross	**Net**	**Gross**	**Net**
Less than 1 Year	1,111,889	793,543	880,898	647,153
Between 1-5 Years	1,975,373	1,443,009	1,751,362	1,307,258
Longer than 5 Years	512,611	342,347	460,344	318,615
Total	**3,599,873**	**2,578,899**	**3,092,604**	**2,273,026**

As of 31 March 2024, the weighted average of the incremental borrowing interest rates applied to TL, EUR and USD lease liabilities presented in the statement of financial position of the Group are sırasıyla %27.4, %2.7 ve %3.2 (31 December 2023: 24.0%, 2.6% and 3.2%), respectively.

5.2.9 Provisions

5.2.9.1 Reserve for employee severance indemnity

	Current Period	***Prior Period***
Balances at Beginning of Period	**2,349,462**	**2,044,320**
Expenses During the Period	209,856	854,178
Actuarial Gain/Loss	-	841,304
Payments During the Period	(50,678)	(1,390,340)
Balances at End of Period	**2,508,640**	**2,349,462**

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

None.

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

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))

5.2.9.4 Other provisions

	Current Period	*Prior Period*
Reserve for Employee Benefits	5,395,527	4,904,708
Insurance Technical Provisions, Net	5,113,810	4,181,769
Provision for Promotion Expenses of Credit Cards	1,143,600	948,044
Provision for Lawsuits	768,743	766,800
Provision for Non-Cash Loans	9,445,463	10,284,265
Other Provisions	387,790	493,379
Total	**22,254,933**	**21,578,965**

Recognized Liability for Defined Benefit Plan Obligations

The Bank obtained an actuarial report dated 31 December 2023 from an independent actuary reflecting the principles and procedures on determining the application of transfer transactions in accordance with the Law and it is determined that the assets of the Plan are above the amount that will be required to be paid to transfer the obligation and the asset surplus amounts to TL 16,844,450 at 31 December 2023 as details are given in the table below.

Furthermore, an actuarial report was prepared as of 31 December 2023 as per the requirements of the Law explained in Note 3.17, the accounting policies related with "employee benefits" for the benefits transferable to the SSF and other benefits not transferable to the SSF and arising from other social rights and payments covered by the existing trust indenture of the Fund and medical benefits provided for employees. Based on the actuary's report, the asset surplus over the fair value of the plan assets to be used for the payment of the obligations also fully covers the benefits not transferable and still a surplus of TL 4,990,468 remains as of 31 December 2023 as details are given in the table below.

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

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

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

(Thousands of Turkish Lira (TL))

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

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

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

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

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

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

5.2.10 Tax liability

5.2.10.1 Current tax liability

5.2.10.1.1 Tax liability

As of 31 March 2024, the corporate tax liability amounts to TL 15,437,151 (31 December 2023: TL 8,205,343) after offsetting with prepaid taxes. If the differences arising between the book value and the tax base value of the assets subject to the current tax liability are related to the shareholders' equity account group, the current tax asset or liability is netted off by the relevant accounts in this group.

As of 31 March 2024, TL 7,594,003 (31 December 2023: TL 27,672,110) of total current period tax expense amounting to TL 8,399,106 (31 December 2023: TL 29,961,124) has been classified in the statement of profit or loss and TL 805,103 (31 December 2023: TL 2,289,014) has been classified in equity.

5.2.10.1.2 Taxes payable

	Current Period	*Prior Period*
Corporate Taxes Payable	15,437,151	8,205,343
Taxation on Securities Income	764,895	517,070
Taxation on Real Estates Income	16,051	11,295
Banking Insurance Transaction Tax	2,532,756	2,033,779
Foreign Exchange Transaction Tax	96,657	44,982
Value Added Tax Payable	268,433	259,607
Others	719,354	518,863
Total	**19,835,297**	**11,590,939**

(Thousands of Turkish Lira (TL))

5.2.10.1.3 Premiums payable

	Current Period	*Prior Period*
Social Security Premiums-Employees	47,045	41,425
Social Security Premiums-Employer	38,849	35,939
Bank Pension Fund Premium-Employees	313	256
Bank Pension Fund Premium-Employer	387	285
Pension Fund Membership Fees and Provisions-Employees	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employees	13,576	9,050
Unemployment Insurance-Employer	29,671	22,462
Others	314	225
Total	**130,155**	**109,642**

5.2.10.2 Deferred tax liability

As of 31 March 2024, the deferred tax liability amounts to TL 175,221 (31 December 2023: TL 129,369).

