

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 Nine-Month Period Ended
30 September 2024
*(Convenience Translation of Financial Statements and Related Disclosures
and Footnotes Originally Issued in Turkish)*



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

Independent Auditors' Review Report on 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 September 30, 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 nine-months 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.



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Basis of Qualified Conclusion

Free provision amounting to thousand TL 8,000,000 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 in 2023. In relation to this matter, as stated in Section Five Part 5.4.5 of Explanations and Footnotes Related to the Consolidated Financial Statements, accompanying consolidated statement of profit or loss for the nine-months period ended September 30, 2023, which is presented comparatively with the consolidated statement of profit or loss for the nine-months period ended September 30, 2024, includes income arising from reversal of such free provision at an amount of thousand TL 5,000,000. We express a qualified conclusion due to the effects of this matter on the "Net Profit or Loss for the Period" and "Extraordinary Reserves" accounts in the consolidated balance sheet as of December 31, 2023 and consolidated statement of profit or loss for the nine-months period ended September 30, 2023 which are presented comparatively with the accompanying consolidated financial statements prepared as of September 30, 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 Financial statements, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not give a true view of the financial position of the Group as at September 30, 2024 and of the results of its consolidated operations and its consolidated cash flows for the nine-months period then ended in all aspects in accordance with the BRSA Accounting and Financial Reporting Legislation.

Report on other regulatory requirements arising from legislation

Based on our review, nothing has come to our attention that causes us to believe that the financial information provided in the accompanying interim activity report in Section VII, are not consistent with the 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

October 30, 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 NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2024**

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

Süleyman Sözen
Board of Directors
Chairman

Mahmut Akten
General Manager

Aydın Güler
Executive Vice President
Finance and Treasury

Hakan Özdemir
Accounting and
Regulatory Reporting
Director

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

Ebru Oğın Knottnerus
Audit Committee Member

Belkis Sema Yurdum
Audit Committee Member

The authorized contact person for questions on this financial report:

Name-Surname/Title: Handan SAYGIN/Director of Investor Relations

Phone no: 90 212 318 23 50

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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 797 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 30 September 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.

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
Mahmut Akten ^(*)	Member and CEO	23.08.2024	Master	25 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

CEO and Executive Vice Presidents:

Name and Surname	Responsibility	Appointment Date	Education	Experience in Banking and Business Administration
Mahmut Akten ^(*)	CEO	23.08.2024	Master	25 years
İlker Kuruöz	EVP-Engineering Services and Data	14.03.2018	Master	32 years
Murat Çağrı Süzer ^(*)	EVP-Corporate, Investment Banking and Global Markets	05.09.2024	Master	17 years
Cemal Onaran	EVP-Commercial Banking	17.01.2017	University	33 years
Tuba Köseoğlu Okçu	EVP- Talent and Culture	12.09.2022	University	26 years
Aydın Güler	EVP- Finance and Treasury	03.02.2016	University	34 years
Murat Atay	Head of Credit Risk Management	01.01.2021	PhD	30 years
Ceren Acer Kezik	EVP-Retail Banking	06.06.2022	Master	13 years
Sibel Kaya	EVP- SME Banking	02.02.2021	Master	26 years

^(*) As of 23 August 2024, Recep Baştuğ, who served as General Manager, resigned from his position. Mahmut Akten was appointed as General Manager in his place. Murat Çağrı Süzer was appointed as Executive Vice President of Corporate, Investment Banking and Global Markets as of 5 September 2024.

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.

2 Consolidated Financial Statements

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Subsidiaries Consolidated Balance Sheet (Statement of Financial Position) At 30 September 2024

ASSETS		Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD 30 September 2024			PRIOR PERIOD 31 December 2023		
			TL	FC	Total	TL	FC	Total
I.	FINANCIAL ASSETS (Net)		286,618,509	529,241,696	815,860,205	261,450,671	384,648,421	646,099,092
1.1	Cash and Cash Equivalents		205,476,482	460,566,231	666,042,713	195,895,964	328,410,486	524,306,450
1.1.1	Cash and Balances with Central Bank		196,079,346	168,863,093	364,942,439	167,131,445	163,623,905	330,755,350
1.1.2	Banks		9,610,534	229,201,259	238,811,793	3,422,349	153,467,791	156,890,140
1.1.3	Money Market Placements		185,841	62,858,059	63,043,900	26,504,601	12,094,686	38,599,287
1.1.4	Expected Credit Losses (-)		399,239	356,180	755,419	1,162,431	775,896	1,938,327
1.2	Financial Assets Measured at Fair Value through Profit/Loss (FVTPL)		2,007,750	5,392,169	7,399,919	3,702,038	4,887,651	8,589,689
1.2.1	Government Securities		727,377	4,412,070	5,139,447	1,559,847	3,797,552	5,357,399
1.2.2	Equity Securities		1,085,890	141,163	1,227,053	2,046,832	120,971	2,167,803
1.2.3	Other Financial Assets		194,483	838,936	1,033,419	95,359	969,128	1,064,487
1.3	Financial Assets Measured at Fair Value through Other Comprehensive Income (FVOCI)		73,414,481	55,783,679	129,198,160	57,354,432	44,220,821	101,575,253
1.3.1	Government Securities		72,728,283	24,887,584	97,615,867	56,706,609	23,236,403	79,943,012
1.3.2	Equity Securities		276,040	2,487,402	2,763,442	203,391	1,726,725	1,930,116
1.3.3	Other Financial Assets		410,158	28,408,693	28,818,851	444,432	19,257,693	19,702,125
1.4	Derivative Financial Assets		5,719,796	7,499,617	13,219,413	4,498,237	7,129,463	11,627,700
1.4.1	Derivative Financial Assets Measured at FVTPL		5,655,253	7,178,741	12,833,994	4,390,584	6,115,669	10,506,253
1.4.2	Derivative Financial Assets Measured at FVOCI		64,543	320,876	385,419	107,653	1,013,794	1,121,447
II.	FINANCIAL ASSETS MEASURED AT AMORTIZED COST (Net)		1,239,285,494	661,173,422	1,900,458,916	907,797,438	515,766,554	1,423,563,992
2.1	Loans		1,062,643,979	579,830,886	1,642,474,865	769,134,587	448,841,379	1,217,975,966
2.2	Lease Receivables		9,898,103	25,691,579	35,589,682	10,029,940	19,992,190	30,022,130
2.3	Factoring Receivables		9,384,874	1,502,445	10,887,319	9,955,846	1,637,780	11,593,626
2.4	Other Financial Assets Measured at Amortized Cost		191,205,783	82,117,366	273,323,149	141,655,134	74,727,731	216,382,865
2.4.1	Government Securities		186,321,508	58,834,365	245,155,873	138,073,167	60,934,162	199,007,329
2.4.2	Other Financial Assets		4,884,275	23,283,001	28,167,276	3,581,967	13,793,569	17,375,536
2.5	Expected Credit Losses (-)		33,847,245	27,968,854	61,816,099	22,978,069	29,432,526	52,410,595
III.	ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)		3,028,491	44,584	3,073,075	2,133,015	8,039	2,141,054
3.1	Asset Held for Resale		3,028,491	44,584	3,073,075	2,133,015	8,039	2,141,054
3.2	Assets of Discontinued Operations		-	-	-	-	-	-
IV.	INVESTMENTS IN ASSOCIATES,SUBSIDIARIES AND JOINT VENTURES		8,551,275	196,300	8,747,575	6,221,102	158,689	6,379,791
4.1	Associates (Net)		161,509	30	161,539	130,474	26	130,500
4.1.1	Associates Consolidated Under Equity Accounting		-	-	-	-	-	-
4.1.2	Unconsolidated Associates		161,509	30	161,539	130,474	26	130,500
4.2	Subsidiaries (Net)		8,389,766	196,270	8,586,036	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		8,389,766	196,270	8,586,036	6,090,628	158,663	6,249,291
4.3	Joint Ventures (Net)		-	-	-	-	-	-
4.3.1	Joint-Ventures Consolidated Under Equity Accounting		-	-	-	-	-	-
4.3.2	Unconsolidated Joint-Ventures		-	-	-	-	-	-
V.	TANGIBLE ASSETS (Net)		26,390,901	1,731,656	28,122,557	20,425,129	1,527,851	21,952,980
VI.	INTANGIBLE ASSETS (Net)		2,924,998	708,987	3,633,985	1,983,956	564,293	2,548,249
6.1	Goodwill		6,388	-	6,388	6,388	-	6,388
6.2	Others		2,918,610	708,987	3,627,597	1,977,568	564,293	2,541,861
VII.	INVESTMENT PROPERTY (Net)		2,170,186	-	2,170,186	1,590,712	-	1,590,712
VIII.	CURRENT TAX ASSET		337,996	72,377	410,373	16,749	110,841	127,590
IX.	DEFERRED TAX ASSET		22,063,341	113,936	22,177,277	20,153,115	137,948	20,291,063
X.	OTHER ASSETS (Net)		87,224,825	5,956,365	93,181,190	70,637,295	6,381,277	77,018,572
TOTAL ASSETS			1,678,596,016	1,199,239,323	2,877,835,339	1,292,409,182	909,303,913	2,201,713,095

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 Balance Sheet (Statement of Financial Position)
At 30 September 2024

LIABILITIES AND SHAREHOLDERS' EQUITY		Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
			CURRENT PERIOD			PRIOR PERIOD		
			30 September 2024			31 December 2023		
		TL	FC	Total	TL	FC	Total	
I.	DEPOSITS	5.2.1	1,166,616,268	892,023,796	2,058,640,064	878,028,393	726,902,316	1,604,930,709
II.	FUNDS BORROWED	5.2.2	6,388,700	58,358,846	64,747,546	6,059,032	54,380,527	60,439,559
III.	MONEY MARKET FUNDS	5.2.3	13,571,327	100,170,403	113,741,730	3,732,294	52,262,264	55,994,558
IV.	SECURITIES ISSUED (NET)	5.2.4	320,167	18,061,911	18,382,078	1,563,225	9,579,727	11,142,952
4.1	Bills		320,167	10,902,665	11,222,832	1,563,225	950,964	2,514,189
4.2	Asset Backed Securities		-	-	-	-	-	-
4.3	Bonds		-	7,159,246	7,159,246	-	8,628,763	8,628,763
V.	FUNDS		-	-	-	-	-	-
5.1	Borrowers' Funds		-	-	-	-	-	-
5.2	Others		-	-	-	-	-	-
VI.	FINANCIAL LIABILITIES MEASURED AT FVTPL	5.2.5	-	55,776,936	55,776,936	-	49,046,956	49,046,956
VII.	DERIVATIVE FINANCIAL LIABILITIES	5.2.6	9,936,199	4,005,060	13,941,259	6,797,534	4,771,691	11,569,225
7.1	Derivative Financial Liabilities Measured at FVTPL		9,369,507	3,755,489	13,124,996	6,787,369	4,715,309	11,502,678
7.2	Derivative Financial Liabilities Measured at FVOCI		566,692	249,571	816,263	10,165	56,382	66,547
VIII.	FACTORING LIABILITIES	5.2.7	-	-	-	-	-	-
IX.	LEASE LIABILITIES (Net)	5.2.8	2,021,684	798,922	2,820,606	1,534,855	738,171	2,273,026
X.	PROVISIONS	5.2.9	15,460,423	9,306,195	24,766,618	11,511,923	10,067,042	21,578,965
10.1	Restructuring Reserves		-	-	-	-	-	-
10.2	Reserve for Employee Benefits		5,693,458	458,338	6,151,796	4,494,360	410,348	4,904,708
10.3	Insurance Technical Provisions (Net)		2,910,283	3,813,117	6,723,400	1,930,022	2,251,747	4,181,769
10.4	Other Provisions		6,856,682	5,034,740	11,891,422	5,087,541	7,404,947	12,492,488
XI.	CURRENT TAX LIABILITY	5.2.10	8,608,181	502,773	9,110,954	10,779,309	921,272	11,700,581
XII.	DEFERRED TAX LIABILITY	5.2.10	85,185	90,813	175,998	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	1,086,856	44,146,653	45,233,509	1,067,593	22,571,810	23,639,403
14.1	Borrowings		-	1,114,263	1,114,263	-	629,332	629,332
14.2	Other Debt Instruments		1,086,856	43,032,390	44,119,246	1,067,593	21,942,478	23,010,071
XV.	OTHER LIABILITIES	5.2.13	149,727,735	16,768,642	166,496,377	87,711,744	15,934,530	103,646,274
XVI.	SHAREHOLDERS' EQUITY	5.2.14	301,886,568	2,115,096	304,001,664	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		19,418,819	761,440	20,180,259	14,748,655	551,033	15,299,688
16.4	Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss		22,532,256	722,396	23,254,652	23,045,196	407,846	23,453,042
16.5	Profit Reserves		187,319,985	631,260	187,951,245	113,838,518	750,512	114,589,030
16.5.1	Legal Reserves		4,725,932	631,260	5,357,192	2,938,316	544,305	3,482,621
16.5.2	Status Reserves		-	-	-	-	-	-
16.5.3	Extraordinary Reserves		182,328,126	-	182,328,126	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		66,271,669	-	66,271,669	86,374,997	-	86,374,997
16.6.1	Prior Periods' Profit/Loss		-	-	-	-	-	-
16.6.2	Current Period's Net Profit/Loss		66,271,669	-	66,271,669	86,374,997	-	86,374,997
16.7	Minority Interest		1,359,405	-	1,359,405	920,327	-	920,327
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			1,675,709,293	1,202,126,046	2,877,835,339	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 30 September 2024

	Footnotes	THOUSANDS OF TURKISH LIRA (TL)					
		CURRENT PERIOD 30 September 2024			PRIOR PERIOD 31 December 2023		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		2,019,639,190	1,393,893,694	3,413,532,884	1,189,910,715	1,156,829,806	2,346,740,521
I. GUARANTEES AND SURETIES	5.3.1	320,598,088	241,350,497	561,948,585	222,242,700	197,667,566	419,910,266
1.1 Letters of guarantee		300,681,981	169,537,736	470,219,717	207,649,439	136,086,694	343,736,133
1.1.1 Guarantees subject to State Tender Law		-	5,106,360	5,106,360	-	4,358,146	4,358,146
1.1.2 Guarantees given for foreign trade operations		15,132,617	6,452,330	21,584,947	9,658,232	5,605,753	15,263,985
1.1.3 Other letters of guarantee		285,549,364	157,979,046	443,528,410	197,991,207	126,122,795	324,114,002
1.2 Bank acceptances		2,079,649	7,479,055	9,558,704	2,152,734	5,809,391	7,962,125
1.2.1 Import letter of acceptance		1,805,939	7,479,055	9,284,994	2,152,734	5,809,391	7,962,125
1.2.2 Other bank acceptances		273,710	-	273,710	-	-	-
1.3 Letters of credit		339,608	61,143,178	61,482,786	396,874	53,151,881	53,548,755
1.3.1 Documentary letters of credit		-	-	-	-	-	-
1.3.2 Other letters of credit		339,608	61,143,178	61,482,786	396,874	53,151,881	53,548,755
1.4 Guaranteed prefinancings		-	-	-	-	-	-
1.5 Endorsements		17,496,850	-	17,496,850	12,043,653	-	12,043,653
1.5.1 Endorsements to the Central Bank of Turkey		17,496,850	-	17,496,850	12,043,653	-	12,043,653
1.5.2 Other endorsements		-	-	-	-	-	-
1.6 Underwriting commitments		-	-	-	-	-	-
1.7 Factoring related guarantees		-	-	-	-	-	-
1.8 Other guarantees		-	3,190,528	3,190,528	-	2,619,600	2,619,600
1.9 Other sureties		-	-	-	-	-	-
II. COMMITMENTS	5.3.1	1,328,378,955	92,347,333	1,420,726,288	676,681,739	72,210,677	748,892,416
2.1 Irrevocable commitments		1,325,867,628	70,614,923	1,396,482,551	674,580,826	58,063,745	732,644,571
2.1.1 Asset purchase and sale commitments		8,505,412	41,318,991	49,824,403	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		-	31	31	-	27	27
2.1.4 Loan granting commitments		237,750,495	17,306,318	255,056,813	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		13,837,378	-	13,837,378	9,642,506	-	9,642,506
2.1.8 Tax and fund obligations on export commitments		1,618,233	-	1,618,233	858,088	-	858,088
2.1.9 Commitments for credit card limits		1,064,147,470	4,710,482	1,068,857,952	527,973,745	3,560,443	531,534,188
2.1.10 Commitments for credit cards and banking services related promotions		8,640	-	8,640	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		-	7,279,101	7,279,101	-	7,264,490	7,264,490
2.2 Revocable commitments		2,511,327	21,732,410	24,243,737	2,100,913	14,146,932	16,247,845
2.2.1 Revocable loan granting commitments		376,900	15,165,938	15,542,838	450,000	11,508,753	11,958,753
2.2.2 Other revocable commitments		2,134,427	6,566,472	8,700,899	1,650,913	2,638,179	4,289,092
III. DERIVATIVE FINANCIAL INSTRUMENTS	5.3.2	370,662,147	1,060,195,864	1,430,858,011	290,986,276	886,951,563	1,177,937,839
3.1 Derivative financial instruments held for risk management		15,426,810	87,961,172	103,387,982	5,396,976	70,927,092	76,324,068
3.1.1 Fair value hedges		-	67,906,401	67,906,401	-	34,448,844	34,448,844
3.1.2 Cash flow hedges		15,426,810	20,054,771	35,481,581	5,396,976	36,478,248	41,875,224
3.1.3 Net foreign investment hedges		-	-	-	-	-	-
3.2 Trading derivatives		355,235,337	972,234,692	1,327,470,029	285,589,300	816,024,471	1,101,613,771
3.2.1 Forward foreign currency purchases/sales		29,127,200	36,649,270	65,776,470	44,064,524	53,291,477	97,356,001
3.2.1.1 Forward foreign currency purchases		20,100,072	13,254,151	33,354,223	41,460,609	9,430,315	50,890,924
3.2.1.2 Forward foreign currency sales		9,027,128	23,395,119	32,422,247	2,603,915	43,861,162	46,465,077
3.2.2 Currency and interest rate swaps		275,735,817	725,490,464	1,001,226,281	228,622,855	611,282,078	839,904,978
3.2.2.1 Currency swaps-purchases		435,286	190,740,994	191,176,280	787,243	201,350,022	202,137,265
3.2.2.2 Currency swaps-sales		56,112,035	199,730,228	255,842,263	107,058,336	139,612,409	166,670,745
3.2.2.3 Interest rate swaps-purchases		110,407,998	166,674,121	277,082,119	60,388,638	135,159,823	195,548,461
3.2.2.4 Interest rate swaps-sales		108,780,498	168,345,121	277,125,619	60,388,638	135,159,824	195,548,462
3.2.3 Currency, interest rate and security options		47,390,957	42,870,078	90,261,035	8,287,254	10,179,512	18,466,766
3.2.3.1 Currency call options		10,525,745	31,637,231	42,162,976	4,855,929	4,135,798	8,991,727
3.2.3.2 Currency put options		34,052,004	11,232,847	45,284,851	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		1,406,604	-	1,406,604	111,270	-	111,270
3.2.3.6 Security put options		1,406,604	-	1,406,604	132,637	-	132,637
3.2.4 Currency futures		1,459,085	1,367,352	2,826,437	3,578,801	3,344,243	6,923,044
3.2.4.1 Currency futures-purchases		348,162	1,037,236	1,385,398	3,578,801	1,393	3,580,194
3.2.4.2 Currency futures-sales		1,110,923	330,116	1,441,039	-	3,342,850	3,342,850
3.2.5 Interest rate futures		-	501,300	501,300	-	174,258	174,258
3.2.5.1 Interest rate futures-purchases		-	501,300	501,300	-	174,258	174,258
3.2.5.2 Interest rate futures-sales		-	-	-	-	-	-
3.2.6 Others		1,522,278	165,356,228	166,878,506	1,035,866	137,752,903	138,788,769
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		4,996,190,647	6,248,660,986	11,244,851,633	3,025,305,395	5,199,237,676	8,224,543,071
IV. ITEMS HELD IN CUSTODY		957,768,398	315,906,639	1,273,675,037	396,628,687	255,511,184	652,139,871
4.1 Customers' securities held		651,250,516	-	651,250,516	245,361,373	-	245,361,373
4.2 Investment securities held in custody		183,691,173	147,010,000	330,701,173	53,469,009	112,968,042	166,437,051
4.3 Checks received for collection		107,308,098	22,861,425	130,169,523	84,305,832	19,520,939	103,826,771
4.4 Commercial notes received for collection		11,832,835	5,311,207	17,144,042	9,979,379	4,188,461	14,167,840
4.5 Other assets received for collection		679,667	117,535,589	118,215,256	431,391	101,448,674	101,880,065
4.6 Assets received through public offering		-	815,281	815,281	-	708,084	708,084
4.7 Other items under custody		3,006,109	22,373,137	25,379,246	3,081,703	16,676,984	19,758,687
4.8 Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		4,038,422,249	5,932,754,347	9,971,176,596	2,628,676,708	4,943,726,492	7,572,403,200
5.1 Securities		29,396,662	46,493,962	75,890,624	24,257,437	22,920,878	47,178,315
5.2 Guarantee notes		24,227,972	101,848,983	126,076,955	22,707,329	83,177,929	105,885,258
5.3 Commodities		400,983	-	400,983	510,466	-	510,466
5.4 Warranties		-	9,237,522	9,237,522	-	4,580,995	4,580,995
5.5 Real estates		1,363,038,662	897,646,689	2,260,685,351	831,298,980	832,365,207	1,663,664,187
5.6 Other pledged items		2,621,357,790	4,877,527,191	7,498,885,161	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)		7,015,829,837	7,642,554,680	14,658,384,517	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
For the period ended at 30 September 2024

