Yapı ve Kredi Bankası A.Ş.

Publicly announced unconsolidated financial statements and related disclosures at December 31, 2023 together with independent auditor's report

(Convenience translation of publicly announced unconsolidated financial statements and independent auditor's report originally issued in Turkish, See Note 1. of Section three)

CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH (See Note I of Section Three)

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Yapı ve Kredi Bankası A.Ş.

A. Audit of the Unconsolidated Financial Statements

1. Opinion

We have audited the accompanying unconsolidated financial statements of Yapı ve Kredi Bankası A.Ş. (the "Bank"), which comprise the statement of unconsolidated balance sheet as at December 31, 2023, unconsolidated statements of profit and loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows for the year then ended and the notes to the unconsolidated financial statements and a summary of significant accounting policies and unconsolidated financial statement notes.

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

2. Basis for Opinion

Our audit was conducted in accordance with the "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and the Standards on Independent Auditing (the "SIA") that are part of Turkish Standards on Auditing issued by the Public Oversight Accounting and Auditing Standards Authority (the "POA"). Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements" section of our report. We hereby declare that we are independent of the Bank in accordance with the Ethical Rules for Independent Auditors (including Independence Standards) (the "Ethical Rules") and the ethical requirements regarding independent audit in regulations issued by POA that are relevant to our audit of the unconsolidated financial statements. We have also fulfilled our other ethical responsibilities in accordance with the Ethical Rules and regulations. We believe that the audit evidence we have obtained during the independent audit provides a sufficient and appropriate basis for our opinion.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	*How the key audit matter was addressed in the audit*
Expected credit losses for loans The Bank has total expected credit losses for loans amounting to TL 39.819.927 thousand in respect to total loans amounting to TL 904.560.223 thousand which represent a significant portion of the Bank's total assets in its unconsolidated financial statements as at December 31, 2023. Explanations and notes related to expected credit losses for loans and receivables are presented in Section Three Part 7.3 and 8, Section Four Part 2, Section Four Part 3.3, Section Five Part 1.7 in the accompanying unconsolidated financial statements as at December 31, 2023. The Bank recognizes provision for impairment in accordance with "TFRS 9 Financial Instruments" ("TFRS 9") requirements and the "Regulation on the Procedures and Principles for Classification of Loans and Provisions to be Provided" as published in the Official Gazette dated 22 June 2016 numbered 29750. The Bank exercises significant decisions using subjective judgement, interpretation and assumptions over when and how much to record as loan impairment.	With respect to stage classification of loans and calculation of expected credit losses, we have assessed policy, procedure and management principles of the Bank within the scope of our audit. We tested the design and the operating effectiveness of relevant systems and processes implemented in accordance with these principles. We checked appropriateness of matters considered in methodology applied by the Bank with TFRS 9 for calculation of the provision amount through stage classification of loans. For forward looking assumptions made by the Bank's management in its expected credit losses calculations, we held discussions with management and evaluated the assumptions using publicly available information. Regarding expected credit losses methodology; we have assessed and tested model segmentation, lifetime probability of default model, exposure at default model, loss given default model and the approaches to reflecting reasonable and supportable forward looking expectations (including macroeconomic factors) with our financial risk experts. Our procedures also included the following: • Together with our financial risk experts, we evaluated and tested reasonableness of the changes in the expected credit loss allowance methodology and the performance of the impairment models used and results of validation studies.

Key Audit Matters	*How the key audit matter was addressed in the audit*
Expected credit losses for loans (Continued) To determine expected credit losses as of December 31, 2023 the Bank determines stage classification of loans by identifying significant increase in credit risk with quantitative and qualitative assessments disclosed in Section Three Part 8 in the accompanying unconsolidated financial statements and identification of default events disclosed in Section Four Part 2 in the accompanying unconsolidated financial statements. The Bank uses complex models that requires data to be derived from multiple systems, for determining significant increase in credit risk and calculation of TFRS 9 expected credit losses. These models contain judgement and estimations in regard to forward looking estimations, scenarios of macro-economic conditions and weighing of scenarios based on expert opinion. Information used in the individually or collectively assessment of expected credit loss such as historical loss experiences, current conditions and macroeconomic expectations should be supportable and appropriate. Our audit was focused on this area due to existence of complex estimates and information used in the impairment assessment such as macro-economic expectations, current conditions, historical loss experiences, development and weighting of macro-economic scenarios; the significance of the loan balances; the classification of loans as per their credit risk (staging) and the importance of determination of the associated expected credit loss. Timely and correct identification of default event and significant increase in credit risk and level of judgements and estimations made by the management have significant impacts on the amount of impairment provisions for loans. Therefore, this area is considered as key audit matter.	• We have checked Probability of Default (PD) models used in determination of provisions for various credit portfolios with our financial risk experts by reperforming on a sample selection basis. • For a sample of exposures, we checked the accuracy of determining Exposure at Default, including the consideration of prepayments and repayments in the cash flows and the resultant arithmetical calculations. • We checked the calculation of the Loss Given Default (LGD) used by the Bank in the expected credit losses calculation methodologys, and tested collaterals, recovery and costs. • For a selected sample, we checked expected credit losses determined based on individual assessment per Bank's policy by means of supporting data and evaluated appropriateness via communications with management. • We checked key data sources for data used in expected credit losses calculations. We tested reliability and completeness of the data used in expected credit losses calculations with our information systems specialists. • We checked accuracy of resultant expected credit losses calculations. • To assess appropriateness of the Bank's determination of staging for credit risk, identification of impairment and timely and appropriate provisioning for impairment we have performed loan review procedures based on a selected sample. • We evaluated the adequacy of the disclosures made in the unconsolidated financial statements regarding the provision for impairment of loans.

Key Audit Matters	***How the key audit matter was addressed in the audit***
Valuation of Pension Fund obligations The Bank has booked provision amounting to TL 10.027.806 thousand for Pension Fund Liabilities in the accompanying unconsolidated financial statements as at December 31, 2023. Explanations on Valuation of Pension Obligations are presented in the section five part 2.6.3 in the accompanying unconsolidated financial statements. As presented in Section Three Part 16.2, Yapı ve Kredi Bankası Anonim Şirketi Mensupları Yardım ve Emekli Sandığı (Pension Fund) is established in accordance with the Social Security Law numbered 506 article No 20 and is within the scope of Funds whose members' rights to be transferred to the Social Security Institution (SSI). The President is authorized to determine the transfer date. The total obligation of the fund is estimated using separate methods and assumption for benefits to be transferred and for non-transferrable benefits. The calculation of the pension obligations requires significant judgement and technical expertise in choosing appropriate assumptions. Calculation of Pension Fund liabilities include estimates and uncertain assumptions such as transferrable benefits, discount rates, salary increases, economic and demographic assumptions. The Bank's management uses external actuaries for the purpose of valuations of Pension Fund obligations. During our audit, above mentioned significant judgement, assumption and estimates used in the calculations of Pension Fund obligations, uncertainty of the transfer date, technical interest rate determined in accordance with the law regulating the transfer conditions and significant impact of any differentiation in these assumptions taken into consideration, and this area is considered as key audit matter.	Within our audit we tested on a sample basis the accuracy of the retired and employee data supplied by the Bank management to the external actuary firm for the purpose of evaluation pension obligation. In addition, we verified the existence and values of the Pension Fund assets. We checked whether significant changes in actuarial assumptions used in calculation, employee benefits in the period, plan assets and liabilities, and whether significant changes in laws and regulations related to valuations exist. Through use of our actuarial specialist, we assessed the reasonableness of assumptions and evaluation made by the external actuaries in the calculation of the liability. We evaluated the adequacy of the disclosures made in the unconsolidated financial statements of the Bank regarding the Pension Fund.

4. Responsibilities of Management and Those Charged with Governance for the Unconsolidated Financial Statements

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

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

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

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

Responsibilities of independent auditors in an independent audit are as follows:

Our aim is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance expressed as a result of an independent audit conducted in accordance with "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and SIA is a high level of assurance but does not guarantee that a material misstatement will always be detected. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an independent audit conducted in accordance with "Regulation on Independent Audit of Banks" published by the BRSA on the Official Gazette No.29314 dated 2 April 2015 and SIA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

- Assess the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

B. Other Responsibilities Arising From Regulatory Requirements

1 No matter has come to our attention that is significant according to subparagraph 4 of Article 402 of Turkish Commercial Code ("TCC") No. 6102 and that causes us to believe that the Bank's bookkeeping activities concerning the period from 1 January to December 31, 2023 period are not in compliance with the TCC and provisions of the Bank's articles of association related to financial reporting.

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

Additional Paragraph for Convenience Translation

BRSA Accounting and Financial Reporting Legislation explained in detail in Section Three differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board including the application of IAS 29 - Financial Reporting in Hyperinflationary Economies as of December 31, 2023. Accordingly, the accompanying unconsolidated financial statements are not intended to present fairly the unconsolidated financial position, results of operations, changes in equity and cash flows of the Bank in accordance with IFRS.

PwC Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.

Didem Demer Kaya, SMMM
Partner

Istanbul, 2 February 2024

Convenience translation of publicly announced unconsolidated financial statements and audit report originally issued in Turkish, See Note I. of Section three

THE UNCONSOLIDATED YEAR END FINANCIAL REPORT OF YAPI VE KREDI BANKASI A.Ş. AS OF DECEMBER 31, 2023

Address	:Yapı Kredi Plaza D Blok Levent 34330 İstanbul
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The unconsolidated financial report for the year end which is prepared in accordance with the "Communiqué Related to Publicly Announced Financial Statements of Banks and Explanations and Notes Related to these Financial Statements" as regulated by the Banking Regulation and Supervision Agency includes the following sections.

- **GENERAL INFORMATION ABOUT THE BANK**
- **UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK**
- **EXPLANATIONS ON ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD**
- **INFORMATION RELATED TO FINANCIAL POSITION AND RISK MANAGEMENT OF THE BANK**
- **EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS**
- **OTHER EXPLANATIONS**
- **INDEPENDENT AUDITOR'S REPORT**

The accompanying unconsolidated financial statements for the year end and notes to these financial statements which are expressed, in **thousands of Turkish Lira** (unless otherwise stated), have been presented based on the accounting books of the Bank prepared in accordance with the Regulation on the Principles and Procedures Regarding Banks' Accounting Applications and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards and related appendices and interpretations of these, and have been independently audited and are presented enclosed.

Y. Ali KOÇ	**Gökhan ERÜN**	**Demir KARAASLAN**	**Barış SAVUR**
Chairman of the Board of Directors	**Executive Director and CEO**	**Chief Financial Officer**	**Financial Reporting and Accounting Executive Vice President**

Dr. Ahmet ÇİMENOĞLU	**Nevin İPEK**
Chairman of the Audit Committee	**Member of the Audit Committee**

Contact information of the personnel in charge of the addressing of questions about this financial report:

Name-Surname / Title : Cengiz TİMUROĞLU / Balance Sheet Management and Financial Analysis Manager
Telephone : (0212) 339 77 67
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Section one - General information

Section two - Unconsolidated financial statements

Section three - Accounting policies

Section four - Financial Position and Risk Management

Section five - Explanations and notes related to unconsolidated financial statements

Section six - Other explanations

Section seven - Independent auditor's report

Section one - General Information

1. History of the Bank including its incorporation date, initial legal status and amendments to legal status, if any:

Yapı ve Kredi Bankası A.Ş. ("the Bank" or "Yapı Kredi"), was established and started operations on September 9, 1944 with the permission of the Council of Ministers No. 3/6710 as a private capital commercial bank authorised to perform all banking, economic, financial and commercial activities which are allowed by the laws of the Turkish Republic. The statute of the Bank has not changed since its incorporation.

2. Explanations about the Bank's capital structure, shareholders holding directly or indirectly, collectively or individually, the management and controlling power and changes in current year, if any and explanations on the controlling group of the Bank:

Bank's publicly traded shares are traded on the Borsa Istanbul ("BIST") since 1987. As of December 31, 2023, 38,83% of the shares of the Bank are publicly traded (December 31, 2022 - 32,03%). 40,95% of the shares out of the remaining 61,17% is owned by Koç Finansal Hizmetler A.Ş. ("KFS") which is owned by Koç Group, 20,22% is owned by Koç Holding A.Ş.

KFS was established on March 16, 2001 to combine Koç Group finance companies under one organisation and it became the main shareholder of Koçbank in 2002. On October 22, 2002, Koç Group established a strategic partnership with UniCredit Group ("UCG") over KFS.

In 2005, the Bank's shares that were owned by Çukurova Group Companies and the Saving Deposits Insurance Fund ("SDIF") were purchased by Koçbank. In 2006, Koçbank purchased additional shares of the Bank from BIST and an investment fund and, during the same year, all rights, receivables, debts and liabilities of Koçbank were transferred to the Bank pursuant the merger of the two banks. As a result of the merger and the share transfer procedures in 2007 and of a capital increase by TL 920 million in 2008, KFS shares in the Bank increased to 81,80%. KFS shares increased to 81,90% with the capital increase by TL 4,1 billion in 2018.

As of November 30, 2019, Koç Group and UCG have reached a deal to exchange their shares in the Bank and KFS.

Accordingly all the shares of KFS, which was a joint venture, were transferred to Koç Group. Besides, after the shares were transferred, KFS held 40,95%, UCG held 31,93% directly and Koç Group held a total of 49,99% directly and indirectly of the Bank shares and became controlling shareholder.

In addition, as of February 6, 2020, UniCredit also announced the placement of an 11,93% shares in Bank to institutional investors. The transaction has been completed on February 13, 2020. As a result UCG held directly 20,00% of the Bank shares.

In year 2021, UCG completed the sale of 2,00% shares in stock market and for the sale of remaining 18,00% shares UCG came to an agreement with Koç Group as per the Share Sale and Purchase Agreement relating to the sale of the Bank publicly disclosed as of November 30, 2019. Accordingly, it has been announced that Koç Group used its right of first offer for the sale of the Bank shares which were planned to be sold by UCG on November 9, 2021. The sale of the relevant shares was completed on April 1, 2022, and Koç Holding A.Ş.'s share ratio increased from 9,02% to 27,02%.

As of July 28, 2023, Koç Holding A.Ş sold its 6,81% share in the Bank to institutional investors through off-exchange sale. After the sale, shareholding of Koç Holding A.Ş in the Bank decreased to 20,22%.

3. Explanations regarding the board of directors, members of the audit committee, Chief Executive Officer and executive vice presidents, and their areas of responsibility and shares if any:

As of December 31, 2023, the Bank's Board of Directors, Members of the Audit Committee, General Manager and Assistant General Managers are as follows.

Board of Directors Members:

Name	Responsibility
Y. Ali KOÇ	Chairman
Levent ÇAKIROĞLU	Vice Chairman
Gökhan ERÜN	Executive Director and CEO
A. Ümit TAFTALI	Member
Ahmet ÇİMENOĞLU	Independent Member
Ahmet Fadıl ASHABOĞLU	Member
Kemal UZUN	Member
Nevin İPEK	Independent Member
Polat ŞEN	Member
Virma SÖKMEN	Independent Member

Audit Committee Members:

Name	Responsibility
Ahmet ÇİMENOĞLU	Chairman
Nevin İPEK	Member

General Manager:

Name	Responsibility
Gökhan ERÜN	Executive Director and CEO

Assistant General Managers:

Name	Responsibility
Abdullah GEÇER	Internal Audit
Akif Cahit ERDOĞAN	Commercial and SME Banking Management
Demir KARAASLAN	Financial Planning and Administration
Hakan KAYA (1)	Chief Legal Officer
Mehmet Erkan AKBULUT	Credits
Mehmet Erkan ÖZDEMİR	Compliance, Internal Control and Risk Management / Consumer Relations Coordination Officer
Muharrem Kaan ŞAKUL	Corporate Banking
Özden ÖNALDI	Human Resources, Organization and Internal Services Management
Saruhan YÜCEL	Treasury Management
Serkan ÜLGEN	Retail Banking
Uğur Gökhan ÖZDİNÇ	Technology, Data and Process Management
Yakup DOĞAN	Limitless Banking

(1) As of October 9, 2023, Hakan Kaya was appointed as Chief Legal Officer due to resignation of Cemal Aybars Sanal, Assistant General Manager responsible for Legal Management, as of September 22, 2023.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

4. Information on the individual and corporate shareholders having control shares of the Bank:

Name/Commercial title	Share amounts (nominal)	Share percentage	Paid-in capital (nominal)	Unpaid portion
Koç Finansal Hizmetler A.Ş.	3.459.065.642,23	40,95	3.459.065.642,23	-
Koç Holding A.Ş.	1.707.666.574,00	20,22	1.707.666.574,00	-

Koç Finansal Hizmetler A.Ş. is managed of Koç Group, and Temel Ticaret ve Yatırım A.Ş.

5. Summary information on the Bank's activities and service types:

The Bank's activities summarized from the section 3 of the articles of association are as follows.

The Bank's purpose and subject matter, in accordance with the Banking Law, regulations and existing laws, include;

- The execution of all banking activities,
- The execution of all economic and financial activities which are allowed by the regulation,
- The execution of the representation, attorney and agency activities related to the subjects written above,
- The purchase and sale of share certificates, bonds and all the capital market instruments, in accordance with Capital Market Law and regulations.

In case of necessity for performing activities which are useful and required but that are not specified in the articles of association, a Board of Directors' proposal is to be presented to the General Assembly. With the approval of the General Assembly the proposal becomes applicable, subject to the approvals required by law.

As of December 31, 2023, the Bank has 779 branches operating in Türkiye and 1 branch in overseas (December 31, 2022 - 800 branches operating in Türkiye, 1 branch in overseas).

As of December 31, 2023, the Bank has 15.009 employees (December 31, 2022 - 15.431 employees).

6. Differences between the Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards and short explanation about the entities subject to full consolidation or proportional consolidation and entities which are deducted from equity or entities which are not included in these three methods:

According to Communiqué on Preparation of Consolidated Financial Statements of Banks and Turkish Accounting Standards, Banque de Commerce et de Placements SA, one of the associates of the Bank is consolidated through "Equity Method" in the consolidated financial statements of the Group. Allianz Yaşam ve Emeklilik A.Ş., on which the Bank has indirect participation, is also consolidated through "Equity Method" in the consolidated financial statements of the Group.

Yapı Kredi Kültür Sanat Yayıncılık Tic. ve San. A.Ş., Enternasyonal Turizm Yatırım A.Ş., Yapı Kredi Teknoloji A.Ş. and Yapı Kredi Finansal Teknolojiler A.Ş. which are subsidiaries of the Bank, are not consolidated into the Bank's consolidated financial statements in accordance with Communiqué on Preparation of Consolidated Financial Statements since these entities are not financial institutions.

All other subsidiaries are fully consolidated.

7. The existing or potential, actual or legal obstacles on the immediate transfer of shareholder's equity between the Bank and its subsidiaries or reimbursement of liabilities:

None.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Section two - Unconsolidated financial statements

1. Balance sheet (Statement of Financial Position)

	ASSET	Note (Section five)	Current Period (31/12/2023) TL	FC	Total	Prior Period (31/12/2022) TL	FC	Total
I.	**FINANCIAL ASSETS (Net)**		**179.150.720**	**230.802.592**	**409.953.312**	**113.049.467**	**156.734.130**	**269.783.597**
1.1	**Cash and Cash Equivalents**	**1.1**	**101.805.495**	**188.356.490**	**290.161.985**	**42.404.472**	**129.912.724**	**172.317.196**
1.1.1	Cash and Balances with Central Bank		102.042.410	161.231.559	263.273.969	35.736.034	108.160.096	143.896.130
1.1.2	Banks	1.4.1	1.121	27.600.861	27.601.982	4.303.372	22.102.594	26.405.966
1.1.3	Money Markets	1.4.3	-	-	-	2.461.599	-	2.461.599
1.1.4	Provisions for Expected Losses (-)		238.036	475.930	713.966	96.533	349.966	446.499
1.2	**Financial Assets Measured at Fair Value Through Profit Or Loss**	**1.2**	**54.376**	**3.039.269**	**3.093.645**	**31.895**	**1.533.562**	**1.565.457**
1.2.1	Government debt securities		-	718.268	718.268	-	365.229	365.229
1.2.2	Share certificates		-	-	-	-	-	-
1.2.3	Other financial assets		54.376	2.321.001	2.375.377	31.895	1.168.333	1.200.228
1.3	**Financial Assets Measured at Fair Value Through Other Comprehensive Income**	**1.5,1.6**	**66.006.617**	**29.386.540**	**95.393.157**	**60.355.860**	**16.987.893**	**77.343.753**
1.3.1	Government debt securities		65.889.312	29.376.349	95.265.661	58.487.789	16.981.656	75.469.445
1.3.2	Share certificates		115.685	10.191	125.876	100.138	6.237	106.375
1.3.3	Other financial assets		1.620	-	1.620	1.767.933	-	1.767.933
1.4	**Derivative Financial Assets**	**1.3**	**11.284.232**	**10.020.293**	**21.304.525**	**10.257.240**	**8.299.951**	**18.557.191**
1.4.1	Derivative financial assets measured at fair value through profit or loss		9.426.325	6.557.377	15.983.702	6.599.170	4.600.024	11.199.194
1.4.2	Derivative financial assets measured at fair value through other comprehensive income		1.857.907	3.462.916	5.320.823	3.658.070	3.699.927	7.357.997
II.	**FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)**		**845.540.310**	**323.819.480**	**1.169.359.790**	**506.887.704**	**226.465.024**	**733.352.728**
2.1	**Loans**	**1.7**	**676.038.221**	**227.547.471**	**903.585.692**	**432.703.419**	**171.737.805**	**604.441.224**
2.2	**Receivables From Leasing Transactions (Net)**	**1.12**	**-**	**-**	**-**	**-**	**-**	**-**
2.3	**Factoring Receivables**		**961.469**	**13.062**	**974.531**	**1.671.378**	**1.725**	**1.673.103**
2.4	**Financial Assets Measured at Amortised Cost**	**1.8**	**199.363.011**	**105.971.483**	**305.334.494**	**96.448.465**	**66.852.133**	**163.300.598**
2.4.1	Government debt securities		195.162.658	105.971.483	301.134.141	96.117.661	66.852.133	162.969.794
2.4.2	Other financial assets		4.200.353	-	4.200.353	330.804	-	330.804
2.5	**Provisions for Expected Losses (-)**		**30.822.391**	**9.712.536**	**40.534.927**	**23.935.558**	**12.126.639**	**36.062.197**
III.	**ASSETS HELD FOR RESALE AND RELATED TO DISCONTINUED OPERATIONS (Net)**	**1.17**	**1.026.089**	**-**	**1.026.089**	**1.035.873**	**-**	**1.035.873**
3.1	Held for Sale Purposes		1.026.089	-	1.026.089	1.035.873	-	1.035.873
3.2	Related to Discontinued Operations		-	-	-	-	-	-
IV.	**INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES**		**12.521.850**	**25.245.077**	**37.766.927**	**7.559.181**	**13.289.276**	**20.848.457**
4.1	**Investments in Associates (net)**	**1.9**	**38.446**	**6.170.284**	**6.208.730**	**38.446**	**2.871.962**	**2.910.408**
4.1.1	Consolidated based on Equity Method		-	-	-	-	-	-
4.1.2	Unconsolidated		38.446	6.170.284	6.208.730	38.446	2.871.962	2.910.408
4.2	**Subsidiaries (Net)**	**1.10**	**12.483.404**	**19.074.793**	**31.558.197**	**7.520.735**	**10.417.314**	**17.938.049**
4.2.1	Unconsolidated Financial Subsidiaries		12.451.088	19.074.793	31.525.881	7.488.419	10.417.314	17.905.733
4.2.2	Unconsolidated Non-Financial Subsidiaries		32.316	-	32.316	32.316	-	32.316
4.3	**Joint Ventures (Net)**	**1.11**	**-**	**-**	**-**	**-**	**-**	**-**
4.3.1	Consolidated based on Equity Method		-	-	-	-	-	-
4.3.2	Unconsolidated		-	-	-	-	-	-
V.	**PROPERTY AND EQUIPMENT (Net)**	**1.13**	**18.440.991**	**-**	**18.440.991**	**9.846.677**	**-**	**9.846.677**
VI.	**INTANGIBLE ASSETS [Net]**	**1.14**	**1.795.385**	**-**	**1.795.385**	**1.206.951**	**-**	**1.206.951**
6.1	Goodwill		-	-	-	-	-	-
6.2	Other		1.795.385	-	1.795.385	1.206.951	-	1.206.951
VII.	**INVESTMENT PROPERTY (Net)**	**1.15**	**-**	**-**	**-**	**-**	**-**	**-**
VIII.	**CURRENT TAX ASSETS**		**-**	**-**	**-**	**-**	**-**	**-**
IX.	**DEFERRED TAX ASSETS**	**1.16**	**8.665.381**	**-**	**8.665.381**	**5.146.976**	**-**	**5.146.976**
X.	**OTHER ASSETS (Net)**	**1.18**	**56.419.500**	**35.223.760**	**91.643.260**	**37.935.135**	**28.937.199**	**66.872.334**
	TOTAL ASSETS		**1.123.560.226**	**615.090.909**	**1.738.651.135**	**682.667.964**	**425.425.629**	**1.108.093.593**

Yapı ve Kredi Bankası A.Ş.
Unconsolidated financial statements as of December 31, 2023 and 2022
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

1. Balance sheet (Statement of Financial Position)

			Current Period (31/12/2023)			Prior Period (31/12/2022)		
	LIABILITIES	**Note (Section five)**	**TL**	**FC**	**Total**	**TL**	**FC**	**Total**
I.	**DEPOSITS**	**2.1**	**640.797.971**	**395.671.962**	**1.036.469.933**	**387.420.825**	**285.344.493**	**672.765.318**
II.	**BORROWINGS**	**2.3.1**	**1.821.423**	**138.485.710**	**140.307.133**	**1.777.296**	**68.271.124**	**70.048.420**
III.	**MONEY MARKETS**		**20.822.586**	**37.150.431**	**57.973.017**	**28.114.263**	**7.400.223**	**35.514.486**
IV.	**MARKETABLE SECURITIES ISSUED (Net)**	**2.3.4**	**7.458.755**	**70.242.909**	**77.701.664**	**8.072.854**	**32.467.470**	**40.540.324**
4.1	Bills		7.055.826	10.933.847	17.989.673	7.407.273	2.031.595	9.438.868
4.2	Asset backed Securities		-	-	-	-	-	-
4.3	Bonds		402.929	59.309.062	59.711.991	665.581	30.435.875	31.101.456
V.	**FUNDS**		-	-	-	-	-	-
5.1	Borrower Funds		-	-	-	-	-	-
5.2	Other		-	-	-	-	-	-
VI.	**FINANCIAL LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS**	**2.3.3.2**	**453.424**	**72.101.024**	**72.554.448**	**687.777**	**36.551.882**	**37.239.659**
VII.	**DERIVATIVE FINANCIAL LIABILITIES**	**2.2**	**4.768.014**	**6.756.192**	**11.524.206**	**7.906.985**	**5.867.022**	**13.774.007**
7.1	Derivative liabilities measured at fair value through profit or loss		4.735.680	6.756.192	11.491.872	7.874.635	5.867.022	13.741.657
7.2	Derivative liabilities measured at fair value through other comprehensive income		32.334	-	32.334	32.350	-	32.350
VIII.	**FACTORING PAYABLES**		-	-	-	-	-	-
IX.	**LEASE PAYABLES (Net)**	**2.5**	**3.149.425**	**38.526**	**3.187.951**	**1.833.056**	**22.335**	**1.855.391**
X.	**PROVISIONS**	**2.6**	**19.051.252**	**2.013.397**	**21.064.649**	**9.883.862**	**1.200.279**	**11.084.141**
10.1	Provisions for Restructuring		-	-	-	-	-	-
10.2	Provisions for Employee Benefits	2.6.1	3.893.879	-	3.893.879	3.181.053	-	3.181.053
10.3	Insurance Technical Provisions (Net)		-	-	-	-	-	-
10.4	Other Provisions	2.6.3	15.157.373	2.013.397	17.170.770	6.702.809	1.200.279	7.903.088
XI.	**CURRENT TAX LIABILITIES**	**2.7**	**7.168.597**	**-**	**7.168.597**	**5.598.484**	**-**	**5.598.484**
XII.	**DEFERRED TAX LIABILITIES**		-	-	-	-	-	-
XIII.	**LIABILITIES FOR PROPERTY AND EQUIPMENT HELD FOR SALE AND RELATED TO DISCONTINUED OPERATIONS (Net)**	**2.8**	-	-	-	-	-	-
13.1	Held for Sale		-	-	-	-	-	-
13.2	Related to Discontinued Operations		-	-	-	-	-	-
XIV.	**SUBORDINATED DEBT**	**2.9**	**1.260.412**	**35.585.727**	**36.846.139**	**725.201**	**38.663.031**	**39.388.232**
14.1	Loans		-	-	-	-	16.059.998	16.059.998
14.2	Other Facilities		1.260.412	35.585.727	36.846.139	725.201	22.603.033	23.328.234
XV.	**OTHER LIABILITIES**	**2.4**	**78.017.044**	**16.984.813**	**95.001.857**	**44.251.681**	**9.777.060**	**54.028.741**
XVI.	**SHAREHOLDERS' EQUITY**	**2.10**	**154.715.703**	**24.135.838**	**178.851.541**	**112.577.247**	**13.679.143**	**126.256.390**
16.1	Paid in Capital		8.447.051	-	8.447.051	8.447.051	-	8.447.051
16.2	Capital Reserves		2.227.873	-	2.227.873	2.176.031	-	2.176.031
16.2.1	Share Premium		556.937	-	556.937	556.937	-	556.937
16.2.2	Share Cancellation Profits		-	-	-	-	-	-
16.2.3	Other Capital Reserves		1.670.936	-	1.670.936	1.619.094	-	1.619.094
16.3	Other accumulated comprehensive income that will not be reclassified in profit or loss		3.370.866	558.682	3.929.548	2.735.650	438.666	3.174.316
16.4	Other accumulated comprehensive income that will be reclassified in profit or loss		(13.267.238)	23.577.156	10.309.918	5.342.905	13.240.477	18.583.382
16.5	Profit Reserves		85.928.315	-	85.928.315	41.130.921	-	41.130.921
16.5.1	Legal Reserves		2.496.040	-	2.496.040	1.747.175	-	1.747.175
16.5.2	Statutory Reserves		-	-	-	-	-	-
16.5.3	Extraordinary Reserves		83.431.233	-	83.431.233	39.383.386	-	39.383.386
16.5.4	Other Profit Reserves		1.042	-	1.042	360	-	360
16.6	Profit or loss		68.008.836	-	68.008.836	52.744.689	-	52.744.689
16.6.1	Prior years' profits or losses		-	-	-	-	-	-
16.6.2	Current period net profit or loss		68.008.836	-	68.008.836	52.744.689	-	52.744.689
	TOTAL LIABILITIES		**939.484.606**	**799.166.529**	**1.738.651.135**	**608.849.531**	**499.244.062**	**1.108.093.593**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