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

None.

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	78,261,243	724,104	64,698,502	559,805
Payables from clearing transactions	15,385,130	196,691	13,021,047	213,123
Other	20,285,944	20,409,997	9,992,195	15,161,602
Total	**113,932,317**	**21,330,792**	**87,711,744**	**15,934,530**

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	25,000,000

5.2.14.3 Capital increases in current period

None.

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.

(Thousands of Turkish Lira (TL))

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

None.

5.2.14.7 Information on privileges given to stocks representing the capital

None.

5.2.14.8 Securities value increase fund

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

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Investments in Associates, Subsidiaries and Joint-Ventures	**-**	**-**	**-**	**-**
Valuation Difference	-	-	-	-
Exchange Rate Difference	-	-	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	**4,228,886**	**60,447**	**4,777,545**	**(127,290)**
Valuation Difference	3,296,204	60,447	3,961,166	(127,290)
Exchange Rate Difference	932,682	-	816,379	-
Total	**4,228,886**	**60,447**	**4,777,545**	**(127,290)**

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

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Movables	1,160,075	463,811	1,006,263	316,402
Real Estates	16,423,115	250,259	15,737,345	234,631
Defined Benefit Plans' Actuarial Gains/Losses	(2,306,517)	-	(1,994,953)	-
Other	-	-	-	-
Total	**15,276,673**	**714,070**	**14,748,655**	**551,033**

5.2.14.10 Bonus shares of associates, subsidiaries and joint-ventures

	Current Period	*Prior Period*
Bankalararası Kart Merkezi A.Ş.	5,782	5,782
Yeni Gimat Gayrimenkul Yatırım Ortaklığı A.Ş.	860	860
JCR Avrasya Derecelendirme A.Ş.	1,399	1,399
İhracatı Geliştirme A.Ş.	5,431	536
Kredi Kayıt Bürosu A.Ş.	481	481
Kömür İşletmeleri A.Ş.	295	295
Doğuş Gayrimenkul Yatırım Ortaklığı A.Ş.	22	22
Yatırım Finansman Menkul Değerler A.Ş.	9	9
Dati Yatırım Holding A.Ş.	7	7
Total	**14,286**	**9,391**

(Thousands of Turkish Lira (TL))

5.2.14.11 Legal reserves

	Current Period	*Prior Period*
I. Legal Reserve	1,796,761	1,742,742
II. Legal Reserve	3,395,135	1,667,568
Special Reserves	77,118	72,311
Total	**5,269,014**	**3,482,621**

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	182,632,117	111,106,409

5.2.14.13 Minority interest

	Current Period	*Prior Period*
Balance at Beginning of Period	**920,327**	**484,735**
Profit Share of Subsidiaries Net Profits	189,317	532,219
Prior Period Dividend Payment	(241,387)	(98,064)
Increase/(Decrease) in Minority Interest due to Sales	-	-
Others	(3,696)	1,437
Balance at End of Period	**864,561**	**920,327**

(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 52,255,641 (31 December 2023: TL 34,304,422), commitments for cheque payments of TL14,925,676 (31 December 2023: TL 9,642,506) and commitments for credit card limits of TL 703,744,772 (31 December 2023: TL 531,534,188).