INCOME AND EXPENSE ITEMS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)			
		CURRENT PERIOD 1 January 2024- 30 September 2024	PRIOR PERIOD 1 January 2023- 30 September 2023	CURRENT PERIOD 1 July 2024- 30 September 2024	PRIOR PERIOD 1 July 2023- 30 September 2023
I. INTEREST INCOME	5.4.1	378,422,580	144,976,380	147,442,381	62,452,877
1.1 Interest income on loans		277,006,726	101,283,105	106,476,816	42,203,111
1.2 Interest income on reserve deposits		23,409,385	443,248	12,180,161	159,568
1.3 Interest income on banks		7,584,592	3,305,985	2,441,987	1,823,435
1.4 Interest income on money market transactions		4,956,901	2,767,775	1,081,437	1,165,111
1.5 Interest income on securities portfolio		58,652,304	32,901,379	22,869,147	15,198,845
1.5.1 Financial assets measured at FVTPL		754,046	330,058	241,433	177,710
1.5.2 Financial assets measured at FVOCI		19,757,584	13,148,700	7,761,320	5,693,406
1.5.3 Financial assets measured at amortised cost		38,140,674	19,422,621	14,866,394	9,327,729
1.6 Financial lease income		4,625,719	2,777,310	1,623,988	1,214,286
1.7 Other interest income		2,186,953	1,497,578	768,845	688,521
II. INTEREST EXPENSE (-)	5.4.2	288,867,245	84,878,317	115,616,534	39,130,529
2.1 Interest on deposits		261,405,523	75,114,122	103,787,786	35,819,545
2.2 Interest on funds borrowed		7,772,071	4,571,986	2,765,941	1,499,014
2.3 Interest on money market transactions		14,012,635	1,929,753	7,590,748	870,410
2.4 Interest on securities issued		3,866,418	2,111,918	1,270,199	792,442
2.5 Lease interest expense		376,843	204,571	146,360	78,599
2.6 Other interest expenses		1,433,755	945,967	55,500	70,519
III. NET INTEREST INCOME (I - II)		89,555,335	60,098,063	31,825,847	23,322,348
IV. NET FEES AND COMMISSIONS INCOME/EXPENSES	5.4.12	67,979,687	26,594,646	26,146,755	12,320,062
4.1 Fees and commissions received		99,608,073	36,569,326	38,391,863	17,344,904
4.1.1 Non-cash loans		3,704,189	2,379,013	1,334,954	931,916
4.1.2 Others		95,903,884	34,190,313	37,056,909	16,412,988
4.2 Fees and commissions paid (-)		31,628,386	9,974,680	12,245,108	5,024,842
4.2.1 Non-cash loans		68,370	51,028	32,649	18,704
4.2.2 Others		31,560,016	9,923,652	12,212,459	5,006,138
V. DIVIDEND INCOME	5.4.3	173,098	72,693	14,738	28,315
VI. NET TRADING INCOME/LOSSES (Net)	5.4.4	5,501,909	26,223,237	3,746,708	7,413,369
6.1 Trading account income/losses		(195,130)	2,774,043	92,990	(675,047)
6.2 Income/losses from derivative financial instruments		(19,078,910)	(14,255,499)	(4,179,360)	(8,522,231)
6.3 Foreign exchange gains/losses		24,775,949	37,704,693	7,833,078	16,610,647
VII. OTHER OPERATING INCOME	5.4.5	36,521,747	27,557,050	7,187,924	10,562,134
VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)		199,731,776	140,545,689	68,921,972	53,646,228
IX. EXPECTED CREDIT LOSSES (-)	5.4.6	40,001,044	29,736,893	11,185,475	7,394,777
X. OTHER PROVISIONS (-)	5.4.6	188,349	245,430	120,897	193,616
XI. PERSONNEL EXPENSES (-)		28,275,913	14,543,687	10,713,707	5,620,413
XII. OTHER OPERATING EXPENSES (-)	5.4.7	44,531,369	24,246,627	16,901,855	8,656,024
XIII. NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)		86,735,101	71,773,052	30,000,038	31,781,398
XIV. INCOME RESULTED FROM MERGERS		-	-	-	-
XV. GAIN/LOSS FROM INVESTMENTS UNDER EQUITY ACCOUNTING		1,802,340	1,266,682	455,340	363,912
XVI. GAIN/LOSS ON NET MONETARY POSITION		-	-	-	-
XVII. PROFIT/LOSS BEFORE TAXES (XIII+...+XVI)	5.4.8	88,537,441	73,039,734	30,455,378	32,145,310
XVIII. PROVISION FOR TAXES (±)	5.4.9	21,587,078	15,455,740	8,094,825	8,371,056
18.1 Current tax charge		22,695,585	18,269,828	3,269,828	7,273,930
18.2 Deferred tax charge (+)		2,655,305	5,754,478	1,343,657	3,276,690
18.3 Deferred tax credit (-)		(3,763,812)	(8,568,566)	3,481,340	(2,179,564)
XIX. NET OPERATING PROFIT/LOSS AFTER TAXES (XVII±XVIII)	5.4.10	66,950,363	57,583,994	22,360,553	23,774,254
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	66,950,363	57,583,994	22,360,553	23,774,254
25.1 Equity holders of the bank		66,271,669	57,217,490	22,116,242	23,633,366
25.2 Minority interest		678,694	366,504	244,311	140,888
Earnings per Share		0.15779	0.13623	0.05266	0.05627

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

(Convenience Translation of Financial Statements Originally Issued in Turkish)

Türkiye Garanti Bankası Anonim Şirketi and Its Financial Subsidiaries
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the period ended at 30 September 2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD 1 January 2024 - 30 September 2024	PRIOR PERIOD 1 January 2023 - 30 September 2023
I.	CURRENT PERIOD PROFIT/LOSS	66,950,363	57,583,994
II.	OTHER COMPREHENSIVE INCOME	4,683,952	13,384,885
2.1	Other Income/Expense Items not to be Recycled to Profit or Loss	4,880,571	7,926,429
2.1.1	Revaluation Surplus on Tangible Assets	5,105,093	4,045,105
2.1.2	Revaluation Surplus on Intangible Assets	-	-
2.1.3	Defined Benefit Plans' Actuarial Gains/Losses	(1,011,092)	(48,598)
2.1.4	Other Income/Expense Items not to be Recycled to Profit or Loss	481,827	624,647
2.1.5	Deferred Taxes on Other Comprehensive Income not to be Recycled to Profit or Loss	304,743	3,305,275
2.2	Other Income/Expense Items to be Recycled to Profit or Loss	(196,619)	5,458,456
2.2.1	Translation Differences	6,189,286	8,843,027
2.2.2	Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI	(4,160,163)	(2,629,570)
2.2.3	Gains/losses from Cash Flow Hedges	(1,999,267)	1,545,916
2.2.4	Gains/Losses on Hedges of Net Investments in Foreign Operations	(2,728,261)	(4,497,217)
2.2.5	Other Income/Expense Items to be Recycled to Profit or Loss	(128,122)	225,442
2.2.6	Deferred Taxes on Other Comprehensive Income to be Recycled to Profit or Loss	2,629,908	1,970,858
III.	TOTAL COMPREHENSIVE INCOME (I+II)	71,634,315	70,968,879

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

For the period ended at 30 September 2024

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Footnotes	THOUSANDS OF TURKISH LIRA (TL)															
		Paid-in Capital	Share Premium	Share Cancellation Profits	Other Capital Reserves	Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss			Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss			Profit Reserves	Prior Periods' Profit/Loss	Current Period's Net Profit/Loss	Shareholders' Equity Before Minority Interest	Minority Interest	Total Shareholders' Equity
						Revaluation surplus on tangible and intangible assets	Defined Benefit Plans' Actuarial Gains/Losses	Others	Foreign Currency Translation Differences	Income/Expenses from Valuation and/or Reclassification of Financial Assets Measured at FVOCI	Others						
PRIOR PERIOD (01/01/2023-30/09/2023)																	
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		-	-	-	-	7,438,904	(116,722)	604,236	8,843,027	(1,865,561)	(1,518,697)	-	-	57,217,490	70,602,677	366,202	70,968,879
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		-	-	-	-	-	-	-	-	-	-	177,017	-	-	177,017	-	177,017
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	50,620,323	(59,396,697)	-	(8,776,374)	(98,064)	(8,874,438)
11.1 Dividends		-	-	-	-	-	-	-	-	-	-	-	(8,776,374)	-	(8,776,374)	(98,064)	(8,874,438)
11.2 Transfers to Reserves		-	-	-	-	-	-	-	-	-	-	50,469,944	(50,469,944)	-	-	-	-
11.3 Others		-	-	-	-	-	-	-	-	-	-	150,379	(150,379)	-	-	-	-
Balances at end of the period (III+IV+...+X+XI)		4,200,000	11,880	-	772,554	12,844,048	(1,432,254)	1,076,045	24,601,950	6,845,701	(6,074,833)	114,580,124	-	57,217,490	214,642,705	752,873	215,395,578
CURRENT PERIOD (01/01/2024-30/09/2024)																	
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		-	-	-	-	5,103,073	(707,764)	485,262	6,189,286	(2,944,066)	(3,443,610)	-	-	66,271,669	70,953,850	680,465	71,634,315
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		-	-	-	-	-	-	-	-	-	-	86,976	-	-	86,976	-	86,976
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	21,075,049	(2,702,717)	1,807,927	35,084,236	392,950	(12,222,534)	187,951,245	-	66,271,669	302,642,259	1,359,405	304,001,664

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 Cash Flows
For the period ended at 30 September 2024

STATEMENT OF CASH FLOWS	Footnotes	THOUSANDS OF TURKISH LIRA (TL)	
		CURRENT PERIOD	PRIOR PERIOD
		1 January 2024- 30 September 2024	1 January 2023 - 30 September 2023
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities	5.6	92,180,755	54,115,014
1.1.1 Interests received		340,243,623	144,229,873
1.1.2 Interests paid		(261,225,656)	(68,206,647)
1.1.3 Dividend received		173,098	72,693
1.1.4 Fees and commissions received		99,608,073	36,569,326
1.1.5 Other income		35,484,543	27,031,092
1.1.6 Collections from previously written-off receivables		2,243,413	942,215
1.1.7 Cash payments to personnel and service suppliers		(67,845,070)	(34,186,176)
1.1.8 Taxes paid		(29,517,268)	(15,326,373)
1.1.9 Others		(26,984,001)	(37,010,989)
1.2 Changes in operating assets and liabilities	5.6	(157,343,840)	124,556,187
1.2.1 Net (increase) decrease in financial assets measured at FVTPL		1,319,900	(6,837,754)
1.2.2 Net (increase) decrease in due from banks		(199,485,952)	(68,582,152)
1.2.3 Net (increase) decrease in loans		(444,548,983)	(350,000,205)
1.2.4 Net (increase) decrease in other assets		(36,481,710)	(5,410,066)
1.2.5 Net increase (decrease) in bank deposits		39,454,583	217,285
1.2.6 Net increase (decrease) in other deposits		407,134,589	493,062,113
1.2.7 Net increase (decrease) in financial liabilities measured at FVTPL		-	-
1.2.8 Net increase (decrease) in funds borrowed		15,946,847	39,040,358
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities		59,316,886	23,066,608
I. Net cash flow from banking operations	5.6	(65,163,085)	178,671,201
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash flow from investing activities	5.6	(51,001,563)	(62,872,253)
2.1 Cash paid for purchase of associates, subsidiaries and joint-ventures		(848,000)	(6,253)
2.2 Cash obtained from sale of associates, subsidiaries and joint-ventures		-	-
2.3 Purchases of tangible assets		(4,905,003)	(3,630,165)
2.4 Sales of tangible assets		1,442,629	2,415
2.5 Cash paid for purchase of financial assets measured at FVOCI		(71,446,244)	(41,769,948)
2.6 Cash obtained from sale of financial assets measured at FVOCI		62,350,371	34,922,444
2.7 Cash paid for purchase of financial assets measured at amortised cost		(66,249,117)	(67,170,585)
2.8 Cash obtained from sale of financial assets measured at amortised cost		28,653,801	14,779,839
2.9 Others		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash flow from financing activities		48,979,693	(5,213,168)
3.1 Cash obtained from funds borrowed and securities issued		105,532,385	37,341,622
3.2 Cash used for repayment of funds borrowed and securities issued		(42,170,087)	(33,128,332)
3.3 Equity instruments issued		-	-
3.4 Dividends paid		(13,341,145)	(8,776,374)
3.5 Payments for leases		(1,041,460)	(650,084)
3.6 Others		-	-
IV. Effect of translation differences on cash and cash equivalents	5.6	8,081,872	21,125,848
V. Net increase/(decrease) in cash and cash equivalents (I+II+III+IV)	5.6	(59,103,083)	131,711,628
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	236,870,026	281,176,165

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 30 September 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 17,631,539 (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 30 September 2024. There is no ineffective portion arising from net investment hedge accounting.

3.3 Information on consolidated subsidiaries

As of 30 September 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 September 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 September 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. As of May 16, 2024, with the capital increase of the Parent Bank amounting TL 400,000,000, the shareholding structure of the company has changed to 80.53% Garanti BBVA and 19.47% 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

IFRS 9 permits to defer implementation of IFRS 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.

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 30 September 2024.

Date	GDP
31.12.2024	3.18%
31.12.2025	2.74%
31.12.2026	5.23%
31.12.2027	4.26%
31.12.2028	4.16%

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.

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.

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:

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

	<i>Current Period</i>		<i>Prior Period</i>	
	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 2023 will be subject to inflation adjustment regardless of whether the inflation adjustment conditions are met or not. Profit/loss difference arising from inflation adjustment in the financial statements are to be shown in previous years' profit/loss accounts and does not affect the corporate tax base.

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

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

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 30 September 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 30 September 2024, the tax effects arising from the subject of inflation correction of the corporate tax are included in the deferred tax calculation as of 30 September 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.