2. Off-balance sheet commitments

					Current Period (31/12/2023)			Prior Period (31/12/2022)
	Off-balance sheet commitments	**Note (Section five)**	**TL**	**FC**	**Total**	**TL**	**FC**	**Total**
A.	**Off-balance sheet commitments (I+II+III)**		**1.376.140.425**	**1.250.960.942**	**2.627.101.367**	**597.166.718**	**818.151.810**	**1.415.318.528**
I.	**Guarantees and warranties**	**3.1.2.1,2**	**178.712.756**	**207.759.902**	**386.472.658**	**99.977.185**	**143.571.286**	**243.548.471**
1.1.	Letters of guarantee	3.1.2.2	168.195.708	136.116.824	304.312.532	88.883.239	93.286.067	182.169.306
1.1.1.	Guarantees subject to state tender law		1.332.708	2.060.608	3.393.316	1.399.840	1.363.690	2.763.530
1.1.2.	Guarantees given for foreign trade operations		61.431.962	134.056.216	195.488.178	27.620.393	91.922.377	119.542.770
1.1.3.	Other letters of guarantee		105.431.038	-	105.431.038	59.863.006	-	59.863.006
1.2.	Bank acceptances		-	2.178.212	2.178.212	-	864.879	864.879
1.2.1.	Import letter of acceptance		-	2.178.212	2.178.212	-	864.879	864.879
1.2.2.	Other bank acceptances		-	-	-	-	-	-
1.3.	Letters of credit		1.257.810	50.540.695	51.798.505	327.114	31.836.907	32.164.021
1.3.1.	Documentary letters of credit		1.257.810	50.540.695	51.798.505	327.114	31.836.907	32.164.021
1.3.2.	Other letters of credit		-	-	-	-	-	-
1.4.	Prefinancing given as guarantee		-	-	-	-	-	-
1.5.	Endorsements		-	-	-	-	-	-
1.5.1.	Endorsements to the Central Bank of the Republic of Türkiye		-	-	-	-	-	-
1.5.2.	Other endorsements		-	-	-	-	-	-
1.6.	Purchase guarantees for Securities issued		-	-	-	-	-	-
1.7.	Factoring guarantees		-	-	-	-	-	-
1.8.	Other guarantees		9.259.238	14.616.454	23.875.692	10.766.832	9.553.300	20.320.132
1.9.	Other warranties		-	4.307.717	4.307.717	-	8.030.133	8.030.133
II.	**Commitments**		**769.222.726**	**94.092.928**	**863.315.654**	**240.615.994**	**67.851.130**	**308.467.124**
2.1.	Irrevocable commitments	3.1.1	745.298.795	50.977.243	796.276.038	223.708.638	36.562.938	260.271.576
2.1.1.	Asset purchase and sale commitments		24.291.833	48.351.915	72.643.748	1.733.733	33.384.992	35.118.725
2.1.2.	Deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3.	Share capital commitments to associates and subsidiaries		-	-	-	-	-	-
2.1.4.	Loan granting commitments		95.342.486	1.364.146	96.706.632	51.038.011	2.453.898	53.491.909
2.1.5.	Securities issue brokerage commitments		-	-	-	-	-	-
2.1.6.	Commitments for reserve requirements		-	-	-	-	-	-
2.1.7.	Commitments for checks payments		8.435.319	-	8.435.319	5.482.867	-	5.482.867
2.1.8.	Tax and fund liabilities from export commitments		600	-	600	449	-	449
2.1.9.	Commitments for credit card expenditure limits		512.438.126	-	512.438.126	136.756.258	-	136.756.258
2.1.10.	Commitments for credit cards and banking services promotions		75.249	-	75.249	43.402	-	43.402
2.1.11.	Receivables from short sale commitments of marketable securities		-	-	-	-	-	-
2.1.12.	Payables for short sale commitments of marketable securities		-	-	-	-	-	-
2.1.13.	Other irrevocable commitments		104.715.182	1.261.182	105.976.364	28.653.918	724.048	29.377.966
2.2.	Revocable commitments		23.923.931	43.115.685	67.039.616	16.907.356	31.288.192	48.195.548
2.2.1.	Revocable loan granting commitments		23.923.931	43.115.685	67.039.616	16.907.356	31.288.192	48.195.548
2.2.2.	Other revocable commitments		-	-	-	-	-	-
III.	**DERIVATIVE FINANCIAL INSTRUMENTS**		**428.204.943**	**949.108.112**	**1.377.313.055**	**256.573.539**	**606.729.394**	**863.302.933**
3.1	Derivative financial instruments held for hedging		16.250.000	65.331.421	81.581.421	28.910.141	90.807.022	119.717.163
3.1.1	Fair value hedges		-	-	-	270.141	1.664.564	1.934.705
3.1.2	Cash flow hedges		16.250.000	65.331.421	81.581.421	28.640.000	89.142.458	117.782.458
3.1.3	Hedges for investments made in foreign countries		-	-	-	-	-	-
3.2	Trading transactions		411.954.943	883.776.691	1.295.731.634	227.663.398	515.922.372	743.585.770
3.2.1	Forward foreign currency purchase and sale transactions		19.883.186	22.919.861	42.803.047	13.499.192	16.483.400	29.982.592
3.2.1.1	Forward foreign currency purchase transactions		17.296.886	4.941.853	22.238.739	12.680.315	2.810.609	15.490.924
3.2.1.2	Forward foreign currency sale transactions		2.586.300	17.978.008	20.564.308	818.877	13.672.791	14.491.668
3.2.2	Currency and interest rate swaps		364.284.475	639.246.460	1.003.530.935	158.168.698	343.884.226	502.052.924
3.2.2.1	Currency swap purchase transactions		534.079	245.002.419	245.536.498	4.261.560	123.896.732	128.158.292
3.2.2.2	Currency swap sale transactions		205.686.396	51.342.693	257.029.089	101.574.138	28.084.472	129.658.610
3.2.2.3	Interest rate swap purchase transactions		79.032.000	171.450.674	250.482.674	26.166.500	95.951.511	122.118.011
3.2.2.4	Interest rate swap sale transactions		79.032.000	171.450.674	250.482.674	26.166.500	95.951.511	122.118.011
3.2.3	Currency, interest rate and securities options		11.839.558	16.047.066	27.886.624	47.884.306	63.887.163	111.771.469
3.2.3.1	Currency purchase options		8.616.333	3.264.989	11.881.322	47.748.901	5.573.894	53.322.795
3.2.3.2	Currency sale options		3.223.225	8.548.016	11.771.241	135.405	53.338.749	53.474.154
3.2.3.3	Interest rate purchase options		-	4.234.061	4.234.061	-	3.890.663	3.890.663
3.2.3.4	Interest rate sale options		-	-	-	-	1.083.857	1.083.857
3.2.3.5	Securities purchase options		-	-	-	-	-	-
3.2.3.6	Securities sale options		-	-	-	-	-	-
3.2.4	Currency futures		3.911.219	3.564.171	7.475.390	1.303.006	1.217.241	2.520.247
3.2.4.1	Currency purchase futures		1.600.319	2.207.453	3.807.772	1.015.119	229.092	1.244.211
3.2.4.2	Currency sale futures		2.310.900	1.356.718	3.667.618	287.887	988.149	1.276.036
3.2.5	Interest rate futures		-	-	-	-	-	-
3.2.5.1	Interest rate purchase futures		-	-	-	-	-	-
3.2.5.2	Interest rate sale futures		-	-	-	-	-	-
3.2.6	Other		12.036.505	201.999.133	214.035.638	6.808.196	90.450.342	97.258.538
B.	**CUSTODY AND PLEDGED SECURITIES (IV+V+VI)**		**2.402.641.885**	**506.497.562**	**2.909.139.447**	**1.527.568.753**	**574.076.786**	**2.101.645.539**
IV.	**ITEMS HELD IN CUSTODY**		**767.685.458**	**102.656.632**	**870.342.090**	**243.750.531**	**51.442.664**	**295.193.195**
4.1.	Assets under management		639.837.516	50.839.161	690.676.677	170.680.657	19.001.079	189.681.736
4.2.	Securities held in custody		3.304.905	49.925.740	53.230.645	3.939.170	31.490.427	35.429.597
4.3.	Checks received for collection		101.100.334	62.311	101.162.645	54.907.660	85.875	54.993.535
4.4.	Commercial notes received for collection		23.384.559	1.390.993	24.775.552	14.164.900	594.929	14.759.829
4.5.	Other assets received for collection		-	349.289	349.289	-	215.011	215.011
4.6.	Securities received for public offering		-	-	-	-	-	-
4.7.	Other items under custody		58.144	89.138	147.282	58.144	55.343	113.487
4.8.	Custodians		-	-	-	-	-	-
V.	**PLEDGED ITEMS**		**1.594.272.909**	**326.415.763**	**1.920.688.672**	**1.236.921.247**	**215.430.491**	**1.452.351.738**
5.1.	Marketable securities		133.979.206	832.813	134.812.019	134.030.581	527.277	134.557.858
5.2.	Guarantee notes		22.539.349	2.964.301	25.503.650	21.997.777	1.760.582	23.758.359
5.3.	Commodity		5.864	-	5.864	5.912	-	5.912
5.4.	Warrant		-	-	-	-	-	-
5.5.	Immovables		756.332.461	484.579	756.817.040	471.940.839	306.501	472.247.340
5.6.	Other pledged items		681.416.029	322.081.426	1.003.497.455	608.946.138	212.802.809	821.748.947
5.7.	Depositories receiving pledged items		-	52.644	52.644	-	33.322	33.322
VI.	**ACCEPTED GUARANTEES AND WARRANTEES**		**40.683.518**	**77.425.167**	**118.108.685**	**46.896.975**	**307.203.631**	**354.100.606**
	TOTAL OFF BALANCE SHEET COMMITMENTS (A+B)		**3.778.782.310**	**1.757.458.504**	**5.536.240.814**	**2.124.735.471**	**1.392.228.596**	**3.516.964.067**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

3. Statements of Profit or Loss

	Income and expense items	Note (Section five)	Current Period (01/01/2023-31/12/2023)	Prior Period (01/01/2022-31/12/2022)
I.	**INTEREST INCOME**	**4.1**	**219.022.382**	**128.151.971**
1.1	Interest on Loans	4.1.1	130.708.507	68.461.393
1.2	Interest Received from Reserve Deposits		56.141	255.955
1.3	Interest Received from Banks	4.1.2	3.274.302	984.094
1.4	Interest Received from Money Market Transactions		441.109	159.474
1.5	Interest Received from Marketable Securities Portfolio	4.1.3	84.105.821	58.036.950
1.5.1	Financial Assets Measured at Fair Value Through Profit or Loss		126.273	52.715
1.5.2	Financial Assets Measured at Fair Value Through Other Comprehensive Income		22.992.022	19.191.840
1.5.3	Financial Assets Measured at Amortised Cost		60.987.526	38.792.395
1.6	Financial Lease Income		-	-
1.7	Other Interest Income		436.502	254.105
II.	**INTEREST EXPENSE (-)**	**4.2**	**146.120.390**	**51.203.595**
2.1	Interest on Deposits	4.2.6	117.992.713	32.743.900
2.2	Interest on Funds Borrowed	4.2.1	12.283.766	5.220.672
2.3	Interest Expense on Money Market Transactions	4.2.4	4.314.980	4.521.609
2.4	Interest on Securities Issued	4.2.3	9.673.713	6.620.391
2.5	Interest on Lease Payables		338.878	228.894
2.6	Other Interest Expense	4.2.5	1.516.340	1.868.129
III.	**NET INTEREST INCOME/EXPENSE (I - II)**		**72.901.992**	**76.948.376**
IV.	**NET FEES AND COMMISSIONS INCOME/EXPENSE**		**34.481.986**	**14.133.922**
4.1	Fees and Commissions Received		48.429.694	19.401.475
4.1.1	Non-cash Loans		3.383.272	2.071.228
4.1.2	Other	4.12	45.046.422	17.330.247
4.2	Fees and Commissions Paid		13.947.708	5.267.553
4.2.1	Non-cash Loans		799	753
4.2.2	Other	4.12	13.946.909	5.266.800
V	**DIVIDEND INCOME**	**4.3**	**9.429**	**49.988**
VI.	**TRADING PROFIT/LOSS (Net)**	**4.4**	**19.911.361**	**8.988.028**
6.1	Trading Gains/Losses on Securities		3.507.446	2.360.040
6.2	Derivative Financial Transactions Gains/Losses	4.6	33.666.702	18.379.064
6.3	Foreign Exchange Gains/Losses		(17.262.787)	(11.751.076)
VII.	**OTHER OPERATING INCOME**	**4.7**	**17.381.839**	**10.014.175**
VIII.	**GROSS PROFIT FROM OPERATING ACTIVITIES (III+IV+V+VI+VII)**		**144.686.607**	**110.134.489**
IX.	**ALLOWANCE FOR EXPECTED CREDIT LOSSES (-)**	**4.5**	**23.771.750**	**22.180.114**
X.	**OTHER PROVISION EXPENSES (-)**	**4.5**	**98.106**	**326.898**
XI.	**PERSONNEL EXPENSES (-)**		**16.777.259**	**9.097.079**
XII.	**OTHER OPERATING EXPENSES (-)**	**4.8**	**29.703.386**	**13.319.808**
XIII.	**NET OPERATING PROFIT/LOSS (VIII-IX-X-XI-XII)**		**74.336.106**	**65.210.590**
XIV.	**SURPLUS WRITTEN AS GAIN AFTER MERGER**		-	-
XV.	**PROFIT/LOSS FROM EQUITY METHOD APPLIED SUBSIDIARIES**		**8.215.171**	**3.102.944**
XVI.	**NET MONETARY POSITION GAIN/LOSS**		-	-
XVII.	**PROFIT/LOSS BEFORE TAXES FROM CONTINUING OPERATIONS (XIII+XIV+XV+XVI)**	**4.9**	**82.551.277**	**68.313.534**
XVIII.	**PROVISION FOR TAXES ON INCOME FROM CONTINUING OPERATIONS (±)**	**4.10**	**14.542.441**	**15.568.845**
18.1	Current Tax Provision		9.370.801	20.149.630
18.2	Expense Effect of Deferred tax (+)		5.171.640	-
18.3	Income Effect of Deferred tax (-)		-	4.580.785
XIX.	**NET PROFIT/LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)**		**68.008.836**	**52.744.689**
XX.	**INCOME FROM DISCONTINUED OPERATIONS**		-	-
20.1	Income from Assets Held for Sale		-	-
20.2	Profit from Sale of Associates, Subsidiaries and Joint Ventures		-	-
20.3	Other Income from Discontinued Operations		-	-
XXI.	**EXPENSES FROM DISCONTINUED OPERATIONS (-)**		-	-
21.1	Expenses on Assets Held for Sale		-	-
21.2	Losses from Sale of Associates, Subsidiaries and Joint Ventures		-	-
21.3	Other Expenses from Discontinued Operations		-	-
XXII.	**PROFIT/LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (XX - XXI)**		-	-
XXIII.	**TAX PROVISION FOR DISCONTINUED OPERATIONS (±)**		-	-
23.1	Current Tax provision		-	-
23.2	Expense Effect of Deferred tax (+)		-	-
23.3	Income Effect of Deferred tax (-)		-	-
XXIV.	**NET PROFIT/ LOSS FROM DISCONTINUED OPERATIONS (XXII±XXIII)**		-	-
XXV.	**NET PROFIT/LOSS (XIX+XXIV)**	**4.11**	**68.008.836**	**52.744.689**
	Earnings/(loss) per share (full TL)		0,0805	0,0624

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

4. Statement of Profit or Loss and Other Comprehensive Income

		Current Period (31/12/2023)	Prior Period (31/12/2022)
I.	**PROFIT /(LOSS)**	**68.008.836**	**52.744.689**
II.	**OTHER COMPREHENSIVE INCOME**	**(7.518.232)**	**12.005.653**
2.1	**Other comprehensive income that will not be reclassified to profit or loss**	**755.232**	**976.284**
2.1.1	Gains (losses) on Revaluation of Property, Plant and Equipment	6.066.155	3.748.858
2.1.2	Gains (losses) on Revaluation of Intangible Assets	-	-
2.1.3	Gains (losses) on Remeasurements of Defined Benefit Plans	(7.830.387)	(2.860.757)
2.1.4	Other Components of Other Comprehensive Income That Will Not Be Reclassified to Profit Or Loss	42.270	35.302
2.1.5	Taxes Relating To Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss	2.477.194	52.881
2.2	**Other Comprehensive Income That Will Be Reclassified to Profit or Loss**	**(8.273.464)**	**11.029.369**
2.2.1	Exchange Differences on Translation	9.026.107	2.830.610
2.2.2	Valuation and/or Reclassification Profit or Loss from Financial Assets Measured at Fair value through other comprehensive income	(14.553.504)	8.572.516
2.2.3	Income (loss) Related with Cash Flow Hedges	(2.561.933)	4.248.889
2.2.4	Income (loss) Related with Hedges of Net Investments in Foreign Operations	(6.343.565)	(1.651.384)
2.2.5	Other Components of Other Comprehensive Income that will be Reclassified to Other Profit or Loss	-	-
2.2.6	Taxes Relating To Components Of Other Comprehensive Income That Will Be Reclassified To Profit Or Loss	6.159.431	(2.971.262)
III.	**TOTAL COMPREHENSIVE INCOME (LOSS) (I+II)**	**60.490.604**	**64.750.342**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

5. Statement of changes in shareholders' equity

Current Period (31/12/2023)					Other Accumulated Comprehensive Income That Will Not Be Reclassified In Profit or Loss			Other Accumulated Comprehensive Income That Will Be Reclassified In Profit or Loss						
CHANGES IN SHAREHOLDER'S EQUITY	Paid-in capital	Share premium	Share certificate cancellation profits	Other capital reserves	1	2	3	4	5	6	Profit reserves	Prior period net income/(loss)	Current period net income/(loss)	Total shareholders' equity
I. Balance at the beginning of the period	**8.447.051**	**556.937**	**-**	**1.619.094**	**4.891.380**	**(2.915.774)**	**1.198.710**	**10.728.134**	**7.796.934**	**58.314**	**41.130.921**	**-**	**52.744.689**	**126.256.390**
II. Adjustment in accordance with TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2. Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New balance (I+II)	**8.447.051**	**556.937**	**-**	**1.619.094**	**4.891.380**	**(2.915.774)**	**1.198.710**	**10.728.134**	**7.796.934**	**58.314**	**41.130.921**	**-**	**52.744.689**	**126.256.390**
IV. Total comprehensive income (loss)	-	-	-	-	**5.999.848**	**(5.286.886)**	**42.270**	**9.026.107**	**(10.707.086)**	**(6.592.485)**	-	-	**68.008.836**	**60.490.604**
V. Capital increase in cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital increase through internal reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Issued capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase (decrease) through other changes, equity	-	-	-	**15.547**	-	-	-	-	-	-	-	-	-	**15.547**
XI. Profit distribution	-	-	-	**36.295**	-	-	-	-	-	-	**44.797.394**	-	**(52.744.689)**	**(7.911.000)**
11.1. Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	(7.911.000)	(7.911.000)
11.2. Transfers to legal reserves	-	-	-	36.295	-	-	-	-	-	-	44.797.394	-	(44.833.689)	-
11.3. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period end balance (III+IV+…...+X+XI)	**8.447.051**	**556.937**	**-**	**1.670.936**	**10.891.228**	**(8.202.660)**	**1.240.980**	**19.754.241**	**(2.910.152)**	**(6.534.171)**	**85.928.315**	**-**	**68.008.836**	**178.851.541**

1. Tangible assets revaluation reserve,
2. Accumulated gains / losses on remeasurements of defined benefit plans,
3. Other comprehensive income of associates and joint ventures accounted for using equity method that will not be reclassified to profit or loss and other accumulated amounts of other comprehensive income that will not be reclassified to profit or loss,
4. Exchange differences on translation reserve for associates and joint ventures accounted for using equity method,
5. Accumulated gains (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income,
6. Accumulated gains or (losses) on cash flow hedges and net investment hedges.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

5. Statement of changes in shareholders' equity

Prior Period (31/12/2022)					Other Accumulated Comprehensive Income That Will Not Be Reclassified In Profit or Loss			Other Accumulated Comprehensive Income That Will Be Reclassified In Profit or Loss						
CHANGES IN SHAREHOLDER'S EQUITY	Paid-in capital	Share premium	Share certificate cancellation profits	Other capital reserves	1	2	3	4	5	6	Profit reserves	Prior period net income/(loss)	Current period net income/(loss)	Total shareholders' equity
I. Balance at the beginning of the period	**8.447.051**	**556.937**	**-**	**1.598.968**	**1.856.179**	**(821.555)**	**1.163.408**	**7.897.524**	**1.458.706**	**(1.802.217)**	**32.639.419**	**-**	**10.489.758**	**63.484.178**
II. Adjustment in accordance with TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2. Effect of changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New balance (I+II)	**8.447.051**	**556.937**	**-**	**1.598.968**	**1.856.179**	**(821.555)**	**1.163.408**	**7.897.524**	**1.458.706**	**(1.802.217)**	**32.639.419**	**-**	**10.489.758**	**63.484.178**
IV. Total comprehensive income (loss)	-	-	-	-	**3.035.201**	**(2.094.219)**	**35.302**	**2.830.610**	**6.338.228**	**1.860.531**	-	-	**52.744.689**	**64.750.342**
V. Capital increase in cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital increase through internal reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Issued capital inflation adjustment difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase (decrease) through other changes, equity	-	-	-	**1.363**	-	-	-	-	-	-	**(979.493)**	-	-	**(978.130)**
XI. Profit distribution	-	-	-	**18.763**	-	-	-	-	-	-	**9.470.995**	-	**(10.489.758)**	**(1.000.000)**
11.1. Dividends distributed	-	-	-	-	-	-	-	-	-	-	-	-	(1.000.000)	(1.000.000)
11.2. Transfers to legal reserves	-	-	-	18.763	-	-	-	-	-	-	9.470.995	-	(9.489.758)	-
11.3. Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period end balance (III+IV+…...+X+XI)	**8.447.051**	**556.937**	**-**	**1.619.094**	**4.891.380**	**(2.915.774)**	**1.198.710**	**10.728.134**	**7.796.934**	**58.314**	**41.130.921**	**-**	**52.744.689**	**126.256.390**

1. Tangible assets revaluation reserve,
2. Accumulated gains / losses on remeasurements of defined benefit plans,
3. Other comprehensive income of associates and joint ventures accounted for using equity method that will not be reclassified to profit or loss and other accumulated amounts of other comprehensive income that will not be reclassified to profit or loss,
4. Exchange differences on translation reserve for associates and joint ventures accounted for using equity method,
5. Accumulated gains (losses) due to revaluation and/or reclassification of financial assets measured at fair value through other comprehensive income,
6. Accumulated gains or (losses) on cash flow hedges and net investment hedges.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

6. Statement of cash flows

		(Notes section five)	Current Period (31/12/2023)	Prior Period (31/12/2022)
A.	**CASH FLOWS FROM BANKING OPERATIONS**			
1.1	**Operating profit before changes in operating assets and liabilities**		**54.000.200**	**38.344.706**
1.1.1	Interest received		147.556.633	80.819.467
1.1.2	Interest paid		(123.769.654)	(44.852.623)
1.1.3	Dividend received		374.507	238.670
1.1.4	Fees and commissions received		48.429.694	19.401.475
1.1.5	Other income		30.035.381	16.114.133
1.1.6	Collections from previously written-off loans and other receivables		9.067.507	4.562.390
1.1.7	Cash Payments to personnel and service suppliers		(42.376.439)	(17.444.405)
1.1.8	Taxes paid		(9.219.814)	(18.141.110)
1.1.9	Other	6.3	(6.097.615)	(2.353.291)
1.2	**Changes in operating assets and liabilities subject to banking operations**		**96.319.291**	**1.572.100**
1.2.1	Net (increase) decrease in financial assets measured at fair value through profit or loss		(1.528.188)	(354.671)
1.2.2	Net (increase) decrease in due from banks		(75.562.016)	(35.065.404)
1.2.3	Net (increase) decrease in loans		(303.931.303)	(203.749.698)
1.2.4	Net (increase) decrease in other assets		(27.280.765)	(28.537.674)
1.2.5	Net increase (decrease) in bank deposits		21.765.373	2.280.492
1.2.6	Net increase (decrease) in other deposits		326.159.053	265.256.343
1.2.7	Net increase (decrease) in financial liabilities measured at fair value through profit or loss		31.837.620	12.796.995
1.2.8	Net increase (decrease) in funds borrowed		149.142.712	(5.219.368)
1.2.9	Net increase (decrease) in matured payables		-	-
1.2.10	Net increase (decrease) in other liabilities	6.3	(24.283.195)	(5.834.915)
I.	**Net cash provided from banking operations**		**150.319.491**	**39.916.806**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**			
II.	**Net cash provided from investing activities**		**(81.387.945)**	**(45.484.118)**
2.1	Cash paid for the purchase of associates, subsidiaries and joint ventures		-	(25.016)
2.2	Cash obtained from the sale of associates, subsidiaries and joint ventures		-	1.040.675
2.3	Cash paid for the purchase of tangible and intangible asset		(2.635.032)	(1.475.201)
2.4	Cash obtained from the sale of tangible and intangible asset		133.246	705.124
2.5	Cash paid for the purchase of financial assets measured at fair value through other comprehensive income		(25.075.483)	(33.223.418)
2.6	Cash obtained from the sale of financial assets measured at fair value through other comprehensive income		8.177.148	10.101.185
2.7	Cash paid for the purchase of financial assets at amortised cost		(66.445.598)	(30.470.261)
2.8	Cash obtained from sale of financial assets at amortised cost		4.457.774	7.862.794
2.9	Other		-	-
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**			
III.	**Net cash flows from financing activities**		**(26.381.307)**	**(338.094)**
3.1	Cash obtained from funds borrowed and securities issued		102.208.544	24.462.696
3.2	Cash outflow from funds borrowed and securities issued		(119.620.749)	(23.328.761)
3.3	Equity instruments issued		-	-
3.4	Dividends paid		(7.911.000)	(1.000.000)
3.5	Payments for finance lease liabilities		(1.058.102)	(472.029)
3.6	Other		-	-
IV.	**Effect of change in foreign exchange rate on cash and cash equivalents**	**6.3**	**39.947.582**	**23.988.491**
V.	**Net increase (decrease) in cash and cash equivalents**		**82.497.821**	**18.083.085**
VI.	**Cash and cash equivalents at beginning of the period**	**6.1**	**113.290.783**	**95.207.698**
VII.	**Cash and cash equivalents at end of the period**	**6.1**	**195.788.604**	**113.290.783**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

7. Profit Distribution(1)

		Current Period (31/12/2023)	Prior Period (31/12/2022)
I.	**Distribution of current year income**		
1.1	Current year income	82.551.277	68.313.534
1.2	Taxes and duties payable (-)	14.542.441	15.568.845
1.2.1	Corporate tax (income tax)	9.370.801	20.149.630
1.2.2	Income withholding tax	-	-
1.2.3	Other taxes and duties	5.171.640	(4.580.785)
A.	**Net income for the year (1.1-1.2)**	**68.008.836**	**52.744.689**
1.3	Prior year losses (-)	-	-
1.4	First legal reserves (-)	-	-
1.5	Other statutory reserves (-)	-	-
B.	**Net income available for distribution [(a-(1.3+1.4+1.5)]**	**68.008.836**	**52.744.689**
1.6	First dividend to shareholders (-)	-	422.353
1.6.1	To owners of ordinary shares	-	422.353
1.6.2	To owners of privileged shares	-	-
1.6.3	To owners of preferred shares	-	-
1.6.4	To profit sharing bonds	-	-
1.6.5	To holders of profit and loss sharing certificates	-	-
1.7	Dividends to personnel (-)	-	-
1.8	Dividends to board of directors (-)	-	-
1.9	Second dividend to shareholders (-)	-	7.488.647
1.9.1	To owners of ordinary shares	-	7.488.647
1.9.2	To owners of privileged shares	-	-
1.9.3	To owners of preferred shares	-	-
1.9.4	To profit sharing bonds	-	-
1.9.5	To holders of profit and loss sharing certificates	-	-
1.10	Second legal reserves (-)	-	748.865
1.11	Statutory reserves (-)	-	-
1.12	Extraordinary reserves	-	44.048.529
1.13	Other reserves	-	-
1.14	Special funds	-	36.295
II.	**Distribution of reserves**		
2.1	Appropriated reserves	-	-
2.2	Second legal reserves (-)	-	-
2.3	Dividends to shareholders (-)	-	-
2.3.1	To owners of ordinary shares	-	-
2.3.2	To owners of privileged shares	-	-
2.3.3	To owners of preferred shares	-	-
2.3.4	To profit sharing bonds	-	-
2.3.5	To holders of profit and loss sharing certificates	-	-
2.4	Dividends to personnel (-)	-	-
2.5	Dividends to board of directors (-)	-	-
III.	**Earnings per share**		
3.1	To owners of ordinary shares (full TL)	0,0805	0,0624
3.2	To owners of ordinary shares (%)	-	-
3.3	To owners of privileged shares	-	-
3.4	To owners of privileged shares (%)	-	-
IV.	**Dividend per share**		
4.1	To owners of ordinary shares (full TL)	-	0,0094
4.2	To owners of ordinary shares (%)	-	93,6540
4.3	To owners of privileged shares	-	-
4.4	To owners of privileged shares (%)	-	-

(1) Regarding profit distribution, the authorized body of the Bank is the General Assembly and the annual general assembly meeting has not been held as of the date of preparation of these financial statements. Since the dividend distribution proposal for 2023 has not yet been prepared by the Board of Directors, only the distributable profit is stated in the profit distribution table.