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

	Current Period	*Prior Period*
Letters of Guarantee in Foreign Currency	152,934,684	136,086,694
Letters of Guarantee in TL	252,774,437	207,649,439
Letters of Credit	63,567,809	53,548,755
Bills of Exchange and Acceptances	9,030,664	7,962,125
Endorsements	11,835,753	12,043,653
Other Guarantees	2,687,515	2,619,600
Total	**492,830,862**	**419,910,266**

Expected losses for non-cash loans and irrevocable commitments

Current Period	*Stage 1*	*Stage 2*	*Stage 3*	*Total*
Balances at Beginning of Period	**2,020,918**	**4,811,362**	**3,451,985**	**10,284,265**
Additions during the Period (+)	1,165,769	1,020,490	49,538	2,235,797
Disposal (-)	(1,411,771)	(969,734)	(1,176,721)	(3,558,226)
Sales	-	-	-	-
Write-off	-	-	-	-
Transfer to Stage 1	628,938	(627,196)	(1,742)	-
Transfer to Stage 2	(74,840)	169,197	(94,357)	-
Transfer to Stage 3	(213)	(8,297)	8,510	-
Foreign Currency Differences	42,436	227,722	213,469	483,627
Balances at End of Period	**2,371,237**	**4,623,544**	**2,450,682**	**9,445,463**

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

Lifetime expected credit loss (Stage 3) of TL 4,112,137 (31 December 2023: TL 5,079,641) is made for unliquidated non-cash loans of TL 2,450,682 (31 December 2023: TL 3,451,985) recorded under the off-balance sheet items.

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

(Thousands of Turkish Lira (TL))

5.3.1.3 Non-cash loans

	Current Period	*Prior Period*
Non-Cash Loans against Cash Risks	110,466,314	88,460,211
With Original Maturity of 1 Year or Less	18,430,459	10,550,318
With Original Maturity of More Than 1 Year	92,035,855	77,909,893
Other Non-Cash Loans	382,364,548	331,450,055
Total	**492,830,862**	**419,910,266**

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 Stage I and II:

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

5.3.2 Financial derivative instruments

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

(Thousands of Turkish Lira (TL))

5.3.3 Credit derivatives and risk exposures on credit derivatives

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

5.3.4 Contingent liabilities and assets

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

5.3.5 Services rendered on behalf of third parties

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

5.4 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	46,554,785	4,096,001	11,724,881	1,746,634
Medium and long-term loans	18,380,883	6,541,761	8,910,204	3,525,270
Loans under follow-up	597,796	43,567	278,421	43,331
Interest Received from Resource Utilization Support Fund	-	-	-	-
Total	**65,533,464**	**10,681,329**	**20,913,506**	**5,315,235**

(*) 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 Türkiye	1,463,416	24,519	-	12,261
Domestic Banks	233,821	3,952	70,952	753
Foreign Banks	4,266	1,352,450	1,760	453,125
Foreign Head Offices and Branches	-	-	-	-
Total	**1,701,503**	**1,380,921**	**72,712**	**466,139**

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	182,424	55,504	49,121	20,980
Financial Assets Measured at Fair Value through Other Comprehensive Income	5,102,051	525,315	3,387,208	285,056
Financial Assets Measured at Amortised Cost	9,686,829	1,201,234	3,822,753	724,463
Total	**14,971,304**	**1,782,053**	**7,259,082**	**1,030,499**

As disclosed in the accounting policies, the Parent Bank values CPI-indexed government bonds in its securities portfolio according to the reference index on the issue date and the index that is calculated according to the expected inflation rate. The inflation rate used during the valuation is being updated during the year when it is considered necessary. As of 31 March 2024, the valuation of such securities has been calculated according to the annual inflation forecast of 40%. In case the CPI forecast increases or decreases by 1%, profit before taxes as of 31 March 2024 will increase or decrease by approximately TL 179,101.