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:

<i>Current Period</i>	Retail Banking	Corporate Banking	Investment Banking	Other	Total Operations
Net Interest Income	51,754,417	79,692,931	(118,514,437)	76,622,424	89,555,335
Net Fees And Commissions Income	55,240,756	11,434,583	20,316	1,284,032	67,979,687
Dividend Income	-	-	-	173,098	173,098
Net Trading Income/Losses (Net)	2,844,391	4,738,159	(1,737,754)	(342,887)	5,501,909
Other Operating Income (*)	2,941,388	425,231	68,139	7,538,639	10,973,397
Expected Credit Losses (*)	(20,160,253)	1,586,835	1,337,107	2,783,617	(14,452,694)
Other Provisions	1,197	-	-	(189,546)	(188,349)
Personnel and Other Operating Expenses	(40,613,590)	(13,460,402)	(1,773,564)	(16,959,726)	(72,807,282)
Income/Loss From Investments Under Equity Accounting	-	-	-	1,802,340	1,802,340
Net Operating Profit	52,008,306	84,417,337	(120,600,193)	72,711,991	88,537,441
Provision for Taxes	-	-	-	(21,587,078)	(21,587,078)
Net Profit	52,008,306	84,417,337	(120,600,193)	51,124,913	66,950,363
Segment Assets	565,192,905	1,010,749,896	853,328,202	439,816,761	2,869,087,764
Investments in Associates and Subsidiaries	-	-	-	8,747,575	8,747,575
Total Assets	565,192,905	1,010,749,896	853,328,202	448,564,336	2,877,835,339
Segment Liabilities	1,366,632,750	704,992,730	313,683,018	188,525,177	2,573,833,675
Shareholders' Equity	-	-	-	304,001,664	304,001,664
Total Liabilities and Shareholders' Equity	1,366,632,750	704,992,730	313,683,018	492,526,841	2,877,835,339

<i>Prior Period</i>	Retail Banking	Corporate Banking	Investment Banking	Other	Total Operations
Net Interest Income	21,173,703	37,484,753	(10,106,616)	11,546,223	60,098,063
Net Fees And Commissions Income	18,283,495	7,193,948	(135,582)	1,252,785	26,594,646
Dividend Income	-	-	-	72,693	72,693
Net Trading Income/Losses (Net)	1,818,694	9,206,527	10,729,079	4,468,937	26,223,237
Other Operating Income (*)	(294,133)	1,140,018	(399,367)	11,075,269	11,521,787
Expected Credit Losses (*)	(6,155,206)	(7,917,563)	195,560	175,579	(13,701,630)
Other Provisions	1,501	-	-	(246,931)	(245,430)
Personnel and Other Operating Expenses	(19,518,802)	(6,571,369)	(775,380)	(11,924,763)	(38,790,314)
Income/Loss From Investments Under Equity Accounting	-	-	-	1,266,682	1,266,682
Net Operating Profit	15,309,252	40,536,314	(492,306)	17,686,474	73,039,734
Provision for Taxes	-	-	-	(15,455,740)	(15,455,740)
Net Profit	15,309,252	40,536,314	(492,306)	2,230,734	57,583,994
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 5.10.2.

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.

	<i>Current Period</i>	<i>Prior Period</i>
Distributable net profit	66,271,669	57,217,490
Average number of issued common shares (thousand)	420,000,000	420,000,000
Earnings per share (amounts presented full TL)	0.15779	0.13623

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 30 September 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.

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 (*)

	<i>Current Period</i>	<i>Prior Period</i>
COMMON EQUITY TIER I CAPITAL		
Paid-in Capital to be Entitled for Compensation after All Creditors	4,972,554	4,972,554
Share Premium	11,880	11,880
Reserves	187,951,245	114,589,030
Other Comprehensive Income according to TAS	69,299,360	60,142,834
Profit	66,271,669	86,374,997
Current Period’s Profit	66,271,669	86,374,997
Prior Periods’ Profit	-	-
Bonus Shares from Associates, Subsidiaries and Joint-Ventures not Accounted in Current Period's Profit	26,335	9,790
Minority Interest	518,147	416,247
Common Equity Tier I Capital Before Deductions	329,051,190	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 (-)	24,515,057	22,016,744
Leasehold Improvements on Operational Leases (-)	315,582	291,647
Goodwill Netted with Deferred Tax Liabilities	-	-
Other Intangible Assets Netted with Deferred Tax Liabilities Except Mortgage Servicing Rights	3,364,812	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 the 10% Threshold of Tier I Capital (-)	-	-
Amount Exceeding the 15% Threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)	-	-

	<i>Current Period</i>	<i>Prior Period</i>
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	28,195,451	24,851,143
Total Common Equity Tier I Capital	300,855,739	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)	300,855,739	241,666,189
TIER II CAPITAL		
Debt Instruments and the Related Issuance Premiums Defined by the BRSA	28,402,038	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)	22,391,896	15,924,173
Total Deductions from Tier II Capital	50,793,934	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	-	-

	<i>Current Period</i>	<i>Prior Period</i>
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	50,793,934	30,426,490
Total Equity (Total Tier I and Tier II Capital)	351,649,673	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 (-)	3,219	1,168
Other items to be Defined by the BRSA (-)	4,686	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)	351,641,768	272,090,323
Total Risk Weighted Assets	2,051,751,425	1,437,302,870
CAPITAL ADEQUACY RATIOS		
Consolidated CET1 Capital Ratio (%)	14.66	16.81
Consolidated Tier I Capital Ratio (%)	14.66	16.81
Consolidated Capital Adequacy Ratio (%)	17.14	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 (%)	8.66	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	22,177,277	20,291,063

	<i>Current Period</i>	<i>Prior Period</i>
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)	46,548,724	43,753,909
General Loan Provisions for Exposures in Standard Approach Limited by 1.25% of Risk Weighted Assets	22,391,896	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 30 September 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 15.77% as of 30 September 2024.

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

4.1.2 Items included in capital calculation

<i>Current Period</i>	<i>Information about instruments included in total capital calculation</i>			
Issuer	T. Garanti Bankası A.Ş.	T. Garanti Bankası A.Ş.	T. Garanti Bankası A.Ş.	T. Garanti Bankası A.Ş.
Identifier (CUSIP, ISIN vb.)	Reg S: ISIN: XS1617531063 Common Code: 161753106 144A: CUSIP: 900148 AE7 ISIN: US900148AE73 Common Code: 161752479	ISIN: TRSGRANE2915	ISIN: TRSGRAN23013	Regulation S ISIN/Common Code: Rule 144A ISIN/CUSIP: XS2773062471/277306247 US900148AF49/900148AF4
Governing law (s) of the instrument	Subject to English Law and in terms of certain articles to Turkish Regulations. It is issued within the scope of the Communiqué VII-128.8 on Debt Instruments of the Capital Markets Board and the Regulation on Bank Capital of the BRSA.	It is subject to English Law and in terms of certain articles to Turkish Regulations. It is also issued within the scope of the “Regulation on Equities of Banks” and “the Communiqué Regarding the Capital Instruments that will be included in own funds of banks” within the legislation of Capital Markets Board of Türkiye.	It is subject to English Law and in terms of certain articles to Turkish Regulations. It is also issued within the scope of the “Regulation on Equities of Banks” and “the Communiqué Regarding the Capital Instruments that will be included in own funds of banks” within the legislation of Capital Markets Board of Türkiye.	Subject to English Law and in terms of certain articles to Turkish Regulations. It is issued within the scope of the Communiqué VII-128.8 on Debt Instruments of the Capital Markets Board and the Regulation on Bank Capital of the BRSA.
Regulatory treatment				
Subject to 10% deduction as of 1/1/2015	No	No	No	No
Eligible on unconsolidated and /or consolidated basis	Eligible on unconsolidated and consolidated	Eligible on unconsolidated and consolidated	Eligible on unconsolidated and consolidated	Eligible on unconsolidated and consolidated
Instrument type	Subordinated debt instruments (Notes)	Subordinated debt instruments (Notes)	Subordinated debt instruments (Notes)	Subordinated debt instruments (Notes)
Amount recognized in regulatory capital (Currency in TL million, as of most recent reporting date)	10,026 (31 December 2023: 13,069)	253 (31 December 2023: 253)	750 (31 December 2023: 750)	16,710 (31 December 2023: None)
Nominal value of instrument (TL million)	25,065 (31 December 2023: 21,782)	253 (31 December 2023: 253)	750 (31 December 2023: 750)	16,710 (31 December 2023: None)
Accounting classification of the instrument	34701 – Secondary Subordinated Loans	34601– Secondary Subordinated Loans	34601– Secondary Subordinated Loans	34701 – Secondary Subordinated Loans
Issuance date of instrument	23.05.2017	09.10.2019	14.02.2020	28.02.2024
Maturity structure of the instrument (demand/time)	Time	Time	Time	Time
Original maturity of the instrument	24.05.2027	07.10.2029	14.02.2030	28.02.2034
Issuer call subject to prior supervisory (BRSA) approval	No	Yes	Yes	Yes
Optional call date, contingent call dates and redemption amount	-	07.10.2024 - TL 252,880,000	14.02.2025 - TL 750,000,000	28.02.2029 - USD 500,000,000
Subsequent call dates, if applicable	-	-	-	-
Interest/dividend payment				
Fixed or floating coupon/dividend payments	Fixed	Floating	Floating	Fixed
Coupon rate and any related index	7.1770%	TLREF + 130 bps	TLREF + 250 bps	8.375%
Existence of any dividend payment restriction	None	None	None	None
Fully discretionary, partially discretionary or mandatory	-	-	-	-

Existence of step up or other incentive to redeem	None	None	None	None
Noncumulative or cumulative	None	None	None	None
Convertible into equity shares	None	None	None	None
If convertible, conversion trigger (s)	-	-	-	-
If convertible, fully or partially	-	-	-	-
If convertible, conversion rate	-	-	-	-
If convertible, mandatory or optional conversion	-	-	-	-
If convertible, type of instrument convertible into	-	-	-	-
If convertible, issuer of instrument to be converted into	-	-	-	-
Write-down feature	Yes	Yes	Yes	Yes
If bonds can be written-down, write-down trigger(s)	Due to the losses incurred, where the Bank is at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law that: (i) its operating license is to be revoked and the Bank is liquidated or (ii) the rights of all of its shareholders (except to dividends), and the management and supervision of the Bank, are to be transferred to the SDIF on the condition that losses are deducted from the capital of existing shareholders (occurrence of either condition means the issuer has become non-viable), or (iii) it is probable that the Issuer will become non-viable; then the bonds can be written-down.	Due to the losses incurred, where the Bank is at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law that: (i) its operating license is to be revoked or(ii) to be determined the probability of transfer to the SDIF Türkiye, the bonds can be written off.	Due to the losses incurred, where the Bank is at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law that: (i) its operating license is to be revoked or(ii) to be determined the probability of transfer to the SDIF Türkiye, the bonds can be written off.	Due to the losses incurred, where the Bank is at the point at which the BRSA may determine pursuant to Article 71 of the Banking Law that: (i) its operating license is to be revoked and the Bank is liquidated or (ii) the rights of all of its shareholders (except to dividends), and the management and supervision of the Bank, are to be transferred to the SDIF on the condition that losses are deducted from the capital of existing shareholders (occurrence of either condition means the issuer has become non-viable), or (iii) it is probable that the Issuer will become non-viable; then the bonds can be written-down.
If bond can be written-down, full or partial	Partially or fully	Partially or fully	Partially or fully	Partially or fully
If bond can be written-down, permanent or temporary	Continuously	Continuously	Continuously	Continuously
If temporary write-down, description of write-up mechanism	There are no any temporary write-up mechanisms.	There are no any temporary write-up mechanisms.	There are no any temporary write-up mechanisms.	There are no any temporary write-up mechanisms.
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	In priority of receivables, it comes after the senior obligations of the Issuer.	In priority of receivables, it comes after the senior obligations of the Issuer.	In priority of receivables, it comes after the senior obligations of the Issuer.	In priority of receivables, it comes after the senior obligations of the Issuer.
In compliance with article number 7 and 8 of Regulation on Bank Capital	Instrument is in compliant with Article 8 of the Regulation on Bank Capital.	Instrument is in compliant with Article 8 of the Regulation on Bank Capital.	Instrument is in compliant with Article 8 of the Regulation on Bank Capital.	Instrument is in compliant with Article 8 of the Regulation on Bank Capital.
Details of 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.

<i>Current Period</i>	<i>Information about instruments included in total capital calculation</i>				
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	Black Sea Trade and Development Bank
Identifier (CUSIP, ISIN vb.)	LEI:529900S7V25UG37A2Q19 LEI:5299008N49S2T1SWIP98	LEI:529900J0CQ7V927 1DC81	LEI: 5299008N49S2T1SWIP9 8 LEI: 529900S7V25UG37A2Q 19 LEI: 529900IHFF9LIQY6AH 65	LEI: 529900J0CQ7V9271DC81	LEI: 529900J7FSFACAGZ5042
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.	The provisions of the Loan Agreement shall be governed by and construed in accordance with the laws of the England and Wales, without giving effect to any conflicts of law provisions.
Regulatory treatment					
Subject to 10% deduction as of 1/1/2015	No	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	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)	Subordinated debt instruments (Loan Agreement)
Amount recognized in regulatory capital (Currency in TL million, as of most recent reporting date)	111 (31 December 2023: 108)	88 (31 December 2023: 86)	88 (31 December 2023: 86)	155 (31 December 2023: 150)	221
Nominal value of instrument (TL million)	187 (31 December 2023: 160)	149 (31 December 2023: 129)	149 (31 December 2023: 129)	261 (31 December 2023: 225)	373
Accounting classification of the instrument	-	-	-	-	-
Issuance date of instrument	28.12.2022	28.12.2022	23.02.2023	23.02.2023	29.05.2024
Maturity structure of the instrument (demand/time)	Time	Time	Time	Time	Time
Original maturity of the instrument	03.01.2029	03.01.2029	28.02.2029	28.02.2029	29.05.2031
Issuer call subject to prior supervisory (BRSA) approval	None	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	Floating rate
Coupon rate and any related index	EURIBOR 6M + 5%	EURIBOR 6M + 5%	EURIBOR 6M + 5%	EURIBOR 6M + 5%	EURIBOR 6M + 4.95%
Existence of any dividend payment restriction	None	None	None	None	None
Fully discretionary, partially discretionary or mandatory	-	-	-	-	-
Existence of step up or other incentive to redeem	None	None	None	None	None
Noncumulative or cumulative	None	None	None	None	None
Convertible into equity shares	None	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	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	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.	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 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.	Instrument is in compliant with Article 8 of the Regulation on Bank Capital.
Details of non-compliances 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.	Instrument is not in compliant with Article 7 of the Regulation on Bank Capital.

4.1.3 Reconciliation of capital items to balance sheet

<i>Current Period</i>	<i>Carrying value</i>	<i>Amount of correction</i>	<i>Value of the capital report</i>	<i>Explanation of differences</i>
Paid-in Capital	4,200,000	772,554	4,972,554	Inflation adjustments included in Paid-in Capital according to Regulation's Temporary Article 1
Capital Reserves	784,434	(772,554)	11,880	Inflation adjustments included in Paid-in Capital according to Regulation's Temporary Article 1
<i>Other Capital Reserves</i>	<i>772,554</i>	<i>(772,554)</i>	-	Inflation adjustments included in Paid-in Capital according to Regulation's Temporary Article 1
<i>Bonus Shares of Associates, Subsidiaries and Joint-Ventures</i>	-	-	-	
<i>Share Premium</i>	11,880	-	11,880	
Other Comprehensive Income/Expenses in Shareholders' Equity as per TMS	43,434,911	1,375,727	44,810,638	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
<i>Other Comprehensive Income/Expense Items not to be Recycled to Profit/Loss</i>	<i>20,180,259</i>	-	<i>20,180,259</i>	
<i>Other Comprehensive Income/Expense Items to be Recycled to Profit/Loss</i>	<i>23,254,652</i>	<i>1,375,727</i>	<i>24,630,379</i>	Items not included in the calculation as per Regulation's Article 9-1-f
Profit Reserves	187,951,245	-	187,951,245	
Profit or Loss	66,271,669	-	66,271,669	
<i>Prior Periods' Profit/Loss</i>	-	-	-	
<i>Current Period Net Profit/Loss</i>	<i>66,271,669</i>	-	<i>66,271,669</i>	
Minority Interest	1,359,405	(841,258)	518,147	Items are calculated as per Regulation's Article 12
Deductions from Common Equity Tier I Capital (-)	-		3,680,394	Deductions from Common Equity Tier 1 Capital as per the Regulation
Common Equity Tier I Capital	304,001,664		300,855,739	
Subordinated Debts			-	
Deductions from Tier I Capital (-)			-	Deductions from Tier 1 Capital as per the Regulation
Tier I Capital			300,855,739	
Subordinated Debts			28,402,038	
12 Month ECL (Stage 1) and Lifetime ECL Significant Increase in Credit Risk (Stage 2)			22,391,896	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			50,793,934	
Deductions from Total Capital (-)			7,905	Deductions from Capital as per the Regulation
Total			351,641,768	

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

<i>Prior Period</i>	<i>Carrying value</i>	<i>Amount of correction</i>	<i>Value of the capital report</i>	<i>Explanation of differences</i>
Paid-in Capital	4,200,000	772,554	4,972,554	Inflation adjustments included in Paid-in Capital according to Regulation's Temporary Article 1
Capital Reserves	784,434	(772,554)	11,880	Inflation adjustments included in Paid-in Capital according to Regulation's Temporary Article 1
<i>Other Capital Reserves</i>	<i>772,554</i>	<i>(772,554)</i>	-	Inflation adjustments included in Paid-in Capital according to Regulation's Temporary Article 1
<i>Bonus Shares of Associates, Subsidiaries and Joint-Ventures</i>	-	-	-	
<i>Share Premium</i>	<i>11,880</i>	-	<i>11,880</i>	
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
<i>Other Comprehensive Income/Expense Items not to be Recycled to Profit/Loss</i>	<i>15,299,688</i>	-	<i>15,299,688</i>	
<i>Other Comprehensive Income/Expense Items to be Recycled to Profit/Loss</i>	<i>23,453,042</i>	<i>(616,850)</i>	<i>22,836,192</i>	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	
<i>Prior Periods' Profit/Loss</i>	-	-	-	
<i>Current Period Net Profit/Loss</i>	<i>86,374,997</i>	-	<i>86,374,997</i>	
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 I 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 I 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	

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 30 September 2024, the Bank and its financial subsidiaries’ net ‘on balance sheet’ foreign currency short position amounts to TL 3,952,705 (31 December 2023: TL 38,145,793), net ‘off-balance sheet’ foreign currency long position amounts to TL 34,859,420 (31 December 2023: TL 63,780,438), while net foreign currency long position amounts to TL 30,906,715 (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	37.2950	33.4200
<u>Foreign currency rates for the days before balance sheet date:</u>		
Day 1	37.2470	33.3070
Day 2	37.2680	33.3790
Day 3	37.2640	33.3540
Day 4	37.1970	33.3590
Day 5	37.0600	33.2630
Last 30-days arithmetical average rate	36.9418	33.2445

Türkiye Garanti Bankası AŞ and Its Financial Subsidiaries

Consolidated Financial Report as of and
for the Nine-Month Period Ended 30 September 2024
(Thousands of Turkish Lira (TL))

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

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	50,346,512	73,887,962	44,628,619	168,863,093
Banks	188,259,064	25,602,900	15,339,295	229,201,259
Financial Assets Measured at Fair Value through Profit/Loss	427,526	4,964,643	-	5,392,169
Money Market Placements	-	62,858,059	-	62,858,059
Financial Assets Measured at Fair Value through Other Comprehensive Income	30,518,263	24,389,073	876,343	55,783,679
Loans (*)	305,341,442	242,946,257	58,991,241	607,278,940
Investments in Associates, Subsidiaries and Joint-Ventures	24,566	-	171,734	196,300
Financial Assets Measured at Amortised Cost	5,280,930	57,730,548	19,105,888	82,117,366
Derivative Financial Assets Held for Hedging Purpose	148,657	871,559	31,147	1,051,363
Tangible Assets	959,377	813	771,466	1,731,656
Intangible Assets	312,383	-	396,604	708,987
Other Assets (**)	(12,685,518)	(3,404,261)	(370,230)	(16,460,009)
Total Assets	568,933,202	489,847,553	139,942,107	1,198,722,862
Liabilities				
Bank Deposits	3,424,762	1,617,959	194,401	5,237,122
Foreign Currency Deposits	346,699,464	335,468,297	95,282,832	777,450,593
Money Market Funds	32,776,269	67,393,325	809	100,170,403
Other Fundings	34,228,118	24,272,589	972,402	59,473,109
Securities Issued (***)	3,861,949	110,229,432	2,779,856	116,871,237
Miscellaneous Payables	3,382,079	8,065,646	902,926	12,350,651
Derivative Financial Liabilities Held for Hedging Purpose	89,302	41,314	131,376	261,992
Other Liabilities (****)	6,819,125	12,144,208	111,897,127	130,860,460
Total Liabilities	431,281,068	559,232,770	212,161,729	1,202,675,567
Net 'On Balance Sheet' Position	137,652,134	(69,385,217)	(72,219,622)	(3,952,705)
Net 'Off-Balance Sheet' Position	(125,140,505)	72,989,677	87,010,248	34,859,420
Derivative Assets	19,892,275	177,174,354	94,094,953	291,161,582
Derivative Liabilities	145,032,780	104,184,677	7,084,705	256,302,162
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 254,030 (31 December 2023: TL 190,431) included under TL loans in the accompanying consolidated financial statements are presented above under the related foreign currency code.