Section Three

Accounting policies

1. Explanations on basis of presentation:

The Bank keeps its books of accounts in Turkish Lira in accordance with the Banking Act No. 5411 ("Banking Act"), which is effective from November 1, 2005, the Turkish Commercial Code ("TCC"), and Turkish Tax Legislation.

The unconsolidated financial statements prepared in accordance with the "Regulation on the Principles and Procedures Regarding Banks Accounting Applications and Safeguarding of Documents" published in the Official Gazette No. 26333 dated November 1, 2006 and other communiqués, interpretations and legislations published by the Banking Regulation and Supervision Agency ("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 published by BRSA. The format and the details of the publicly announced financial statements and related disclosures to these statements have been prepared in accordance with the "Communiqué Related to Publicly Announced Financial Statements of Banks and Explanations and Notes Related to these Financial Statements" and changes and notes to this communiqué published in the Official Gazette No. 28337 dated June 28, 2012.

The accompanying unconsolidated financial statements and notes to these financial statements are expressed in thousands of Turkish Lira (TL), unless otherwise stated.

The accompanying unconsolidated financial statements are prepared in accordance with the historical cost basis (restated for the changes in the general purchasing power of TL until December 31, 2004), except for financial assets and liabilities measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income, derivative financial assets/liabilities buildings and art objects and paintings in tangible assets. Besides, the carrying values of assets carried at amortized cost but subject to fair value hedge are adjusted to reflect the fair value changes related to the hedged risks.

The preparation of unconsolidated financial statements in conformity with TFRS requires the use of certain accounting estimates by the Bank management to exercise its judgment on the assets and liabilities on the balance sheet and contingent assets and liabilities as of the balance sheet date. These estimates are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are explained in the related notes and reflected to the income statement.

The accounting policies and valuation principles employed for the preparation the financial statements are in compliance with "Accounting and Reporting Legislation" published in the regulation, communique, interpretations and circular of BRSA. If there is no specific regulation of BRSA, it has been determined and applied in the context of TFRS.

As of June 30, 2023, the Bank completed the development of necessary infrastructure for transition to overnight interest rates in risk management systems and USD Libor indexed derivatives, money market transactions, bonds, loan products. As of June 30, 2023, alternative benchmark interest rates is started to be used in the new floating rate transactions. The transition to alternative benchmark interest rates is completed for the existing interbank derivative transactions and interbank money market transactions. The transition process has not been completed yet for customer transactions. The transition to alternative interest rates have no material impact on the Bank's financial statements.

On November 23, 2023, POA announced that, entities reporting under the TFRS should begin implementing "TAS - 29 Financial Reporting in Hyperinflationary Economies" standard in their financial statements, from periods ending on and after December 31, 2023. Besides, regulatory and auditing bodies that are authorized in their respective areas have flexibility to determine alternative transition dates for the application of TAS - 29.

Within the scope of the decision dated December 12, 2023 and numbered 10744 by the BRSA, banks, financial leasing, factoring, financing, savings financing, and asset management companies are not subject to inflation adjustments required under TAS-29 in their financial statements as of December 31, 2023. Based on the decision dated January 11, 2024 and numbered 10825, these entities are required to implement inflation accounting starting from January 1, 2025.

Additional paragraph for convenience translation into English:

BRSA Accounting and Financial Reporting Legislation, as described in the preceding paragraphs, differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board including the application of IAS 29 - Financial Reporting in Hyperinflationary Economies as of December 31, 2023 and the differences between accounting principles have not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated financial statements are not intended to present fairly the unconsolidated financial position, results of operations, changes in equity and cash flows of the Bank in accordance with IFRS.

2. Explanations on strategy of using financial instruments and foreign currency transactions:

The general strategy of the Bank in using financial instruments is to sustain an optimal balance between the yield of the instruments and their risks. The most important funding source of the Bank is deposits. For non-deposit items, the Bank maintains longer-term funding structure especially through long-term foreign borrowings. Funds from deposits and other funding sources are invested in high quality financial assets in order to keep currency, interest rate and liquidity risks within the limits determined by the asset-liability strategy. The currency, interest and liquidity risks of on-balance sheet and off-balance sheet assets and liabilities are managed in accordance with the risk limits approved in the Bank and the related legal limits. Derivative instruments are mainly utilized for liquidity needs and for mitigating currency and interest rate risks. The position of the Bank as a result of foreign currency activities is being held at minimum levels and the currency risk exposure is monitored within the limits determined by the Board of Directors under the context of Banking Act.

Foreign currency denominated monetary assets and liabilities are translated with the exchange rates prevailing at the balance sheet date. Gains and losses arising from such valuations are recognized in the income statement under the account of "Foreign exchange gains or losses", except for valuation differences arising from foreign currency participations, subsidiaries and foreign currency non-performing loans.

The Bank hedges foreign currency exposure arising from carrying its foreign subsidiaries at equity method, with foreign currency financial liabilities and applies net investment hedge accounting. The effective portions of the change in fair value in financial liabilities in foreign currency are recorded under "Other accumulated comprehensive income that will be reclassified in other profit or loss" in equity.

In order to eliminate the inconsistency in the recognition, the Bank might classify its financial liabilities as financial liabilities at fair value through profit / loss upon the initial recognition.

3. Explanations on investments in associates, subsidiaries and joint ventures:

Associates, subsidiaries and joint ventures are being carried at equity method as defined in " TAS 28 - Investments in Associates and Joint Ventures" in the unconsolidated financial statements of the Bank started from June 30, 2015. Any valuation differences arising from prior years, before January 1, 2015, are booked as "Other accumulated comprehensive income that will not be reclassified in profit or loss" under equity. In the following periods, any valuation differences arising from the current period income and other comprehensive income are recognised in profit or loss and "Other accumulated comprehensive income that will not be reclassified in profit or loss" under the equity, respectively. This accounting policy change is performed through an early adaption before the effective date of January 1, 2016 in accordance with the change of "TAS – 27 Turkish Accounting Standards for Individual Financial Statements" numbered 29321 on April 9, 2015 and confirmation by BRSA's letter numbered 10686 on July 14, 2015.

4. Explanations on forward and option contracts and derivative instruments:

The Bank's derivative transactions mostly include money and interest rate swaps, forward foreign exchange purchase and sale transactions and options.

Derivative instruments are measured at fair value on initial recognition and subsequently remeasured at their fair values. As a result, the fair value of derivatives is reflected as net liability or net asset on a contract by contract basis. The accounting method applied to the income or loss arising from derivative instruments depends on whether the derivative is being used for hedging purposes or not and depends on the type of item being hedged.

At the transaction date, the Bank documents the relationship between hedging instruments and hedged items, together with the risk management policies and the strategies on hedging transactions. Besides, the Bank regularly documents the effectiveness of the hedging instruments in offsetting the changes in the fair value of the hedged items.

Changes in the fair value of derivative instruments subject to fair value hedges are recognized under profit or loss accounts together with the variation in the fair value of hedged items. The changes of fair value of derivative transactions for fair value hedge are classified in "Derivative Financial Transactions Gains/Losses" account. In the balance sheet, changes in the fair value of hedged assets and liabilities, during the period in which the hedge is effective, are shown with the related assets and liabilities. The ineffective portion of the mentioned hedging transaction is reflected to the income statement. If the underlying hedge does not conform to the hedge accounting requirements, according to the adjustments made to the carrying value (amortized cost) of the hedged item, for which the risk is hedged by a portfolio hedge, are amortized with the straight line method within the time to maturity and recognized in profit or loss accounts. Fair value adjustments are recognized directly in the income statement in an event of repayment and/or unwinding and/or derecognition of the hedged item.

The Bank hedges its cash flow risk arising from foreign currency and Turkish Lira floating interest rate liabilities by using currency and interest rate swaps. The effective portion of the fair value changes of the hedging instruments are recorded in "Other accumulated comprehensive income that will be reclassified in profit or loss" under shareholders' equity. These funds are transferred to profit or loss from equity when the cash flows of the hedged items (interest expense) impact the income statement.

In case the cash flow hedge accounting is discontinued due to the expiry, realization for sale of the hedging instrument, or due to the results of the effectiveness test the amounts accounted under shareholders' equity are transferred to the profit or loss accounts as these cash flows of the hedged item are realized.

Some of the trading purpose derivative transactions, even though they provide effective economic hedges under the Bank's risk management policy, do not qualify for hedge accounting under the specific rules in "TFRS 9 - Financial Instruments" and are therefore treated as "Derivative financial assets measured at fair value through profit or loss".

"Derivative financial assets measured at fair value through profit or loss" are measured at fair value. If the fair value of derivative financial instruments is positive, it is disclosed under the main account "Derivative financial assets measured at fair value through profit or loss"; and if the fair value difference is negative, it is disclosed under "Derivative financial liabilities measured at fair value through profit or loss". Fair value changes are recorded under "Derivative Financial Transactions Gains/(Losses)" in the income statement.

The fair values of the derivative financial instruments are calculated using quoted market prices or by using discounted cash flow models.

Parameters used for the valuation of the option portfolio are determined by market risk management and the confirmation of the accuracy of fair value calculations are monitored periodically by market risk management.

Liabilities and receivables arising from the derivative instruments are followed in the off-balance sheet accounts as their contractual values. Embedded derivatives are separated from the host contract and accounted as derivative instruments according to "TFRS – 9 Financial Instruments" in case (i) the related embedded derivative's economic features and risks are not closely related to the host contract, (ii) another instrument that has the same contract conditions with the embedded derivative satisfies the definition of a derivative instrument and (iii) the hybrid instrument is not carried at fair value through profit or loss.

Credit derivatives are capital market tools designed to transfer credit risk from one party to another.

As of December 31, 2023, the Bank's credit derivatives portfolio included total return swaps.

Credit linked notes are bonds that have repayments depending on a credit event or the credit risk evaluation of a reference asset or asset pool. Depending on whether the reference assets are included in the balance sheet of the issuer or the owner of the assets, these transactions can be accounted by the party assuming the credit risk as insurance or as an embedded derivative. As per the Bank's management evaluation, the embedded derivatives included in the credit linked notes are separated from the host contracts in accordance with "TFRS – 9 Financial Instruments" and recorded and evaluated as credit default swaps. The bond itself (host contract) is valued in accordance with the valuation principles of the category it is classified.

Total return swaps are contracts, in which the seller commits to pay the contract value for all cash flows of the reference assets of the seller and the changes of the market values of these reference assets to the buyer during the contract maturity and bear all the decreases in the market value of these reference assets. The Bank uses the total return swaps to generate long term funding.

Market risks of these products are monitored using the Bank's internal modeling system for the Value-at-Risk and basis points sensitivity analysis; the liquidity risks are monitored using the short term liquidity report on daily and the long term liquidity report on monthly basis.

According to the regulations of BRSA, currency exchange transactions, which are realized at value date in the initial phase of currency swaps, are recorded and followed as irrevocable commitments in off-balance sheet accounts until the value date.

A Credit Valuation Adjustment (CVA) is applied to the Bank's over-the-counter derivative exposures to take into account the counterparty's risk of default when measuring the fair value of the derivative. CVA is the mark-to-market cost of protection required to hedge credit risk from counterparties in the Bank's over-the-counter derivatives portfolio. The Bank calculates CVA based on collective provisioning methodology calculated in accordance with Turkish Financial Reporting Standards, "TFRS – 9 Financial Instruments", comprising the product of Exposure, Probability of Default (PD) and Loss Given Default (LGD). CVA is calculated based on the exposure of each counterparty.

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 stale, the Bank makes an adjustment to the transactions or quoted prices and reflects this adjustment to the fair value measurement. In this context, the Bank determines the point within the range that is most representative of fair value under current market conditions.

5. Explanations on interest income and expense:

Interest income and expenses are recognized in the income statement on an accrual basis by using the effective interest method periodically

Retrospective rediscount calculation and foreign exchange evaluation is performed for non performing loans, and accrued interest and rediscounts as of transfer to non performing loan accounts are accounted under loan accrual/rediscount accounts as per Uniform Chart of Accounts ("UCA"). The Bank ceases accruing interest after non-performing loan classification. In place of that, interest amount representing the time value of future collections is recognized under interest income instead of provision expense.

6. Explanations on fee and commission income and expenses:

Fees and commissions received as a result of the service agreements or arising from negotiating or participating in the negotiation of a transaction on behalf of a third party are recognized either in the period when the transaction is realized or deferred based on the type of the underlying transaction. Other commission income and fees from various banking services are recorded as income at the time of realization.

Except for fees and commissions that are integral part of the effective interest rates of financial instruments measured at amortized costs, the fees and commissions are accounted for in accordance with TFRS 15 "Revenue from Contract with Customers".

7. Explanations on financial assets:

As of January 1, 2018, the Bank has applied TFRS 9 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL)
- Fair value through other comprehensive income (FVOCI)
- Financial assets measured at amortised cost

According to TFRS 9, classification of financial assets is based on two criterias; business model under which the financial asset is being managed and contractual cash flows representing solely payments of principal and interest of the financial asset. This evaluation incorporates whether there is any clause that may change timing or amount of contractual cash flows of the financial asset.

Classification of financial assets reflects the business model of how the Bank manages the assets in order to generate cash flows. Bank's business model may be to collect the contractual cash flows from the assets or to collect both the contractual cash flows and cash flows arising from the sale of assets.

If neither of these is applicable, then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Bank in determining the business model for a bank of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVPL.

The Bank owns Consumer Price Indexed (CPI) Government Bonds which are classified under "Fair value through other comprehensive income" and "measured at amortised cost" securities portfolio. Related securities and reference indices used in calculating the actual coupon payment amounts of these assets are based on the Consumer Price Index (CPI) of prior two months.

Assessment of the business model

The Bank determines the business model 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 a single-instrument basis approach for classification and should be determined on a higher level of aggregation.

During the assessment of the business model for management of financial assets, all relevant evidences available at the assessment date have taken into consideration. Such relevant evidence includes below:

- How the performance of the portfolio is evaluated and reported to the Bank's management;
- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Bank's stated objective for managing the financial assets is achieved and how cash flows are realised.

If cash flows are realised in a way that is different from the expectations on the date of the assessment of 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 all relevant information that was available at the time of business model assessment were . 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:

- Business model whose objective is to hold assets in order to collect contractual cash flows

Financial assets that are held within 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. That is, the Bank manages the assets held within the portfolio to collect those particular contractual cash flows.

Although the objective of Bank's business model may be to hold financial assets in order to collect contractual cash flows, the Bank does not need to hold all of those instruments until the maturity. Thus Bank's business model can be to hold financial assets to collect contractual cash flows even when sales of financial assets occur or are expected to occur in the future.

The business model may be to hold assets to collect contractual cash flows even if the Bank sells financial assets when there is an increase in the assets' credit risk. The Bank considers reasonable and supportable information, including forward looking information,in order to determine whether there has been an increase in the assets' credit risk. Regardless of their frequency and value, sales due to an increase in the assets' credit risk are not in consistent with a business model whose objective is to hold financial assets to collect contractual cash flows because the credit quality of financial assets is relevant to the Bank's ability to collect contractual cash flows.

- A business model whose objective is achieved by both collecting contractual cash flows and selling financial assets

The Bank may hold financial assets in a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. In this type of business model, the Bank's management have made a decision on both collecting contractual cash flows and selling financial assets is necessary for achieving the objective of the business model. There are various objectives that may be consistent with this type of business model. For example, the objective of the business model may be to manage liquidity needs on a daily basis, to maintain a particular interest yield profile or to match the duration of the financial assets to the duration of the liabilities funding those assets. To achieve such an objective, the Bank will both collect contractual cash flows and sell financial assets.

Compared to a business model whose objective is to hold financial assets to collect contractual cash flows, this business model will typically involve greater frequency and value of sales. This is because selling financial assets is integral to achieving the business model's objective instead of being only incidental to it.

- 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

A portfolio of financial assets that is managed and whose performance is evaluated on a fair value basis is neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. The Bank is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs. In assessing whether the contractual cash flows are SPPI, the Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

When making such assessment, the Bank:

- Contingent events that would change the amount and timing of cash flows;
- Leverage features;
- Prepayment and extension terms;
- Terms that limit the Bank's claim to cash flows from specified assets (e.g. non-recourse loans); and
- Features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

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.

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

Financial assets, which are classified as "Financial assets measured at fair value through profit or loss", are trading financial assets and are either acquired for generating profit from short-term fluctuations in the price or dealer's margin, or are financial assets included in a portfolio in which a pattern of short-term profit making exists independent from the acquisition purpose.

Trading financial assets are initially recognized at fair value and are subsequently re-measured at their fair value. However, if fair values cannot be obtained from active market transactions, it is assumed that the fair value cannot be observed reliably and fair values are calculated by alternative models.

All gains and losses arising from these valuations are recognized in the income statement. Interest earned while holding financial assets is reported as interest income and dividends received are included separately in dividend income.

The principles regarding the accounting of derivative financial instruments are explained in detail in Note 4 of this section.

7.2. Financial assets measured at amortised cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, are measured at amortised cost. These financial assets are initially recognized at total of acquisition and transaction cost. After their initial recognition they are carried at "Amortized cost" using the "Effective interest method".

7.3. Loans :

Loans are financial assets raised through lending without having the intention to trade in the short term. Loans are non derivative financial assets with fixed or determinable payments and fixed maturities that are not quoted on active market. Loans are recognized initially at cost including transaction costs (which reflect fair values) and subsequently carried at the amortized cost using the "effective interest method". The expenses incurred for the assets received as collateral are not considered as transaction costs and are recognized in the expense accounts.

Retail, commercial and corporate loans included in cash loans are accounted for with their original maturities in accounts which are mentioned in the UCA. Foreign currency indexed loans are initially measured at local currency accounts with the foreign exchange rate prevailing at date of the initial recognition and re-valued with the relevant foreign currency rates prevailing at the date of the financial statements. Increase or decrease in the value of the principal amount of the loan due to changes in foreign exchange rates is accounted in the related income and expense accounts. Repayment amounts are translated with the foreign exchange rates prevailing at the repayment dates and the valuation differences are accounted for in "foreign exchange gain/loss" accounts.

The Bank provides provision for expected credit losses based on the assessments and estimates of the management, by considering "TFRS 9 - Financial Instruments" and the "Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables" ("Provisioning Regulation") published in the Official Gazette No. 29750 dated June 22, 2016. In this context, the management estimates are determined on the basis of the prudence principle and Bank credit risk policies, considering the general structure of the loan portfolio, the financial conditions of the customers, non-financial information and the economic conjuncture.

As of December 31, 2023, the Bank has made its classifications in accordance with the TFRS 9 standard and reflected them in its financial statements. In this context; the Bank has evaluated many reasonable and supportable qualitative and quantitative data in assessing whether there is a significant increase in credit risk in the classification of loans according to stages and determining the moment when the default situation occurs. It has classified the loans according to their stages according to its best judgment under the current conditions.

Provision expenses are deducted from the net income of the year. If there is a subsequent collection from a receivable that was already provisioned in previous years, the recovery amount is classified under "Other operating income". The write off policy is described in the explanations and notes related to assets, fifth section.

7.4. Financial assets measured at fair value through other comprehensive income:

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI).

Financial assets measured at fair value through other comprehensive income are subsequently re-measured at fair value. When fair values based on market prices cannot be obtained reliably, the financial assets at fair value through other comprehensive income are carried at fair values determined by using alternative models. "Unrealized gains and losses" arising from changes in the fair value of financial assets classified as financial assets at fair value through other comprehensive income are recognized in the shareholders' equity as "Other accumulated comprehensive income that will be reclassified in profit or loss ", until the related assets are impaired or disposed. When these financial assets are disposed or impaired, the related fair value differences accumulated in the shareholders' equity are transferred to the income statement.

Interest and dividends received from Financial assets at fair value through other comprehensive income are recorded in interest income and dividend income as appropriate.

Interest income on financial assets at fair value through other comprehensive income are calculated by effective interest rate method and are accounted for in interest income account. At the time of sale of a financial assets at fair value through other comprehensive income before the maturity, the difference between the profit, which is the difference between the cost and sales price of the financial assets, and the interest income accrual are accounted under "Profit/losses from capital market transactions".

7.5. Equity instruments measured at fair value through other comprehensive income:

At initial recognition, an irrevocable election can be made 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. Such election is made on an instrument by instrument basis. Fair value differences recognized in other comprehensive income are not transferred to profit or loss in the following periods and transferred to prior years' profit / loss. The equity instruments measured at fair value through other comprehensive income, are not subject to impairment calculation

8. Explanations on impairment of financial assets:

The Bank assesses the expected credit losses ("ECL") related with its debt instrument assets carried at amortised cost and at fair value through other comprehensive income, with the exposure arising from loan commitments and financial guarantee contracts on a forward-looking basis. The Bank recognises a loss allowance for such losses at each reporting date. The measurement of expected credit losses reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money;
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The measurement of the expected credit loss allowance:

The measurement of the expected credit loss allowance for financial assets measured at amortised cost and at fair value through other comprehensive income is an area that requires the use of advanced models and significant assumptions about future economic conditions and credit behaviour.

These financial assets will be divided into three categories depending on the gradual increase in credit risk observed since their initial recognition. Impairment shall be recognized on outstanding amounts in each category, as follows:

Stage 1:

For the financial assets at initial recognition or that do not have a significant increase in credit risk since initial recognition. Impairment for credit risk will be recorded in the amount of 12-month expected credit losses.

Stage 2:

In the event of a significant increase in credit risk since initial recognition, the financial asset will be transferred to this stage. Impairment for credit risk will be determined on the basis of the instrument's lifetime expected credit losses.

Stage 3:

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL are recognized and interest revenue is calculated on the net carrying amount.

Life-time expected credit loss is calculated on an individual or collective basis for the financial assets in stage 2 and stage 3.

General provisions represent ECLs for the first stage and the second stage, specific provisions represent ECLs for the third stage.

The Bank has developed specific models for calculating the expected loss; such models are based on the parameters of PD, LGD and EAD and on the effective interest rate. In particular:

- The PD (Probability of Default), represents the customer's probability of more than 90 days delay, within 12-months;
- The LGD (Loss Given Default), represents the percentage of the estimated loss, and thus the expected rate of recovery, at the date of occurrence of the default event of the credit exposure;
- The EAD (Exposure at Default), represents the measure of the exposure at the time of the event of default of the credit exposure;
- The Effective interest rate is the discount rate that expresses of the time value of money.

Such parameters are calculated starting from the corresponding parameters used for IRB preparation purposes, with specific adjustments in order to ensure consistency between accounting and regulatory treatment despite different regulatory requirements.

The main adjustments aimed at:

- Removal of prudency principal used for IRB phase;
- Introducing "point-in-time" adjustments to replace "through-the-cycle" adjustments required for IRB phase (TFRS-9 parameters developed over these parameters.);
- With reference to lifetime PD, through-the-cycle PD curves obtained by adjusting observed cumulated default rates were calibrated in order to reflect point-in-time on portfolio default rates.

Recovery rate incorporated into through-the-cycle LGD was adjusted in order to remove prudency principle and to reflect the most updated trend of recovery rates discounted at effective interest rate or at its best approximation.

The lifetime EAD has been obtained by converting the 1 year regulatory or managerial model to life-time, removing margin of prudency and including the expected discounted cash flow.

The Stage Allocation model is a key aspect of the accounting model required to calculate expected credit losses which is aimed at transferring credit exposures from Stage 1 to Stage 2.

With reference to the quantitative component of the model for stage allocation, the Bank has adopted a statistical approach based on a quantiles regression whose objective is to define a threshold in terms of maximum variation acceptable between the PD at the time of origination and the PD assessed at the reporting date.

The Stage Allocation model was based on a combination of relative and absolute elements. The main elements were:

- Comparison, for each transaction, between the PD measured at the time of recognition and PD as at the reporting date, both calculated according to internal models, through thresholds set in a way considering all key variables of each transaction that can affect the Bank's expectation of PD changes over time;
- Absolute elements such as the backstops required by law;
- Additional internal evidence

Significant increase in credit risk

In the assessment of significant increase in credit risk quantitative and qualitative assessments are made;

Quantitative Assessment:

As a result of quantitative assessment, related financial asset is classified as stage 2 (Significant Increase in Credit Risk) when any of the following criterias are satisfied.

As of reporting date:

- Lifetime expected credit losses shall be recognized on a transaction base, when 30 days past due status is passed. The Bank can abandon this estimation when it has reasonable and supportable information about customers contractual repayments.
- In case a loan has been restructured, it will be followed up under Stage 2 during the follow-up period mentioned in the related regulations. The loan can be transferred back to Stage 1 at end of the follow-up period if there is no significant deterioration.
- Provisions on non-funded non cash loans are evaluated as significant increase in credit risk.

Qualitative Assessment

The probability of significant increase in credit risk under qualitative assessment is based on the comparison of probability of default of a loan in the origination and as of reporting date.

The Bank uses distribution regression on segment basis in order to calculate the thresholds used in defining the significant increase in credit risk.

Low credit risk

Financial instruments defined as low risk for TFRS 9 are;

- Receivables from Central Bank of the Republic of Türkiye ("CBRT");
- Loans with counterparty of Treasury of the Republic of Türkiye
- The issued securities or guaranteed marketable securities from central banks of the countries where Bank's subsidiaries, associates are resident;
- Bank placements;
- Other money market transactions;
- Transactions of Bank's associates and subsidiaries

Forward Looking Information

Forward-looking macroeconomic information is incorporated into credit risk parameters during assessment of significant increase in credit risk and expected credit loss calculation. For the calculation of expected credit loss, Bank uses macroeconomic estimation method which is developed during creation of various scenarios. Macroeconomic variables prevailing during these estimates are gross domestic product (GDP) and unemployment rate.