(Thousands of Turkish Lira (TL))

5.4.1.4 Interest income received from associates and subsidiaries

	Current Period	*Prior Period*
Interest Received from Investments in Associates and Subsidiaries	726,654	78,340

5.4.2 Interest expenses

5.4.2.1 Interest expenses on funds borrowed (*)

	Current Period		*Prior Period*	
	TL	**FC**	**TL**	**FC**
Banks	**68,428**	**854,645**	**291,885**	**78,635**
Central Bank of Türkiye	-	-	-	-
Domestic Banks	68,428	224,035	289,956	19,685
Foreign Banks	-	630,610	1,929	58,950
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	**-**	**1,370,009**	**-**	**715,683**
Total	**68,428**	**2,224,654**	**291,885**	**794,318**

(*) 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	18,595	4,148

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".

(Thousands of Turkish Lira (TL))

5.4.2.4 Maturity structure of interest expense on deposits

Current Period	Demand Deposits	Time Deposits						Total
		Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year	Accumulating Deposit Accounts	
Turkish Lira								
Bank Deposits	638	61,390	-	-	-	-	-	62,028
Saving Deposits	3,365	769,090	16,877,507	18,665,826	14,079,508	4,310,251	-	54,705,547
Public Sector Deposits	-	832	2,336	13,592	-	-	-	16,760
Commercial Deposits	187	6,530,995	2,984,444	2,720,552	2,845,713	1,289,618	-	16,371,509
Others	-	81,668	330,711	42,449	44,146	477,884	-	976,858
"7 Days Notice" Deposits	-	-	-	-	-	-	-	-
Total TL	**4,190**	**7,443,975**	**20,194,998**	**21,442,419**	**16,969,367**	**6,077,753**	**-**	**72,132,702**
Foreign Currency								
Foreign Currency Deposits	325,894	733,270	314,171	241,315	328,341	56,375	74	1,999,440
Bank Deposits	1,887	8,554	21	-	-	6	-	10,468
"7 Days Notice" Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	47	-	47
Total FC	**327,781**	**741,824**	**314,192**	**241,315**	**328,341**	**56,428**	**74**	**2,009,955**
Grand Total	**331,971**	**8,185,799**	**20,509,190**	**21,683,734**	**17,297,708**	**6,134,181**	**74**	**74,142,657**

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	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**

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".

(Thousands of Turkish Lira (TL))

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".

5.4.4 Trading income/losses (net)

	Current Period	*Prior Period*
Income	**136,440,948**	**54,485,593**
Trading Account Income	954,088	2,193,381
Derivative Financial Instruments	13,256,470	11,809,790
Foreign Exchange Gain	122,230,390	40,482,422
Losses (-)	**130,985,251**	**50,030,224**
Trading Account Losses	958,322	1,356,912
Derivative Financial Instruments	14,729,222	11,700,514
Foreign Exchange Losses	115,297,707	36,972,798
Total	**5,455,697**	**4,455,369**

TL 4,085,607 (31 March 2023: TL 1,688,857) of foreign exchange gains and TL 8,157,989 (31 March 2023: TL 2,121,129) of foreign exchange losses are resulted from the exchange rate changes of derivative transactions.

5.4.5 Other operating income

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

	Current Period	*Prior Period*
Prior Year Reversals	**11,739,956**	**8,202,423**
Stage 1	5,284,483	4,140,070
Stage 2	2,836,669	2,786,888
Stage 3	3,235,505	893,862
Others	383,299	381,603
Income from term sale of assets	**982,240**	**8,920**
Others (*)	**2,554,004**	**1,981,385**
Total	**15,276,200**	**10,192,728**

(*) Premium income from insurance business amounting to TL 1,813,817 (31 March 2023: TL 986,180) which is included in other operating income in the accompanying financial statements is presented in "others" line item.