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

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

(****) Other liabilities include gold deposits of TL 109,336,081 (31 December 2023: TL 71,331,701).

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.

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

<i>Current Period</i>	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing (*)	Total
Assets							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Türkiye	130,555,222	-	-	-	-	234,387,217	364,942,439
Banks	197,391,416	929,017	583,795	89,159	-	39,818,406	238,811,793
Financial Assets Measured at Fair Value through Profit/Loss	451,833	52,325	2,635,316	2,070,184	503,323	1,686,938	7,399,919
Money Market Placements	55,567,351	7,320,046	-	-	-	156,503	63,043,900
Financial Assets Measured at Fair Value through Other Comprehensive Income	18,723,974	6,002,511	23,112,228	26,434,950	18,127,580	36,796,917	129,198,160
Loans	638,836,384	211,159,139	411,906,795	233,952,848	103,908,606	89,188,094	1,688,951,866
Financial Assets Measured at Amortised Cost	26,637,139	8,063,395	44,141,810	109,327,255	36,994,389	48,159,161	273,323,149
Other Assets (**)	91,711	630,325	340,871	205,654	-	110,895,552	112,164,113
Total Assets	1,068,255,030	234,156,758	482,720,815	372,080,050	159,533,898	561,088,788	2,877,835,339
Liabilities							
Bank Deposits	36,569,690	-	-	2,436	-	5,078,046	41,650,172
Other Deposits	760,558,908	307,190,734	145,022,381	14,543,442	1,066,853	788,607,574	2,016,989,892
Money Market Funds	105,190,717	5,894,281	1,485,209	-	-	1,171,523	113,741,730
Miscellaneous Payables	182,038	224,702	-	-	-	117,149,076	117,555,816
Securities Issued (***)	59,897,189	1,940,346	11,381,299	26,224,110	16,710,716	2,124,600	118,278,260
Other Fundings	38,565,191	8,109,950	8,037,987	10,422,914	508,488	217,279	65,861,809
Other Liabilities	73,273	165,693	488,040	1,304,262	182,305	401,544,087	403,757,660
Total Liabilities	1,001,037,006	323,525,706	166,414,916	52,497,164	18,468,362	1,315,892,185	2,877,835,339
On Balance Sheet Long Position	67,218,024	-	316,305,899	319,582,886	141,065,536	-	844,172,345
On Balance Sheet Short Position	-	(89,368,948)	-	-	-	(754,803,397)	(844,172,345)
Off-Balance Sheet Long Position	50,279,732	121,407,483	45,143,659	61,737,534	39,260,186	2,071,155	319,899,749
Off-Balance Sheet Short Position	(36,352,500)	(105,685,342)	(67,374,703)	(69,485,868)	(41,539,579)	(2,071,155)	(322,509,147)
Total Position	81,145,256	(73,646,807)	294,074,855	311,834,552	138,786,143	(754,803,397)	(2,609,398)

(*) 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.

<i>Prior Period</i>	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-Interest Bearing^(*)	Total
Assets							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Türkiye	27,651,076	-	-	-	-	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	474,528,471	145,598,001	382,782,074	126,735,711	67,797,104	62,150,361	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	672,429,412	160,676,859	424,522,019	270,020,572	83,775,640	590,288,593	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	38,004,976	-	171,085,010	227,285,670	68,126,812	-	504,502,468
On Balance Sheet Short Position	-	(39,667,403)	-	-	-	(464,835,065)	(504,502,468)
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	48,583,206	(21,539,999)	174,967,534	194,704,742	66,105,525	(464,835,065)	(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.

4.4.2 Average interest rates on monetary financial instruments (%)

<i>Current Period</i>	EUR	USD	JPY	TL
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Türkiye	2.22	1.72	-	26.40
Banks	3.41-3.50	2.28-3.41	-	45.00-59.15
Financial Assets at Fair Value through Profit/Loss	4.15	6.16-6.67	-	34.00-47.75
Money Market Placements	-	4.85	-	48.22
Financial Assets Measured at Fair Value through Other Comprehensive Income	2.13-6.25	3.00-12.06	-	6.30-97.11
Loans (*)	1.08-27.43	2.42-25.45	-	45.00-89.64
Financial Assets Measured at Amortised Cost	3.86	6.14	-	23.96
Liabilities	-	-	-	-
Bank Deposits	3.20-3.50	-	-	68.84
Other Deposits	0.10-3.90	0.14-5.50	-	6.00-50.75
Money Market Fundings	2.00	3.14	-	40.01-60.00
Miscellaneous Payables	-	-	-	-
Securities Issued	2.76	7.20	-	50.00-66.64
Other Fundings	0.80-10.47	1.66-10.45	-	45.00-57.07

<i>Prior Period</i>	EUR	USD	JPY	TL
Assets				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Türkiye	-	-	-	-
Banks	2.51-11.00	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	3.00-11.88	-	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	-	6.00-33.00
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.

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

<i>Current Period</i>		Comparison		
Equity Securities (shares)		Carrying Value	Fair Value	Market Value
1	Investment in Shares- Grade A	8,720,134	-	361,079
	Quoted Securities	-	-	361,079
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	-	-	-

<i>Prior Period</i>		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

<i>Current Period</i>		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	-	-	-	190,084	-	190,084
3	Other Shares	-	581,422	581,422	-	-	-
	Total	-	581,422	581,422	190,084	-	190,084

<i>Prior Period</i>		Gains/Losses in Current Period	Revaluation Surpluses		Unrealized Gains and Losses		
			Total	Amount in Tier I Capital	Total	Amount in Core Capital	Amount in Tier I Capital
Portfolio							
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

<i>Current Period</i>		Carrying Value	RWA Total	Minimum Capital Requirement
Portfolio				
1	Private Equity Investments	-	-	-
2	Quoted Shares	-	-	-
3	Other Shares	11,899,217	18,285,359	1,462,829
Total		11,899,217	18,285,359	1,462,829

<i>Prior Period</i>		Carrying Value	RWA Total	Minimum Capital Requirement
Portfolio				
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 third 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 4.19% cash, 60.84% deposits in central banks and 34.97% 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 79.68% deposits, 6.90% funds borrowed and money market borrowings, 4.62% securities issued and 8.80% other liabilities.

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

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

<i>Current Period</i>		Total Unweighted Value (Average) (*)		Total Weighted Value (Average) (*)	
		TL+FC	FC	TL+FC	FC
High-Quality Liquid Assets				656,156,389	354,897,626
1	Total high-quality liquid assets (HQLA)	656,837,086	355,056,458	656,156,389	354,897,626
Cash Outflows					
2	Retail deposits and deposits from small business customers, of which:	1,296,870,021	528,888,228	116,680,039	52,322,863
3	Stable deposits	260,139,271	11,319,199	13,006,964	565,960
4	Less stable deposits	1,036,730,750	517,569,029	103,673,075	51,756,903
5	Unsecured wholesale funding, of which:	554,564,526	337,081,101	287,428,668	191,548,875
6	Operational deposits	-	-	-	-
7	Non-operational deposits	440,699,154	255,227,973	207,357,713	113,744,994
8	Unsecured funding	113,865,372	81,853,128	80,070,955	77,803,881
9	Secured wholesale funding	8,945,957	83,828	2,238,322	83,828
10	Other cash outflows of which:	1,732,254,668	206,985,984	142,994,917	52,543,158
11	Outflows related to derivative exposures and other collateral requirements	12,879,353	23,569,787	12,879,353	23,569,787
12	Outflows related to restructured financial Instruments	-	-	-	-
13	Payment commitments and other off-balance sheet commitments granted for debts to financial markets	1,719,375,315	183,416,197	130,115,564	28,973,371
14	Other revocable off-balance sheet commitments and contractual obligations	21,474,032	19,275,818	1,073,702	963,791
15	Other irrevocable or conditionally revocable off-balance sheet obligations	64,538,593	61,574,113	3,226,933	3,078,706
16	Total Cash Outflows	3,678,647,797	1,153,889,072	553,642,581	300,541,221
Cash Inflows					
17	Secured receivables	58,698	-	-	-
18	Unsecured receivables	307,295,598	117,327,774	201,774,071	85,356,597
19	Other cash inflows	11,780,571	34,942,385	11,466,519	34,914,002
20	Total Cash Inflows	319,134,867	152,270,159	213,240,590	120,270,599
				Upper Limit Applied Values	
21	Total HQLA			656,156,389	354,897,626
22	Total Net Cash Outflows			340,401,991	180,270,622
23	Liquidity Coverage Ratio (%)			194.18%	200.02%

(*) 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 July 2024	200.89%	202.18%
31 August 2024	194.36%	207.13%
30 September 2024	187.29%	190.76%

<i>Prior Period</i>		Total Unweighted Value		Total Weighted Value	
		(Average) ^(*)		(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".

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	40,222,102	319,675,097	4,370,778	674,462	-	-	-	364,942,439
Banks	44,806,153	189,671,296	954,308	662,992	2,409,241	236,204	71,599	238,811,793
Financial Assets at Fair Value through Profit/Loss	1,575,214	118,769	241,795	2,711,356	2,216,553	518,747	17,485	7,399,919
Money Market Placements	-	55,604,522	7,439,378	-	-	-	-	63,043,900
Financial Assets Measured at Fair Value through Other Comprehensive Income	2,763,442	1,914,363	3,864,466	19,826,029	66,734,534	34,095,326	-	129,198,160
Loans	10,233,424	421,612,306	259,731,352	488,412,741	354,157,233	75,715,220	79,089,590	1,688,951,866
Financial Assets Measured at Amortised Cost	-	983,132	6,917,018	54,268,887	144,519,332	66,634,780	-	273,323,149
Other Assets ^(*)	40,996,005	7,930,310	2,320,389	2,557,279	4,020,458	3,898,332	50,441,340	112,164,113
Total Assets	140,596,340	997,509,795	285,839,484	569,113,746	574,057,351	181,098,609	129,620,014	2,877,835,339
Liabilities								
Bank Deposits	4,953,290	36,694,446	-	-	2,436	-	-	41,650,172
Other Deposits	802,742,962	723,660,756	324,203,345	151,789,401	13,497,589	1,095,839	-	2,016,989,892
Other Fundings	2,885,528	11,028,670	17,699,300	19,582,554	5,513,826	9,151,931	-	65,861,809
Money Market Funds	-	105,711,932	6,410,523	1,619,275	-	-	-	113,741,730
Securities Issued ^(**)	-	9,570	2,006,066	12,677,739	30,953,232	72,594,129	37,524	118,278,260
Miscellaneous Payables	109,742,809	963,499	479,180	774,875	304,190	317	5,290,946	117,555,816
Other Liabilities ^(***)	38,728,381	13,365,178	7,271,614	3,247,518	6,684,534	2,141,758	332,318,677	403,757,660
Total Liabilities	959,052,970	891,434,051	358,070,028	189,691,362	56,955,807	84,983,974	337,647,147	2,877,835,339
Liquidity Gap	(818,456,630)	106,075,744	(72,230,544)	379,422,384	517,101,544	96,114,635	(208,027,133)	-
Net Off-Balance Sheet Position	-	266,576	(1,719,795)	(388,052)	(2,073,664)	183,915	-	(3,731,020)
Derivative Financial Assets	-	217,086,094	108,771,465	54,646,004	25,293,316	4,742,576	-	410,539,455
Derivative Financial Liabilities	-	216,819,518	110,491,260	55,034,056	27,366,980	4,558,661	-	414,270,475
Non-Cash Loans	746	63,745,766	22,703,759	13,461,580	32,289,092	8,002,948	1,842,470,982	1,982,674,873
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.

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 nine months and longer but less than one year	Residual maturity of one year or more	
Available stable funding						
1	Capital Instruments	383,290,479	-	-	-	383,290,479
2	Tier 1 Capital and Tier 2 Capital	383,290,479	-	-	-	383,290,479
3	Other Capital Instruments	-	-	-	-	-
4	Real-person and Retail Customer Deposits	558,806,485	776,757,306	36,032,584	7,156,761	1,258,423,270
5	Stable Deposits	149,181,922	187,217,123	10,409,335	4,100,581	333,363,513
6	Less Stable Deposits	409,624,563	589,540,183	25,623,249	3,056,180	925,059,758
7	Other Obligations	249,630,586	405,138,132	34,850,492	56,203,344	388,488,611
8	Operational deposits	4,560,799	-	-	-	2,280,399
9	Other Obligations	245,069,787	405,138,132	34,850,492	56,203,344	386,208,211
10	Liabilities equivalent to interconnected assets	-	-	-	-	-
11	Other Liabilities	-	-	-	-	21,917,564
12	Derivative liabilities			1,071,651		
13	All other equity not included in the above categories	304,364,597	17,674,907	2,758,385	22,037,508	21,917,564
14	Available stable funding	-	-	-	-	2,052,119,924
Required stable funding						
15	High Quality Liquid Assets	-	-	-	-	67,536,837
16	Deposits held at financial institutions for operational purposes	50	-	-	-	25
17	Performing Loans	140,058,384	978,518,528	278,961,635	361,683,022	933,135,219
18	Encumbered loans to financial institutions, where the loan is secured against Level 1 assets	25,119,721	63,059,948	46,372	196,932	27,630,364
19	Unencumbered loans to financial institutions or encumbered loans that are not secured against Level 1 assets	28,197,851	16,272,770	13,425,617	5,625,079	19,974,264
20	Loans to corporate customers, real persons and or retail customers, central banks, other than credit agencies and/or financial institutions	86,692,829	888,354,727	254,885,392	279,961,161	825,602,030
21	Loans with a risk weight of less than or equal to %35	-	6,083,582	2,535,570	2,420,978	5,883,212
22	Residential mortgages	-	7,911,141	6,154,968	68,221,780	52,541,844
23	Residential mortgages with a risk weight of less than or equal to %35	-	4,684,090	4,077,904	50,864,264	37,811,783
24	Securities that are not in default and do not qualify as HQLA and exchange-traded equities	47,984	2,919,942	4,449,286	7,678,069	7,386,717
25	Assets equivalent to interconnected liabilities	-	-	-	-	-
26	Other Assets	-	-	-	-	279,230,163
27	Physical traded commodities, including gold	12,712,592	-	-	-	12,712,592
28	Initial margin posted or given guarantee fund to central counterparty	-		671,701		570,946
29	Derivative Assets	-		10,485,745		9,804,663
30	Derivative Liabilities before the deduction of the variation margin	-		1,033,159		1,033,159
31	Other Assets not included above	199,357,658	63,652,070	-	20,302,076	255,108,803
32	Off-balance sheet commitments	-	232,183,808	134,311,612	1,568,183,774	105,477,014
33	Total Required stable funding	-	-	-	-	1,385,379,257
34	Net Stable Funding Ratio (%)	-	-	-	-	148.13

As of 30 September 2024, consolidated NSFR is calculated as 148.13% (31 December 2023: 164.30%). Considering the amounts to which the consideration rate is applied, Capital items corresponds to 18.7% of Available Stable Funding amount (31 December 2023: 18.3%) and Real Person and Retail Customer Deposits corresponds to 61.3% of Available Stable Funding amount. (31 December 2023: 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 67.4% (31 December 2023: 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 third quarter of 2024 is shown in the table below.

Period	Ratio
31 July 2024	147.10%
31 August 2024	149.37%
30 September 2024	148.13%
3 Month Average	148.20%

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 nine 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

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 6.09% (31 December 2023: 6.95%). While the capital increased by 27.47% mainly as a result of increase in net profits, total risk amount increased by 45.59%. Therefore, the current period leverage ratio decreased by 86 basis points compared to prior period.

		Current Period ^(***)	Prior Period ^(***)
1	Total assets in consolidated financial statements prepared in accordance with Turkish Accounting Standards ^(*) ^(**)	2,617,090,174	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” ^(**)	(415,377,079)	(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	(77,551,155)	(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 amounts of such items	177,857,221	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	3,044,399	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	4,776,602,234	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 30 June 2024 for the current period and 30 June 2023 for the prior period, are considered.

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

		<i>Current Period</i> (*)	<i>Prior Period</i> (*)
On-balance sheet assets			
1	On-balance sheet items (excluding derivative financial instruments and credit derivatives but including collateral)	2,766,033,741	2,070,737,606
2	(Assets deducted in determining Tier I capital)	(3,610,461)	(1,839,648)
3	Total on-balance sheet risks (sum of lines 1 and 2)	2,762,423,280	2,068,897,958
Derivative financial instruments and credit derivatives			
4	Replacement cost associated with all derivative financial instruments and credit derivatives	12,544,692	11,511,439
5	Add-on amounts for PFE associated with all derivative financial instruments and credit derivatives	65,006,464	59,883,063
6	Total risks of derivative financial instruments and credit derivatives (sum of lines 4 and 5)	77,551,156	71,394,502
Securities or commodity financing transactions (SCFT)			
7	Risks from SCFT assets (excluding on-balance sheet)	17,425,448	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)	17,425,448	17,018,589
Other off-balance sheet transactions			
10	Gross notional amounts of off-balance sheet transactions	1,922,246,749	1,125,801,829
11	(Adjustments for conversion to credit equivalent amounts)	(3,044,399)	(2,227,563)
12	Total risks of off-balance sheet items (sum of lines 10 and 11)	1,919,202,350	1,123,574,266
Capital and total risks			
13	Tier I capital	290,739,393	228,086,753
14	Total risks (sum of lines 3, 6, 9 and 12)	4,776,602,234	3,280,885,315
Leverage ratio			
15	Leverage ratio	6.09%	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.