When expected credit losses are estimated in accordance with the forward looking macroeconomic information, the Bank evaluates three scenarios (base, pessimistic and optimistic) with various weights based. The Bank has reviewed the macroeconomic model used in the process and has been the subject of provision calculations using the data considered to reflect the current situation in the best way.

In the light of macroeconomic expectations, the Bank reflected the calculations made to its financial statements considering the probability of default values and the possible changes in the exposure at default. In this context, the Bank has measured the effect of the change in macroeconomic data used in the calculation of expected credit loss such as gross domestic product and unemployment rate, on the non performing loans under different scenarios and reflected the coefficient increase, which was considered to be the most accurate, to its provision calculations by projecting it on the loan parameters within the range of NPL ratio obtained throughout the calculations.

9. Explanations on offsetting financial assets:

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

10. Explanations on sales and repurchase agreements and securities lending transactions:

Securities subject to repurchase agreements ("Repo") are classified as "Financial assets at fair value through profit or loss", "Financial assets measured at fair value through other comprehensive income" and "Financial assets measured at amortised cost" according to the investment purposes of the Bank and measured according to the portfolio to which they belong. Funds obtained from repurchase agreements are accounted under "Money market funds" in liabilities and the difference between the sale and repurchase price is accrued over the life of the repurchase agreements using the "Effective interest method". Interest expense on repo transactions are recorded under "Interest expense on money market transactions" in the income statement.

Funds given against securities purchased under agreements to resell ("Reverse repo") are accounted under "Receivables from money markets" on the balance sheet. The difference between the purchase and determined resell price is accrued over the life of repurchase agreements using the effective interest method.

The Bank has no securities lending transactions.

11. Information on assets held for resale and related to discontinued operations and explanations on liabilities related with these assets:

According to the " TFRS – 5 Non-current Assets Held for Sale and Discontinued Operations" , a tangible asset (or a bank of assets to be disposed) classified as "Asset held for resale" is measured at lower of carrying value and fair value less costs to sell. An asset (or a bank of assets to be disposed) is regarded as "Asset held for resale" only when the sale is highly probable and the asset (or a bank 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.

A discontinued operation is a part of the Bank's business classified as sold or held for sale. The operating results of the discontinued operations are disclosed separately in the income statement.

12. Explanations on goodwill and other intangible assets:

12.1. Goodwill:

The excess of the cost of an acquisition over the fair value of the Bank's share of the identifiable assets, liabilities or contingent liabilities of the acquired subsidiary at the date of acquisition of the control is recorded as goodwill and represents a payment made by the acquirer in anticipation of future economic benefits from assets that are not capable of being individually identified and separately recognized. The acquirer also recognizes assets that are capable of being individually identified and separately recognized, intangible assets (e.g. credit card brand value, deposit base and customer portfolio) and contingent liabilities at fair value, irrespective of whether the asset had been recognized by the acquire before the business combination, if it can be distinguished from the goodwill and if the asset's fair value can be measured reliably.

As explained in Note 2, Section 1, in 2006, all rights, receivables, debts and liabilities of Koçbank were transferred to the Bank pursuant the merger of the two banks. Within the scope of TFRS 3 - Business Combinations standard, the goodwill arised from the merger was subject to annual impairment test in accordance with the requirement of "TAS 36 - Impairment of Assets". As of December 31, 2022, the provision for impairment for the entire amount of goodwill was recognized in profit reserves directly under equity.

12.2. Other intangible assets:

Other intangible assets are measured at cost on initial recognition and any directly attributable costs of setting the asset to work for its intended use are included in the initial measurement. Subsequently, intangible assets are carried at historical costs after the deduction of accumulated amortization and the provision for impairment.

The Bank evaluates the possibility of existence of impairment of intangible assets at the end of each reporting period. If there is an evidence of impairment, the Bank estimates a recoverable amount in accordance with the "TAS – 36 Impairment of Assets". The recoverable amount is the higher of net sales price or the value in use. When the book value of another intangible asset exceeds the recoverable amount, the related asset is considered to be impaired. If there is no evidence of impairment, there is no need to estimate the recoverable amount.

Intangibles are amortized over their estimated useful lives using the straight-line method. The useful life of the asset is determined by assessing the expected useful life of the asset, technical, technological and other kinds of obsolescence and all required maintenance expenses necessary to utilize the economic benefit from the asset.

13. Explanations on property and equipment:

Property and equipment is measured at its cost when initially recognized and any directly attributable costs of setting the asset in working order for its intended use are included in the initial measurement in accordance with "TAS – 16 Property, Plant and Equipment". Subsequently, properties and equipment, except art objects, paintings and buildings are carried at cost less accumulated depreciation and provision for impairment.

The Bank adopted a fair value accounting method for its buildings as of March 31, 2015 in tangible assets in accordance with "TAS – 16 Property, Plant and Equipment".

The depreciation rate for buildings is 2-4%, for movables and movables acquired under financial leasing depreciation is calculated over estimated useful life by using the straight-line method.

The depreciation charge for items remaining in property and equipment for less than a full accounting period at the balance sheet date is calculated in proportion to the period the item remained in property and equipment.

In accordance with "TAS – 36 Impairment of Assets", where the carrying amount of an asset is greater than its estimated "recoverable amount", it is written down to its "recoverable amount" and the provision for impairment is charged to the income statement.

Gains and losses on the disposal of property and equipment are determined by deducting the net book value of the property and equipment from its sales proceeds.

Expenditures for the repair and maintenance of property and equipment are recognized as expense. The capital expenditures made in order to increase the capacity of the tangible asset or to increase its future benefits are capitalized on the cost of the tangible asset. The capital expenditures include the cost components which are used either to increase the useful life or the capacity of the asset or the quality of the product or to decrease the costs.

14. Explanations on leasing transactions:

The Bank performs leasing transactions in the capacity of the lessee and lessor.

14.1 Accounting of leasing operations according to lessee:

The Bank has adopted "TFRS 16: Leases" approach in the accounting of leasing transactions.

In accordance with TFRS 16, the Bank calculates "right-of-use" amount using the present value of the lease payments of fixed asset at the beginning of the leasing period and recognizes under "property and equipment". Unpaid leasing payments are calculated at their net present value and recognized under "lease payables" in liabilities. Lease payments are discounted using related borrowing rates.

Fixed assets that are subject to leasing is amortised on the basis of leasing period. Interest expense related to lease payables is classified under "interest on lease payables" under "interest expense" and exchange rate changes are classified under "foreign exchange gains/losses". Leasing payments are deducted from lease payables.

14.2 Accounting of the leasing transactions in terms of the lessor:

The major risks and benefits of the property carried by the lessor are classified as operational leasing. The payments that are received as operational leasing are accounted as income via the linear method throughout the leasing term.

15. Explanations on provisions, contingent assets and liabilities:

Provisions and contingent liabilities, except for the expected credit loss recognized for financial instruments within the scope of TFRS 9 standards, are accounted in accordance with "TAS – 37 Provisions, Contingent Liabilities and Contingent Assets".

Provisions are recognized when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Provisions for contingent liabilities arisen from past events are recognized in the period of occurrence in accordance with the "Matching principle". A provision is recognized when it is probable that the contingent event will occur and a reliable estimate can be made. When a reliable estimate of the amount of obligation cannot be made or it is not probable that an outflow of resources will be required to settle the obligation, it is considered that a "contingent" liability exists and it is disclosed in the related notes to the financial statements.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognized in financial statements since this may result in the recognition of income that may never be realized. Contingent assets are disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in 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 period in which the change occurs.

16. Explanations on obligations related to employee benefits:

16.1. Employee termination benefits

Obligations related to employee termination and vacation rights are accounted for in accordance with "TAS – 19 Employee Benefits" and are classified under "Provisions for employee benefits" account in the balance sheet.

Under the Turkish Labour Law, the Bank is required to pay a specific amount to the employees who have retired or whose employment is terminated other than for the reasons specified in the Turkish Labour Law. The reserve for employment termination benefits represents the present value of the estimated total liability for the future probable obligation of the Bank determined by using certain actuarial assumptions. Actuarial gains and losses are accounted for under equity in accordance with the "TAS – 19 Employee Benefits" standard.

16.2. Pension rights

The Bank's personnel are members of the Yapı ve Kredi Bankası Anonim Şirketi Mensupları Yardım ve Emekli Sandığı Vakfı ("the Fund") which was established in accordance with the 20th temporary article of the Social Security Law No.506. As of December, 31, 2023, the defined benefit obligations of the Fund have calculated in the actuarial valuation report prepared by the registered actuary.

Temporary article 23 paragraph 1 of the Banking Act published in the Official Gazette No. 25983 dated November 1, 2005 stated that foundations like the Fund are to be transferred to the Social Security Institution ("SSI") within three years beginning from the publication date of the article.

The article of the Law related to the transfer was cancelled (pursuant to the application by the President on November 2, 2005) by the decision of Constitutional Court (decision no: E.2005/39, K. 2007/33 dated March 22, 2007) published in the Official Gazette No. 26479 dated March 31, 2007, and the effect of the law article was suspended from the date of the publication of the decision.

The reasoning of the Constitutional Court regarding the abrogation of the corresponding article was published in the Official Gazette dated December 15, 2007, No 26731. With the publication of the reasoning of the decision, the Grand National Assembly of Türkiye ("GNAT") started to work on new legal arrangements regarding the transfer of the fund members to SSI and the related articles of the "Law Regarding the Changes in Social Insurance and General Health Insurance Law and Other Related Laws and Regulations" No 5754 ("the New Law") regulating the transfer of the funds were approved by the GNAT on April 17, 2008. The New Law was published in the Official Gazette No. 26870 dated May 8, 2008. With the new law, the banks' pension funds will be transferred to SSI within three years from the date of publication of the decree and this period can be extended for a maximum of two years with the decision of the Council of Ministers. The transfer period was extended for another two years with the decision of the Council of Ministers No. 2011/1559 published in the Official Gazette dated April 9, 2011. According to the "Amendment of Social Insurance and General Health Insurance Law No. 6283" published in the Official Gazette dated March 8, 2012, Council of Ministers was authorized to increase the two-year extension period mentioned above to four years. According to the decision of The Council of Ministers dated February 24, 2014, the transfer date is set as May 2015. The Council of Ministers was authorized to determine the transfer date of pension funds in accordance with the last amendment in the first paragraph of the 20th provisional article of Law No.5510 implemented by the Law No. 6645 on Amendment of the Occupational Health and Safety Law and Other Laws and Decree Laws published in the Official Gazette dated April 23, 2015 and numbered 29335. The president was authorized to determine the transfer date of pension funds in accordance with the last amendment by the Law No. 30473 published in the Official Gazette dated July 9, 2018.

A commission (whose members are the representatives of the SSI, Ministry of Treasury and Finance of the Republic of Türkiye, State Planning Organization, BRSA, Saving Deposit Insurance Fund ("SDIF"), one member representing the Fund and one member representing the Fund members) is in charge of the calculation of the value of the payment that would need to be made to SSI to settle the obligation using a technical interest rate of 9,8% by law taking into consideration income and expenses by insurance branches of the funds and the excess of salaries and income paid by the funds over the salaries and income to be paid in accordance with the SSI arrangements which should not be less than SSI arrangements, related to the members of the Fund as of the date of the transfer including the members who have left the scheme.

In accordance with the New Law, after the transfer to SSI, any social rights and payments to Fund members and their beneficiaries which are not provided although they are included in the Fund Title Deed will continue to be provided by the Fund and the employers of the Fund members.

The Bank accounts for a provision for the technical deficit based on the report prepared by a registered actuary in accordance with the rates determined by the New Law and in accordance with TAS 19.

16.3. Short term benefits of employee:

Within the scope of "TAS – 19 Employee Benefits", the Bank measures the expected costs of accumulated paid leaves as expected payments it will make due to unused leave rights as at the end of the reporting date.

17. Explanations on taxation:

17.1. Current tax:

The corporate tax rate is 20% in accordance with the article number 32 of the New Corporate Tax Law no.5520 which is published in the official Gazette dated June 21, 2006 and numbered 26205. In accordance with the 11 and 14th articles of the Law numbered 7316 on "Amendment of Law on Collection Procedure of Public Receivables and Certain Laws" published in the Official Gazette dated April 22, 2021 and numbered 31462, corporate tax rate will be applied as 25% for enterprises' corporate income belonging to the taxation periods of 2021 and 23% for enterprises' corporate income belonging to the taxation periods of 2022. Standard corporate tax rate for financial sector is increased to 25% starting from the declarations as of July 1, 2022 and to be valid for the taxation periods of 2022 according to the Law numbered 7394 published in the Official Gazette No. 31810 dated April 15, 2022. In accordance with the Law numbered 7456 which is published in Official Gazette dated July 15, 2023 and numbered 32249, corporate tax rate is increased to 30% for banks starting from the declarations of October 1, 2023 and to be valid for the taxation periods from January 1, 2023.

Corporate tax rate business income tax in accordance with the laws of the institutions to be added as unacceptable the reduction of costs in the tax laws, exemptions and reductions to the tax base found as a result of the reduction that will be applied.

Dividends paid to non-resident corporations, which have a place of business in Türkiye or to resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 10%. An increase in capital via issuing bonus shares is not considered as profit distribution and no withholding tax incurs in such a case.

In accordance with the Corporate Tax Law, three quarterly temporary corporate tax statements are submitted in total in the first nine months of reporting year. Advance tax is declared and paid by the 17th day of the second month following each calendar quarter end. Advance tax paid by corporations for the current period is credited against the annual corporation tax calculated on the annual corporate income in the following year. Despite the offset, if there is temporary prepaid tax remaining, this balance can be refunded or used to offset any other financial liabilities to the government.

A 75% portion of the capital gains derived from the sale of equity investments and 50% portion of the capital gains derived from immovable properties held for at least two years is tax exempt, if such gains are added to paid-in capital or held in a special account under shareholder's equity for five years. In accordance with the Law numbered 7456 which is published in the Official Gazette dated July 15, 2023 and numbered 32249, the tax exemption on profits from the sales of immovables has been terminated as of July 15, 2023. For immovables that were a part of company's assets before the date of July 15, 2023, the exemption rate on profits arising from their sales has been set as 25%.

Under the Turkish Corporate Tax Law, losses can be carried forward to offset against future taxable income for up to five years. Losses cannot be carried back to offset profits from previous periods.

Tax returns are required to be filled and delivered to the related tax office until the last evening of the fourth month following the balance sheet date and the accrued tax is paid same day. Tax returns are open for 5 years from the beginning of the year following the balance sheet date and during this period 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.

Non-monetary items on the financial statements must have been restated for inflation according to the repeated article 298/A of Tax Procedure Law. In law numbered 7352 published on 29 January 2022 in the Official Gazette numbered 31734, 2021 and 2022 accounting periods including advance tax periods are deemed as the periods in which the requirements for inflation adjustment are not met. In the fiscal year of 2023, quarterly advance tax periods were not subject to inflation adjustment, but the financial statements prepared in accordance with Tax Procedure Law as of December 31, 2023 are subject to inflation adjustment regardless of whether the conditions for inflation adjustment are met. The profit/loss difference arising from inflation adjustment is recognized in retained earnings and has no effect on the corporate tax base.

Amendments to Tax Procedure Law was published with the Law numbered 7338 published in the Official Gazette dated October 26, 2021. These amendments provide the opportunity to revalue the real estates and depreciable assets.

With the change in the communiqué published in the Official Gazette on January 14, 2023, conditions have been clarified for the taxpayers, who are subject to different accounting and financial reporting standards rules than those determined by the General Communiqué on Accounting System Implementation, is able to benefit from the revaluation specified in paragraph (Ç) of the duplicate article 298 and temporary article 32 in Law Numbered 213.

Within the scope of the temporary article 32 of the Tax Procedure Law Numbered 213, depreciable assets were revalued and additional tax amount of 2% is levied over the revaluation difference. Assets that are included in the scope pursuant to paragraph (Ç) of the duplicate article 298 are valued with the revaluation rate announced in the relevant year and no tax is levied over this revaluation increase.

17.2. Deferred tax:

The Bank calculates and accounts for deferred income taxes for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with "TAS – 12 Income Taxes" and in accordance with BRSA's explanations and circulars and the tax legislation. The Bank calculates deferred tax on deductible temporary differences, to the extent that future taxable income is estimated to be available. In the deferred tax calculation, the enacted tax rate is used as of the balance sheet date by estimating when the temporary differences will be taxable / deductible in accordance with the current tax legislation.

Deferred tax liabilities are recognized for all resulting temporary differences whereas deferred tax assets resulting from temporary differences are recognized to the extent that future taxable profit will be available against which the deferred tax asset can be utilized.

The calculated deferred tax asset and deferred tax liability are presented as net in these financial statements.

Tax effects of the transactions that are directly accounted under equity are also reflected to equity.

17.3. Transfer pricing:

The article no.13 of the Corporate Tax Law No.5520 describes the issue of transfer pricing under the title of "disguised profit distribution" by way of transfer pricing (previously included as "Disguised profit" in the Corporate Tax Law No.5422). "The General Communiqué on Disguised Profit Distribution by Way of Transfer Pricing" published at November 18, 2007/26704, explains the application related issues on this topic effective from January 1, 2007, also taking into account the regulations in Article 41 of the Income Tax Law.

"Arm's length principle", which is the basis for the transfer pricing rule, is the pricing system to be followed for purchase or sale activities between related parties for any product or service transactions as if the transaction is realized with any other third party. 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 discussed in the relevant section of this communiqué, 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.

18. Explanations on borrowings:

The financial liabilities classified at fair value through profit/loss, trading and derivative financial liabilities are valued with their fair values and the other financial liabilities are carried at "amortized cost" including costs of transactions using the "effective interest method".

The Bank classifies some of its financial liabilities as the financial liabilities classified at fair value through profit/loss in order to eliminate the accounting mismatch at the initial recognition.

For the related liabilities until the maturity, the Bank presents interest expenses paid and the difference between amortized cost and acquisition cost in the interest expense, the difference between the fair value of the financial liabilities and amortized cost presents under the trading gain/(loss) in the income statement.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

The Bank utilises various hedging techniques to minimise the currency, interest rate and liquidity risks of its financial liabilities. No convertible bonds have been issued by the Bank.

Also, the Bank obtains funds by issuing bonds and bills.

19. Explanations on issuance of share certificates:

When shares are issued above their nominal value, the excess over the nominal value is accounted under shareholders' equity as "Share premium".

20. Explanations on avalized drafts and letter of acceptances:

Avalized drafts and acceptances are included in the "Off-balance sheet commitments".

21. Explanations on government grants:

None (December 31, 2022 - None).

22. Profit reserves and profit distribution:

Retained earnings as per the statutory financial statements other than legal reserves are available for distribution, subject to the legal reserve requirement referred to below. Legal reserves consist of first and second reserves as foreseen in the TCC. The TCC specifies that the first legal reserve is appropriated at the rate of 5% until the total reserve is equal to 20% of paid-in capital and that the second legal reserve is appropriated at the rate of 10% of distributions in excess of 5% of paid-in capital; however holding companies are not subject to this application. According to the Turkish Commercial Code, legal reserves can only be used to compensate for accumulated losses and cannot be used for other purposes unless they exceed 50% of paid-in capital.

No dividend payments were announced after the balance sheet date.

23. Earnings per share:

Earnings per share disclosed in the income statement are calculated by dividing net profit/(loss) for the year to the weighted average number of shares outstanding during the period concerned.

	Current Period	**Prior Period**
Net income/(loss) to be appropriated to ordinary shareholders	68.008.836	52.744.689
Weighted average number of issued ordinary shares(thousand)	844.705.128	844.705.128
Earnings per share (full TL)	**0,0805**	**0,0624**

In Türkiye, companies can increase their share capital by making a pro-rata distribution of shares ("bonus shares") to existing shareholders from retained earnings. These bonus shares are treated as issued shares in earnings per share computations. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year is adjusted in respect of bonus shares issued without a corresponding change in resources by giving them a retroactive effect. 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.

No bonus shares were issued during 2023 (2022 – None).

24. 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/affiliated 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 7 of Section Five.

25. Explanations on operating segments:

Information about operating segments which are determined in line with "TFRS – 8 Operating Segments" together with organizational and internal reporting structure of the Bank, are disclosed in Note 12 of Section Four.

26. Explanations on other matters:

None.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Section Four - Information related to financial position and risk management of the Bank

1. Explanations on equity:

The calculation of the own funds and the capital adequacy standard ratio are performed in accordance with the communiqués such as "Regulation Regarding the Measurement and Evaluation of Banks' Capital Adequacy Ratio", "Regulation Credit Risk Mitigation Techniques", "Regulation on calculation of Risk-Weighted Amounts of Securitizations" and "Regulation Regarding Banks' Shareholders' Equity". The capital adequacy ratio of the Bank is 20,28% (December 31, 2022 - 21,34%).

1.1. Information on equity:

	Current Period	Prior Period
COMMON EQUITY TIER 1 CAPITAL		
Paid-up Capital	8.447.051	8.447.051
Share issue premiums	556.937	556.937
Retained earnings	87.556.959	42.723.270
Accumulated other comprehensive income and other disclosed reserves which defined in the Turkish Accounting Standards	35.114.004	29.994.706
Profit	68.008.836	52.744.689
Net profit of the period	68.008.836	52.744.689
Profit of the previous years	-	-
Shares acquired free of charge from subsidiaries, affiliates and jointly controlled partnerships and cannot be recognised within profit for the period	42.292	26.745
Common Equity Tier 1 capital before regulatory adjustments	**199.726.079**	**134.493.398**
Common Equity Tier 1 capital: regulatory adjustments		
Prudential valuation adjustments	-	105.861
The sum of the net loss for the current period and the previous years which could not be absorbed by the retained earnings and losses recognised in equity in accordance with TAS	20.874.538	8.237.008
Improvement costs for operating leasing	516.521	202.143
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	1.567.514	1.059.469
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Cash-flow hedge reserve	2.888.940	5.116.918
Shortfall of provisions to expected losses	-	-
Securitization gain on sale	-	-
Gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	-	-
Investments in own shares	-	-
Credits extended contrary to the fourth paragraph of Articles 56 of the Banking Law	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank owns more than 10% of the issued share capital (amount above 10% threshold)	-	-
Mortgage servicing rights (amount above 10% threshold)	-	-
Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	-
Amount exceeding the 15% threshold (-) of the common equity Tier 1 in accordance with the second paragraph of the provisional article 2 in the regulation regarding the Banks' Shareholders' Equity	-	-
The amount above threshold for the investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank owns more than 10% of the issued share capital	-	-
The amount above threshold for mortgage servicing rights		
The amount above threshold for deferred tax assets arising from temporary differences	-	-
National specific regulatory adjustments which shall be determined by the BRSA		
Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	-
Total regulatory adjustments to Common equity Tier 1	**25.847.513**	**14.721.399**
Common Equity Tier 1 capital (CET1)	**173.878.566**	**119.771.999**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

ADDITIONAL TIER 1 CAPITAL	Current Period	Prior Period
Preferred shares that are not included in Common Equity Tier 1 capital and related shares issue premiums	-	-
Eligible capital instruments and relevant share issue premiums that are approved by the BRSA	19.134.830	12.153.895
Eligible capital instruments and relevant share issue premiums that are approved by the BRSA (For the purposes of the Provisional Article 4 of the Regulation on Banks' Own Funds)	-	-
Additional Tier 1 capital before regulatory adjustments	**19.134.830**	**12.153.895**
Additional Tier 1 capital: regulatory adjustments		
Investments in own Additional Tier 1 instruments	-	-
Reciprocal cross-holdings in Additional Tier 1 instruments	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	-
Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	-
National specific regulatory adjustments which shall be determined by the BRSA	-	-
Regulatory Adjustments which will be deducted from Tier 1 capital during the transition period		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	-
Total regulatory adjustments to Additional Tier 1 capital	-	-
Total Additional Tier 1 capital	**19.134.830**	**12.153.895**
Total Tier 1 capital (Tier 1 capital = Common Equity Tier 1 capital + Additional Tier 1 capital)	**193.013.396**	**131.925.894**
TIER 2 CAPITAL		
Eligible capital instruments and relevant share issue premiums that are approved by the Agency	15.519.100	10.149.150
Eligible capital instruments and relevant share issue premiums that are approved by the Agency (For the purposes of the Provisional Article 4 of the Regulation on Banks' Own Funds)	-	-
Provisions (Article 8 of the Regulation on the Equity of Banks)	4.091.862	4.706.545
Tier 2 capital before regulatory adjustments	**19.610.962**	**14.855.695**
Tier 2 capital: regulatory adjustments		
Direct and indirect investments of the Bank on its own Tier 2 Capital (-)	-	-
Investments of the Bank to banks that invest on the Bank's Tier 2 and components of equity issued by financial institutions with the conditions declared in Article 8	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold) (-)	-	-
Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions) (-)	-	-
National specific regulatory adjustments which shall be determined by the BRSA	-	-
Total regulatory adjustments to Tier 2 capital	-	-
Total Tier 2 capital	**19.610.962**	**14.855.695**
Total Capital (The sum of Tier 1 capital and Tier 2 capital)	**212.481.589**	**146.718.108**
The Sum of Tier 1 Capital and Tier 2 Capital (Total Capital)		
Credits extended contrary to the provisions of Articles 50 and 51 of the Banking Law	19.261	12.111
Portion of the sum of the banks' real estate net book values, which is in excess of fifty per cent of their own funds and net book values of those of merchandise and real estate which have to be acquired due to their receivables and disposed of pursuant to Article 57 of the Banking Law, which cannot be disposed of despite the lapse of a period of five years since the date of such acquisition(1)	-	-
National specific regulatory adjustments which shall be determined by the BRSA	123.508	51.370
Regulatory Adjustments which will be deducted from Total Capital during the transition period		
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold) which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Significant investments in the Additional Tier 1 capital and Tier 2 capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold) which will not deducted from Common Equity Tier 1 capital, Additional Tier 1 capital, Tier 2 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold), mortgage servicing rights (amount above 10% threshold), deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability) which will not deducted from Common Equity Tier 1 capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

OWN FUNDS	Current Period	Prior Period
Total Capital (The sum of Tier 1 capital and Tier 2 capital)	212.481.589	146.225.920
Total Risk Weighted Assets (2)	1.047.513.175	685.344.296
CAPITAL ADEQUACY RATIOS		
Common Equity Tier 1 Capital Adequacy Ratio (%)	16,60	17,48
Tier 1 Capital Adequacy Ratio (%)	18,43	19,25
Capital Adequacy Ratio (%)	20,28	21,34
BUFFERS	-	-
Institution specific buffer requirement of the Bank (a+b+c)	2,518	2,518
a) Capital conservation buffer requirement (%)	2,500	2,500
b) Bank's specific countercyclical buffer requirement (%)	0,018	0,018
c) Systemically important Bank buffer (%)	-	-
The ratio of Additional Common Equity Tier 1 capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to Risk Weighted Assets (%)	12,099	12,976
Amounts below the thresholds for deduction (before risk weighting)		
Non-significant investments in the capital of other financials	972.927	422.947
Significant investments in the common stock of financials	6.170.284	2.871.962
Mortgage servicing rights (net of related tax liability)	-	-
Deferred tax assets arising from temporary differences (net of related tax liability)	16.323.491	9.320.787
Applicable caps on the inclusion of provisions in Tier 2 capital		
General provisions for standard based receivables (before ten thousand twenty five limitation)	4.206.442	2.646.079
Up to 1,25% of total risk-weighted amount of general provisions for receivables where the standard approach used	1.475.489	1.007.136
Excess amount of total provision amount to credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	3.737.676	11.511.242
Excess amount of total provision amount to 0,6% of risk weighted receivables of credit risk Amount of the Internal Ratings Based Approach in accordance with the Communiqué on the Calculation	2.616.373	3.699.409

(1) According to the "Regulation Regarding to changes on Regulation on Banks' Shareholders' Equity" published in Official Gazette No.30121 on July 11, 2017, related article has been abolished.