(Thousands of Turkish Lira (TL))

5.4.6 Expected credit losses and other provisions

	Current Period	*Prior Period*
Expected Credit Losses	**15,971,476**	**10,345,298**
12-Month ECL (Stage 1)	4,891,957	3,384,930
Significant Increase in Credit Risk (Stage 2)	5,791,101	5,856,522
Impaired Credits (Stage 3)	5,288,418	1,103,846
Other Provisions	**39,785**	**30,328**
Impairment Losses on Securities	-	-
Financial Assets Measured at Fair Value through Profit or Loss	-	-
Financial Assets Measured at Fair Value through Other Comprehensive Income	-	-
Impairment Losses on Associates, Subsidiaries and Joint-ventures	-	-
Associates	-	-
Subsidiaries	-	-
Joint-ventures (business partnership)	-	-
Others	39,785	30,328
Total	**16,011,261**	**10,375,626**

5.4.7 Other operating expenses

	Current Period	*Prior Period*
Reserve for Employee Termination Benefits	209,856	132,557
Defined Benefit Plan Obligations	-	-
Impairment Losses on Tangible Assets	809	-
Depreciation Expenses of Tangible Assets	411,098	212,827
Impairment Losses on Intangible Assets	-	-
Impairment Losses on Goodwill	-	-
Amortisation Expenses of Intangible Assets	163,068	95,218
Decrease in Value of Equity Accounting Shares	-	-
Impairment Losses on Assets to be Disposed	-	-
Depreciation Expenses of Right-of-use Assets	211,126	139,411
Impairment Losses on Assets Held for Sale and Discontinued Assets	-	201
Other Operating Expenses	8,193,428	5,383,605
Operational Lease related Expenses (*)	137,437	82,796
Repair and maintenance expenses	158,732	61,244
Advertisement expenses	529,975	122,769
Other expenses (**)	7,367,284	5,116,796
Loss on Sale of Assets	1,956	525
Others (***)	3,947,689	1,745,098
Total	**13,139,030**	**7,709,442**

(*) Includes lease related expenses out of the scope of TFRS 16.
(**) In the prior year, 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 860,035 (31 March 2023: TL 581,186) and insurance- business claim losses of TL 895,952 (31 March 2023: TL 398,951) 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”.

(Thousands of Turkish Lira (TL))

5.4.9 Information on provision for taxes for continued and discontinued operations

For the period ended 31 March 2024, on a consolidated basis, the Bank recorded a current tax expense of TL 8,399,106 (31 March 2023: TL 4,510,972) and a deferred tax income of TL 2,611,991 (31 March 2023: TL 1,899,951).

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 (+)	(2,325,662)	(1,712,563)
Decrease in Tax Deductible Timing Differences (-)	832,566	703,560
Increase in Taxable Timing Differences (-)	649,471	196,205
Decrease in Taxable Timing Differences (+)	(1,768,366)	(1,087,153)
Total	**(2,611,991)**	**(1,899,951)**

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)	(1,493,096)	(1,009,003)
(Increase)/Decrease in Taxable Timing Differences (net)	(1,118,895)	(890,948)
(Increase)/Decrease in Tax Losses (net)	-	-
(Increase)/Decrease in Tax Deductions and Exemptions (net)	-	-
Total	**(2,611,991)**	**(1,899,951)**

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	189,317	86,714

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	5,132,114	73,259	636,221	3,877,104	323,370	20,995
Balance at end of period	7,051,607	79,355	1,541,767	3,164,089	428,894	37,062
Interest and Commission Income	**727,950**	**4**	**883**	-	**8,195**	-

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	1,404,085	35,317	575,562	2,805,182	47,629	18,802
Balance at end of period	5,132,114	73,259	636,221	3,877,104	323,370	20,995
Interest and Commission Income	**78,955**	**11**	**9,113**	-	**1,617**	-

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	553,605	242,109	183,626	33,165	10,504,227	6,531,682
Balance at end of period	352,523	553,605	78,791	183,626	11,151,166	10,504,227
Interest Expenses	**18,595**	**4,148**	**548**	**36**	**773,284**	**317,787**