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) (*)	1,757,881,429	1,254,666,523	140,630,514
2	Of which standardised approach (SA)	1,757,881,429	1,254,666,523	140,630,514
3	Of which internal rating-based (IRB) approach	-	-	-
4	Counterparty credit risk	33,422,270	19,247,313	2,673,782
5	Of which standardised approach for counterparty credit risk (SA-CCR)	33,422,270	19,247,313	2,673,782
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	47,980	20,008	3,838
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	43,630,388	32,072,812	3,490,431
17	Of which standardised approach (SA)	43,630,388	32,072,812	3,490,431
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)	2,051,751,425	1,437,302,870	164,140,114

(*) 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”.

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	
	TL	FC	TL	FC
Cash in TL/Foreign Currency	6,863,382	20,482,466	4,233,945	29,406,906
Central Bank of Türkiye	189,215,964	135,748,097	162,896,000	128,798,019
Others	-	12,632,530	1,500	5,418,980
Total	196,079,346	168,863,093	167,131,445	163,623,905

Balances with the Central Bank of Türkiye

	Current Period		Prior Period	
	TL	FC	TL	FC
Unrestricted Demand Deposits	109,721,985	243,724	118,744,114	18,836,780
Unrestricted Time Deposits	-	-	27,434,800	-
Restricted Time Deposits	79,493,979	135,504,373	16,717,086	109,961,239
Total	189,215,964	135,748,097	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 2013/15 are included in the table.

As of 30 September 2024, reserve requirement rates for TL denominated liabilities are in between 3% and 33% depending on their original maturity (31 December 2023: between 0% and 30%) and, reserve requirement rates for foreign currency denominated liabilities are in between 5% and 30% depending on their original maturity (31 December 2023: between 5% and 30%).

Also, an additional reserve requirement of 5% is maintained in Turkish Lira for foreign currency denominated deposits (excluding foreign bank deposits and precious metal accounts).

Starting from 20 January 2024, the banks that overshoot the targets namely “Ratio For Renewal and Transition To Turkish Lira” and “Ratio For Transition To Turkish Lira” have been receiving interest gain over reserve requirements maintained for KKM accounts and Turkish Lira deposits accounts.

Within the scope of Regulation on Commission Applied To Reserve Requirement Balances, the banks that undershoot the minimum levels required by CBRT for two separate targets namely “Ratio For Renewal and Transition To Turkish Lira” and “Ratio For Share of TL Deposit” should pay commission to CBRT over their foreign currency denominated reserve requirement balances linked to foreign currency deposits.

5.1.1.2 Banks

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks				
Domestic banks	6,834,535	823,348	2,327,313	629,681
Foreign banks	2,775,999	228,377,911	1,095,036	152,838,110
Foreign head office and branches	-	-	-	-
Total	9,610,534	229,201,259	3,422,349	153,467,791

The placements at foreign banks include blocked accounts amounting TL 63,642,765 (31 December 2023: TL 10,345,342) of which TL 52,410,837 (31 December 2023: TL 182,656) kept at the central banks of Malta, TL 1,215,564 (31 December 2023: TL 1,095,895) kept at Turkish Republic of Northern Cyprus and TL 10,016,364 (31 December 2023: TL 9,066,791) kept at various banks as collateral.

Furthermore, there are restricted deposits at various domestic banks amounting TL 1,915,135 (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

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Domestic Transactions	185,841	-	26,504,601	-
Central Bank of Türkiye	-	-	-	-
Banks	185,841	-	26,504,601	-
Others	-	-	-	-
Foreign Transactions	-	62,858,059	-	12,094,686
Central banks	-	-	-	-
Banks	-	62,858,059	-	12,094,686
Others	-	-	-	-
Total	185,841	62,858,059	26,504,601	12,094,686

5.1.1.4 Expected credit losses for cash and cash equivalents

<i>Current Period</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
Balances at Beginning of Period	1,938,327	-	-	1,938,327
Additions during the Period (+)	2,315,393	1	-	2,315,394
Disposal (-)	(3,608,831)	-	-	(3,608,831)
Transfer to Stage 1	2	(2)	-	-
Transfer to Stage 2	(1)	1	-	-
Transfer to Stage 3	-	-	-	-
Foreign Currency Differences	110,529	-	-	110,529
Balances at End of Period	755,419	-	-	755,419

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

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	10,000	2,153,749	-	1,320,961
Assets Subject to Repurchase Agreements	54,746	-	-	-
Total	64,746	2,153,749	-	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	727,377	4,412,070	1,559,847	3,797,552
Equity Securities	1,085,890	141,163	2,046,832	120,971
Other Financial Assets (*)	194,483	838,936	95,359	969,128
Total	2,007,750	5,392,169	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 30 September 2024, loans with a fair value of TL 54,411 (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	10,127,885	6,119,640	10,158,989	18,341,054
Assets subject to Repurchase Agreements	23,787,103	12,022,869	15,891,877	916,270
Total	33,914,988	18,142,509	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	93,053,791	70,123,752
Quoted at Stock Exchange	93,053,791	70,123,752
Unquoted at Stock Exchange	-	-
Common Shares/Investment Fund	29,021	19,651
Quoted at Stock Exchange	4,491	4,491
Unquoted at Stock Exchange	24,530	15,160
Value Increase/Impairment Losses (-)	36,115,348	31,431,850
Total	129,198,160	101,575,253

Expected losses of TL 208,733 (31 December 2023: TL 358,301) are accounted under shareholders' equity for financial assets measured at fair value through other comprehensive income.

5.1.4 Derivative financial assets

5.1.4.1 Positive differences on derivative financial assets measured at FVTPL

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	1,666,516	73,849	809,247	47,032
Swap Transactions	3,491,785	6,324,758	3,516,859	5,569,576
Futures	-	-	-	-
Options	496,952	17,238	64,478	30,252
Others	-	4,272	-	731
Total	5,655,253	6,420,117	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	-	758,624	-	468,078
Cash Flow Hedges	64,543	320,876	107,653	1,013,794
Net Foreign Investment Hedges	-	-	-	-
Total	64,543	1,079,500	107,653	1,481,872

As of 30 September 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	73,929,857	1,104,055	97,054	61,585,670	1,482,966	58,489
-TL	939,505	61,693	-	918,680	23,797	-
-FC	72,990,352	1,042,362	97,054	60,666,990	1,459,169	58,489
Currency Swaps	11,124,886	-	335,127	-	-	-
-TL	5,890,536	-	335,122	-	-	-
-FC	5,234,350	-	-	-	-	-
Cross Currency Swaps	14,798,321	36,966	369,573	13,774,436	96,968	102,559
-TL	6,556,379	2,850	231,570	4,017,217	83,856	10,165
-FC	8,241,942	34,116	138,003	9,757,219	13,112	92,394
Currency Forwards	3,534,918	3,022	181,760	963,962	9,591	2,741
-TL	2,040,390	-	-	461,079	-	-
-FC	1,494,528	3,022	181,760	502,883	9,591	2,741
Total	103,387,982	1,144,043	983,514	76,324,068	1,589,525	163,789

5.1.4.3 Fair value hedge accounting

<i>Current Period</i>						
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	(15,413)	-	(300)	(15,713)
Interest Rate Swaps	Fixed-rate securities	Interest rate risk	(109,559)	251,656	(96,754)	(30,664)
Interest Rate Swaps	Fixed-rate securities issued	Interest rate risk	(550,876)	493,434	-	(57,442)
Cross Currency Swaps	Fixed-rate securities issued	Interest rate and foreign currency exchange rate risk	-	13,534	(70,192)	-

<i>Prior Period</i>						
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)

5.1.4.4 Cash flow hedge accounting

<i>Current Period</i>							
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	118,718	-	(21,813)	15,129	-
Interest Rate Swaps	Floating-rate deposit	Cash flow risk resulted from change in market interest rates	240,247	-	42,414	49,645	25,504
Cross Currency Swaps	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	-	-	(62,693)	-	-
Cross Currency Swaps	Fixed-rate funds borrowed	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	23,432	(299,381)	(124,789)	117,127	-
Currency Forwards	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	3,022	(181,760)	138,970	(130,313)	-
Interest Rate Options	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	-	-	-	-	-
Currency Swaps	Expected investment /Operational expenses	Cash flow risk resulted from foreign currency exchange rates	-	(312,335)	(635,119)	-	-
Currency Swaps	Mile payments	Cash flow risk resulted from foreign currency exchange rates	-	(22,787)	(71,930)	-	-
Spot Position	Expected investment /Operational expenses	Cash flow risk resulted from foreign currency exchange rates	-	-	(401,149)	-	-
Spot Position	Mile payments	Cash flow risk resulted from foreign currency exchange rates	-	-	-	-	-

In the current period, the amount reclassified from the shareholders' equity to the statement of profit or loss due to the ceased hedging transactions is TL (816,519) and the amount recognized in equity is TL (4,949).

<i>Prior Period</i>							
Hedging Item	Hedged Item	Type of Risk	Fair Value Change of Hedged Item		Gains/Losses Accounted under Shareholders' Equity in the Period	Gains/Losses Accounted under Income Statement in the Period	Ineffective Portion (net) Accounted under Income Statement
			Asset	Liability			
Interest Rate Swaps	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates	43,966	(563)	(20,886)	15,309	-
Interest Rate Swaps	Floating-rate deposit	Cash flow risk resulted from change in market interest rates	926,268	-	460,021	486,012	154,520
Cross Currency Swaps	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	-	(9,603)	224,844	-	-
Cross Currency Swaps	Fixed-rate funds borrowed	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	83,856	(53,640)	(417)	(878)	-
Currency Forwards	Mile payments	Cash flow risk resulted from foreign currency exchange rates	-	-	-	-	-
Currency Forwards	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	9,591	(2,741)	8,197	(8,249)	-
Interest Rate Options	Floating-rate funds borrowed	Cash flow risk resulted from change in market interest rates and foreign currency exchange rates	57,766	-	(85,884)	-	-
Currency Swaps	Expected investment /Operational expenses	Cash flow risk resulted from foreign currency exchange rates	-	-	293,253	-	-
Spot Position	Mile payments	Cash flow risk resulted from foreign currency exchange rates	-	-	104,510	-	-

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).

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	-	4,660,525	-	3,877,104
Corporates	-	4,660,525	-	3,877,104
Individuals			-	-
Indirect Lendings to Shareholders	154,979	48	418,887	50
Loans to Employees	2,234,479	1,523	1,468,534	21
Total	2,389,458	4,662,096	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		
		Non-restructured	Restructured	
Cash Loans (*)				Revised Contract Terms
Loans	1,436,436,999	112,751,967	52,188,790	7,301,737
Working Capital Loans	177,696,678	5,273,974	1,913,722	852,870
Export Loans	159,623,545	4,037,338	37,984	32,290
Import Loans	7,862,756	-	-	-
Loans to Financial Sector	49,758,829	23,497	-	-
Consumer Loans	255,704,432	32,284,398	1,817,013	36,335
Credit Cards	299,923,089	43,748,338	16,611,151	-
Others	485,867,670	27,384,422	31,808,920	6,380,242
Specialization Loans	-	-	-	-
Other Receivables	40,884,569	2,095,489	1,250,150	12,081
Total	1,477,321,568	114,847,456	53,438,940	7,313,818

(*) Non-performing loans are not included.

Prior Period	Performing Loans	Loans under Follow-up		
		Non-restructured	Restructured	
Cash Loans (*)				Revised Contract Terms
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.

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)	449,511,321	480,129,218	472,166,879	34,613,672	8,922,745	21,239,213	9,236,075	1,502,445	939,837,020	537,484,548
Loans under Follow-up (Stage 2)	29,479,698	57,677,934	81,311,700	3,773,155	430,002	2,901,746	25,979	-	111,247,379	64,352,835
Total Stage 1 and 2 Loans	478,991,019	537,807,152	553,478,579	38,386,827	9,352,747	24,140,959	9,262,054	1,502,445	1,051,084,399	601,837,383
Expected Credit losses-Stage 1-2 (-)	5,355,886	23,116,673	8,656,306	618,817	71,998	633,628	24,694	1,692	14,108,884	24,370,810
Total Non-performing Loans	21,096,620	2,723,310	9,077,761	913,597	545,356	1,550,620	122,820	-	30,842,557	5,187,527
Expected Credit losses-Stage 3 (-)	13,471,988	1,787,525	5,326,776	728,781	431,098	949,107	110,465	-	19,340,327	3,465,413

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)	8,003,946	-	5,851,076	-
Significant Increase in Credit Risk (Stage 2)	-	30,475,748	-	27,784,054

As of 30 September 2024, loans amounting to TL 8,516,882 (31 December 2023: TL 8,965,137) are benefited as collateral under funding transactions.

Collaterals received for loans under follow-up

Current Period	Corporate / Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	3,860,597	18,060	-	3,878,657
Loans Collateralized by Mortgages / Shares/ Credit Guarantee Fund Sureties	28,075,065	3,730,929	-	31,805,994
Loans Collateralized by Pledged Assets	7,902,518	968,135	-	8,870,653
Loans Collateralized by Cheques and Notes	546,360	5,123	-	551,483
Loans Collateralized by Other Collaterals	34,782,108	19,431,862	-	54,213,970
Unsecured Loans	5,936,331	9,983,637	60,359,489	76,279,457
Total	81,102,979	34,137,746	60,359,489	175,600,214

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

Delinquency periods of loans under follow-up

<i>Current Period</i>	Corporate / Commercial Loans	Consumer Loans	Credit Cards	Total
31-60 days	1,038,827	4,309,259	5,222,508	10,570,594
61-90 days	688,638	1,420,352	2,080,337	4,189,327
Other	79,375,514	28,408,135	53,056,644	160,840,293
Total	81,102,979	34,137,746	60,359,489	175,600,214

<i>Prior Period</i>	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”.

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

<i>Current Period</i>	Short-Term	Medium and Long-Term	Total
Consumer Loans – TL	84,043,312	106,486,736	190,530,048
Housing Loans	138,450	49,158,347	49,296,797
Automobile Loans	6,360,300	5,689,915	12,050,215
General Purpose Loans	77,544,562	51,638,474	129,183,036
Others	-	-	-
Consumer Loans – FC-indexed	-	103,720	103,720
Housing Loans	-	103,720	103,720
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Others	-	-	-
Consumer Loans – FC	6,632,026	28,783,336	35,415,362
Housing Loans	986,248	17,201,615	18,187,863
Automobile Loans	-	46,186	46,186
General Purpose Loans	3,458,131	11,197,981	14,656,112
Others	2,187,647	337,554	2,525,201
Retail Credit Cards – TL	288,335,189	6,037,444	294,372,633
With Installment	115,825,399	6,037,444	121,862,843
Without Installment	172,509,790	-	172,509,790
Retail Credit Cards – FC	2,731,834	32,915	2,764,749
With Installment	-	-	-
Without Installment	2,731,834	32,915	2,764,749
Personnel Loans – TL	627,150	264,151	891,301
Housing Loan	-	3,669	3,669
Automobile Loans	168	447	615
General Purpose Loans	626,982	260,035	887,017
Others	-	-	-
Personnel Loans - FC-indexed	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
General Purpose Loans	-	-	-
Others	-	-	-
Personnel Loans – FC	20,179	129,925	150,104
Housing Loans	4,602	72,613	77,215
Automobile Loans	-	-	-
General Purpose Loans	11,879	57,010	68,889
Others	3,698	302	4,000
Personnel Credit Cards – TL	1,057,949	4,453	1,062,402
With Installment	365,283	4,453	369,736
Without Installment	692,666	-	692,666
Personnel Credit Cards – FC	41,532	682	42,214
With Installment	-	-	-
Without Installment	41,532	682	42,214
Deposit Accounts– TL (Real Persons)	62,663,185	-	62,663,185
Deposit Accounts– TL (Personnel)	88,458	-	88,458
Deposit Accounts– FC (Real Persons)	-	-	-
Total	446,240,814	141,843,362	588,084,176

<i>Prior Period</i>	Short-Term	Medium and Long-Term	Total
Consumer Loans – TL	57,388,311	96,368,124	153,756,435
Housing Loans	67,341	34,590,153	34,657,494
Automobile Loans	5,789,742	7,683,692	13,473,434
General Purpose Loans	51,531,228	54,094,279	105,625,507
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

5.1.5.5 Installment based commercial loans and corporate credit cards

<i>Current Period</i>	Short-Term	Medium and Long-Term	Total
Installment-based Commercial Loans – TL	23,323,880	69,077,944	92,401,824
Real Estate Loans	27,977	1,009,130	1,037,107
Automobile Loans	3,925,690	31,725,403	35,651,093
General Purpose Loans	19,370,213	36,343,411	55,713,624
Others	-	-	-
Installment-based Commercial Loans - FC-indexed	-	28,501	28,501
Real Estate Loans	-	27,696	27,696
Automobile Loans	-	-	-
General Purpose Loans	-	805	805
Others	-	-	-
Installment-based Commercial Loans – FC	20,459,435	30,662,407	51,121,842
Real Estate Loans	-	-	-
Automobile Loans	42,586	2,995,815	3,038,401
General Purpose Loans	7,613	53,795	61,408
Others	20,409,236	27,612,797	48,022,033
Corporate Credit Cards – TL	60,950,563	845,718	61,796,281
With Installment	17,637,892	845,718	18,483,610
Without Installment	43,312,671	-	43,312,671
Corporate Credit Cards – FC	244,299	-	244,299
With Installment	-	-	-
Without Installment	244,299	-	244,299
Deposit Accounts– TL (Corporates)	15,128,550	-	15,128,550
Deposit Accounts– FC (Corporates)	-	-	-
Total	120,106,727	100,614,570	220,721,297

<i>Prior Period</i>	Short-Term	Medium and Long-Term	Total
Installment-based Commercial Loans – TL	19,887,705	26,766,866	46,654,571
Real Estate Loans	4,998	672,917	677,915
Automobile Loans	5,295,144	16,695,316	21,990,460
General Purpose Loans	14,587,563	9,398,633	23,986,196
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 (*)

	<i>Current Period</i>	<i>Prior Period</i>
Domestic Loans	1,477,355,833	1,093,499,547
Foreign Loans	175,565,949	139,933,569
Total	1,652,921,782	1,233,433,116

(*) Non-performing loans are not included.