(2) In the calculation of credit risk amount, spot purchase rates announced as of December 30, 2022 by Central Bank are used in accordance with the in accordance with the legislation of BRSA numbered 10496 dated January 31, 2023.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

1.2. Details on Subordinated Liabilities:

	1	2	3	4
Lender (1,2), Issuer (3,4,5)	Yapı ve Kredi Bankası A.Ş.	Yapı ve Kredi Bankası A.Ş.	Yapı ve Kredi Bankası A.Ş.	Yapı ve Kredi Bankası A.Ş.
Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	XS2286436451 / US984848AN12	XS1867595750/ US984848AL55	TRSYKBK62914	TRSYKBK92911
Governing law(s) of the instrument	English Law /Turkish Law	English Law /Turkish Law	BRSA /CMB / Turkish Law	BRSA /CMB / Turkish Law
Regulatory treatment				
Transitional Basel III rules	No	No	No	No
Eligible at stand-alone / consolidated	Stand-alone -Consolidated	Stand-alone -Consolidated	Stand-alone -Consolidated	Stand-alone -Consolidated
Instrument type (types to be specified by each jurisdiction)	Bond	Bond	Bond	Bond
Amount recognised in regulatory capital (Currency in mil, as of most recent reporting date)	14.719	19.135	500	300
Par value of instrument	14.719	19.135	500	300
Accounting classification	Liability – Subordinated Loans- amortised cost	Liability – Subordinated Loans- amortised cost	Liability – Subordinated Loans- amortised cost	Liability – Subordinated Loans- amortised cost
Original date of issuance	January 22, 2021	January 15, 2019	July 3, 2019	October 3, 2019
Perpetual or dated	Dated	Perpetual	Dated	Dated
Original maturity date	10 years	-	10 years	10 years
Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes
Optional call date, contingent call dates and redemption amount	5 years	Every 5 years	After 5th year	After 5th year
Subsequent call dates, if applicable	-	-	After 5th year	After 5th year
Coupons / dividends				
Fixed or floating dividend/coupon	Fixed	Fixed	Variable	Variable
Coupon rate and any related index	First 5 years 7,875% fixed, second 5 years U.S. five year treasury bond rate +741,50 basis points	First 5 years 13,875% fixed, second 5 years MidSwap+11,245% fixed	TLREF index change + 1,93%	TLREF index change + 1,30%
Existence of a dividend stopper	No interest accrue after the date of value decrease for the decreased amount	No interest accrue after the date of value decrease for the decreased amount	No interest accrue after the date of value decrease for the decreased amount	No interest accrue after the date of value decrease for the decreased amount
Fully discretionary, partially discretionary or mandatory	Mandatory	Optional	Mandatory	Mandatory
Existence of step up or other incentive to redeem	-	-	-	-
Noncumulative or cumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative
Convertible or non-convertible				
If convertible, conversion trigger (s)	-	-	-	-
If convertible, fully or partially	-	-	-	-
If convertible, conversion rate	-	-	-	-
If convertible, mandatory or optional conversion	-	-	-	-
If convertible, specify instrument type convertible into	-	-	-	-
If convertible, specify issuer of instrument it converts into	-	-	-	-
Write-down feature				
If write-down, write-down trigger(s)	In case of default	In case of default/ Common Equity Tier 1 capital adequacy ratio of the bank falls below 5,125%	In case there is a possibility that the official authorization of the Bank is cancelled or the Bank shares are transferred to SDIF	In case there is a possibility that the official authorization of the Bank is cancelled or the Bank shares are transferred to SDIF
If write-down, full or partial	Partial and complete	Partial and complete	Partial and complete	Partial and complete
If write-down, permanent or temporary	Permanent	Temporary	Permanent	Permanent
If temporary write-down, description of write-up mechanism	-	In case of cancellation of default/ Common Equity Tier 1 capital adequacy ratio of the bank is higher than 5,125%	-	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	After the senior creditors, before the TIER 1 subdebt, same with TIER 2	After the senior creditors, and the TIER 1	After the senior creditors, before the TIER 1 subdebt, same with TIER 2	After the senior creditors, before the TIER 1 subdebt, same with TIER 2
In compliance with article number 7 and 8 of "Own fund regulation"	No	No	No	No
Details of incompliances with article number 7 and 8 of "Own fund regulation"	-	-	-	-

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

1.3. There are differences between the figures in the own funds and their corresponding amounts in the balance sheet. Within this context; in the calculation of own funds, the losses and gains that are related to cash flow hedge transactions are not considered in the own funds and the prudential valuation adjustments calculated in accordance with the (i) item of the first paragraph in the ninth article of the "Regulation Regarding Banks' Shareholders' Equity" are considered in the own funds. In addition, the subordinated liabilities are considered after the adjustments made in accordance with the ninth paragraph of the eighth article of the "Regulation Regarding Banks' Shareholders' Equity".

1.4. Exposures subject to countercyclical capital buffer

The exposures subject to countercyclical capital buffer table prepared in accordance with the communiqué "Regulation on Capital Conservation and Countercyclical Capital buffers of Banks" published in the Official Gazette no. 28812 dated November 5, 2013 is presented below:

Private sector receivables:

Country	RWAs of Banking Book for Private Sector Lending	RWAs of Trading Book	Total
Türkiye	807.781.035	-	807.781.035
Malta	2.904.930	-	2.904.930
Netherland	1.041.858	-	1.041.858
Marshall Islands	1.017.258	-	1.017.258
Germany	494.974	-	494.974
Kazakhistan	338.468		338.468
England	194.443	-	194.443
Italy	185.418	-	185.418
Republic of Maldives	172.108	-	172.108
France	126.605	-	126.605
Other	953.922	-	953.922
Total	**815.211.019**	**-**	**815.211.019**

2. Explanations on Credit Risk:

As of June 30, 2021, the Bank has started to calculate its credit risk, which is subject to the regulatory capital adequacy ratio reporting, with the Internal Rating-Based (IRB) approach. Foundation IRB approach is used for the corporate exposure class and advanced IRB approach is used for the retail exposure class as determined by "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

2.1. Credit risk is the loss or the risk of the Bank in case counterparty cannot fulfill its obligations stated in agreements where the Bank is at a side. The Bank identifies loan limits for each customer considering statutory regulations, the internal scoring system, financial analysis reports geographical and industry concentration and considering credit policies determined by Board of the Directors each year. The limits defined by the Bank's Board of Directors for each correspondent bank are followed-up daily by Treasury Management for the transactions related with placements with domestic and correspondent banks or treasury operations such as forward buy and sell transactions. Moreover, daily positions and limit controls of each dealer at Treasury department who is authorized for transactions in the market are performed by the system. During the loan granting process, liquid collaterals are preferred to the greatest extent possible. Collaterals and guarantees must be obtained during credit underwriting based on credit worthiness, customers' financial status, and credit type. While granting of long term project finance loans, long term projections of the companies are analyzed both by financial analysis specialists and head office. Also the pricing of these commitments are decided by coordination with Treasury Management.

The Bank also monitors limitations on single borrower and group of borrowers in accordance with the regulations.

Rating system used for Medium Sized Entities (ME), Small and Medium Sized Entities (SME) and Corporate/Commercial customers is also used for defining the authorization level for loan granting. Thus, customers with a low rating are assigned to higher authority levels, whereas customers with a high rating are assigned to lower authority levels. By using this methodology it is aimed to establish risk based optimization in the loan processes.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Probability of default of a customer is calculated through this internally developed rating system. The rating concentration of Corporate, Commercial, ME and SME customers of the Bank is as follows:

	Current Period	Prior Period
Above average	46,2%	43,6%
Average	41,3%	40,7%
Below average	12,6%	15,7%

The Bank takes following criterias into consideration for the identification of default:

- The loan is overdue more than 90 days.
- The borrower is not able to pay at least one of the loans he received from the Bank (cross default)
- Having a negative intelligence and bad-record for the borrower in the market.
- Deterioration of the creditworthiness of the borrower

The Bank sets aside expected credit loss provisions in accordance with the Provisioning Regulation within the scope of "provisions" and "value adjustments".

Total amount of exposures after offsetting transactions but before applying credit risk mitigations and the average exposure amounts that are classified in different risk groups and types, are disclosed below for the relevant period:

Risk Classifications:	Current Period risk amount (1)	Average risk amount (1)
Exposures to central governments or central banks	554.463.327	456.780.687
Exposures to banks and financial institutions	142.334.461	124.351.309
Corporate exposures - Other	293.545.101	248.273.007
Specialised Lending	93.405.114	98.344.142
Corporate exposures - SME	159.739.991	145.213.908
Retail Exposures - Other	256.182.894	173.243.579
Retail exposures - Qualifying revolving	402.311.905	237.078.637
Retail exposures - SME	145.626.147	118.291.896
Investments in equities	28.519.026	24.773.965
Other Items	82.545.615	73.015.838
Total	**2.158.673.581**	**1.699.366.968**

(1) Includes credit risk amounts of total exposure before applying credit risk mitigations.

2.2 The Bank has control limits over the positions of forwards, options and similar agreements. These positions are measured and managed by following their market values and by taking potential risk into considerations throughout their maturities, in accordance with Counterparty Credit Risk management. Limits are also calculated and dynamically managed by taking these potential risks into considerations. Daily market value calculations, limit controls, collateral assessments are performed and reported to the relevant departments within the Bank.

The Bank may use its rights, as stated in the derivative agreements based on which the Bank realizes derivative transactions, in order to eliminate the risks that may arise due to being exposed to severe risk levels arising from fluctuations in the market.

2.3 In line with the Provisioning Regulation, if the cash risk of a customer is classified as nonperforming, the non-cash risk is also classified as nonperforming under the same group where the cash risks were already followed and specific provision is reserved.

Restructured loans are also classified and followed up according to the regulation on provisions considering the Bank's credit risk policies. Accordingly, the financial position and commercial operations of related customers are monitored, their principal and interest payments are followed up with the restructured repayment schedule and the necessary precautions are taken.

2.4 Banking activities in foreign countries and credit transactions are subject to periodical follow-up in terms of the economic conditions of the related country and the evaluation of the creditworthiness of the customers and financial institutions. No material credit risk have been observed in scope of these operations.

2.5 Regarding credit risk;

- The proportion of the Bank's top 100 and 200 cash loan balances in total cash loans is 23% and 27% (December 31, 2022 - 24% and 28%).
- The proportion of the Bank's top 100 and 200 non-cash loan balances in total non-cash loans is 37% and 47% (December 31, 2022 - 38% and 50%).
- The proportion of the Bank's cash and non-cash loan balances with the first 100 and 200 customers comprises of 27% and 33% of total cash loans and non-cash loans (December 31, 2022 - 28% and 34%).

2.6 The Bank provided a general loan loss provision amounting to TL 25.023.251 (December 31, 2022 - TL 22.758.216).

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

2.7 Risk profile according to the geographical concentration:

	Risk Classifications (1)(2)										
	1	2	3	4	5	6	7	8	9	10	Total
Current Period											
Domestic	553.377.915	65.158.284	291.844.394	90.885.105	155.633.757	255.865.815	401.521.423	145.616.823	122.965	82.545.615	2.042.572.096
EU countries	1.047.080	57.257.530	483.187	1.346.242	3.458.016	157.194	431.876	4.210	-	-	64.185.335
OECD countries (3)	-	695.385	96.070	-	46.715	10.968	35.412	1.738	-	-	886.288
Off-shore banking regions	-	-	1.047.258	-	29.660	628	2.296	45	-	-	1.079.887
USA, Canada	38.332	14.467.319	1.354	-	122.851	44.421	92.121	1.548	592.966	-	15.360.912
Other countries	-	4.755.943	72.838	1.173.767	448.992	103.868	228.777	1.783	-	-	6.785.968
Investment and associates, subsidiaries and joint ventures	-	-	-	-	-	-	-	-	27.803.095	-	27.803.095
Undistributed Assets / Liabilities (4)	-	-	-	-	-	-	-	-	-	-	-
Total	**554.463.327**	**142.334.461**	**293.545.101**	**93.405.114**	**159.739.991**	**256.182.894**	**402.311.905**	**145.626.147**	**28.519.026**	**82.545.615**	**2.158.673.581**

(1) Risk classifications in the "Regulation on Measurement and Evaluation of Capital Adequacy of Banks" is used.
(2) Includes credit risk amounts of total exposure before applying credit risk mitigations.
(3) OECD Countries other than EU countries, USA and Canada.
(4) Assets and liabilities are not allocated on a consistent basis

1- Exposures to central governments or central banks
2- Exposures to banks and financial institutions
3- Corporate exposures - Other
4- Specialised Lending
5- Corporate exposures – SME
6- Retail Exposures - Other
7- Retail exposures - Qualifying revolving
8- Retail exposures – SME
9- Investments in equities
10- Other Items

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

	Risk Classifications [1][2]										
	1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**Total**
Prior Period											
Domestic	341.393.138	39.102.952	212.176.987	79.856.457	87.566.760	122.088.416	104.264.047	102.613.680	104.858	57.251.381	1.146.418.676
EU countries	979.524	35.672.079	5.368.754	944.898	347.979	66.283	104.885	1.255	-	-	43.485.657
OECD countries [3]	-	1.442.268	84.472	-	21.380	5.545	9.733	1.039	-	-	1.564.437
Off-shore banking regions	-	-	642.324	-	29.656	853	922	17	-	-	673.772
USA, Canada	27.324	17.499.126	46.916	-	-	21.084	22.568	600	276.654	-	17.894.272
Other countries	-	1.938.926	457.935	671.608	226.926	57.820	73.833	664	-	-	3.427.712
Investment and associates, subsidiaries and joint ventures	-	-	-	-	-	-	-	-	17.466.229	-	17.466.229
Undistributed Assets / Liabilities [4]	-	-	-	-	-	-	-	-	-	-	-
Total	**342.399.986**	**95.655.351**	**218.777.388**	**81.472.963**	**88.192.701**	**122.240.001**	**104.475.988**	**102.617.255**	**17.847.741**	**57.251.381**	**1.230.930.755**

(1) Risk classifications in the "Regulation on Measurement and Evaluation of Capital Adequacy of Banks" is used.
(2) Includes credit risk amounts of total exposure before applying credit risk mitigations.
(3) OECD Countries other than EU countries, USA and Canada.
(4) Assets and liabilities are not allocated on a consistent basis

1- Exposures to central governments or central banks
2- Exposures to banks and financial institutions
3- Corporate exposures - Other
4- Specialised Lending
5- Corporate exposures – SME
6- Retail Exposures - Other
7- Retail exposures - Qualifying revolving
8- Retail exposures – SME
9- Investments in equities
10- Other Items

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

2.8 Risk profile according to sectors and counterparties:

	Risk classifications (1)(2)												
	1	2	3	4	5	6	7	8	9	10	TL	FC	Total
Agricultural	**7.791**	**-**	**7.863.233**	**-**	**4.425.387**	**-**	**-**	**6.933.321**	**-**	**-**	**16.181.067**	**3.048.665**	**19.229.732**
Farming and raising livestock	7.791	-	5.616.555	-	3.613.179	-	-	6.264.776	-	-	14.249.569	1.252.732	15.502.301
Forestry	-	-	1.136.860	-	750.397	-	-	595.772	-	-	1.643.992	839.037	2.483.029
Fishing	-	-	1.109.818	-	61.811	-	-	72.773	-	-	287.506	956.896	1.244.402
Manufacturing	**22.054**	**-**	**180.814.171**	**51.984.960**	**81.724.584**	**-**	**-**	**66.214.601**	**1.870**	**-**	**271.999.357**	**108.762.883**	**380.762.240**
Mining	-	-	416.504	-	632.888	-	-	248.120	-	-	943.643	353.869	1.297.512
Production	1.546	-	170.547.502	1.568.925	67.763.058	-	-	65.001.786	1.870	-	237.314.492	67.570.195	304.884.687
Electric, gas and water	20.508	-	9.850.165	50.416.035	13.328.638	-	-	964.695	-	-	33.741.222	40.838.819	74.580.041
Construction	**28**	**-**	**14.774.850**	**19.177.180**	**23.762.217**	**-**	**-**	**15.377.557**	**-**	**-**	**45.138.086**	**27.953.746**	**73.091.832**
Services	**554.433.454**	**134.229.294**	**85.263.268**	**22.242.974**	**49.606.012**	**-**	**-**	**56.567.743**	**25.028.116**	**63.367.186**	**644.565.635**	**346.172.412**	**990.738.047**
Wholesale and retail trade	5	-	19.861.736	8.733.952	16.327.860	-	-	20.573.285	-	-	49.482.155	16.014.683	65.496.838
Hotel, food and beverage services	6	-	6.593.426	216.696	10.283.935	-	-	6.256.358	-	-	13.891.877	9.458.544	23.350.421
Transportation and telecommunication	-	-	8.427.861	7.747.939	8.295.706	-	-	8.093.084	5.000	-	18.503.086	14.066.504	32.569.590
Financial institutions	549.451.503	134.229.294	23.243.947	-	1.730.326	-	-	1.889.316	24.967.756	63.367.186	509.805.720	289.073.608	798.879.328
Real estate and renting services	-	-	8.964.711	3.393.370	6.266.886	-	-	2.459.454	51.676	-	20.078.994	1.057.103	21.136.097
Self-employment services	-	-	-	-	-	-	-	-	-	-	-	-	-
Education services	1.570	-	746.013	-	530.534	-	-	339.449	-	-	1.542.934	74.632	1.617.566
Health and social services	4.980.370	-	17.425.574	2.151.017	6.170.765	-	-	16.956.797	3.684	-	31.260.869	16.427.338	47.688.207
Other	**-**	**8.105.167**	**4.829.579**	**-**	**221.791**	**256.182.894**	**402.311.905**	**532.925**	**3.489.040**	**19.178.429**	**682.152.111**	**12.699.619**	**694.851.730**
Total	**554.463.327**	**142.334.461**	**293.545.101**	**93.405.114**	**159.739.991**	**256.182.894**	**402.311.905**	**145.626.147**	**28.519.026**	**82.545.615**	**1.660.036.256**	**498.637.325**	**2.158.673.581**

(1) Risk classifications in the "Regulation on Measurement and Evaluation of Capital Adequacy of Banks" is used.
(2) Includes credit risk amounts of total exposure before applying credit risk mitigations.

1- Exposures to central governments or central banks
2- Exposures to banks and financial institutions
3- Corporate exposures – Other
4- Specialised Lending
5- Corporate exposures – SME
6- Retail Exposures – Other
7- Retail exposures - Qualifying revolving
8- Retail exposures – SME
9- Investments in equities
10-Other Items

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

2.9 Risk profile according to remaining maturities:

Risk classifications [1]	1 month	1-3 months	3-6 months	6-12 months	1 year and over	Total
Exposures to central governments or central banks	182.847.259	14.858.208	5.074.958	23.011.918	319.367.759	545.160.102
Exposures to banks and financial institutions	47.348.894	36.663.843	14.420.042	13.833.421	14.135.021	126.401.221
Corporate exposures - Other	219.928.576	2.454.446	6.780.848	10.834.768	53.453.480	293.452.118
Specialised Lending	91.633.350	-	-	-	1.771.764	93.405.114
Corporate exposures - SME	126.428.942	45.193	9.903	28.860	33.035.425	159.548.323
Retail Exposures - Other	131.815.340	575.231	62.556	244.496	90.702.152	223.399.775
Retail exposures - Qualifying revolving	402.311.905	-	-	-	-	402.311.905
Retail exposures - SME	122.910.721	245.593	43.696	248.519	19.020.826	142.469.355
Investments in equities	-	-	-	-	-	-
Other Items	227.871	-	-	-	-	227.871
Total	**1.325.452.858**	**54.842.514**	**26.392.003**	**48.201.982**	**531.486.427**	**1.986.375.784**

(1) Includes credit risk amounts of total exposure before applying credit risk mitigations.

2.10 Risk balances according to risk weights:

Total exposure amount before and after applying risk mitigation techniques and total amounts deducted from the capital which are calculated in accordance with the Appendix-1 of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" are presented below:

	Risk Weights	0%-20%	20%-35%	35%-50%	50%-75%	75%-100%	100%-250%	250%	1250%	Total	Deductions from the shareholders' equity
1	Total exposure before credit risk mitigation	981.282.341	287.413.914	107.383.031	238.692.106	164.504.767	358.248.607	21.148.815	-	2.158.673.581	2.226.804
2	Total exposure after credit risk mitigation	976.194.795	265.256.767	107.421.769	236.898.141	163.405.189	354.944.393	21.148.815	-	2.125.269.869	2.226.804

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

2.11 Information according to sectors and counterparties :

For loans which are classified as impaired loans due to delay of collection of principal or interest by 90 days and above and/or negative risk assessments of creditworthiness of the debtor; "Specific Provision" is set aside in the accompanying financial statements as of December 31, 2023.

For loans which are classified as past due but not impaired loans due to delay of collection of principal or interest up to 90 days; "General Provision" is set aside in the accompanying financial statements as of December 31, 2023.

Sectors and Counterparties	Loans		Provisions
	Impaired (TFRS9)		
	Significant increase in credit risk (stage 2)	Credit Impaired (stage 3)	Expected Credit Losses
Agricultural	**378.774**	**190.515**	**188.495**
Farming and raising livestock	338.117	152.054	162.633
Forestry	38.174	15.133	14.720
Fishing	2.483	23.328	11.142
Manufacturing	**48.323.307**	**8.363.652**	**14.577.848**
Mining	270.751	8.502	8.286
Production	9.177.838	3.646.870	3.689.596
Electric, gas and water	38.874.718	4.708.280	10.879.966
Construction	**26.921.163**	**1.886.164**	**4.580.201**
Manufacturing	**20.330.623**	**9.867.832**	**9.636.502**
Wholesale and retail trade	1.601.346	502.790	525.947
Hotel, food and beverage services	3.587.004	840.070	813.214
Transportation and telecommunication	4.779.542	299.025	1.238.822
Financial institutions	727.056	555.827	274.755
Real estate and renting services	2.692.146	7.377.786	4.998.756
Education services	107.230	8.088	9.474
Health and social services	6.836.299	284.246	1.775.534
Other	**21.161.338**	**8.550.428**	**7.788.173**
Total	**117.115.205**	**28.858.591**	**36.771.219**

2.12 Information about value adjustments and changes in the loan impairment:

		Opening balance	Provision amounts set aside during the period	Reversal of provisions	Other adjustments [1]	Closing balance
1	Specific provisions	16.880.431	11.618.629	(4.943.567)	(3.119.459)	20.436.034
2	General provisions (Value adjustments)	22.758.216	12.153.121	(9.888.086)	-	25.023.251

(1) The figure represents write-off's and also includes NPL sales amounts.

3. Explanations on Risk Management:

3.1. General Information on Risk Management and Risk Weighted Amount

3.1.1. Risk Management Approach of The Bank

Risk management strategy of the Bank ensures using the capital at an optimum level and provide sustainable growth in this framework through measurement of risks in accordance with international standards and local regulations and taking risk-return balance into consideration in the framework of sustainable growth. Risk management approach of the Bank is based on strong risk management techniques of ISEDES (Evaluation Process of Internal Capital Adequacy) and prospective planning and capital evaluation depending upon risk profile.

A prospective capital planning approach is adopted for the Bank to carry out its operations if certain losses are incurred as a result of unexpected events or deteriorations in markets. The best international practices are utilized for the determination, measurement, analysis and control of risks. The process regarding identification of risks and determination of appropriate measurement method has a dynamic structure in which the risk management is improved through inspiring from advanced international practices and analyses updated in line with its business evolution. A risk appetite framework integrated to budget process, has been developed in order to carry out related activities at an optimum level while reaching predefined budget target of the Bank and therefore an appropriated risk positions are ensured to be taken.

Risk appetite, as an integral part of the main pillar and a crucial instrument of the Bank Management, is implemented in order to ensure the execution of Bank's activities in an ideal manner through taking appropriate ris k positions at an acceptable level of risk. Risk appetite, is integrated to management and budget processes of the Bank with performance indicators which are sensitive to risk.

Risk appetite indicators, targets, limits and critical thresholds are determined by the Executive Committee with the joint recommendation of Compliance, Internal Control and Risk Management and Financial Planning and Administration Management. Possible changes which may occur in economic conditions are taken into consideration during the determination of aforementioned limits and thresholds.

Determined risk appetite indicators consists of capital adequacy, liquidity, assets quality, financial risk and operational risk ratios of the Bank and senior management ensures the Bank to carry out its activities in the range of such targets and critical thresholds. Senior management should be informed to take emergency precautions if the critical thresholds are exceeded. Monitoring and periodical reporting to senior management is performed by the related units in order to implement risk appetite framework.

The Bank implements internal policies and procedures that are audited and approved at least once a year by the Board of Directors in order to manage market risks arising from on-balance sheet and off-balance sheet liabilities. Based on the principles mentioned in Regulatory Authority's directives and best practice guidelines, internal policies determine responsibilities and practitioners for identification, measurement, monitoring and reporting of the risks in line with the risk appetite and needs of the Bank; lay the groundwork for granting limits in the Bank; and guide the actions to be taken in case of risk appetite is exceeded.

The Credit Policy Directive, which reflects the general framework of Bank's credit allocation activities, is updated minimum annually and implemented with the approval of the Board of Directors. Credit Policy Directive is based on improving asset quality, supporting effective risk management and compliance with legal practices. In addition, it includes management of lending activities according to the Bank's common standards, limitations and principles.

The main purpose of the credit risk management is to identify, measure and mitigate credit risk, react in a timely manner and take necessary actions with the help of efficient and well-functioning rating/scoring models, strategies and processes. The main strategies include topics like effective implementation of the Credit Policy Directive to reinforce the sustainability of common risk management approach, steering of the loan portfolio toward less risky sectors, avoidance of excessive concentration in Group exposures while strictly obeying statutory limits, focus on customers with better credit ratings, avoidance of transactions bearing high credit and reputational risk, managing country risk in line with established strategy, policy and rules, timely updates to senior management about all developments in credit risk area to ensure effective credit risk management, performing credit stress tests and participating in credit risk regulatory processes.

Risk Management reports to Board of Directors in organisation structure via Audit Committee. Risk Management organisation is divided into "Market Risk Management", "Credit Risk Strategy, Modelling and Reporting Management" and "Risk Validation" units.

In the process of market risk management, related business and risk units perform their activities within the scope of the principles determined by internal policies such as the Financial Markets Policy, Liquidity Policy, Liquidity Risk Limit Management Policy, Liquidity Emergency Policy, Interest Rate Risk Policy, Interest Rate Risk Limit Management Policy, Hedge Policy, Financial Investment Risk Policy, Immovables Risk Policy, Derivatives Policy, Independent Price Verification Policy, Policy due to inclusion on Financial assets where fair value change is reflected to income statement, Market Risk Stres Test Policy.

Value at Risk, Basis Point Value (interest rate sensitivity), and Credit Basis Point Value (credit spread sensitivity) are risk metrics calculated via internal models and used in measurement of market risks. Risk measures are monitored at product, portfolio and account (Financial assets where fair value change is reflected to income statement and Financial assets where fair value change is reflected to other comprehensive income statement) basis. Performance of internal models is measured by backtesting of the model's outputs. In addition, transaction limits are used at specific products.

Liquidity Risk measurement methods; consists of both short term risk metrics such as Liquidity Coverage Ratio, Short Term Liquidity, Intraday Liquidity, and Early Warning Indicators and long-term risk metrics such as the Net Stable Funding Ratio and the funding concentration structure. With various scenario analyzes aimed at stressing the liquidity, it is examined how the possible deterioration scenarios that can be observed in the parameters of the market or institution-specific or both cases affect the liquidity position of the Bank.

Measurements performed via internal models in the context of market risk management are reported to the Bank's Top Management, Treasury, Financial Reporting and Credit Monitoring Units (for the Counterparty Credit Risk process) on a daily basis and to the Board of Directors and Executive Committee on a monthly basis.

Stress tests, provide a prospective point of view during risk management , budget and capital planning processes through reviewing the impact of events or changes in markets, which have a low possibility to occur under normal conditions but may result in losses to Bank in case they occur. The Bank performs stress tests to measure impacts of temporary or continuous deteriorations in market risk factors on income statement and to make capital plans. Scenarios, having basis, medium and high stress levels, aim to measure impacts of adverse conditions across the country on the economic value of the Bank through risk factors. Other important risk elements such as Fixed Assets held by the Bank and financial investment risks faced through its subsidiaries, as well as price movements, are reviewed during stress test processes as well.

Stress test studies are made with the active participation of senior management and impact of the stress test to the general risk profile of the Bank is reported. Senior management participates in establishing of stress test's scenario, analyzing of its results, through determination of the scope and approach of the scenario, guidance of required directions and review of results and recommendation of action plans. Stress scenarios, up-to-date estimations and crisis scenarios are prepared by Research and Analytics Department.

The Bank reduces market risk exposure within scope of its commercial activities through derivative instruments and makes an effort to control impacts of the risks on capital through hedge accounting implementation. It holds foreign exchange positions to manage residual positions as a result of banking activities through performing a conservative approach to exchange risk and manages its end of day positions at a minimum level.

For the detection and mitigation of risks, Operational and Reputational Risk Management defines policies and strategies and determines, reports and monitors actions to reduce potential operational and reputational risks via loss data, key risk indicators, scenario analysis and risk assessments. Operational Risk Management Policy and Reputational Risk Policy is updated every year and approved by the Board of Directors.