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	12,009,441	341,250	76,674,283	57,431,194	-	-
Balance at end of period	11,148,895	12,009,441	91,375,401	76,674,283	-	-
Total Profit/(Loss)	-	**(3,803)**	**443,036**	**24,465**	**441**	-
Transactions for Hedging						
Balance at beginning of period	-	-	-	-	-	-
Balance at end of period	-	-	-	-	-	-
Total Profit/(Loss)	-	-	**121**	**(288)**	-	-

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 6,567,866 (31 December 2023: TL 4,796,974) compose 0.47% (31 December 2023: 0.39%) of the Bank's total consolidated cash loans and 0.26% (31 December 2023: 0.22%) of the Bank's total consolidated assets. The total loans and similar receivables amounting TL 9,022,268 (31 December 2023: TL 6,091,705) compose 0.36% (31 December 2023: 0.28%) of the Bank's total consolidated assets. The non-cash loans of the risk group amounting TL 3,280,506 (31 December 2023: TL 3,971,358) compose 0.67% (31 December 2023: 0.95%) of the Bank's total consolidated non-cash loans. The deposits of the risk group amounting TL 11,582,480 (31 December 2023: TL 11,241,458) compose 0.66% (31 December 2023: 0.70%) 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 1,191 (31 March 2023: TL 633) was recognized for the real estates rented to the related parties.

Other income of TL 10,399 (31 March 2023: TL 5,641) for the IT services rendered and banking services fee income of TL 14,564 (31 March 2023: TL 6,945) were recognized from the related parties.

Operating expenses of TL 26,743 (31 March 2023: TL 18,054) 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 181,053 as of 31 March 2024 (31 March 2023: TL 90,752).

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".

5.9 Matters arising subsequent to the balance sheet date

None.

6 Other disclosures on activities

6.1 Information on international risk ratings

6.1.1 Parent Bank's international risk ratings

MOODY'S (January 2024)

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

FITCH RATINGS (March 2024)

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

JCR EURASIA RATINGS *(September 2023)*

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

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

MOODY'S (November 2023) (*)

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

(*) Latest date in risk ratings or outlooks

6.1.3 International risk ratings of Garanti Faktoring, a consolidated subsidiary

FITCH RATINGS *(March 2024)* (*)

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

(*) Latest date in risk ratings or outlooks

6.1.4 International risk ratings of Garanti Leasing, a consolidated subsidiary

FITCH RATINGS *(March 2024)* (*)

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

(*) Latest date in risk ratings or outlooks

(Thousands of Turkish Lira (TL))

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

FITCH RATINGS *(December 2023)* (*)

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

(*) Latest date in risk ratings or outlooks

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

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

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

(*) Latest date in risk ratings or outlooks

6.2 Dividends

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

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

6.3 Other disclosures

None.

7 Interim Activity Report

(Amounts are expressed in Turkish Lira (TL))

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

Türkiye Garanti Bankası A.Ş., announced its financial statements dated 31 March 2024. Based on the consolidated financials, the Bank's **net income** in the first 3 months of the year recorded as TL 22 billion 479 million 583 thousand. **Asset size** realized at TL 2 trillion 462 billion 474 million 815 thousand and the Bank's contribution to the economy through **cash and non-cash loans** was TL 1 trillion 853 billion 956 million 245 thousand. Actively managing the funding base, customer deposits continued to be the main funding source; 71% of assets are funded via customer deposits. **Customer deposit** base reached to TL 1 trillion 750 billion 964 million 135 thousand with 9.3% growth in the first 3 months of the year. Preserving the strong capital stance, Bank's capital adequacy ratio was realized at 15.4%*. The Bank delivered an **ROAE** (Return on Average Equity) of 36.0% and an **ROAA** (Return on Average Assets) of 3.9%.

**Calculated without the forbearance introduced by BRSA*

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

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

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

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

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

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

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

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

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

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

We aim to spread our sustainability strategy to all segments of society with the support of digitalization. While the number of our active digital customers has reached 15.5 million, the share of non-branch channels in main transactions has increased to 98%. In the future, we anticipate that artificial intelligence will strengthen the sector's ability to provide customer-centric and personalized services.