5.1.5.8 Loans to associates and subsidiaries

	<i>Current Period</i>	<i>Prior Period</i>
Direct Lending	6,735,259	4,378,087
Indirect Lending	-	-
Total	6,735,259	4,378,087

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

	<i>Current Period</i>	<i>Prior Period</i>
Substandard Loans- Limited Collectability	6,220,672	4,637,432
Doubtful Loans	5,122,551	2,665,835
Uncollectible Loans	11,462,517	10,427,496
Total	22,805,740	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
<i>Current Period</i>			
(Gross amounts before provisions)	3,155,378	1,165,466	5,966,018
Restructured Loans and Receivables	3,155,378	1,165,466	5,966,018
<i>Prior Period</i>			
(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
	Substandard Loans	Doubtful Loans	Uncollectible Loans
<i>Current Period</i>			
Balances at End of Prior Period	8,265,265	4,301,581	13,591,760
Additions during the Period (+)	24,134,809	137,439	1,347,825
Transfer from Other NPL Categories (+)	75,585	15,078,680	7,736,879
Transfer to Other NPL Categories (-)	16,689,920	6,131,393	69,831
Collections during the Period (-)	3,904,632	2,238,837	2,521,339
Write down /Write-offs (-) ^(*) ^(**)	4,772	133,940	1,650,367
Debt Sale (-) ^(***)	573,069	2,278,502	3,221,577
Corporate and Commercial Loans	11,981	104,453	212,829
Retail Loans	303,787	1,062,003	1,764,880
Credit Cards	257,301	1,112,046	1,243,868
Other	-	-	-
Foreign Currency Differences	325,985	76,536	375,919
Balances at End of Period	11,629,251	8,811,564	15,589,269
Provisions (-)	6,220,672	5,122,551	11,462,517
Net Balance on Balance Sheet	5,408,579	3,689,013	4,126,752

	Group III	Group IV	Group V
	Substandard Loans	Doubtful Loans	Uncollectible Loans
<i>Prior Period</i>			
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 30 September 2024, Bank's and consolidated subsidiaries, has also written down "Group V Loan" (Loans Classified as Loss) amounting to TL 15,282,535 (31 December 2023: TL 13,668,003). During the period, the non-performing loan ratio of the Group calculated as 2.13% (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 3.01% (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
<i>Current Period</i>			
Balance at End of Period	2,315,718	700,452	7,894,831
Provisions (-)	1,525,292	412,430	5,852,336
Net Balance at Balance Sheet	790,426	288,022	2,042,495
<i>Prior Period</i>			
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

Gross and net non-performing loans as per customer categories

	Group III Substandard Loans	Group IV Doubtful Loans	Group V Uncollectible Loans
<i>Current Period (Net)</i>	5,408,579	3,689,013	4,126,752
Loans to Individuals and Corporates (Gross)	11,466,458	8,758,526	15,502,911
Provision (-)	6,090,412	5,082,658	11,384,118
Loans to Individuals and Corporates (Net)	5,376,046	3,675,868	4,118,793
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	162,793	53,038	86,358
Provision (-)	130,260	39,893	78,399
Other Loans and Receivables (Net)	32,533	13,145	7,959
<i>Prior Period (Net)</i>	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 Substandard Loans	Group IV Doubtful Loans	Group V Uncollectible Loans
<i>Current Period (Net)</i>	715,814	504,532	355,661
Interest accruals and valuation differences	1,475,396	1,213,726	1,142,226
Provision (-)	759,582	709,194	786,565
<i>Prior Period (Net)</i>	253,125	131,512	209,691
Interest accruals and valuation differences	521,218	332,280	876,147
Provision (-)	268,093	200,768	666,456

Collaterals received for non-performing loans

<i>Current Period</i>	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Loans Collateralized by Cash	107,998	100	-	108,098
Loans Collateralized by Mortgages	6,222,202	263,087	-	6,485,289
Loans Collateralized by Pledged Assets	1,376,855	45,080	-	1,421,935
Loans Collateralized by Cheques and Notes	108,136	1,625	-	109,761
Loans Collateralized by Other Collaterals	4,913,956	6,590,577	-	11,504,533
Unsecured Loans	3,181,392	2,523,001	10,696,075	16,400,468
Total	15,910,539	9,423,470	10,696,075	36,030,084

<i>Prior Period</i>	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

<i>Current Period</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
Balances at End of Prior Period	5,851,076	27,784,054	17,730,763	51,365,893
Additions during the Period (+)	10,421,131	19,862,859	8,931,652	39,215,642
Disposal (-)	(11,787,241)	(11,474,100)	(3,745,756)	(27,007,097)
Debt Sale (-)	-	(215)	(4,601,977)	(4,602,192)
Write-offs (-)	-	-	(1,789,079)	(1,789,079)
Transfer to Stage 1	5,918,374	(5,878,301)	(40,073)	-
Transfer to Stage 2	(2,680,108)	2,823,619	(143,511)	-
Transfer to Stage 3	(46,036)	(5,890,513)	5,936,549	-
Foreign Currency Differences	326,750	3,248,345	527,172	4,102,267
Balances at End of Period	8,003,946	30,475,748	22,805,740	61,285,434

<i>Prior Period</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
Balances at End of Prior Period	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 Stage 1	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

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 (*)*

	<i>Current Period</i>		<i>Prior Period</i>	
	Gross	Net	Gross	Net
Less than 1 Year	19,868,258	16,463,989	16,556,025	13,162,231
Between 1-5 Years	18,781,696	16,818,495	16,482,581	14,692,508
Longer than 5 Years	216,524	211,222	222,545	210,200
Total	38,866,478	33,493,706	33,261,151	28,064,939

(*) Non-performing loans are not included.

5.1.6.2 *Net financial lease receivables (*)*

	<i>Current Period</i>	<i>Prior Period</i>
Gross Financial Lease Receivables	38,866,478	33,261,151
Unearned Income on Financial Lease Receivables (-)	(5,372,772)	(5,196,212)
Terminated Lease Contracts (-)	-	-
Net Financial Lease Receivables	33,493,706	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.

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	30,793,959	14,263,430	68,545,597	18,567,981
Investments subject to Repurchase Agreements	97,314,752	4,200,176	35,973,781	963,355
Total	128,108,711	18,463,606	104,519,378	19,531,336

5.1.8.2 Government securities measured at amortised cost

	Current Period	Prior Period
Government Bonds	234,778,810	188,885,709
Treasury Bills	919,568	365,097
Other Government Securities	9,457,495	9,756,523
Total	245,155,873	199,007,329

5.1.8.3 Financial assets measured at amortised cost

	Current Period	Prior Period
Debt Securities	228,000,743	178,719,091
Quoted at Stock Exchange	226,819,401	178,104,178
Unquoted at Stock Exchange	1,181,342	614,913
Valuation Increase / (Decrease)	45,322,406	37,663,774
Total	273,323,149	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	11,686,336	27,980,704
Purchases during the Period	66,249,117	84,231,627
Disposals through Sales/Redemptions	(28,653,801)	(24,113,110)
Valuation Effect	7,658,632	18,263,788
Balances at End of Period	273,323,149	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 (+)	271,307	1,629	-	272,936
Disposal (-)	(822,991)	(310)	-	(823,301)
Transfer to Stage 1	1,380	(1,380)	-	-
Transfer to Stage 2	(61)	61	-	-
Transfer to Stage 3	-	-	-	-
Foreign Currency Differences	36,328	-	-	36,328
Balances at End of Period	530,665	-	-	530,665

<i>Prior Period</i>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
Balances at End of Prior Period	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

	<i>Current Period</i>	<i>Prior Period</i>
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 (*)	1,113,362	1,540,834
Disposals (Cost)	(187,204)	(185,214)
Disposals (Accumulated Depreciation)	-	69
Reversal of Impairment / Impairment Losses	1,733	830
Depreciation Expense for Current Period (-)	-	-
Currency Translation Differences on Foreign Operations	4,130	4,117
Cost	3,075,295	2,143,274
Accumulated Depreciation (-)	(2,220)	(2,220)
Net Book Value	3,073,075	2,141,054

(*) It includes the reclassification of investment properties with a net book value of TL 63,833 and properties in use with a net book value of TL 304,026.

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	0.95	0.95

	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	187,594	130,502	44,510	5,948	63	39,629	17,072	-
2	4,545,493	4,246,842	1,072,426	582,332	-	917,082	3,224,321	-
3	5,868,938	865,887	174,001	101,465	4,415	19,228	73,638	-
4	177,253,308	9,321,868	431,969	4,277,483	317,428	3,866,276	1,035,347	-
5	133,521,145	15,942,618	4,958,094	652,475	663,074	6,319,881	3,583,577	-
6	2,124,966	655,264	838,606	58,703	789	349,229	102,762	-
7	6,923,835,943	(799,836,149)	1,501,756	243,921,120	42,282,548	(818,182,864)	72,021,888	-
8	5,826,841	2,570,643	48,046	358,963	-	400,134	300,457	-
9	448,714	336,050	21,192	61,410	3,572	93,014	42,625	-
10	184,048	139,457	8,392	5,355	56,479	7,587	(1,136)	-
11	9,084,779	8,977,609	22,263	1,865,827	-	1,807,431	733,151	-

(1) Financial information is as of 30 June 2024.

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

(*) 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.

5.1.11 Investments in subsidiaries (net)

Information on capital adequacy of major subsidiaries

<i>Current Period</i>	Garanti Bank International NV	Garanti Holding BV	Garanti Finansal Kiralama AŞ	Garanti Emeklilik ve Hayat AŞ	Garanti Yatırım Menkul Kıymetler AŞ
COMMON EQUITY TIER I CAPITAL					
Paid-in Capital to be Entitled for Compensation after All Creditors	5,108,056	16,368,366	357,848	517,159	205,423
Share Premium	-	483,864	-	-	-
Share Cancellation Profits	-	-	-	-	-
Legal Reserves	4,617,214	2,366,196	7,333,215	1,432,864	5,245,543
Other Comprehensive Income according to TAS	18,871,711	49,059	-	52,569	-
Current and Prior Periods' Profits	2,732,959	940,517	2,976,899	3,117,844	3,416,106
Minority interest	-	-	-	-	79,803
Common Equity Tier I Capital Before Deductions	31,329,940	20,208,002	10,667,962	5,120,436	8,946,875
Deductions From Common Equity Tier I Capital					
Current and Prior Periods' Losses not Covered by Reserves, and Losses Accounted under Equity according to TAS (-)	88,552	2,356,097	9,964	28,720	12,288
Leasehold Improvements on Operational Leases (-)	-	1,814	-	15	767
Goodwill and Other Intangible Assets and Related Deferred Taxes (-)	312,383	2,267,663	-	151,660	83,856
Net Deferred Tax Asset/Liability (-)	-	-	-	-	-
Total Deductions from Common Equity Tier I Capital	400,935	4,625,574	9,964	180,395	96,911
Total Common Equity Tier I Capital	30,929,005	15,582,428	10,657,998	4,940,041	8,849,964
Total Deductions From Tier I Capital	-	-	-	-	-
Total Tier I Capital	30,929,005	15,582,428	10,657,998	4,940,041	8,849,964
TIER II CAPITAL	-	1,030,505	-	-	-
TOTAL CAPITAL	30,929,005	16,612,933	10,657,998	4,940,041	8,849,964

<i>Prior Period</i>	Garanti Bank International NV	Garanti Holding BV	Garanti Finansal Kiralama AŞ	Garanti Emeklilik ve Hayat AŞ	Garanti Yatırım Menkul Kıymetler AŞ
COMMON EQUITY TIER I CAPITAL					
Paid-in Capital to be Entitled for Compensation after All Creditors	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.

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

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

(**) In accordance with the Capital Markets Board's principle decision, the trade name of Garanti BBVA Dijital Varlıklar A.Ş. was changed to Garanti BBVA Kripto Varlık Alım Satım Platformu A.Ş. on 14 October 2024.

The financial information presented in the below table is as of 30 September 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	16,470	1,187	1,987	-	-	848	73	-	-
2	2,967	1,548	-	410	-	-	(525)	-	-
3	44,397	36,483	44,382	-	-	(7)	-	-	-
4	336,806	171,704	255,851	1,478	-	11,166	12,634	-	-
5	23,399,819	7,221,029	21,339,085	78,346	-	1,854,471	1,249,353	-	-
6	43,604	38,882	-	9,722	-	19,748	6,949	-	-
7	1,313,552	1,313,552	-	18,954	-	18,194	(822)	-	-
8	1,141,464	1,120,291	387,364	92,721	-	(101,335)	(4,705)	-	-

(*) 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".

5.1.11.2 Movement of consolidated investments in subsidiaries

	<i>Current Period</i>	<i>Prior Period</i>
Balances at Beginning of Period	56,344,559	28,945,277
Movements During the Period	19,576,809	27,399,282
Acquisitions (*)	400,000	72,500
Bonus Shares Received	260,263	508,558
Dividends from Current Year Profit	14,603,075	14,047,470
Sales/Liquidations	-	-
Reclassifications (**)	107,300	-
Value Increase/Decrease (***)	(2,085,243)	(860,113)
Currency Differences on Foreign Subsidiaries	6,291,414	13,630,867
Reversal of Impairment Losses / Impairment Losses (-)	-	-
Balances at End of Period	75,921,368	56,344,559
Capital Commitments	-	-
Share Percentage at the End of Period (%)	-	-

(*) Capital of Garanti Ödeme ve Elektronik Para Hizmetleri A.Ş. amounting to TL 255,000 has been increased to TL 655,000 through paid-in capital increase with the Board of Directors Decision No. 2024/4 dated 16 May 2024. The Parent Bank has participated the total of paid-in capital increase in exchange for 400,000,000 shares with a nominal value of TL 1 (full amount) amounting to TL 400,000 corresponding to its share in the capital. As a result of paid-in capital increase, the Parent Bank's share capital in Garanti Ödeme ve Elektronik Para Hizmetleri A.Ş. has increased to 80.53%

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 Parent 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

	<i>Current Period</i>	<i>Prior Period</i>
Valued at Cost	-	-
Valued at Fair Value (*)	75,921,368	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

	<i>Current Period</i>	<i>Prior Period</i>
Banks	31,265,599	24,281,298
Insurance Companies	4,326,379	3,027,560
Factoring Companies	2,303,146	1,419,212
Leasing Companies	10,811,976	8,267,623
Finance Companies	-	-
Other Subsidiaries	27,214,268	19,348,866

Quoted consolidated investments in subsidiaries

	<i>Current Period</i>	<i>Prior Period</i>
Quoted at Domestic Stock Exchanges	2,313,808	1,426,928
Quoted at International Stock Exchanges	-	-

Türkiye Garanti Bankası AŞ and Its Financial Subsidiaries

Consolidated Financial Report as of and
for the Nine-Month Period Ended 30 September 2024
(Thousands of Turkish Lira (TL))

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

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	80.53	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 30 September 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	35,108,226	10,903,089	69,232	4,257,960	-	2,976,897	2,035,603	-
2	11,047,774	2,814,112	67,941	4,190,722	-	1,080,030	795,010	-
3	10,007,966	8,872,061	163,804	3,463,631	4,725	3,425,266	2,342,340	-
4	1,445,425	1,243,007	34,942	308,512	-	710,022	274,879	-
5	16,310,554	5,095,075	157,588	1,888,567	-	3,117,844	1,380,248	-
6	279,713,497	31,265,592	1,271,760	12,228,961	408,788	2,732,947	1,884,558	-
7	14,671,592	14,669,280	-	-	-	(2,461)	(2,108)	-
8	12,050,546	12,044,003	-	-	-	(4,340)	(3,977)	-
9	124,461,936	15,844,376	3,022,327	4,603,892	846,674	918,374	795,593	-
10	7,436,131	1,718,039	62,421	486,826	-	111,332	85,844	-
11	477,415	293,278	40,844	32,467	-	(67,453)	(148,037)	-
12	81,905	79,835	662	4,894	2,748	12,631	14,450	-
13	867,245	644,492	21,231	143,772	-	310,283	80,752	-
14	625,926	594,314	200,855	75,044	-	(21,137)	(346)	-

(*) 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.

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

	<i>Current Period</i>	<i>Prior Period</i>
Net Book Value at Beginning of Period	1,590,712	926,800
Additions	11,584	13,659
Disposals	-	-
Transfers	(379,857)	-
Fair Value Change	947,747	650,253
Net Currency Translation Differences on Foreign Subsidiaries	-	-
Net Book Value at End of Period	2,170,186	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 30 September 2024, on a consolidated basis the Bank has a deferred tax asset of TL 22,177,277 (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 30 September 2024, deferred tax assets of TL 28,703,098 (31 December 2023: TL 24,703,193) 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 6,525,821 (31 December 2023: TL 4,412,130).

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.

	<i>Current Period</i>		<i>Prior Period</i>	
	Tax Base	Deferred Tax Amount	Tax Base	Deferred Tax Amount
Provisions (*)	8,101,013	2,405,509	6,466,112	1,923,431
Stages 1&2 Credit Losses	44,404,382	13,264,612	41,616,742	12,408,790
Differences between the Carrying Values and Taxable Values of Financial Assets (**)(****)	532,037	208,812	1,120,809	720,548
Revaluation Differences on Real Estates (**)(****)	10,078,374	3,198,749	8,938,177	2,759,560
Differences Between Book Value and Tax Value of Fixed Assets (**)(****)	7,220,222	2,165,912	5,712,002	1,713,424
Other	3,162,537	933,683	2,596,186	765,310
Deferred Tax Asset	73,498,565	22,177,277	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 arising from differences between inflation-adjusted tax value and book value is included.

5.1.17 Other assets

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Derivative Assets (Derivative Guarantees)	873,405	1,743,699	549,320	2,594,019
Receivables From Clearing Transactions	37,666,185	465,128	20,098,805	42,326
Prepaid Expenses (*)	39,517,225	171,557	22,940,501	257,354
Cash Guarantees Given	575,525	278,088	1,005,772	433,760
Receivables From Forward Sale of Assets	-	-	1,137	-
Other (**)	8,592,485	3,297,893	26,041,760	3,053,818
Total	87,224,825	5,956,365	70,637,295	6,381,277

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

(**) As of 30 September 2024, the foreign exchange valuation differences amounting to TL 1,291,893 (31 December 2023: TL 22,616,675) calculated as of the balance sheet date related to the foreign exchange protected deposit accounts opened within the scope of the "Communiqué on Supporting the Conversion of Turkish Lira Deposit and Participation Accounts" published by the CBRT in the Official Gazette dated 21 December 2021 numbered 31696 and by the Republic of Türkiye Ministry of Treasury and Finance dated 24 December 2021 are included in other assets.