Business Continuity Management Policy aims at reducing the risks that may endanger the continuity of Banks operations to a minimum level and ensuring critical product and services in case of unexpected events in an acceptable period. Bank's resilience against unexpected events is increased through the Crisis Communication Plan, Emergency Response Plan, Business Recovery Plan and Crisis Communication Plan. Business Continuity Policy and Plans are regularly updated and approved by the Board of Directors.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Risk validation management is an independent team that reports directly to the Assistant General Manager of Compliance, Internal Control and Risk Management, and is responsible for the controls of all models, data and processes carried out within the framework of risk management. Validation studies include not only statistical practices, but also compliance with the legal regulations and in-bank policies. The risk validation team consists of three units. These units are regulatory risk validation, strategic risk validation and rating models validation teams. Within the scope of legal risk validation, mainly IRB models, IFRS 9 and credit risk validation in the second structural pilliar are performed. In the frame of strategic risk validation, strategy validation, managerial models, market risk and other risk types as part of the second structural pillar are validated. Validation of rating models inclueds validation activities of marketing models, macroeconomic forecasting models, project financing models and operational risk models.

3.1.2. Overview of Risk Weighted Assets

		Risk Weighted Assets		Minimum Capital Requirements
		Current Period	Prior Period	Current Period
1	**Credit risk (excluding counterparty credit risk) (CCR)**	**922.134.039**	**610.626.631**	**73.770.723**
2	Of which standardised approach (SA)	71.032.254	52.707.788	5.682.580
3	Of which internal rating-based (IRB) approach	851.101.785	557.918.843	68.088.143
4	**Counterparty credit risk**	**14.120.862**	**13.234.018**	**1.129.669**
5	Of which standardised approach for counterparty credit risk (SA-CCR)	14.120.862	13.234.018	1.129.669
6	Of which internal model method (IMM)	-	-	-
7	**Equity positions in banking book under market-based approach**	**-**	**-**	**-**
8	**Equity investments in funds – look-through approach**	**40.504**	**14.748**	**3.240**
9	**Equity investments in funds – mandate-based approach**	**-**	**-**	**-**
10	**Equity investments in funds – fall-back 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**	**9.101.414**	**13.715.305**	**728.113**
17	Of which standardised approach (SA)	9.101.414	13.715.305	728.113
18	Of which internal model approaches (IMM)	-	-	-
19	**Operational risk**	**93.204.174**	**42.578.789**	**7.456.334**
20	Of which Basic Indicator Approach	93.204.174	42.578.789	7.456.334
21	Of which Standardised Approach	-	-	-
22	Of which Advanced Measurement Approach	-	-	-
23	**Amounts below the thresholds for deduction (subject to 250% risk weight)**	**8.912.182**	**5.174.805**	**712.975**
24	**Floor adjustment**	**-**	**-**	**-**
	TOTAL (1+4+7+8+9+10+11+12+16+19+23+24)	**1.047.513.175**	**685.344.296**	**83.801.054**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

3.2. Linkages between financial statements and risk amounts

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

		Carrying values of items in accordance with TAS				
Current Period	**Carrying values in financial statements prepared as per TAS**	**Subject to credit risk**	**Subject to counterparty credit risk**	**Subject to the Securitisation framework**	**Subject to market risk**	**Not subject to capital requirements or subject to deduction from capital**
Assets						
Financial Assets (Net)	409.953.312	388.644.438	46.617.530	-	7.495.230	-
Financial Assets Measured at Amortised Cost (Net)	1.169.359.790	1.209.323.682	54.309.640	-	-	142.769
Assets Held For Resale And Related To Discontinued Operations (Net)	1.026.089	1.026.089	-	-	-	-
Investment in Subsidiaries, Associates, Joint Ventures	37.766.927	37.766.927	-	-	-	-
Property And Equipment (Net)	18.440.991	17.924.470	-	-	-	516.521
Intangible Assets (Net)	1.795.385	227.871	-	-	-	1.567.514
Tax Asset	8.665.381	8.665.381	-	-	-	-
Other Assets	91.643.260	92.533.527	-	-	-	-
TOTAL ASSETS	**1.738.651.135**	**1.756.112.385**	**100.927.170**	**-**	**7.495.230**	**2.226.804**
Liabilities						
Deposits	1.036.469.933	-	-	-	-	1.036.469.933
Borrowings	140.307.133	-	-	-	-	140.307.133
Money Markets	57.973.017	-	46.966.613	-	-	11.006.404
Marketable Securities Issued (Net)	77.701.664	-	-	-	-	77.701.664
Financial Liabilities Measured at Fair Value Through Profit or Loss	72.554.448	-	-	-	-	72.554.448
Derivative Financial Liabilities	11.524.206	-	-	-	5.641.760	11.524.206
Lease Payables (Net)	3.187.951	-	-	-	-	3.187.951
Provisions	21.064.649	-	-	-	-	21.064.649
Tax Liability	7.168.597	-	-	-	-	7.168.597
Subordinated Debts	36.846.139	-	-	-	-	36.846.139
Other Liabilities	95.001.857	-	-	-	-	95.001.857
Shareholder's Equity	178.851.541	-	-	-	-	178.851.541
TOTAL LIABILITIES	**1.738.651.135**	**-**	**46.966.613**	**-**	**5.641.760**	**1.691.684.522**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Prior Period	Carrying values in financial statements prepared as per TAS	Carrying values of items in accordance with TAS: Subject to credit risk	Subject to counterparty credit risk	Subject to the Securitisation framework	Subject to market risk	Not subject to capital requirements or subject to deduction from capital
Assets						
Financial Assets (Net)	269.783.597	251.307.678	26.422.662	-	9.206.416	-
Financial Assets Measured at Amortised Cost (Net)	733.352.728	768.887.154	30.158.530	-	-	63.481
Assets Held For Resale And Related To Discontinued Operations (Net)	1.035.873	1.035.873	-	-	-	-
Investment in Subsidiaries, Associates, Joint Ventures	20.848.457	20.848.457	-	-	-	-
Property And Equipment (Net)	9.846.677	9.644.534	-	-	-	202.143
Intangible Assets (Net)	1.206.951	147.482	-	-	-	1.059.469
Tax Asset	5.146.976	5.146.976	-	-	-	-
Other Assets	66.872.334	54.733.871	-	-	-	-
TOTAL ASSETS	**1.108.093.593**	**1.111.752.025**	**56.581.192**	**-**	**9.206.416**	**1.325.093**
Liabilities						
Deposits	672.765.318	-	-	-	-	672.765.318
Borrowings	70.048.420	-	-	-	-	70.048.420
Money Markets	35.514.486	-	25.648.224	-	-	9.866.262
Marketable Securities Issued (Net)	40.540.324	-	-	-	-	40.540.324
Financial Liabilities Measured at Fair Value Through Profit or Loss	37.239.659	-	-	-	-	37.239.659
Derivative Financial Liabilities	13.774.007	-	-	-	8.239.776	13.774.007
Lease Payables (Net)	1.855.391	-	-	-	-	1.855.391
Provisions	11.084.141	-	-	-	-	11.084.141
Tax Liability	5.598.484	-	-	-	-	5.598.484
Subordinated Debts	39.388.232	-	-	-	-	39.388.232
Other Liabilities	54.028.741	-	-	-	-	54.028.741
Shareholder's Equity	126.256.390	-	-	-	-	126.256.390
TOTAL LIABILITIES	**1.108.093.593**	**-**	**25.648.224**	**-**	**8.239.776**	**1.082.445.369**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

3.2.2. Main sources of differences between regulatory exposure amounts and carrying values in financial statements

	Current Period	Total	Subject To Credit Risk	Subject to the Securitisation	Subject To Counterparty Credit Risk	Subject To Market Risk
1	Asset carrying value amount under scope of regulatory Consolidation (As note 3.2.1 of Section 4)	1.864.534.833	1.756.112.385	-	100.927.170	7.495.230
2	Liabilities carrying value amount under regulatory scope of consolidation (As note 3.2.1 of Section 4)	52.608.373	-	-	46.966.613	5.641.760
3	**Total net amount under regulatory scope of consolidation**	**1.811.926.460**	**1.756.112.385**	**-**	**53.960.557**	**1.853.470**
4	Off-Balance Sheet Amounts	1.195.216.750	598.788.168	-	-	-
5	Differences in valuations	-	-	-	-	-
6	Differences due to different netting rules, other than those already included in row 2	-	-	-	-	-
7	Differences due to consideration of provisions	-	-	-	-	-
8	Differences Resulted from the BRSA's Applications	-	(267.893.836)	-	(15.516.542)	7.247.944
9	Differences due to risk reduction	-	(180.863)	-	-	-
	Risk Amounts		**2.086.825.854**	**-**	**38.444.015**	**9.101.414**

	Prior Period	Total	Subject To Credit Risk	Subject to the Securitisation	Subject To Counterparty Credit Risk	Subject To Market Risk
1	Asset carrying value amount under scope of regulatory Consolidation (As note 3.2.1 of Section 4)	1.177.539.633	1.111.752.025	-	56.581.192	9.206.416
2	Liabilities carrying value amount under regulatory scope of consolidation (As note 3.2.1 of Section 4)	33.888.000	-	-	25.648.224	8.239.776
3	**Total net amount under regulatory scope of consolidation**	**1.143.651.633**	**1.111.752.025**	**-**	**30.932.968**	**966.640**
4	Off-Balance Sheet Amounts	551.922.907	204.754.583	-	-	-
5	Differences in valuations		-	-	-	-
6	Differences due to different netting rules, other than those already included in row 2		-	-	-	-
7	Differences due to consideration of provisions		-	-	-	-
8	Differences Resulted from the BRSA's Applications		(134.154.013)	-	(6.139.265)	12.748.665
9	Differences due to risk reduction		(147.613)	-	-	-
	Risk Amounts		**1.182.204.982**	**-**	**24.793.703**	**13.715.305**

3.2.3. Explanations of differences between accounting and regulatory exposure amounts

There is no difference between amounts reported in the financial statements and valuated in accordance with TAS and amounts valuated in accordance with TAS in scope of legal consolidation.

Bank's financial instruments subject to fair value measurement are valued using Mark-to-Market or Mark-to-Model approach based on their product types. Implementation of valuation methodologies is carried out in accordance with the "Fair Value Measurement" policies in line with the prudent valuation principles set out in the annex of the Directive on Measurement and Assessment of Banks' Capital Adequacy. The Bank uses market prices for bonds and futures contracts traded in organized markets, while it often uses platforms generating Mark-to- Model value for derivative transactions traded in OTC markets. Mark-to-Market or Mark-to-Model valuations are made on a daily basis so that changes in the market can be reflected in the Bank's financials with the same frequency.

The Independent Price Control process (IPV) is designed to draw the errors or deviations that may occur in the valuations to the minimum level, to calculate the correct profit / loss and risk, through verification, comparison and approval of market prices and model inputs regularly with independent and different sources. The purpose of the IPV is to ensure that the data used for bank valuations are generated on a daily basis from a highly representative, adequately liquid and accurate instruments. All these processes have a clear, integrated and complementary approach that is in line with the objectives of the Bank.

Prices quoted in active markets for securities and derivative transactions are used to record the fair value of an instrument, but quoted prices are generally not available in active markets. Appropriate valuation techniques are used for financial instruments that are not traded in the market but the estimated fair value is adjusted through valuation techniques of the market participant's estimation of similar asset or liability price. Such adjustments are categorized close out cost, market liquidity, model risk and credit valuation adjustments.

Close out Cost adjustment reflects the amount which would be incurred to arrive at an appropriate ask/liquidation price (financial instruments which are assets at valuation date) or bid/unwind price (financial instruments which are liabilities at valuation date) for financial instruments valued at mid-market prices.

Market liquidity adjustment is calculated to reflect the amount which would be incurred to close out the position when liquidity is not sufficient. When there is not any tradeable price on liquid two way market, a liquidity discount is applied for pricing.

Model risk; reflects the risk stemming from deficiencies in model. Complexity of the model, being market standard and capability to incorporate all known risk factors determine the necessity/applicability of model risk adjustments.

Credit Value Adjustment (CVA), is defined as market value of counterparty credit risk (CCR), which arises from the possibility of a counterparty's default and considered in regulatory capital adequacy calculations for all CCR exposures.

3.3. Explanations on Credit Risk

3.3.1. General information on credit risk

3.3.1.1. General qualitative information on credit risk

Credit Policy is prepared to be well-structured in line with the BRSA loan management guidebook.

Credit policy is revised at least once a year, approved by Board of Directors, announced within the bank and implemented in accordance with the appropriate procedures in banks.During the review of credit policies, economic conjuncture, the bank's capital adequacy ratio and amendments in related regulation are taken into consideration. Key elements such as target markets, portfolio structure and concentration, large exposures, credit limit applications, approval authorities are determined in the credit policies. In the policies,key messages are provided based on principles of prudence,continuity about the customer's credit worthiness, specific sectors, segments and products for growth in accordance with the defined credit strategies.

Credit Risk Management Section is established to manage the credit risk of the Bank by determining, measuring, monitoring, evaluating and reporting the risks. In order to improve the asset quality of the Bank, the main roles and responsibilities of the section are composed of performing periodical analyses on credit portfolio trend, calculating credit risk cost based on segments and executing compliance activities between risk management practices with Basel requirements.

Credit risk management consists of two sub-units: credit risk strategies and operational risk management and credit risk planning, modeling and reporting management.

Credit risk strategies and operational risk management is responsible for developing underwriting, monitoring, collection and workout strategies and following the actions taken in accordance with the Bank's risk appetite in terms of credit risk. The unit takes an active role in the development of these strategies by conducting risk analysis, determining the rules to be used in decision trees, putting them into practice through decision support systems, and running the flow smoothly. The unit is also responsible for definition of the operational and reputational risk policies, implementation of measurement, monitoring and reporting systems, identification of the key risk indicators, and performance of scenario analyses. The unit carries out the activities regarding Basel compliance, operational risk models setting and development, operational risk weighted asset calculation and risk based insurance activities. The unit is responsible for the studies on Information Systems risk inventory, coordination of the Support Services Risk Management Program and setting up the relevant monitoring systems and management, as well as development of the Business Continuity Management Policy and Plans and continuous updating of these policy and plans. The unit also ensures the actions taken under business contiunity and the coordination and control of Business Continuity Management projects and budget.

Credit Risk Planning, Modeling and Reporting Management is responsible for preparation of credit risk budgeting and credit risk reporting activities of the Bank, calculation of loan loss provisions; identification of the Credit Policy according to risk appetite of the Bank, implementation of the policy throughout the Banks and its subsidiaries, support to all units in the Bank for the related topics.The units establishes a common risk culture on group basis and performs process analyses of credit and risk management functions in subsidiaries to ensure standard risk management practices and establishes action plans for the standardization of all gaps within the group. The unit prepares reports for assessment of credit risk and for the preparation of various and comprehensive concentrations and forecasts on asset quality trends for the Bank, performs necessary calculations to measure the risk profile of the bank and ensures that the country risk is identified.The unit is also responsible for taking part in the model development processes of PD, EAD, LGD models which are in the scope of IRB communique (issued by BRSA – using internal rating based approach for credit risk calculations) and giving opinions as the ultimate authority, supervising the rating systems, monitoring the performance, analysing the results regularly, ensuring the proper functioning of the rating systems, leading the studies for the areas that need improvement and the deficiencies identified, informing the BRSA about the changes made in the rating systems and the relevant units within the Bank, evaluating model use test, ensuring dissemination of the models in the bank internal processes within the scope requested by the BRSA and monitoring the projects carried out in the Bank within the scope of Basel for commercial customers. This business unit is also responsible for taking part in the development processes of operational models used in underwriting, monitoring, collection, etc. processes and monitoring their performance.

ISEDES report is prepared in accordance with the related guide of BRSA and submitted to the approval of the Board of Directors. The report mainly includes the Bank's approach for the review of risks and capital in order to preserve capital adequacy of the Bank with respect to its current and future activities and information on management structure and applied approaches.

Regular supervision and controls are performed to ensure that credit process is carried out in compliance with the Bank credit policies and procedures, loans are extended in accordance with principles and procedures determined by the Board of Directors and loans are reported properly with the information of maturity, quantity and qualification to top management.

Activities carried out by units within scope of internal systems are employed as a tool to define weak points regarding the credit risk management process, policy and procedures and to determine the transactions that are not compliant with limits, policy and procedures.

Issues that are observed during the examinations is being regularly reported to top management and Audit Committee considering importance level.

Summary of the activities of units within the scope of internal systems are effectively utilized by the management and actions are taken in order to prevent repetition of weaknesses and conflicts regarding credit management.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

3.3.1.2. Credit quality of assets

	Current Period	Gross carrying values of as per TAS Defaulted exposures	Non-defaulted exposures	Allowances/ impairment	Net values
1	Loans	26.829.719	877.730.504	39.819.927	864.740.296
2	Debt Securities	-	403.927.044	946.624	402.980.420
3	Off-balance sheet exposures	2.028.872	1.180.719.824	3.290.315	1.179.458.381
	Total	**28.858.591**	**2.462.377.372**	**44.056.866**	**2.447.179.097**

	Prior Period	Gross carrying values of as per TAS Defaulted exposures	Non-defaulted exposures	Allowances/ impairment	Net values
1	Loans	20.733.112	585.381.215	35.667.156	570.447.171
2	Debt Securities	-	242.265.589	557.197	241.708.392
3	Off-balance sheet exposures	1.431.465	502.388.582	2.222.157	501.597.890
	Total	**22.164.577**	**1.330.035.386**	**38.446.510**	**1.313.753.453**

3.3.1.3. Changes in stock of defaulted loans and debt securities

		Current Period	Prior Period
1	**Defaulted loans and debt securities at the end of the previous reporting period**	**22.164.577**	**20.023.972**
2	Loans and debt securities that have defaulted since the last reporting period	18.896.980	11.517.943
3	Returned to non-defaulted status (-)	78.940	106.767
4	Amounts written off (-)	3.119.459	4.781.752
5	Other changes	(9.004.567)	(4.488.819)
6	**Defaulted loans and debt securities at the end of the reporting period (1+2-3-4±5)**	**28.858.591**	**22.164.577**

3.3.1.4. Additional disclosure related to the credit quality of assets

According to the BRSA Regulation "Regulation on the procedures and principles for the determination of qualification of loans and other receivables by Banks and provision to be set aside" in the cases:

- For which recovery of principal or interest or both delays for more than ninety days from their terms or due dates or;
- Which have limited means for total recovery because debtors' equity or guarantees extended by them are found inadequate to cover payment of debts on respective terms and are likely to lead to losses in case any such problems observed are not solved or;
- For which debtors have suffered deterioration in their creditworthiness and credits have suffered weakness consequently or;
- For which it is believed that recovery by banks of principal or interest or both would delay for more than ninety days from their terms or due dates due to reasons such as problems encountered by debtors over operating capital financing or additional liquidity creation,

loans and receivables are classified as 'non performing loans' and are transferred to non performing loan accounts. Within the scope of the same regulation, these loans are set aside for the expected credit loss according to the internal models developed by the Bank.

In accordance with the regulation; in the event that failure to meet payment obligations towards banks stems from temporary liquidity difficulties related to the loans and other receivables as part of the principles of classification, loans and other receivables including any overdue interest may be restructured or subject to a new redemption plan for the purpose of providing debtors with liquidity capability and ensuring recovery of receivables by bank.

3.3.1.4.1. Exposures provisioned against by major regions (1)

	Current Period	Prior Period
Domestic	1.225.659.426	793.276.693
USA,Canada	1.330.023	483.313
European Union (EU) Countries	12.988.374	12.408.341
OECD Countries	1.668.125	1.520.692
Off-Shore Banking Regions	1.297	720
Other Countries	6.670.017	4.436.686
Total	**1.248.317.262**	**812.126.445**

(1) Breakdown of cash, non-cash and non-performing loans with respect to geographical regions are provided.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

3.3.1.4.2. Exposures provisioned against by major sectors [1]

	Current Period	Prior Period
Agricultural	**22.369.385**	**13.118.301**
Farming and raising livestock	16.502.230	10.369.931
Forestry	4.001.247	2.143.008
Fishing	1.865.908	605.362
Manufacturing	**472.316.536**	**347.990.660**
Mining and Quarrying	2.106.868	1.909.269
Production	370.889.933	271.740.275
Electricity, Gas, Water	99.319.735	74.341.116
Construction	**128.555.253**	**81.032.270**
Services	**288.750.910**	**192.199.592**
Wholesale and retail trade	73.444.642	48.424.277
Hotel, food and beverage services	26.335.302	18.376.984
Transportation and telecommunication	45.001.219	30.123.807
Financial institutions	67.138.156	43.957.384
Real estate and leasing services	17.653.191	14.896.658
Education services	1.855.035	1.722.336
Health and social services	57.323.365	34.698.146
Other	**336.325.178**	**177.785.622**
Total	**1.248.317.262**	**812.126.445**

(1) Breakdown of cash loans, non-cash loans and non-performing loans by sectors.

3.3.1.4.3. Receivables according to remaining maturities:

Receivables according to remaining maturities are explained Note 7 of Section 4.

3.3.1.4.4. Exposures provisioned against by major sectors:

Information on the amount of receivables and provisions provided for on the sector basis are disclosed in Note 2 of Section 4.

3.3.1.4.5. Exposures provisioned against by major regions :

The distribution of the specific provisions is predominantly domestic and a provision amounting to TL 26.766.510 (December 31, 2022- TL 20.533.781) has been set aside for the risk at an amount of TL 18.855.734 (December 31, 2022- TL 15.668.894)

3.3.1.4.6. Aging analysis for overdue receivables [1]

Overdue days count	Current Period	Prior Period
1-30 days	4.799.873	2.215.532
31-60 days	3.680.334	1.650.121
61-90 days	2.118.377	843.339
Total	**10.598.584**	**4.708.992**

(1) Overdue receivables under close monitoring represent overdue of cash loans.

Loans under close monitoring amounting to TL 92.427.228 (December 31, 2022 – TL 75.378.960) are not overdue.

3.3.1.4.7. Breakdown of restructured receivables based on whether or not provisions are allocated:

Provisions are recognized for all non-performing loans in accordance with Provisioning Regulation.

Credit Class	Current Period	Prior Period
Loans restructured from Loans and other receivables under close monitoring	48.230.529	50.232.044
Loans restructured from Loans under legal follow-up	7.220.471	5.170.167
Total	**55.451.000**	**55.402.211**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

3.3.1.4.8. Informations related to expected credit losses for loans:

Current Period	Stage1	Stage2	Stage3	Total
Beginning of the period	**4.530.314**	**15.354.526**	**15.782.316**	**35.667.156**
Additions	3.990.387	7.253.203	11.043.988	22.287.578
Disposals (-)	6.123.301	10.065.547	6.013.313	22.202.161
Sold (-)	-	-	3.047.039	3.047.039
Write offs (-)	-	-	72.420	72.420
Transfer to stage 1	2.957.022	(2.956.430)	(592)	-
Transfer to stage 2	(933.971)	1.062.990	(129.019)	-
Transfer to stage 3	(47)	(1.339.605)	1.339.652	-
Foreign currency differences	1.252.105	5.934.708	-	7.186.813
End of the period	**5.672.509**	**15.243.845**	**18.903.573**	**39.819.927**

Prior Period	Stage1	Stage2	Stage3	Total
Beginning of the period	**3.082.442**	**12.433.108**	**13.717.846**	**29.233.396**
Additions	2.065.190	4.423.280	9.897.668	16.386.138
Disposals (-)	1.575.876	3.787.625	4.593.670	9.957.171
Sold (-)	-	-	1.672.492	1.672.492
Write offs (-)	-	-	3.109.260	3.109.260
Transfer to stage 1	312.126	(312.032)	(94)	-
Transfer to stage 2	(18.152)	112.363	(94.211)	-
Transfer to stage 3	(5)	(1.636.524)	1.636.529	-
Foreign currency differences	664.589	4.121.956	-	4.786.545
End of the period	**4.530.314**	**15.354.526**	**15.782.316**	**35.667.156**

3.3.2. Credit risk mitigation

3.3.2.1. Qualitative disclosure on credit risk mitigation techniques

The Bank employs on-balance sheet netting and/or general netting agreements for specific capital market transactions for credit risk mitigation, with the condition of meeting the requirements of having implemented corresponding system supported methods and processes and clear documentation of the required documents.

The Bank may use assets and liabilities as an on balance sheet netting instrument considering them as cash collateral.

The capital requirements may be determined on the base of net exposure of assets and liabilities, if the following conditions are met:

- The agreement should provide the Bank the authorization to monitor the receivable of the payee over a single value after netting all payables and receivables even though there is no such indicator for the counterparty showing bankruptcy or financial difficulty in accordance with the regulations of governments.
- The Bank is provided the authority of netting and monitoring the risk over a single value even the counterparty is not in bankruptcy case of a bankruptcy of one counterparty,the other counterparty should have the authority to terminate all contracts under the agreement
- The agreement should provide the facility to monitor the receivable of the payee over a single value after netting all payables and receivables in case of the termination of all contracts

In the policies and procedures regarding the assessment and management of the collaterals as part of collateralized lending, Credit risk mitigation techniques aims at:

- Determination of general and specific requirements for the improvement and optimization of collateral systems, processes, strategies and procedures;
- Valuation of collateral taking into consideration the local regulations and procedures;
- Provision of the soundness, legal enforceability and maintenance of ratable collateral based on a legal framework;
- Determination of the level of the collateral haircut taking the local conditions and the process of risk management into consideration;
- Regular monitoring of the collateral value;
- Differentiation between counterparty (economic) and country (political) risk aspects,
- Mitigation of concentration risks, correlation risks and residual risks through recognition of collateral;
- Improvement in the quality of strategic business and overall Bank management
- Clear definition of Roles and Responsibilities
- Determination of acceptable collaterals and collateral related conditions (list of collateral) / (non-parametric condition list)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

In the calculations regarding credit risk mitigation, the Bank performs risk mitigation within the regulations set out in the Credit Risk Mitigation Techniques Notification dated September 6, 2014 and numbered 29111 and uses a comprehensive financial guarantee method for its financial collaterals. With the comprehensive financial collateral method, the relevant volatility adjustments specified in the regulation made on the value of the financial collaterals that are used in calculating the capital requirements.

The credit policies establish an operational connection between Bank's activities and its risk capacity and covers the main business areas in accordance with target portfolio structure, risk targets regarding expected and unexpected loss in line with risk capacity and limits relating to risk concentration. Limits are ensured to be compliant with restrictions determined by related regulation and regulatory authorities. Bank uses an integrated approach in concentration risk management, in which all risk concentrations are identified, monitored and evaluated. Therefore, besides the loans to individuals and companies, also the concentrations of market, sector, country and segment are being taken into consideration. Bank pays utmost attention to any concentration of the credit and market risks on a specific counterparty or risk classification in accordance with policies and internal procedures.

3.3.2.2. Credit risk mitigation techniques – overview

Current Period	Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
Loans	791.249.113	73.491.183	56.236.768	1.689.445	1.416.070	-	-
Debt securities	402.980.420	-	-	-	-	-	-
Total	**1.194.229.533**	**73.491.183**	**56.236.768**	**1.689.445**	**1.416.070**	**-**	**-**
Of which defaulted	4.016.278	3.909.868	2.867.556	446.094	256.814	-	-

Prior Period	Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
Loans	512.212.727	58.234.444	42.737.061	4.073.740	3.442.226	-	-
Debt securities	241.708.392	-	-	-	-	-	-
Total	**753.921.119**	**58.234.444**	**42.737.061**	**4.073.740**	**3.442.226**	**-**	**-**
Of which defaulted	3.450.990	1.499.806	663.375	435.944	305.249	-	-

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

3.3.3. Credit risk under standardised approach

3.3.3.1. Qualitative disclosures on banks’ use of external credit ratings under the standardised approach for credit risk

An international rating firm, Fitch Ratings’ external risk ratings are used to determine the risk weights of the risk categories as per the Article 6 of the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks". The international risk ratings are used for all the exposures to central governments/central banks, for Financial Institutions, Corporations, Regional Governments, Administrative Bodies and for Multinational Development Banks asset classes of which the counterparty resides in foreign countries.

Exposures to central governments and central banks which are not rated by Fitch Ratings are included in the calculation of capital adequacy as unrated. Receivables from residents in Türkiye are classified as unrated.