With our robust capital structure and sustainable growth strategy, Garanti BBVA will continue to contribute to Turkey's economic and social development. I extend my thanks to all my colleagues who contributed successfully to our first quarter results, as well as to all our stakeholders who have placed their trust and support in us."

You may access Garanti BBVA earnings presentations regarding the BRSA 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 (TL Thousand)	**Current Period 31.03.2024**	**Prior Period 31.12.2023**	**Change %**
Total Assets	2,462,474,815	2,201,713,095	11.8%
Loans	1,386,613,538	1,217,975,966	13.8%
- Performing Loans	*1,361,125,383*	*1,193,843,409*	*14.0%*
- Non-Performing Loans	*25,488,155*	*24,132,557*	*5.6%*
Customer Deposits	1,750,964,135	1,602,608,112	9.3%
Shareholders' Equity	256,050,076	245,621,518	4.2%

** Excludes Leasing and Factoring receivables*

Selected P&L Items (TL Thousand)	**Current Period 31.03.2024**	**Prior Period 31.03.2023**	**Change %**
Net Interest Income	24,939,752	18,667,056	33.6%
Operating Expenses	21,779,664	11,983,529	81.7%
- HR Cost	*8,640,634*	*4,274,087*	*102.2%*
- Other Operating Expenses	*13,139,030*	*7,709,442*	*70.4%*
Net Fees&Commissions	19,626,300	6,608,235	197.0%
Net Income	22,479,583	15,452,557	45.5%

Selected Financial Ratios	**Current Period 31.03.2024**	**Prior Period 31.12.2023**	**Change bps**
Performing Loans/Assets	55.3%	54.2%	105
Deposits/Assets	71.1%	72.8%	(168)
Return on Average Equity	36.0%	44.5%	(843)
Return on Average Assets	3.9%	4.9%	(104)
Non-Performing Loans Ratio	1.9%	2.1%	(15)
Capital Adequacy Ratio	15.4%	16.5%	(105)

** Excludes Leasing and Factoring receivables*

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

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

Garanti BBVA with Numbers	**Current Period 31.03.2024**	**Prior Period 31.12.2023**	**Change %**
Branch Network	805	805	0.0%
Number of Employees	18,977	18,965	0.1%
ATM	5,541	5,511	0.5%
POS*	820,792	808,478	1.5%
Number of Customers	25,904,930	25,351,113	2.2%
Number of Digital Customers**	15,487,854	15,046,929	2.9%
Number of Credit Card Customers	10,801,767	10,486,454	3.0%

**Includes shared and virtual POS.*
*** Active customers only -- min. 1 login or call per quarter*

(Thousands of Turkish Lira (TL))

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

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

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

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

(Thousands of Turkish Lira (TL))

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

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

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

7.4 Assessment of financial information and risk management

You may find information regarding the assessment of financial position, profitability and debt payment capability, risk management explanations and ratings in the financial statements for the period ended 31 March 2024. Additionally, you may find detailed information in the earnings presentation regarding financial results of the related period published on Garanti BBVA Investor Relations website at www.garantibbvainvestorrelations.com.

You may find financial information on Garanti BBVA for the most recent five year period in the 2023 Integrated Annual Report that was published on the Public Disclosure Platform, the Bank's website, Garanti BBVA Investor Relations website and at https://www.garantibbvainvestorrelations.com/en/images/pdf/GBFR23_entegre_ENG.PDF .

7.5 Information regarding management and corporate governance practices

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

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

7.6 Forward looking statements regarding the expectations

As per the Article 10 of the "Communiqué on Material Events Disclosure" (II-15.1) of Capital Markets Board, T. Garanti Bankası A.Ş. has announced it's forward looking statements regarding the expectations for the year 2024. You may access the related presentation that was published on the Public Disclosure Platform, the Bank's website and Garanti BBVA Investor Relations' website at www.garantibbvainvestorrelations.com in Operating Plan Guidance Presentations section.