5.2 Consolidated liabilities

5.2.1 Maturity profile of deposits

<i>Current Period</i>	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	Total
Saving Deposits	107,640,383	-	15,737,644	289,372,771	219,334,810	67,104,035	68,497,840	927	767,688,410
Foreign Currency Deposits	500,995,984	-	65,689,827	100,421,530	26,900,378	44,020,662	38,599,268	42,651	776,670,300
Residents in Türkiye	393,699,696	-	26,122,659	54,542,910	7,101,717	4,744,126	1,837,306	37,824	488,086,238
Residents in Abroad	107,296,288	-	39,567,168	45,878,620	19,798,661	39,276,536	36,761,962	4,827	288,584,062
Public Sector Deposits	17,401,928	-	60,154	152,979	-	11	186,908	-	17,801,980
Commercial Deposits	66,831,234	-	81,729,629	70,504,703	45,269,649	32,697,524	19,401,204	-	316,433,943
Others	1,833,052	-	1,757,745	5,703,792	3,793,622	1,845,939	14,125,744	-	29,059,894
Precious Metal Deposits	108,040,381	-	-	288,711	272,062	36,885	697,326	-	109,335,365
Bank Deposits(*)	4,953,290	-	36,694,446	-	-	-	2,436	-	41,650,172
Central Bank of Türkiye	2,809,479	-	-	-	-	-	-	-	2,809,479
Domestic Banks	38,932	-	35,433,259	-	-	-	-	-	35,472,191
Foreign Banks	2,081,749	-	1,261,187	-	-	-	2,436	-	3,345,372
Special Financial Institutions	23,130	-	-	-	-	-	-	-	23,130
Others	-	-	-	-	-	-	-	-	-
Total(**)	807,696,252	-	201,669,44	466,444,486	295,570,521	145,705,056	141,510,726	43,578	2,058,640,064

<i>Prior Period</i>	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Accumulating Deposit Accounts	Total
Saving Deposits	78,986,567	-	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	-	134,342,90	253,731,916	240,464,719	149,645,650	163,995,693	47,347	1,604,930,709

(*) Includes Interbank precious metal accounts.

(**) As of 30 September 2024, the Parent Bank has a total of TL 216,527,994 (31 December 2023: TL 366,592,635) foreign exchange-protected deposit instrument of which TL 215,888,106 (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 639,888 (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 1,291,893 (31 December 2023: TL 22,616,675) regarding the foreign exchange-protected deposit instrument calculated as of the balance sheet date are included in deposits.

5.2.1.1 Saving deposits insured by Saving Deposit Insurance Fund

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

Saving Deposits	Covered by Deposit Insurance Over Deposit Insurance Limit(*)		Over Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	242,387,996	155,001,752	521,373,585	435,827,047
Foreign Currency Saving Deposits	228,080,059	182,587,685	224,336,730	223,123,161
Other Saving Deposits	59,604,344	37,991,025	45,175,419	30,724,467
Foreign Branches' Deposits Under Foreign Insurance Coverage	3,202,582	2,497,951	3,573,568	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	38,040,148	30,584,777	296,434,041	227,879,654
Foreign Currency Commercial Deposits	19,547,655	13,676,099	293,067,632	225,350,271
Other Commercial Deposits	269,546	148,418	4,328,630	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	2,941,598	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	638,778	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	13,456,193	10,337,239
Deposits and Other Accounts held by Main Shareholder with Qualified Shareholders and Corporates Under Their Control	9,675,878	6,752,112
Official Institutions Deposits and Other Accounts	33,612,602	6,746,816
Credit and Financial Institutions Deposits	128,210,871	68,492,441

5.2.2 Funds borrowed

Information on funds borrowed is as follows;

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Central Bank of Türkiye	-	-	-	-
Domestic Banks and Institutions	3,473,199	5,330,641	6,059,032	5,483,158
Foreign Banks, Institutions and Funds	2,915,501	53,028,205	-	48,897,369
Total	6,388,700	58,358,846	6,059,032	54,380,527

5.2.2.1 Maturities of funds borrowed

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Short-Term	3,999,615	8,590,507	1,953,699	6,351,248
Medium and Long-Term	2,389,085	49,768,339	4,105,333	48,029,279
Total	6,388,700	58,358,846	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;

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Domestic Transactions	922,176	97,639,711	159,631	43,343,975
Financial Institutions and Organizations	769,098	96,603,027	1,193	42,469,072
Other Institutions and Organizations	76,767	1,036,684	82,108	874,903
Individuals	76,311	-	76,330	-
Foreign Transactions	10,841,913	2,529,883	347	8,917,597
Financial Institutions and Organizations	10,840,761	2,529,883	-	8,917,597
Other Institutions and Organizations	-	-	-	-
Individuals	1,152	-	347	-
Total	11,764,089	100,169,594	159,978	52,261,572

5.2.4 Securities issued

<i>Current Period</i>	TL		FC	
	Short-Term	Medium and Long-Term	Short-Term	Medium and Long-Term
Nominal	324,533	-	10,846,579	6,919,593
Cost	278,916	-	10,846,579	6,912,604
Carrying Value	320,167	-	10,902,665	7,159,246

<i>Prior Period</i>	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

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

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Securities Issued	-	55,776,936	-	49,046,956
Total	-	55,776,936	-	49,046,956

In accordance with TFRS 9, the Parent Bank classified a part of borrowings obtained through DPR amounting to USD 1,592,187,500 (31 December 2023: USD 1,647,500,000) as financial liability at fair value through profit/loss at the initial recognition in order to eliminate the accounting mismatch.

As of 30 December 2024, the accumulated fair value change of the related financial liability amounted to TL (1,027,518) (31 December 2023: TL 409,726) and the corresponding gain/loss recognised in the statement of profit/loss amounted to TL (1,437,244) (31 December 2023: TL (1,509,783)). The carrying value of the related financial liability amounted to TL 55,776,936 (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;

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Forward Transaction	567,480	16,396	220,677	93,003
Swap Transactions	8,259,671	3,540,705	6,376,729	4,459,682
Futures	-	1,486	47	808
Options	542,356	23,757	189,916	63,537
Others	-	5,899	-	1,037
Total	9,369,507	3,588,243	6,787,369	4,618,067

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	-	167,246	-	97,242
Cash Flow Hedges	566,692	249,571	10,165	56,382
Net Foreign Investment Hedges	-	-	-	-
Total	566,692	416,817	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	1,327,437	919,132	880,898	647,153
Between 1-5 Years	2,235,963	1,573,604	1,751,362	1,307,258
Longer than 5 Years	511,712	327,870	460,344	318,615
Total	4,075,112	2,820,606	3,092,604	2,273,026

As of 30 September 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 31.7%, 2.9% and 3.3% (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	635,564	854,178
Actuarial Gain/Loss	-	841,304
Payments During the Period	(147,620)	(1,390,340)
Balances at End of Period	2,837,406	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”.

5.2.9.4 Other provisions

	<i>Current Period</i>	<i>Prior Period</i>
Reserve for Employee Benefits	6,151,796	4,904,708
Insurance Technical Provisions, Net	6,723,400	4,181,769
Provision for Promotion Expenses of Credit Cards	1,471,725	948,044
Provision for Lawsuits	723,117	766,800
Provision for Non-Cash Loans	9,271,192	10,284,265
Other Provisions	425,388	493,379
Total	24,766,618	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:

	<i>Current Period</i>	<i>Prior Period</i>
Balance at Beginning of Period	-	-
Actual contributions paid during the period	(1,202,928)	(766,105)
Total expense recognized in the income statement	191,836	768,544
Amount recognized in the shareholders’ equity	1,011,092	(2,439)
Balance at End of Period	-	-

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

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

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

The sensitivity analysis of defined benefit obligation of excess liabilities and retirement indemnities 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 30 September 2024, the corporate tax liability amounts to TL 1,994,675 (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 30 September 2024, TL 20,197,426 (31 December 2023: TL 27,672,110) of total current period tax expense amounting to TL 22,695,585 (30 December 2023: TL 29,961,124) has been classified in the statement of profit or loss and TL (2,498,159) (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	1,994,675	8,205,343
Taxation on Securities Income	2,299,364	517,070
Taxation on Real Estates Income	17,028	11,295
Banking Insurance Transaction Tax	3,604,946	2,033,779
Foreign Exchange Transaction Tax	59,240	44,982
Value Added Tax Payable	298,430	259,607
Others	709,367	518,863
Total	8,983,050	11,590,939

5.2.10.1.3 Premiums payable

	<i>Current Period</i>	<i>Prior Period</i>
Social Security Premiums-Employees	45,969	41,425
Social Security Premiums-Employer	26,556	35,939
Bank Pension Fund Premium-Employees	500	256
Bank Pension Fund Premium-Employer	647	285
Pension Fund Membership Fees and Provisions-Employees	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employees	16,182	9,050
Unemployment Insurance-Employer	37,536	22,462
Others	514	225
Total	127,904	109,642

5.2.10.2 Deferred tax liability

As of 30 September 2024, the deferred tax liability amounts to TL 175,998 (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

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Payables From Credit Card Transactions	96,798,007	1,295,564	64,698,502	559,805
Payables From Clearing Transactions	37,990,873	172,730	13,021,047	213,123
Other	14,938,855	15,300,348	9,992,195	15,161,602
Total	149,727,735	16,768,642	87,711,744	15,934,530

5.2.14 Shareholders’ equity

5.2.14.1 Paid-in capital

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

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;

	<i>Current Period</i>		<i>Prior Period</i>	
	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	1,591,617	562,147	4,777,545	(127,290)
Valuation Difference	588,154	562,147	3,961,166	(127,290)
Exchange Rate Difference	1,003,463	-	816,379	-
Total	1,591,617	562,147	4,777,545	(127,290)

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

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Movables	1,318,687	489,240	1,006,263	316,402
Real Estates	20,802,849	272,200	15,737,345	234,631
Defined Benefit Plans' Actuarial Gains/Losses	(2,702,717)	-	(1,994,953)	-
Other	-	-	-	-
Total	19,418,819	761,440	14,748,655	551,033

5.2.14.10 Bonus shares of associates, subsidiaries and joint-ventures

	<i>Current Period</i>	<i>Prior Period</i>
İhracatı Geliştirme A.Ş.	481	536
Bankalararası Kart Merkezi A.Ş.	5,782	5,782
JCR Avrasya Derecelendirme A.Ş.	2,827	1,399
Yeni Gimat Gayrimenkul Yatırım Ortaklığı A.Ş.	860	860
Kredi Kayıt Bürosu AŞ	36,704	481
Kömür İşletmeleri A.Ş.	295	295
Dati Yatırım Holding A.Ş.	148	7
Doğuş Gayrimenkul Yatırım Ortaklığı AŞ	22	22
Yatırım Finansman Menkul Değerler AŞ	9	9
Total	47,128	9,391

5.2.14.11 Legal reserves

	<i>Current Period</i>	<i>Prior Period</i>
I. Legal Reserve	1,878,008	1,742,742
II. Legal Reserve	3,395,300	1,667,568
Special Reserves	83,884	72,311
Total	5,357,192	3,482,621

5.2.14.12 Extraordinary and other profit reserves

	<i>Current Period</i>	<i>Prior Period</i>
Legal Reserves allocated in compliance with the Decisions Made on the Annual General Assembly	182,594,053	111,106,409

5.2.14.13 Minority interest

	<i>Current Period</i>	<i>Prior Period</i>
Balance at Beginning of Period	920,327	484,735
Profit Share of Subsidiaries Net Profits	678,694	532,219
Prior Period Dividend Payment	(241,387)	(98,064)
Increase/(Decrease) in Minority Interest due to Sales	-	-
Others	1,771	1,437
Balance at End of Period	1,359,405	920,327

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 49,824,403 (31 December 2023: TL 34,304,422), commitments for cheque payments of TL 13,837,378 (31 December 2023: TL 9,642,506) and commitments for credit card limits of TL 1,068,857,952 (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	169,537,736	136,086,694
Letters of Guarantee in TL	300,681,981	207,649,439
Letters of Credit	61,482,786	53,548,755
Bills of Exchange and Acceptances	9,558,704	7,962,125
Endorsements	17,496,850	12,043,653
Other Guarantees	3,190,528	2,619,600
Total	561,948,585	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 (+)	3,081,693	3,093,930	283,673	6,459,296
Disposal (-)	(3,548,936)	(3,361,879)	(1,341,565)	(8,252,380)
Sales	-	-	-	-
Write-off	-	-	-	-
Transfer to Stage 1	1,590,417	(1,583,074)	(7,343)	-
Transfer to Stage 2	(357,805)	452,884	(95,079)	-
Transfer to Stage 3	(702)	(49,949)	50,651	-
Foreign Currency Differences	72,525	365,080	342,406	780,011
Balances at End of Period	2,858,110	3,728,354	2,684,728	9,271,192

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 4,480,005 (31 December 2023: TL 5,079,641) is made for unliquidated non-cash loans of TL 2,684,728 (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”.

5.3.1.3 Non-cash loans

	<i>Current Period</i>	<i>Prior Period</i>
Non-Cash Loans against Cash Risks	118,975,336	88,460,211
<i>With Original Maturity of 1 Year or Less</i>	<i>14,021,199</i>	<i>10,550,318</i>
<i>With Original Maturity of More Than 1 Year</i>	<i>104,954,137</i>	<i>77,909,893</i>
Other Non-Cash Loans	442,973,249	331,450,055
Total	561,948,585	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”.

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 (*)

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Interest Income from Loans				
Short-term loans	171,243,072	14,470,907	47,216,343	8,383,073
Medium and long-term loans	70,581,959	18,467,375	30,852,022	13,889,452
Loans under follow-up	2,163,301	80,112	879,609	62,606
Interest Received from Resource Utilization Support Fund	-	-	-	-
Total	243,988,332	33,018,394	78,947,974	22,335,131

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

5.4.1.2 Interest income from banks

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Central Bank of Türkiye	1,711,149	39,980	385,181	45,751
Domestic Banks	2,028,297	1,842	394,569	145
Foreign Banks	23,031	3,780,293	5,819	2,474,520
Foreign Head Offices and Branches	-	-	-	-
Total	3,762,477	3,822,115	785,569	2,520,416

5.4.1.3 Interest income from securities portfolio

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Financial Assets Measured at Fair Value through Profit or Loss	613,538	140,508	263,290	66,768
Financial Assets Measured at Fair Value through Other Comprehensive Income	18,102,638	1,654,946	12,129,186	1,019,514
Financial Assets Measured at Amortised Cost	34,544,910	3,595,764	16,516,420	2,906,201
Total	53,261,086	5,391,218	28,908,896	3,992,483

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 30 September 2024, the valuation of such securities has been calculated according to the annual inflation forecast of 45%. In case the CPI forecast increases or decreases by 1%, profit before taxes as of 30 September 2024 will increase or decrease by approximately TL 566,636.

5.4.1.4 Interest income received from associates and subsidiaries

	<i>Current Period</i>	<i>Prior Period</i>
Interest Received from Investments in Associates and Subsidiaries	2,488,517	539,696

5.4.2 Interest expenses

5.4.2.1 Interest expenses on funds borrowed (*)

	<i>Current Period</i>		<i>Prior Period</i>	
	TL	FC	TL	FC
Banks	1,579,332	2,359,986	886,630	876,639
Central Bank of Türkiye	-	-	-	-
Domestic Banks	1,084,931	366,506	834,974	100,365
Foreign Banks	494,401	1,993,480	51,656	776,274
Foreign Head Offices and Branches	-	-	-	-
Other Institutions	-	3,832,753	-	2,808,717
Total	1,579,332	6,192,739	886,630	3,685,356

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

5.4.2.2 Interest expenses paid to associates and subsidiaries

	<i>Current Period</i>	<i>Prior Period</i>
Interest Paid to Investments in Associates and Subsidiaries	78,641	36,181

5.4.2.3 Interest expenses on securities issued

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

5.4.2.4 Maturity structure of interest expense on deposits

Current Period	Demand Deposits	Time Deposits					Accumulating Deposit Accounts	Total
		Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year		
Turkish Lira								
Bank Deposits	2,197	2,304,921	-	662	-	-	-	2,307,780
Saving Deposits	10,407	2,463,837	68,388,934	51,246,425	43,065,653	17,161,328	-	182,336,584
Public Sector Deposits	-	5,281	20,486	15,805	1	51,908	-	93,481
Commercial Deposits	3,128	22,847,549	15,477,869	9,769,328	10,937,645	5,730,589	-	64,766,108
Others	-	329,661	1,298,696	496,970	550,208	2,846,493	-	5,522,028
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Total TL	15,732	27,951,249	85,185,985	61,529,190	54,553,507	25,790,318	-	255,025,981
Foreign Currency								
Foreign Currency Deposits	1,030,423	2,761,868	1,129,904	801,985	485,493	146,110	136	6,355,919
Bank Deposits	5,353	16,769	14	185	1,201	14	-	23,536
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	87	-	87
Total FC	1,035,776	2,778,637	1,129,918	802,170	486,694	146,211	136	6,379,542
Grand Total	1,051,508	30,729,886	86,315,903	62,331,360	55,040,201	25,936,529	136	261,405,523

Prior Period	Demand Deposits	Time Deposits					Accumulating Deposit Accounts	Total
		Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	Over 1 Year		
Turkish Lira								
Bank Deposits	1,484	109,783	-	-	-	-	-	111,267
Saving Deposits	4,272	534,024	32,022,964	11,419,316	691,677	4,125,838	-	48,798,091
Public Sector Deposits	-	1,418	7,306	11,396	-	-	-	20,120
Commercial Deposits	331	6,150,579	10,417,464	2,760,975	484,097	904,293	-	20,717,739
Others	-	71,050	1,180,859	359,575	82,755	63,833	-	1,758,072
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Total TL	6,087	6,866,854	43,628,593	14,551,262	1,258,529	5,093,964	-	71,405,289
Foreign Currency								
Foreign Currency Deposits	360,445	1,617,550	869,126	477,678	238,305	109,627	138	3,672,869
Bank Deposits	4,088	14,721	8,101	890	-	136	-	27,936
“7 Days Notice” Deposits	-	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	8,028	-	8,028
Total FC	364,533	1,632,271	877,227	478,568	238,305	117,791	138	3,708,833
Grand Total	370,620	8,499,125	44,505,820	15,029,830	1,496,834	5,211,755	138	75,114,122

5.4.2.5 Interest expense on money market transactions

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

5.4.2.6 Lease expenses

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

5.4.2.7 Interest expenses on factoring payables

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

5.4.3 Dividend income

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

5.4.4 Trading income/losses (net)

	<i>Current Period</i>	<i>Prior Period</i>
Income	448,850,699	330,661,297
Trading Account Income	2,800,449	4,611,309
Derivative Financial Instruments	37,035,449	31,572,755
Foreign Exchange Gain	409,014,801	294,477,233
Losses (-)	443,348,790	304,438,060
Trading Account Losses	2,995,579	1,837,266
Derivative Financial Instruments	56,114,359	45,828,254
Foreign Exchange Losses	384,238,852	256,772,540
Total	5,501,909	26,223,237

TL 5,010,486 (30 September 2023: TL 5,070,295) of foreign exchange gains and TL 3,632,308 (30 September 2023: TL 2,381,989 TL) 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.