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

Credit Quality Grade	Fitch Ratings	Claims on sovereigns and Central Banks	Claims on administrative bodies and other non-commercial undertakings	Claims on banks and intermediary institutions		Claims on corporates
				Contractual maturity of claims under 3 months	Contractual maturity of claims over 3 months	
1	AAA AA+ AA AA-	0%	20%	20%	20%	20%
2	A+ A A-	20%	50%	20%	50%	50%
3	BBB+ BBB BBB-	50%	100%	20%	50%	100%
4	BB+ BB BB-	100%	100%	50%	100%	100%
5	B+ B B-	100%	100%	50%	100%	150%
6	CCC+ CCC CCC- CC C D	150%	150%	150%	150%	150%

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

3.3.3.2. Standardised approach – Credit risk exposure and credit risk mitigation (CRM) effects

	Current Period	Exposures before CCF and CRM		Exposures post CCF and CRM		RWA and RWA density	
	Asset classes	**On-balance sheet amount**	**Off-balance sheet amount**	**On-balance sheet amount**	**Off-balance sheet amount**	**RWA**	**RWA density**
1	Exposures to central governments or central banks	543.348.350	122	545.021.233	56.364	-	-
2	Exposures to regional governments or local authorities	1.259.026	-	1.253.450	-	626.725	50,00%
3	Exposures to public sector entities	2.123.825	298.265	2.123.767	99.798	2.223.565	100,00%
4	Exposures to multilateral development banks	1.022.959	114.614	1.022.959	62.453	-	-
5	Exposures to institutions	70.932.297	25.780.171	70.932.297	10.104.027	26.112.749	32,22%
6	Exposures to corporates	13.183.705	64.556.042	12.523.541	12.915.843	14.702.001	57,79%
7	Retail exposures	1.423.377	1.909.543	666.917	76.893	578.109	77,72%
8	Exposures secured by residential property	28.489	21.301	28.189	10.620	13.612	35,07%
9	Exposures secured by commercial real estate	2.222	467.970	2.222	233.985	124.928	52,89%
10	Past-due loans	85.936	-	254	-	220	86,61%
11	Higher-risk categories by the Agency Board	1.292.951	702.518	1.121.660	8.859	1.696.191	150,04%
12	Exposures in the form of collective investment undertaking	54.376	-	54.376	-	40.504	74,49%
13	Investments in equities	28.519.026	-	28.519.026	-	33.866.336	118,75%
14	Other receivables	-	-	-	-	-	-
	Total	**663.276.539**	**93.850.546**	**663.269.891**	**23.568.842**	**79.984.940**	**11,65%**

	Prior Period	Exposures before CCF and CRM		Exposures post CCF and CRM		RWA and RWA density	
	Asset classes	**On-balance sheet amount**	**Off-balance sheet amount**	**On-balance sheet amount**	**Off-balance sheet amount**	**RWA**	**RWA density**
1	Exposures to central governments or central banks	325.235.895	2.422	328.983.371	173.891	-	-
2	Exposures to regional governments or local authorities	208.510	20.512	208.510	10.256	109.383	50,00%
3	Exposures to public sector entities	1.497.583	716.706	1.497.526	253.137	1.750.663	100,00%
4	Exposures to multilateral development banks	878.649	168.348	878.649	128.199	-	-
5	Exposures to institutions	62.112.083	33.722.366	62.112.083	5.025.225	20.050.719	29,87%
6	Exposures to corporates	10.120.736	48.122.343	8.358.291	10.752.824	13.182.900	68,98%
7	Retail exposures	2.879.918	1.116.763	1.199.411	58.221	1.060.269	84,31%
8	Exposures secured by residential property	79.237	1.043	79.237	359	29.104	36,56%
9	Exposures secured by commercial real estate	15.297	1.383.382	15.297	691.681	363.028	51,35%
10	Past-due loans	103.168	-	1.665	-	926	55,62%
11	Higher-risk categories by the Agency Board	445.944	4.243.498	242.091	13.226	382.976	150,00%
12	Exposures in the form of collective investment undertaking	31.895	-	31.895	-	14.749	46,24%
13	Investments in equities	17.847.741	-	17.847.741	-	20.952.624	117,40%
14	Other receivables	-	-	-	-	-	-
	Total	**421.456.656**	**89.497.383**	**421.455.767**	**17.107.019**	**57.897.341**	**13,20%**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

3.3.3.3. Standardised approach – exposures by asset classes and risk weights

Current Period

	Asset classes/ Risk weight	0%	10%	20%	35%	50%	75%	100%	150%	200%	250%	1250%	Total credit risk exposure amount (after CCF and CRM)
1	Exposures to central governments or central banks	545.077.597	-	-	-	-	-	-	-	-	-	-	545.077.597
2	Exposures to regional governments or local authorities	-	-	-	-	1.253.450	-	-	-	-	-	-	1.253.450
3	Exposures to public sector entities	-	-	-	-	-	-	2.223.565	-	-	-	-	2.223.565
4	Exposures to multilateral development banks	1.085.412	-	-	-	-	-	-	-	-	-	-	1.085.412
5	Exposures to institutions	-	-	48.255.904	-	32.637.704	-	142.716	-	-	-	-	81.036.324
6	Exposures to corporates	-	-	27.835	-	21.430.231	-	3.981.318	-	-	-	-	25.439.384
7	Retail exposures	-	-	-	-	-	662.805	81.005	-	-	-	-	743.810
8	Exposures secured by residential property	-	-	-	38.738	-	71	-	-	-	-	-	38.809
9	Exposures secured by commercial real estate	-	-	-	-	222.559	-	13.648	-	-	-	-	236.207
10	Past-due loans	-	-	-	-	68	-	186	-	-	-	-	254
11	Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	1.129.694	825	-	-	1.130.519
12	Investments made in collective investment companies	3.129	-	8.038	-	8.625	-	34.584	-	-	-	-	54.376
13	Investments in equities	-	-	-	-	-	-	24.954.153	-	-	3.564.873	-	28.519.026
14	Other receivables	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**546.166.138**	**-**	**48.291.777**	**38.738**	**55.552.637**	**662.876**	**31.431.175**	**1.129.694**	**825**	**3.564.873**	**-**	**686.838.733**

Prior Period

	Asset classes/ Risk weight	0%	10%	20%	35%	50%	75%	100%	150%	200%	250%	1250%	Total credit risk exposure amount (after CCF and CRM)
1	Exposures to central governments or central banks	329.157.262	-	-	-	-	-	-	-	-	-	-	329.157.262
2	Exposures to regional governments or local authorities	-	-	-	-	218.766	-	-	-	-	-	-	218.766
3	Exposures to public sector entities	-	-	-	-	-	-	1.750.663	-	-	-	-	1.750.663
4	Exposures to multilateral development banks	1.006.848	-	-	-	-	-	-	-	-	-	-	1.006.848
5	Exposures to institutions	-	-	45.441.435	-	21.466.882	-	228.991	-	-	-	-	67.137.308
6	Exposures to corporates	330.804	-	668.282	-	10.125.570	-	7.986.459	-	-	-	-	19.111.115
7	Retail exposures	-	-	-	-	-	789.452	468.180	-	-	-	-	1.257.632
8	Exposures secured by residential property	-	-	-	76.481	-	3.115	-	-	-	-	-	79.596
9	Exposures secured by commercial real estate	-	-	-	-	685.271	5.267	16.440	-	-	-	-	706.978
10	Past-due loans	-	-	-	-	1.473	-	192	-	-	-	-	1.665
11	Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	255.317	-	-	-	255.317
12	Investments made in collective investment companies	1.678	-	14.924	-	7.059	-	8.234	-	-	-	-	31.895
13	Investments in equities	-	-	-	-	-	-	15.777.819	-	-	2.069.922	-	17.847.741
14	Other receivables	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**330.496.592**	**-**	**46.124.641**	**76.481**	**32.505.021**	**797.834**	**26.236.978**	**255.317**	**-**	**2.069.922**	**-**	**438.562.786**

3.3.3.4. Explanations on the use of IRB Models

In the development of internal models;

- As the owners of the probability of default (PD), loss given default (LGD) and exposure at default (EAD) models used in capital adequacy calculations, credit risk control and modeling units (individual and commercial) are responsible for the development and implementation processes of the models, also the regular monitoring and updating of the models.
- In case of need, advanced analytics unit is responsible for the development of the PD, LGD, EAD models,
- Validation unit is responsible for performing the initial and periodic validation of the models and providing the regular validation report.

When the development of the models is completed and following the approval of the validation unit, they are submitted to the approval of the credit committee and the Board of Directors. The models can be got into use after the necessary approvals are obtained from the relevant committees.

Performance monitoring of the model, which has been developed and put into use, is carried out by the credit risk control and modeling units and the validation unit. Performance monitoring of the models is carried out through the credit risk control unit report prepared quarterly by the credit risk control and modeling teams and annual periodic validation studies. In addition, every month before the models are run, certification checks are carried out and the accuracy of the data used in the model is confirmed.

Re-development, re-train or re-calibration of the models can be done according to the performance monitoring results of the models in use.

In accordance with the IRB communiqué (issued by BRSA – using internal rating based approach for credit risk calculations) as published in the Official Gazette dated 23 October 2015 numbered 29511, all IRB models and validation processes are audited annually by the Internal Audit Department. The scope of audits consists of three main areas: governance and validation, rating systems and quantification of risks and usage testing. Audit processes include reviewing IRB models for compliance with all minimum requirements, as well as validation of models. In this framework, initial, periodic, data and process validation activities are examined and validation findings are also taken into account within the scope of relevant model audits.

Reports on credit risk models are prepared in order to explain the structure, process and performance of the rating system, the areas that need improvement, the activities to complete the identified deficiencies, and to monitor the credit risk. Commercial credit risk control and modeling and retail credit risk control and modeling units are responsible for reporting. The related report includes the risk profile according to grades, migrations between grades, comparison of the estimations of risk parameters and observed values, and analysis of the effectiveness of the override process. If there is a rating override for project finance loans in the relevant reporting period, the reasons for the change are also included.

For the capital calculation, BRSA allowed the use of PD and EAD models in the corporate receivables class, the PD, LGD and EAD models in the retail receivables class, and the use of the slotting method in project finance loans.

91% of the bank's total risk weighted assets amount is calculated with the IRB approach. 7% of the total risk weighted asssets amount is in portfolios such as receivables from central governments or financial institutions that do not have an IRB approach permit. The corporate and commercial portfolio is under the Foundation IRB approach, 95% of which is calculated with the IRB approach. The retail portfolio is under the Advanced IRB approach and 99% of it is calculated with the IRB approach. The slotting approach is used for all project finance risks.

There are application and behavior PD Models for both corporate and retail receivables classes. Application models are the models that work at the moment when a customer applies for a loan to the Bank. Behavioral models are run at the end of each month for customers with limits or risks in the bank (for the behavior insert, it is required to be older than six months in the individual portfolio).

- Individual portfolio PD application models consist of five models that work separately for each product in case the customer makes their own application. Behavior PD model is a model that consists of nine different segments.
- Individual portfolio EAD models are two models consisting of five different segments that vary according to the limit usage rate and risk amount for the customer's credit card and overdraft products. LGD models are five models consisting of eleven different segments in terms of risk amount breakdown by product.
- SME portfolio PD behavior and application models consists of four different segments, which vary according to the customer's information such as turnover, memzuç limit, customer type and being a agriculture customer.
- The same model is used for application and behavior in the corporate/commercial portfolio PD calculation. The model consists of four different segments that vary according to the customer's balance sheet type, memzuç limit and gross profit.
- Corporate/commercial/SME portfolio EAD model consists of twelve different segments that vary according to the portfolio, limit, risk, limit usage rate and limit gap information for the customer's commercial overdraft, commercial credit card, non-cash (check, letter of guarantee, letter of credit) products. Five of the twelve segments are for the corporate/commercial portfolio and seven are for the SME portfolio.

Bank's PD models are developed using logistic regression. At least five years of data are used while developing the model in accordance with the articles specified in the communique. For the initial validation activities, out-of-sample (OOS) and out-of-time (OOT) data is separated. As stated in the Communique, the PD of the best grade can be at least 0,03%.

Due to the use of minimum five-year data during model development and the higher default rates during the model development period compared to the current period, the calculated PD value especially for the individual portfolio differs relatively from the observed DR.

The PD model is used in underwriting strategies, provision calculations and economic capital calculations as well as capital calculations.

Specialized loans can be defined as portfolios with low default rates. PD calculation is not made for specialized loans, the classification method is used.

While developing the LGD model, the gross LGD approach was used. At least 5-7 years of data are used while developing the model in accordance with the articles specified in the communique. For the initial validation activities, out-of-sample (OOS) and out-of-time (OOT) data is separated. As stated in the communique, it has been ensured that the LGD value of mortgage loans is at least 10%. The downturn period effect for the individual portfolio is added as a conservatism margin:

- A random sample is selected one thousand times, with the LGD values calculated for the performing and default groups equal to the number of observations for each product.
- In each sample, the average of LGD values for the performing and default groups is calculated.
- LGD averages calculated in the previous step were ordered for all segments and groups, and the 75th percentile was determined as LGD with a conservatism margin added.
- In order to reflect the effect of the downturn period, the 90th percentile was chosen after the LGD averages were ranked for all segments and groups.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

For Commercial LGD model, the total collection amount in the first year when the customers entered the liquidation process was calculated and this amount was deducted from the default amount of the following year. Thus, the default amounts remaining in the following years spent by the customer in the liquidation process are reflected. The annual collection has been made taking into account these default amounts. Thus, the year in which the collection rate was bad in the economic cycle was taken into account. The through-the-cycle (TtC) LGD of the annual calculated LGD values was found. The year with the largest percentage difference of the annual LGD values from the calculated TtC LGD was determined as the downturn year, and the related percentage difference was determined as the downturn period coefficient.

The saturation point values used for the time between the default event and the closing of the receivable are as follows.

Product / Portfolio	**Saturation Point**
Consumer loan	74
Auto loan	30
Overdraft	42
Mortgage	33
Credit card	50
Commercial portfolio	73
SME portfolio	68
Corporate portfolio	50

EAD model begins by associating defaulted loans with the 12-month risk and limit information before the default date. A random observation month is selected from the 12-month period from the date of default by the customer, and the EAD parameters are calculated accordingly. In product segmentation, arithmetic mean EAD ratios were calculated by considering business requirements and statistical significance. The last step is to add a conservatism margin as required in the Basel and IDD communiqué to create the final model.

As a result of the analysis made for individual loans, it was decided to use the 60th and 70th percentiles for the conservatism margin and downturn period effect ratios, respectively, in individual products in risk conservion factor (RCF), limit conversion factor (LCF) and Non-limit conversion factor (NLCF). For commercial loans, five quantile is added over the model output for both conservatism margin and downturn effect.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

3.3.3.5. IRB Approach: Credit Risk Amounts by Portfolio and PD Ranges

Current Period													
Foundation IRB	**PD Range**	**On-balance sheet amount**	**Off-balance sheet amount**	**Average CCF**	**Exposures post-CCF and CRM**	**Average PD**	**Number of Customers**	**Average LGD**	**Average Maturity**	**Risk Weighted Assets**	**RWA Density**	**Expected Loss**	**Provisions**
	0-0,15	60.459.577	157.552.005	53,96%	145.472.055	0,07%	29.052	43,84%	1,55	28.877.122	19,85%	46.099	87.554
	0,15-0,25	9.117.793	19.516.113	58,83%	20.599.449	0,20%	30.457	42,50%	1,39	7.435.044	36,09%	18.971	28.513
	0,25-0,5	30.596.048	39.538.658	47,24%	49.273.638	0,35%	12.249	42,19%	1,41	26.123.929	53,02%	78.204	103.024
	0,5-0,75	15.039.696	15.013.430	55,42%	23.360.385	0,62%	17.450	41,93%	1,31	16.147.057	69,12%	65.291	44.217
Exposures to	0,75-2,5	90.547.804	55.560.203	46,94%	116.628.489	1,51%	23.424	41,43%	1,62	112.240.736	96,24%	790.917	4.762.107
corporates	2,5-10	27.030.614	35.916.738	39,41%	41.184.869	4,95%	13.605	41,72%	1,39	55.719.448	135,29%	916.689	776.387
	10-100	9.899.941	5.259.687	32,76%	11.623.197	16,07%	1.772	39,97%	1,28	22.924.696	197,23%	840.563	578.838
	100 (default)	15.324.300	903.284	25,38%	15.553.528	100,00%	5.265	39,30%	2,50	-	-	11.515.408	10.850.391
	Subtotal	**258.015.773**	**329.260.118**	**50,32%**	**423.695.610**	**5,12%**	**128.264**	**42,34%**	**1,54**	**269.468.032**	**63,60%**	**14.272.142**	**17.231.031**

Current Period													
Advanced IRB	**PD Range**	**On-balance sheet amount**	**Off-balance sheet amount**	**Average CCF**	**Exposures post-CCF and CRM**	**Average PD**	**Number of Customers**	**Average LGD**	**Average Maturity**	**Risk Weighted Assets**	**RWA Density**	**Expected Loss**	**Provisions**
	0-0,15	25.707.849	111.544.486	51,83%	83.516.266	0,10%	1.133.505	47,26%	-	2.971.538	3,56%	38.112	10.238
	0,15-0,25	29.801.222	123.629.624	51,85%	93.898.096	0,19%	1.639.783	47,10%	-	5.926.095	6,31%	85.184	22.561
	0,25-0,5	9.665.225	30.061.480	51,96%	25.284.343	0,33%	443.249	47,10%	-	2.527.327	10,00%	39.206	10.320
	0,5-0,75	27.051.529	72.821.293	52,02%	64.933.990	0,64%	1.128.864	47,12%	-	11.161.780	17,19%	196.473	41.094
Qualifying Revolving	0,75-2,5	36.196.415	75.518.871	52,19%	75.606.560	1,47%	1.681.608	46,88%	-	24.264.197	32,09%	521.149	130.861
Retail Exposures	2,5-10	36.488.561	29.003.465	53,02%	51.865.033	5,07%	1.839.194	46,25%	-	39.166.255	75,52%	1.211.055	380.544
	10-100	6.540.405	833.800	55,50%	7.003.192	30,05%	370.458	45,26%	-	12.472.298	178,09%	954.807	314.049
	100 (default)	204.371	94	57,01%	204.425	100,00%	9.701	57,77%	-	25.182	12,32%	116.685	16.957
	Subtotal	**171.655.577**	**443.413.113**	**52,02%**	**402.311.905**	**1,69%**	**8.246.362**	**46,96%**	**-**	**98.514.672**	**24,49%**	**3.162.671**	**926.624**
	0-0,15	6.879.695	30.229.750	47,88%	21.354.651	0,09%	124.663	50,53%	-	2.863.706	13,45%	9.835	19.530
	0,15-0,25	5.764.203	14.224.618	48,65%	12.684.863	0,20%	146.699	50,35%	-	3.096.519	25,11%	12.398	18.884
	0,25-0,5	10.350.266	20.656.841	43,28%	19.291.472	0,35%	138.012	52,17%	-	6.671.069	34,81%	35.127	40.171
	0,5-0,75	8.204.354	10.360.482	47,57%	13.132.535	0,63%	122.579	50,97%	-	6.549.872	51,91%	40.557	37.429
Retail SME	0,75-2,5	28.906.888	25.854.504	43,50%	40.152.417	1,48%	250.860	50,37%	-	26.828.923	67,58%	293.752	201.612
Exposures	2,5-10	22.950.320	9.442.108	43,03%	27.013.261	5,10%	183.354	49,36%	-	23.108.981	85,71%	672.808	384.188
	10-100	7.632.927	1.911.269	37,02%	8.340.424	20,13%	48.314	48,04%	-	9.360.660	112,01%	805.953	325.249
	100 (default)	2.326.572	573.610	22,49%	2.455.562	100,00%	44.614	78,16%	-	349.125	13,77%	1.892.187	2.534.893
	Subtotal	**93.015.225**	**113.253.182**	**45,39%**	**144.425.185**	**4,41%**	**873.533**	**50,84%**	**-**	**78.828.855**	**55,09%**	**3.762.617**	**3.561.956**
	0-0,15	3.254.468	17.629.219	83,92%	18.049.567	0,10%	1.326.660	57,84%	-	2.714.628	15,80%	9.608	7.697
	0,15-0,25	11.923.996	26.069.337	84,05%	33.834.905	0,19%	1.605.158	58,44%	-	8.775.889	28,24%	35.200	22.171
	0,25-0,5	5.060.483	9.985.549	84,23%	13.471.619	0,32%	514.520	58,32%	-	5.279.857	41,06%	24.467	13.680
	0,5-0,75	23.564.427	19.748.700	84,52%	40.255.802	0,65%	1.117.343	59,20%	-	26.482.179	69,20%	147.112	49.121
Other Retail	0,75-2,5	42.563.465	20.638.506	85,14%	60.135.400	1,51%	1.522.653	60,03%	-	61.908.558	105,44%	533.509	153.905
Exposures	2,5-10	59.100.241	6.504.176	88,89%	64.881.989	5,48%	1.388.250	60,87%	-	94.859.825	147,20%	2.149.861	522.859
	10-100	14.716.666	164.905	123,11%	14.919.684	30,44%	299.833	61,59%	-	35.956.173	242,87%	2.770.537	763.429
	100 (default)	8.963.115	7.467	36,56%	8.965.846	100,00%	174.674	75,80%	-	672.225	7,26%	6.742.747	6.311.746
	Subtotal	**169.146.861**	**100.747.859**	**84,73%**	**254.514.812**	**7,49%**	**7.935.175**	**60,37%**	**-**	**236.649.334**	**96,52%**	**12.413.041**	**7.844.608**
	Retail Total	**433.817.663**	**657.414.154**	**55,89%**	**801.251.902**	**3,93%**	**11.764.765**	**51,21%**	**-**	**413.992.861**	**51,67%**	**19.338.329**	**12.333.188**
Other Items	**Subtotal**	**82.545.615**	**-**	**-**	**82.545.615**	**-**	**2**	**-**	**-**	**66.704.983**	**80,76%**	**-**	**-**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Prior Period													
Foundation IRB	**PD Range**	**On-balance sheet amount**	**Off-balance sheet amount**	**Average CCF**	**Exposures post-CCF and CRM**	**Average PD**	**Number of Customers**	**Average LGD**	**Average Maturity**	**Risk Weighted Assets**	**RWA Density**	**Expected Loss**	**Provisions**
	0-0,15	4.151.643	18.285.835	48,54%	13.027.132	0,09%	19.049	43,76%	1,80	3.268.153	34,19%	5.473	9.830
	0,15-0,25	1.748.718	3.677.631	63,40%	4.080.427	0,17%	34.646	41,67%	1,77	1.508.440	36,97%	3.194	10.518
	0,25-0,5	28.419.474	30.929.880	46,24%	42.722.342	0,33%	15.178	42,20%	1,37	20.652.229	59,05%	64.235	72.594
	0,5-0,75	63.836.734	60.734.274	45,73%	91.848.786	0,62%	19.949	43,44%	1,46	66.441.988	82,03%	256.557	1.457.225
Exposures to corporates	0,75-2,5	55.846.780	44.964.614	42,22%	75.119.805	1,56%	23.492	41,71%	1,49	74.117.427	100,45%	528.659	1.188.716
	2,5-10	28.523.654	27.138.050	38,36%	38.992.401	5,05%	13.949	41,84%	1,73	54.951.415	137,77%	886.139	1.801.040
	10-100	2.489.407	4.122.871	21,53%	3.377.054	27,92%	1.830	42,34%	1,41	7.679.676	216,72%	424.266	169.620
	100 (default)	11.315.590	557.785	20,23%	11.428.425	100,00%	7.554	39,65%	2,50	894.949	-	8.524.860	8.109.345
	Subtotal	**196.332.000**	**190.410.940**	**43,95%**	**280.596.372**	**5,81%**	**135.647**	**42,39%**	**1,55**	**229.514.277**	**86,58%**	**10.693.383**	**12.818.888**

Prior Period													
Advanced IRB	**PD Range**	**On-balance sheet amount**	**Off-balance sheet amount**	**Average CCF**	**Exposures post-CCF and CRM**	**Average PD**	**Number of Customers**	**Average LGD**	**Average Maturity**	**Risk Weighted Assets**	**RWA Density**	**Expected Loss**	**Provisions**
	0-0,15	11.481.540	26.700.133	26,86%	18.653.823	0,10%	977.686	44,21%	-	603.499	35,94%	7.980	3.836
	0,15-0,25	13.731.338	31.430.466	26,94%	22.197.979	0,19%	1.459.760	43,28%	-	1.238.256	38,39%	18.504	9.808
	0,25-0,5	4.614.859	7.757.258	27,83%	6.773.835	0,33%	432.008	43,33%	-	579.918	42,00%	9.810	5.564
	0,5-0,75	11.245.089	16.529.290	28,14%	15.895.869	0,64%	945.891	43,73%	-	2.320.766	46,25%	44.683	19.155
Qualifying Revolving Retail Exposures	0,75-2,5	15.647.502	21.631.895	27,89%	21.679.935	1,49%	1.605.773	42,45%	-	5.744.070	49,94%	136.978	67.879
	2,5-10	13.990.073	9.670.544	29,71%	16.863.465	5,14%	1.554.470	42,09%	-	8.559.913	68,55%	363.348	216.705
	10-100	2.185.421	572.404	32,69%	2.372.525	27,48%	342.761	38,93%	-	3.196.063	116,51%	257.092	138.084
	100 (default)	38.491	255	25,89%	38.557	100,00%	5.786	40,38%	-	260.116	392,34%	142	5.144
	Subtotal	**72.934.313**	**114.292.245**	**27,60%**	**104.475.988**	**1,98%**	**7.324.135**	**43,05%**	**-**	**22.502.601**	**48,55%**	**838.537**	**466.175**
	0-0,15	1.127.021	2.802.973	37,04%	2.165.217	0,10%	64.136	47,95%	-	299.854	32,22%	1.070	3.932
	0,15-0,25	6.541.891	10.972.378	53,23%	12.382.523	0,17%	141.691	49,24%	-	2.431.691	23,64%	10.583	37.907
	0,25-0,5	12.818.653	15.847.176	45,92%	20.096.339	0,37%	130.400	49,73%	-	6.297.904	32,16%	36.769	87.859
	0,5-0,75	9.487.490	8.771.337	41,98%	13.169.456	0,61%	123.153	49,52%	-	5.695.395	45,30%	39.912	78.495
Retail SME Exposures	0,75-2,5	22.661.179	15.087.678	40,54%	28.777.984	1,47%	240.416	48,96%	-	17.417.618	61,01%	206.496	261.000
	2,5-10	15.219.038	6.287.484	37,37%	17.568.407	5,03%	175.733	48,42%	-	13.683.606	76,62%	427.018	304.485
	10-100	2.806.022	889.901	30,88%	3.080.867	18,75%	36.882	46,92%	-	3.236.009	101,44%	271.286	114.058
	100 (default)	3.010.771	591.341	21,44%	3.137.569	100,00%	55.013	80,62%	-	404.960	12,96%	2.498.888	3.421.306
	Subtotal	**73.672.065**	**61.250.268**	**43,60%**	**100.378.362**	**5,18%**	**967.424**	**50,03%**	**-**	**49.467.037**	**50,42%**	**3.492.022**	**4.309.042**
	0-0,15	976.024	4.203.450	81,40%	4.397.743	0,10%	1.092.070	56,40%	-	675.705	24,86%	2.391	4.166
	0,15-0,25	4.759.289	5.952.966	81,71%	9.623.703	0,19%	1.378.190	58,44%	-	2.697.916	46,99%	10.833	15.077
	0,25-0,5	2.053.921	2.630.257	82,12%	4.213.768	0,34%	482.587	58,67%	-	1.705.622	54,08%	8.475	8.901
	0,5-0,75	12.159.587	4.865.386	82,75%	16.185.667	0,65%	987.772	60,22%	-	10.741.070	80,20%	62.978	48.427
Other Retail Exposures	0,75-2,5	26.958.674	6.154.708	83,88%	32.121.428	1,54%	1.470.401	60,54%	-	31.991.303	96,14%	300.057	190.067
	2,5-10	37.313.800	2.803.584	89,78%	39.830.822	5,36%	1.462.903	60,90%	-	54.816.083	109,76%	1.301.040	729.941
	10-100	8.040.243	101.145	133,11%	8.174.879	28,90%	255.511	61,49%	-	19.286.226	134,77%	1.456.962	769.316
	100 (default)	5.751.379	6.456	26,89%	5.753.115	100,00%	191.543	77,79%	-	1.864.682	17,75%	4.363.917	4.714.144
	Subtotal	**98.012.917**	**26.717.952**	**83,42%**	**120.301.125**	**9,05%**	**7.320.977**	**61,12%**	**-**	**123.778.607**	**89,37%**	**7.506.653**	**6.480.039**
	Retail Total	**244.619.295**	**202.260.465**	**39,82%**	**325.155.475**	**5,58%**	**15.612.536**	**51,89%**	**-**	**195.748.245**	**64,23%**	**11.837.212**	**11.255.256**
Other Items	**Subtotal**	**57.251.381**	**-**	**-**	**57.251.381**	**-**	**2**	**-**	**-**	**44.684.396**	**77,99%**	**-**	**-**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