	<i>Current Period</i>	<i>Prior Period</i>
Prior Year Reversals	26,261,428	21,476,217
Stage 1	9,355,585	8,458,769
Stage 2	9,636,571	3,997,198
Stage 3	6,556,194	3,579,296
Others ^(*)	713,078	5,440,954
Income from term sale of assets	1,103,144	535,662
Others ^(**)	9,157,175	5,545,171
Total	36,521,747	27,557,050

^(*) Includes income arising from reversal of free provision amounting to TL 5,000,000 in the prior period.

^(**) Premium income from insurance business amounting to TL 6,523,578 (30 September 2023: TL 3,576,277) which is included in other operating income in the accompanying financial statements is presented in “others” line item.

5.4.6 Expected credit losses and other provisions

	<i>Current Period</i>	<i>Prior Period</i>
Expected Credit Losses	40,001,044	29,736,893
<i>12-Month ECL (Stage 1)</i>	8,614,870	6,713,170
<i>Significant Increase in Credit Risk (Stage 2)</i>	14,629,809	17,530,039
<i>Impaired Credits (Stage 3)</i>	16,756,365	5,493,684
Other Provisions	188,349	245,430
Impairment Losses on Securities	-	-
<i>Financial Assets Measured at Fair Value through Profit or Loss</i>	-	-
<i>Financial Assets Measured at Fair Value through Other Comprehensive Income</i>	-	-
Impairment Losses on Associates, Subsidiaries and Joint-ventures	10,367	-
<i>Associates</i>	10,367	-
<i>Subsidiaries</i>	-	-
<i>Joint-ventures (business partnership)</i>	-	-
Others	177,982	245,430
Total	40,189,393	29,982,323

5.4.7 Other operating expenses

	<i>Current Period</i>	<i>Prior Period</i>
Reserve for Employee Termination Benefits	635,564	529,770
Defined Benefit Plan Obligations	-	-
Impairment Losses on Tangible Assets	809	-
Depreciation Expenses of Tangible Assets	1,315,013	774,976
Impairment Losses on Intangible Assets	-	-
Impairment Losses on Goodwill	-	-
Amortisation Expenses of Intangible Assets	572,754	297,978
Decrease in Value of Equity Accounting Shares	-	-
Impairment Losses on Assets to be Disposed	1,161	-
Depreciation Expenses of Right-of-use Assets	743,154	472,098
Impairment Losses on Assets Held for Sale and Discontinued Assets	21	715
Other Operating Expenses	30,071,461	16,829,676
<i>Operational Lease related Expenses (*)</i>	<i>406,831</i>	<i>275,401</i>
<i>Repair and maintenance expenses</i>	<i>519,776</i>	<i>242,782</i>
<i>Advertisement expenses</i>	<i>2,059,037</i>	<i>733,200</i>
<i>Other expenses (**)</i>	<i>27,085,817</i>	<i>15,578,293</i>
Loss on Sale of Assets	188,192	136
Others (***)	11,003,240	5,341,278
Total	44,531,369	24,246,627

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

(***) Includes Saving Deposits Insurance Fund related expenses of TL 2,685,388 (30 September 2023: TL 1,737,456) and insurance- business claim losses of TL 2,799,962 (30 September 2023: TL 1,876,936) in the current period.

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

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

5.4.9 Information on provision for taxes for continued and discontinued operations

For the period ended 30 September 2024, on a consolidated basis, the Bank recorded a current tax expense of TL 22,695,585 (30 September 2023: TL 18,269,828) and a deferred tax income of TL 1,108,507 (30 September 2023: TL 2,814,088).

There is no amount from discontinued operations.

Deferred tax benefit/charge on timing differences

Deferred tax (benefit)/charge on timing differences	<i>Current Period</i>	<i>Prior Period</i>
Increase in Tax Deductible Timing Differences (+)	(3,649,289)	(8,316,708)
Decrease in Tax Deductible Timing Differences (-)	634,391	1,732,716
Increase in Taxable Timing Differences (-)	2,020,914	4,021,762
Decrease in Taxable Timing Differences (+)	(114,523)	(251,858)
Total	(1,108,507)	(2,814,088)

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	<i>Current Period</i>	<i>Prior Period</i>
(Increase)/Decrease in Tax Deductible Timing Differences (net)	(3,014,898)	(6,583,992)
(Increase)/Decrease in Taxable Timing Differences (net)	1,906,391	3,769,904
(Increase)/Decrease in Tax Losses (net)	-	-
(Increase)/Decrease in Tax Deductions and Exemptions (net)	-	-
Total	(1,108,507)	(2,814,088)

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

	<i>Current Period</i>	<i>Prior Period</i>
Net Profit/(Loss) of Minority Interest	678,694	366,504

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”.

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	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at beginning of period	5,132,114	73,259	636,221	3,877,104	323,370	20,995
Balance at end of period	15,842,824	127,164	186,897	4,660,525	219,239	23,487
Interest and Commission Income	2,490,673	9	1,662	-	23,378	-

Prior Period:

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at beginning of period	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	542,647	-	14,563	-	9,076	-

5.7.1.2 Deposits

Bank's Risk Group	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at beginning of period	553,605	242,109	183,626	33,165	10,504,227	6,531,682
Balance at end of period	987,998	553,605	135,413	183,626	16,536,851	10,504,227
Interest Expenses	78,641	44,972	2,395	5,104	3,754,067	1,252,117

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	6,881,252	12,009,441	108,766,520	76,674,283	-	-
Total Profit/(Loss)	(132,978)	167	267,258	752,497	66	-
Transactions for Hedging						
Balance at beginning of period	-	-	-	-	-	-
Balance at end of period	-	-	-	-	-	-
Total Profit/(Loss)	-	-	504	(511)	-	-

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 6,890,237 (31 December 2023: TL 4,796,974) compose 0.42% (31 December 2023: 0.39%) of the Bank's total consolidated cash loans and 0.24% (31 December 2023: 0.22%) of the Bank's total consolidated assets. The total loans and similar receivables amounting TL 16,248,960 (31 December 2023: TL 6,091,705) compose 0.56% (31 December 2023: 0.28%) of the Bank's total consolidated assets. The non-cash loans of the risk group amounting TL 4,811,176 (31 December 2023: TL 3,971,358) compose 0.86% (31 December 2023: 0.95%) of the Bank's total consolidated non-cash loans. The deposits of the risk group amounting TL 17,660,262 (31 December 2023: TL 11,241,458) compose 0.86% (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 3,998 (30 September 2023: TL 2,832) was recognized for the real estates rented to the related parties.

Other income of TL 30,587 (30 September 2023: TL 18,004) for the IT services rendered and banking services fee income of TL 30,329 (30 September 2023: TL 18,742) were recognized from the related parties.

Operating expenses of TL 81,252 (30 September 2023: TL 63,714) 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 610,073 as of 30 September 2024 (30 September 2023: TL 327,547).

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.

5.10 Other disclosures on activities

5.10.1 Information on international risk ratings

5.10.1.1 Parent Bank's international risk ratings

MOODY'S (July 2024)

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

FITCH RATINGS (September 2024)

Long-Term FC	BB- / (Stable)
Short-Term FC	B
Long-Term TL	BB- / (Stable)
Short-Term TL	B
Viability Rating	bb-
Shareholder Support	bb-
Long term senior unsecured notes	BB-
Short term senior unsecured notes	B
Subordinated notes	B+

JCR EURASIA RATINGS (September 2024)

Long-Term National	AAA (tr) Stable Outlook
Short-Term National	J1+ (tr) / Stable Outlook
Long-Term International FC	BBB- / Stable Outlook
Short-Term NSR	BBB / Stable Outlook

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

MOODY'S (July 2024) (*)

Long-Term FC Deposit	Baa2
Short-Term FC Deposit	P-3
Baseline Credit Assessment	ba1
Adjusted Baseline Credit Assessment	baa3
Outlook	Positive
Long-Term Counterparty Risk Assessment	A3(cr)
Short-Term Counterparty Risk Assessment	P-2(cr)
Long-Term Counterparty Risk Rating	A3
Short-Term Counterparty Risk Rating	P-2

(*) Latest date in risk ratings or outlooks

5.10.1.3 International risk ratings of Garanti Faktoring, a consolidated subsidiary

FITCH RATINGS (September 2024) (*)

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

(*) Latest date in risk ratings or outlooks

5.10.1.4 International risk ratings of Garanti Leasing, a consolidated subsidiary

FITCH RATINGS (September 2024) (*)

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

(*) Latest date in risk ratings or outlooks

5.10.1.5 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

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

JCR EURASIA RATINGS (May 2024) (*)

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

(*) Latest date in risk ratings or outlooks

5.10.2 Dividends

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

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

5.10.3 Other disclosures

None.

6 Limited Review Report

6.1 Disclosure on limited review report

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

6.2 Disclosures and footnotes prepared by independent auditors

None.

7 Interim Activity Report

(Amounts are expressed in Turkish Lira (TL))

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

Türkiye Garanti Bankası A.Ş., announced its financial statements dated 30 Sept 2024. Based on the consolidated financials, the Bank's net income in the first 9 months of the year recorded as TL 66 billion 950 million 363 thousand. Asset size realized at TL 2 trillion 877 billion 835 million 339 thousand and the Bank's contribution to the economy through cash and non-cash loans was TL 2 trillion 170 billion 612 million 162 thousand. Actively managing the funding base, customer deposits continued to be the main funding source; 70% of assets are funded via customer deposits. Customer deposit base reached to TL 2 trillion 16 billion 989 million 892 thousand with 25.9% growth in the first 9 months of the year. Preserving the strong capital stance, Bank's capital adequacy ratio was realized at 15.8%*. The Bank delivered an ROAE (Return on Average Equity) of 32.9% and an ROAA (Return on Average Assets) of 3.5%.

**Calculated without the forbearance introduced by BRSA*

Commenting on the topic, **Garanti BBVA, Chairman Süleyman Sözen** stated that "In the third quarter of 2024, the global economic environment continued to pose challenges, marked by persistent inflation, heightened geopolitical risks, and volatile energy prices. Looking forward, critical events on the global agenda, including the U.S. election and ECB policy decisions, will likely shape economic policy, affecting global trade and capital flows to emerging markets. In Türkiye, our macroeconomic focus remains on curbing inflation, and over a year into Türkiye's rebalancing process, we believe that the effectiveness of current adjustments are broadly on track: balance of payments have improved considerably, the Central Bank has built significant reserves, and inflation has started to come down to some extent. However, as the level remains elevated, this indicates that Central Bank's tight stance will likely to continue.

Current macroprudential measures have impacted banks' margins and profitability. Despite these pressures, our third-quarter results highlight our commitment to outperforming the sector and maintaining our best-in-class performance. This success reflects our proactive balance sheet management, strong emphasis on customer-driven assets, ongoing technology investments, and competent workforce. Our strength is evident in our position as the most valuable company on the BIST, as well as Türkiye's largest TL lender and TL deposit holder among private banks.

As we enter the second century of our Republic, the Garanti BBVA family will continue to lead the sector, guided by our vision of responsible banking. I would like to extend my gratitude to our dedicated colleagues and to all stakeholders, especially our customers, for their partnership and support on this journey."

Garanti BBVA's CEO, Mahmut Akten, highlighted that the third quarter of 2024 was marked by a continued focus on combating inflation through a tight monetary policy stance. While this policy, reinforced by macroprudential measures, has put upward pressure on funding costs and compressed Turkish Lira loan-deposit margins, the bank's customer-centric approach has set it apart. "Our long-standing customer relationships and our position of being customers' preferred main bank have enabled us to maintain our leadership in Turkish Lira loans and Turkish Lira deposits among private banks. With a strong market share in mortgage, general purpose, and auto loans, as well as credit cards, we have exceeded 1 trillion TL in total Turkish Lira loans."

Akten emphasized the importance of digital transformation, stating: “At this point, our increased agility and efficiency have positively transformed not only our bank but also our customers' lives. By focusing entirely on digitalizing our loan processes, we can quickly provide solutions to the needs of individuals and businesses. This quarter, we extended the digital auto loan service, which we offered to companies and individual businesses last year, to our individual customers as well. Thanks to our \$5 billion investment in technology over the past 25 years, we now have 16.3 million digital customers. These numbers are not just figures; each customer achieves tangible results, making their lives easier with the technological solutions our bank offers. The innovative solutions we have developed in the field of payment systems also play an important role in this transformation. BonusFlaş, one of Turkey's leading mobile wallet applications, has reached over 5.5 million users and now offers QR code payments with different bank cards, taking the user experience to a new level.”

Underscoring Garanti BBVA's commitment to a sustainable future beyond financial services, Akten emphasized the bank's efforts in combating climate change and fostering inclusive growth: “For over 18 years, we have been working on issues such as the environment, energy efficiency, social inequality, gender equality, access to quality education, the circular economy, and supporting women entrepreneurs. We encourage our customers to be part of this transformation through our advantageous financing mechanisms and advisory services. In particular, we are focused on providing financing and advisory solutions for critical transition areas such as energy efficiency investments, the shift to renewable energy sources, sustainable production models, fuel conversion, and the circular economy.”

Concluding his remarks, Akten attributed the bank's success to the trust of its customers and stakeholders: “The strong financial results we have announced and our position as Turkey's most valuable company are clear evidence of the trust our customers and stakeholders have in us. We will continue to create value for our customers and stakeholders with the same discipline and determination, taking Garanti BBVA to even greater heights. I would like to thank all my colleagues and all our stakeholders who have contributed to this success.”

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

7.1.1 Selected Figures of Consolidated Financial Statements

Selected Balance Sheet Items (TL Thousand)	Current Period 30.09.2024	Prior Period 31.12.2023	Change %
Total Assets	2,877,835,339	2,201,713,095	30.7%
Loans*	1,642,474,865	1,217,975,966	34.9%
- Performing Loans	1,608,663,577	1,193,843,409	34.7%
- Non-Performing Loans	33,811,288	24,132,557	40.1%
Customer Deposits	2,016,989,892	1,602,608,112	25.9%
Shareholders' Equity	304,001,664	245,621,518	23.8%

* Excludes Leasing and Factoring receivables

Selected P&L Items (TL Thousand)	Current Period 30.09.2024	Prior Period 31.09.2023	Change %
Net Interest Income	89,555,335	60,098,063	49.0%
Operating Expenses	72,807,282	38,790,314	87.7%
- HR Cost	28,275,913	14,543,687	94.4%
- Other Operating Expenses	44,531,369	24,246,627	83.7%
Net Fees&Commissions	67,979,687	26,594,646	155.6%
Net Income	66,950,363	57,583,994	16.3%

Selected Financial Ratios	Current Period 30.09.2024	Prior Period 31.12.2023	Change bps
Performing Loans/Assets	55.9%	54.2%	168
Deposits/Assets	70.1%	72.8%	(270)
Return on Average Equity	32.9%	44.5%	(1160)
Return on Average Assets	3.5%	4.9%	(140)
Non-Performing Loans Ratio	2.1%	2.1%	6
Capital Adequacy Ratio*	15.8%	16.5%	(71)

* without BRSA's forbearance

Market Shares*	Current Period 30.09.2024	Prior Period 31.12.2023	Change bps
Performing Loans	10.9%	10.4%	52
TL Performing Loans	12.1%	10.7%	139
FC Performing Loans	8.8%	9.8%	(98)
Customer Deposits	10.4%	10.4%	5
TL Customer Deposits	10.9%	10.9%	(1)
FC Customer Deposits	9.7%	9.7%	6

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

Garanti BBVA with Numbers¹	Current Period 30.09.2024	Prior Period 31.12.2023	Change %
Branch Network	806	805	0.1%
Number of Employees	19,521	18,965	2.9%
ATM	5,710	5,511	3.6%
POS*	864,711	808,478	7.0%
Number of Customers	27,133,767	25,351,113	7.0%
Number of Digital Customers**	16,310,838	15,046,929	8.4%
Number of Credit Card Customers	11,484,802	10,486,454	9.5%

¹ Subsidiaries are not included.

*Includes shared and virtual POS.

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

7.2 The amendments in the Articles of Association during period of 01.01.2024-30.09.2024

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

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

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

<p>The Board of Directors shall also be authorized to resolve to issue shares above the nominal value and to restrict the rights of shareholders for obtaining new shares. The right to restrict obtaining new shares shall not be used by any means that may result in inequality between shareholders.</p> <p>Shares representing the capital of the Bank shall be monitored within the frame of the dematerialization principles.</p> <p>Holders of 182 bearer shares not converted into registered shares shall not use any shareholding right excluding the right to dividends, according to the Banking Law. The shareholding rights of these shares except the right to dividends shall be utilized by the Savings Deposit Insurance Fund until these shares shall be converted to registered shares.</p>	<p>The Board of Directors shall also be authorized to resolve to issue shares above the nominal value and to restrict the rights of shareholders for obtaining new shares. The right to restrict obtaining new shares shall not be used by any means that may result in inequality between shareholders.</p> <p>Shares representing the capital of the Bank shall be monitored within the frame of the dematerialization principles.</p> <p>Holders of 182 bearer shares not converted into registered shares shall not use any shareholding right excluding the right to dividends, according to the Banking Law. The shareholding rights of these shares except the right to dividends shall be utilized by the Savings Deposit Insurance Fund until these shares shall be converted to registered shares.</p>
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7.3 Announcements regarding important developments in the period of 01.01.2024-30.09.2024

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

7.4 Assessment of financial information and risk management

You may find information regarding the assessment of financial position, profitability and debt payment capability, risk management explanations and ratings in the financial statements for the period ended 30 September 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.