3.3.3.6. IRB: The effect of credit derivatives used as CRM technique on RWA

	Current Period	RWA – PRE Credit	Actual RWA
1	Exposures to central governments or central banks -Foundation IRB	-	-
2	Exposures to central governments or central banks -Advanced IRB	-	-
3	Exposures to banks and financial institutions - Foundation IRB	-	-
4	Exposures to banks and financial institutions - Advanced IRB	-	-
5	Exposures to corporates -Foundation IRB	271.300.938	271.300.938
6	Exposures to corporates - Advanced IRB	-	-
7	Specialised Lending - Foundation IRB	-	-
8	Specialised Lending - Advanced IRB	101.667.363	101.667.363
9	Retail exposures - Qualifying revolving	98.514.672	98.514.672
10	Retail exposures - secured by real estate	3.734.310	3.734.310
11	Retail exposures - SME	77.802.814	77.802.814
12	Retail Exposures - Other	233.942.347	233.942.347
13	Investments in equities - Foundation IRB	-	-
14	Investments in equities - Advanced IRB	-	-
15	Purchased Receivables - Foundation IRB	-	-
16	Purchased Receivables - Advanced IRB	-	-
17	Other Items - Advanced IRB	66.704.983	66.704.983
	Total	**853.667.427**	**853.667.427**

	Prior Period	RWA – PRE Credit	Actual RWA
1	Exposures to central governments or central banks -Foundation IRB	-	-
2	Exposures to central governments or central banks -Advanced IRB	-	-
3	Exposures to banks and financial institutions - Foundation IRB	-	-
4	Exposures to banks and financial institutions - Advanced IRB	-	-
5	Exposures to corporates -Foundation IRB	232.301.612	232.301.612
6	Exposures to corporates - Advanced IRB	-	-
7	Specialised Lending - Foundation IRB	-	-
8	Specialised Lending - Advanced IRB	88.601.685	88.601.685
9	Retail exposures - Qualifying revolving	22.502.601	22.502.601
10	Retail exposures - secured by real estate	-	-
11	Retail exposures - SME	49.482.874	49.482.874
12	Retail Exposures - Other	123.778.607	123.778.607
13	Investments in equities - Foundation IRB	-	-
14	Investments in equities - Advanced IRB	-	-
15	Purchased Receivables - Foundation IRB	-	-
16	Purchased Receivables - Advanced IRB	-	-
17	Other Items - Advanced IRB	44.684.396	44.684.396
	Total	**561.351.775**	**561.351.775**

3.3.3.7. RWA Movement Table Under IRB Approach(1)

		Current Period	Prior Period
1	Previous Period Closing Amount	557.918.843	307.443.458
2	Changes in Volume	215.117.496	150.413.143
3	Changes in Asset Quality	38.534.180	13.044.144
4	Model Updates	(36.176.926)	(198.188)
5	Policy and Regulatory Changes	75.708.192	87.216.286
6	Purchasing and Selling	-	-
7	FX Difference	-	-
8	Other	-	-
9	**Current Period Closing Amount**	**851.101.785**	**557.918.843**

(1) Counterparty credit risk is not included in the table.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

3.3.3.8. IRB: Back-testing of probability of default in each asset class

Asset classes	PD Range	Equivalent External Rating	Weighted Average PD	Mean PD By Borrower	Number of Borrowes Prior Period	Current Period	Borrowers in default within the year	Borrowers in default for the first time within the year	Average historical annual default rate
Corporate exposures - 1	0% - 0,14%	AAA to A+	0,06%	0,08%	19.019	28.034	7	-	0,02%
Corporate exposures - 2	0,14% - 0,41%	A to A-	0,28%	0,24%	47.748	43.384	39	6	0,06%
Corporate exposures - 3	0,41% - 1,17%	BBB+ to BBB-	0,73%	0,75%	32.013	26.968	60	19	0,17%
Corporate exposures - 4	1,17% - 3,22%	BB+ to BB-	1,80%	2,07%	18.703	18.470	140	37	0,59%
Corporate exposures - 5	3,22% - 15,08%	B+ to B-	6,53%	6,28%	8.932	9.601	205	61	2,07%
Corporate exposures - 6	15,08% - 33,77%	CCC+ to CCC-	19,39%	26,03%	1.230	1.257	146	23	9,88%
Corporate exposures - 7	33,77% - 99,99%	CC	38,91%	42,55%	72	76	5	15	18,30%
Corporate exposures - 8	100%	D	100,00%	100,00%	7.554	5.265	-	-	-
	Subtotal	**Subtotal**	**5,09%**	**6,24%**	**135.271**	**128.447**	**602**	**161**	**0,62%**
Asset classes	**PD Range**	**Equivalent External Rating**	**Weighted Average PD**	**Mean PD By Borrower**	**Number of Borrowes Prior Period**	**Current Period**	**Borrowers in default within the year**	**Borrowers in default for the first time within the year**	**Average historical annual default rate**
Retail exposures - Qualifying revolving - 1	0% - 0,14%	AAA to A+	0,10%	0,10%	966.927	1.133.422	352	18	0,03%
Retail exposures - Qualifying revolving - 2	0,14% - 0,41%	A to A-	0,22%	0,22%	1.846.177	2.082.893	1.177	77	0,05%
Retail exposures - Qualifying revolving - 3	0,41% - 1,17%	BBB+ to BBB-	0,77%	0,78%	1.651.295	1.847.882	4.049	484	0,18%
Retail exposures - Qualifying revolving - 4	1,17% - 3,22%	BB+ to BB-	2,26%	2,32%	1.564.777	1.675.623	13.562	2.435	0,59%
Retail exposures - Qualifying revolving - 5	3,22% - 15,08%	B+ to B-	6,96%	7,37%	1.020.850	1.185.894	30.697	8.075	2,37%
Retail exposures - Qualifying revolving - 6	15,08% - 33,77%	CCC+ to CCC-	31,35%	31,34%	268.323	310.947	33.190	3.976	11,62%
Retail exposures - Qualifying revolving - 7	33,77% - 99,99%	CC	-	-	-	-	-	-	25,12%
Retail exposures - Qualifying revolving - 8	100%	D	100,00%	100,00%	5.786	9.701	-	-	-
	Subtotal	**Subtotal**	**1,69%**	**2,92%**	**7.324.135**	**8.246.362**	**83.027**	**15.065**	**2,34%**
Asset classes	**PD Range**	**Equivalent External Rating**	**Weighted Average PD**	**Mean PD By Borrower**	**Number of Borrowes Prior Period**	**Current Period**	**Borrowers in default within the year**	**Borrowers in default for the first time within the year**	**Average historical annual default rate**
Retail exposures - SME - 1	0% - 0,14%	AAA to A+	0,08%	0,09%	64.019	110.864	19	2	0,04%
Retail exposures - SME - 2	0,14% - 0,41%	A to A-	0,27%	0,26%	216.223	279.200	205	65	0,13%
Retail exposures - SME - 3	0,41% - 1,17%	BBB+ to BBB-	0,74%	0,76%	256.206	203.568	699	120	0,44%
Retail exposures - SME - 4	1,17% - 3,22%	BB+ to BB-	1,82%	2,05%	206.153	204.472	1.584	370	1,18%
Retail exposures - SME - 5	3,22% - 15,08%	B+ to B-	6,13%	6,39%	142.315	164.981	3.469	1.185	3,44%
Retail exposures - SME - 6	15,08% - 33,77%	CCC+ to CCC-	20,11%	23,35%	20.202	24.868	1.779	363	12,19%
Retail exposures - SME - 7	33,77% - 99,99%	CC	44,01%	45,78%	1.113	6.955	106	147	16,72%
Retail exposures - SME - 8	100%	D	100,00%	100,00%	55.092	44.478	-	-	-
	Subtotal	**Subtotal**	**4,41%**	**8,01%**	**961.323**	**873.544**	**7.861**	**2.252**	**1,27%**
Asset classes	**PD Range**	**Equivalent External Rating**	**Weighted Average PD**	**Mean PD By Borrower**	**Number of Borrowes Prior Period**	**Current Period**	**Borrowers in default within the year**	**Borrowers in default for the first time within the year**	**Average historical annual default rate**
Retail Exposures - Other - 1	0% - 0,14%	AAA to A+	0,10%	0,10%	1.093.603	1.319.081	330	66	0,02%
Retail Exposures - Other- 2	0,14% - 0,41%	A to A-	0,23%	0,23%	1.867.693	2.094.436	1.740	533	0,06%
Retail Exposures - Other- 3	0,41% - 1,17%	BBB+ to BBB-	0,79%	0,79%	1.679.385	1.810.147	5.791	2.724	0,22%
Retail Exposures - Other- 4	1,17% - 3,22%	BB+ to BB-	2,33%	2,36%	1.375.367	1.382.833	14.884	7.958	0,67%
Retail Exposures - Other- 5	3,22% - 15,08%	B+ to B-	7,11%	7,28%	902.758	822.884	31.294	14.439	2,32%
Retail Exposures - Other- 6	15,08% - 33,77%	CCC+ to CCC-	31,18%	31,32%	225.037	284.196	33.994	6.566	12,31%
Retail Exposures - Other- 7	33,77% - 99,99%	CC	-	-	-	-	-	-	18,77%
Retail Exposures - Other- 8	100%	D	100,00%	100,00%	191.637	174.507	-	-	-
	Subtotal	**Subtotal**	**7,49%**	**6,45%**	**7.335.480**	**7.888.084**	**88.033**	**32.286**	**1,76%**
Asset classes	**PD Range**	**Equivalent External Rating**	**Weighted Average PD**	**Mean PD By Borrower**	**Number of Borrowers Prior Period**	**Current Period**	**Borrowers in default within the year**	**Borrowers in default for the first time within the year**	**Average historical annual default rate**
Other Items - 1	-	-	-	-	2	2	-	-	-

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

3.3.3.9. IRB: Specialized lending and equity investments subject to the simple risk weight approach

Current Period

Specialised Lendings (Besides High-volatility Commercial Real Estates)													
								Risk Amount			RWA Amount		Expected Losses
Category	**Remaining Maturity**	**On-balance sheet amount**	**Off-balance sheet amount**	**Counterparty credit risk**	**Risk Weight**	**Project Finance**	**Object Finance**	**Commodities Finance**	**Income Producing Real Estate**	**Total**	**Credit Risk**	**Counter Party Credit Risk**	
Strong	<2.5 years	302.209	-	2.269	50%	304.478	-	-	-	304.478	151.104	1.135	-
	≥2.5 years	12.946.602	-	212.690	70%	13.159.292	-	-	-	13.159.292	9.062.621	148.883	52.637
Good	<2.5 years	4.763.454	2.735.752	370.817	70%	5.115.539	70.568	-	507.164	5.693.271	3.725.718	259.572	22.773
	≥2.5 years	27.691.400	8.575.230	209.127	90%	31.947.121	1.051.471	-	-	32.998.592	29.510.518	188.215	263.989
Satisfactory		32.111.099	2.090.273	116.217	115%	28.238.937	1.321.337	-	3.393.370	32.953.644	37.763.043	133.649	922.702
Weak		8.285.342	18.698	-	250%	8.289.162	-	-	-	8.289.162	20.722.905	-	663.133
Default		-	32.666	-	-	6.675	-	-	-	6.675	-	-	3.337
Total		**86.100.106**	**13.452.619**	**911.120**	**-**	**87.061.204**	**2.443.376**	**-**	**3.900.534**	**93.405.114**	**100.935.909**	**731.454**	**1.928.571**

Prior Period

Specialised Lendings (Besides High-volatility Commercial Real Estates)													
								Risk Amount			RWA Amount		Expected Losses
Category	**Remaining Maturity**	**On-balance sheet amount**	**Off-balance sheet amount**	**Counterparty credit risk**	**Risk Weight**	**Project Finance**	**Object Finance**	**Commodities Finance**	**Income Producing Real Estate**	**Total**	**Credit Risk**	**Counter Party Credit Risk**	
Strong	<2.5 years	-	-	163.673	50%	162.226	-	-	1.447	163.673	-	81.837	-
	≥2.5 years	8.516.500	1.641.022	154.458	70%	8.934.533	-	-	67.521	9.002.054	6.193.317	108.121	36.008
Good	<2.5 years	6.768.998	986.608	219.451	70%	5.944.431	725.674	-	517.403	7.187.508	4.877.640	153.616	28.750
	≥2.5 years	24.154.360	8.095.026	216.571	90%	29.027.733	120.788	-	-	29.148.521	26.038.755	194.914	233.188
Satisfactory		28.529.920	1.822.114	79.367	115%	23.654.872	100.667	-	5.434.894	29.190.433	33.477.728	91.273	817.332
Weak		6.605.757	832.649	-	250%	6.489.341	-	-	284.412	6.773.753	17.384.485	-	497.697
Default		-	34.798	-	-	7.021	-	-	-	7.021	-	-	3.510
Total		**74.575.535**	**13.412.217**	**833.520**	**-**	**74.220.157**	**947.129**	**-**	**6.305.677**	**81.472.963**	**87.971.925**	**629.761**	**1.616.485**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

3.4. Explanation on Counterparty credit risk

3.4.1. Qualitative evaluation for Counterparty Credit Risk

Counterparty Credit Risk (CCR) is organized under Market Risk Management and is functioning within the scope of "Regulation on the Measurement and Evaluation of the Capital Adequacy of Banks". These functions include counterparty credit risk calculations within general risk appetite and control process of risk management policies for CCR.

Credit limits under CCR are defined within the scope of internal model method, specified in "Regulation on the Measurement and Evaluation of the Capital Adequacy of Banks. -Appendix 2", considering various stress scenarios.

General policies for collaterals and provisions under credit risk management are also valid for CCR. Exposure and collateral values are calculated on a daily basis. In order to mitigate the counterparty credit risk, international framework agreements (ISDA, CSA, GMRA, etc.) are being used through collateral and margin call mechanisms.

In case of a downgrade in credit note, the amount of additional collateral the Bank has to provide is calculated periodically under several stress scenarios.

3.4.2. Assessment of Counterparty Credit Risk according to the models of measurement

Current Period	Revaluation Cost	Potential credit risk exposure	EEPE[1]	Alpha used for computing regulatory EAD	Exposure after credit risk mitigation	Risk Weighted Amounts
1 Standard Approach-CCR	19.708.623	-		1,4	19.708.623	6.980.594
2 Internal Model Approach			-	-	-	-
3 Simplified Standardised Approach for Credit Risk Mitigation					-	-
4 Comprehensive Method for Credit Risk Mitigation					11.441.715	3.073.002
5 Value at Risk for Repo Transactions, Securities or Commodity lending or borrowing transactions					-	-
Total						**10.053.596**

Prior Period	Revaluation Cost	Potential credit risk exposure	EEPE[1]	Alpha used for computing regulatory EAD	Exposure after credit risk mitigation	Risk Weighted Amounts
1 Standard Approach-CCR	14.730.636	-		1,4	14.730.636	7.541.896
2 Internal Model Approach			-	-	-	-
3 Simplified Standardised Approach for Credit Risk Mitigation					-	-
4 Comprehensive Method for Credit Risk Mitigation					3.776.098	1.562.017
5 Value at Risk for Repo Transactions, Securities or Commodity lending or borrowing transactions					-	-
Total						**9.103.913**

(1) Effective expected positive exposure

3.4.3. Credit valuation adjustment (CVA) capital charge

		Current Period		Prior Period	
		Exposure (After credit risk mitigation methods)	Risk Weighted Amounts	Exposure (After credit risk mitigation methods)	Risk Weighted Amounts
	Total portfolio value with comprehensive approach CVA capital adequacy	-	-	-	-
1	(i) Value at risk component (including 3*multiplier)	-	-	-	-
2	(ii) Stressed Value at Risk (including 3*multiplier)	-	-	-	-
3	All portfolios subject to Standardised CVA capital obligation	19.708.623	3.781.996	14.730.636	3.881.193
	Total amount of CVA capital adequacy	**19.708.623**	**3.781.996**	**14.730.636**	**3.881.193**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

3.4.4. Standardised approach – CCR exposures by regulatory portfolio and risk weights

	Current Period **Risk Weights/Risk Classes**	**0%**	**2%**	**4%**	**10%**	**20%**	**35%**	**50%**	**75%**	**100%**	**150%**	**Total credit risk[(1)]**
1	Central governments and central banks receivables	5.224.021	-	-	-	-	-	-	-	-	-	5.224.021
2	Local governments and municipalities receivables	-	-	-	-	-	-	-	-	-	-	-
3	Administrative and non commercial receivables	-	-	-	-	-	-	-	-	-	-	-
4	Multilateral Development Bank receivables	-	-	-	-	-	-	-	-	-	-	-
5	Banks and Intermediary Institutions receivables	-	-	-	-	13.611.781	-	7.859.091	-	668.606	-	22.139.478
6	Corporate receivables	-	-	-	-	765	-	-	-	166.989	-	167.754
7	Retail receivables	-	-	-	-	-	-	-	405	-	-	405
8	Mortgage receivables	-	-	-	-	-	-	-	-	-	-	-
9	Non performing receivables	-	-	-	-	-	-	-	-	-	-	-
10	High risk defined receivables	-	-	-	-	-	-	-	-	-	-	-
11	Equity investments	-	-	-	-	-	-	-	-	-	-	-
12	Other receivables	-	-	-	-	-	-	-	-	-	-	-
	Total	**5.224.021**	**-**	**-**	**-**	**13.612.546**	**-**	**7.859.091**	**405**	**835.595**	**-**	**27.531.658**

	Prior Period **Risk Weights/Risk Classes**	**0%**	**2%**	**4%**	**10%**	**20%**	**35%**	**50%**	**75%**	**100%**	**150%**	**Total credit risk[(1)]**
1	Central governments and central banks receivables	1.850.855	-	-	-	-	-	-	-	-	-	1.850.855
2	Local governments and municipalities receivables	-	-	-	-	-	-	-	-	-	-	-
3	Administrative and non commercial receivables	-	-	-	-	-	-	-	-	4.993	-	4.993
4	Multilateral Development Bank receivables	-	-	-	-	-	-	-	-	-	-	-
5	Banks and Intermediary Institutions receivables	-	128.315	6.158.654	-	3.332.689	-	7.326.877	-	207.665	-	17.154.200
6	Corporate receivables	-	-	-	-	4.562	-	33.331	-	572.321	-	610.214
7	Retail receivables	-	-	-	-	-	-	-	717.930	-	-	717.930
8	Mortgage receivables	-	-	-	-	-	-	-	-	-	-	-
9	Non performing receivables	-	-	-	-	-	-	-	-	-	-	-
10	High risk defined receivables	-	-	-	-	-	-	-	-	-	-	-
11	Equity investments	-	-	-	-	-	-	-	-	-	-	-
12	Other receivables	-	-	-	-	-	-	-	-	-	-	-
	Total	**1.850.855**	**128.315**	**6.158.654**	**-**	**3.337.251**	**-**	**7.360.208**	**717.930**	**784.979**	**-**	**20.338.192**

(1) Includes credit risk amounts of total exposure after applying credit risk mitigations.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

3.4.5. Counterparty Credit Risk Amounts by Portfolio and PD Ranges

Current Period								
Foundation IRB	**PD Range**	**Exposures post CRM**	**Average PD**	**Number of Customers**	**Average LGD**	**Average Maturity**	**Risk Weighted Assets**	**RWA Density**
	0-0,15	996.585	0,07%	112	43,59%	1,80	204.461	20,52%
	0,15-0,25	47.347	0,21%	3	44,99%	1,00	15.341	32,40%
	0,25-0,5	15.427	0,37%	14	44,69%	1,15	7.349	47,64%
	0,5-0,75	67.087	0,62%	7	34,76%	1,00	32.175	47,96%
Exposures to	0,75-2,5	1.549.917	1,66%	36	44,98%	1,61	1.551.813	100,12%
corporates	2,5-10	19.472	3,25%	10	44,80%	1,00	21.767	111,79%
	10-100	14	12,36%	1	-	1,00	-	-
	100 (default)	-	-	-	-	-	-	-
	Subtotal	**2.695.849**	**1,03%**	**183**	**44,21%**	**1,65**	**1.832.906**	**67,99%**

Advanced IRB	**PD Range**	**Exposures post CRM**	**Average PD**	**Number of Customers**	**Average LGD**	**Average Maturity**	**Risk Weighted Assets**	**RWA Density**
	0-0,15	-	-	-	-	-	-	-
	0,15-0,25	-	-	-	-	-	-	-
	0,25-0,5	-	-	-	-	-	-	-
	0,5-0,75	-	-	-	-	-	-	-
Qualifying Revolving	0,75-2,5	-	-	-	-	-	-	-
Retail Exposures	2,5-10	-	-	-	-	-	-	-
	10-100	-	-	-	-	-	-	-
	100 (default)	-	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-	-
	0-0,15	10.592	0,05%	6	53,37%	-	866	8,18%
	0,15-0,25	186	0,21%	1	45,83%	-	37	20,05%
	0,25-0,5	603	0,38%	1	50,48%	-	199	32,92%
	0,5-0,75	-	-	-	-	-	-	-
Retail SME	0,75-2,5	330	1,72%	3	43,46%	-	180	54,43%
Exposures	2,5-10	-	-	-	-	-	-	-
	10-100	-	-	-	-	-	-	-
	100 (default)	-	-	-	-	-	-	-
	Subtotal	**11.711**	**0,12%**	**11**	**52,83%**	**-**	**1.282**	**10,94%**
	0-0,15	-	-	-	-	-	-	-
	0,15-0,25	-	-	-	-	-	-	-
	0,25-0,5	-	-	-	-	-	-	-
	0,5-0,75	-	-	-	-	-	-	-
Other Retail	0,75-2,5	-	-	-	-	-	-	-
Exposures	2,5-10	-	-	-	-	-	-	-
	10-100	-	-	-	-	-	-	-
	100 (default)	-	-	-	-	-	-	-
	Subtotal	-	-	-	-	-	-	-
	Total (All portfolios)	**11.711**	**0,12%**	**11**	**52,83%**	**-**	**1.282**	**10,94%**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Prior Period								
Foundation IRB	**PD Range**	**Exposures post CRM**	**Average PD**	**Number of Customers**	**Average LGD**	**Average Maturity**	**Risk Weighted Assets**	**RWA Density**
	0-0,15	125.759	0,12%	24	45,00%	1,00	27.684	22,01%
	0,15-0,25	17.104	0,17%	4	45,00%	1,00	3.903	22,82%
	0,25-0,5	556.721	0,33%	83	45,00%	1,54	274.284	49,27%
	0,5-0,75	1.508.874	0,64%	75	45,00%	1,66	1.076.068	71,32%
Exposures to corporates	0,75-2,5	1.290.668	1,51%	55	45,00%	1,65	1.276.796	98,93%
	2,5-10	76.443	7,94%	7	44,95%	1,00	128.033	167,49%
	10-100	262	14,86%	1	45,00%	1,00	567	216,70%
	100 (default)	-	-	-	-	-	-	-
	Subtotal	**3.575.831**	**1,04%**	**249**	**45,00%**	**1,60**	**2.787.335**	**77,95%**

Advanced IRB	PD Range	Exposures post CRM	Average PD	Number of Customers	Average LGD	Average Maturity	Risk Weighted Assets	RWA Density
	0-0,15	-	-	-	-	-	-	-
	0,15-0,25	-	-	-	-	-	-	-
	0,25-0,5	-	-	-	-	-	-	-
	0,5-0,75	-	-	-	-	-	-	-
Qualifying Revolving Retail Exposures	0,75-2,5	-	-	-	-	-	-	-
	2,5-10	-	-	-	-	-	-	-
	10-100	-	-	-	-	-	-	-
	100 (default)	-	-	-	-	-	-	-
	Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	0-0,15	7.584	0,12%	7	50,70%	-	1.153	15,20%
	0,15-0,25	10.882	0,17%	24	52,65%	-	2.201	20,23%
	0,25-0,5	11.340	0,34%	20	48,16%	-	3.304	29,14%
	0,5-0,75	6.853	0,60%	12	48,21%	-	2.782	40,60%
Retail SME Exposures	0,75-2,5	7.963	1,63%	12	51,20%	-	5.216	65,50%
	2,5-10	1.538	3,88%	3	50,48%	-	1.180	76,74%
	10-100	-	-	-	-	-	-	-
	100 (default)	-	-	-	-	-	-	-
	Subtotal	**46.160**	**0,64%**	**78**	**50,24%**	**-**	**15.836**	**34,31%**
	0-0,15	-	-	-	-	-	-	-
	0,15-0,25	-	-	-	-	-	-	-
	0,25-0,5	-	-	-	-	-	-	-
	0,5-0,75	-	-	-	-	-	-	-
Other Retail Exposures	0,75-2,5	-	-	-	-	-	-	-
	2,5-10	-	-	-	-	-	-	-
	10-100	-	-	-	-	-	-	-
	100 (default)	-	-	-	-	-	-	-
	Subtotal	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Total (All portfolios)	**46.160**	**0,64%**	**78**	**50,24%**	**-**	**15.836**	**34,31%**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

3.4.6. Composition of collateral for CCR exposure

		Collaterals for Derivatives Transactions				Collaterals or Other Transactions	
	Current Period	Collaterals Taken		Collaterals Given		Collaterals Taken	Collaterals Given
		Segregated	Unsegregated	Segregated	Unsegregated		
1	Cash-domestic currency	-	-	-	-	10.141.150	-
2	Cash-foreign currency	-	-	-	-	23.442.947	-
3	Domestic sovereign debts	-	-	-	-	-	10.529.941
4	Other sovereign debt	-	-	-	-	-	34.325.510
5	Government agency debt	-	-	-	-	-	-
6	Corporate debts	-	-	-	-	-	-
7	Equity securities	-	-	-	-	-	-
8	Other collateral	-	-	-	-	-	-
	Total	-	-	-	-	**33.584.097**	**44.855.451**

		Collaterals for Derivatives Transactions				Collaterals or Other Transactions	
	Prior Period	Collaterals Taken		Collaterals Given		Collaterals Taken	Collaterals Given
		Segregated	Unsegregated	Segregated	Unsegregated		
1	Cash-domestic currency	-	-	-	-	18.496.136	-
2	Cash-foreign currency	-	-	-	-	5.473.263	-
3	Domestic sovereign debts	-	-	-	-	-	18.844.825
4	Other sovereign debt	-	-	-	-	-	8.714.900
5	Government agency debt	-	-	-	-	-	-
6	Corporate debts	-	-	-	-	-	-
7	Equity securities	-	-	-	-	-	-
8	Other collateral	-	-	-	-	-	-
	Total	-	-	-	-	**23.969.399**	**27.559.725**

3.4.7. Credit derivatives exposures

	Current Period		Prior Period	
	Protection Bought	Protection Sold	Protection Bought	Protection Sold
Nominal				
Single-name credit default swaps	-	-	-	-
Index credit default swaps	-	-	-	-
Total return swaps	-	71.331.874	-	38.271.238
Credit Options	-	-	-	-
Other Credit Derivatives	-	-	-	-
Total Nominal	-	**71.331.874**	-	**38.271.238**
Rediscount Amount	-	**(1.298.906)**	-	**(2.448.578)**
Positive Rediscount Amount	-	2.449.816	-	788.608
Negative Rediscount Amount	-	(3.748.722)	-	(3.237.186)

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

3.4.8. Exposures to central counterparties

		Current Period		Prior Period	
		Exposure at default (post-CRM)	RWA	Exposure at default (post-CRM)	RWA
1	**Exposure to Qualified Central Counterparties (QCCPs) (total)**		**285.270**		**248.912**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	-	-	-	-
3	(i) OTC Derivatives	7.150.077	282.398	6.286.969	248.912
4	(ii) Exchange-traded Derivatives	-	-	-	-
5	(iii) Securities financing transactions	-	-	-	-
6	(iv) Netting sets where cross-product netting has been approved	-	-	-	-
7	Segregated initial margin	-	-	-	-
8	Non-segregated initial margin	-	-	-	-
9	Pre-funded default fund contributions	143.600	2.872	-	-
10	Unfunded default fund contributions	-	-	-	-
11	**Exposures to non-QCCPs (total)**	-	-	-	-
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-	-	-
13	(i) OTC Derivatives	-	-	-	-
14	(ii) Exchange-traded Derivatives	-	-	-	-
15	(iii) Securities financing transactions	-	-	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-	-	-
17	Segregated initial margin	-	-	-	-
18	Non-segregated initial margin	-	-	-	-
19	Pre-funded default fund contributions	-	-	-	-
20	Unfunded default fund contributions	-	-	-	-

3.5. Securitisations

None.

3.6. Explanations on Market Risk

3.6.1. Qualitative disclosure on market risk

Market Risk Management department monitors the interest rate, exchange rate, stock, commodity and credit spread risks arising from the main financial activities of the Bank on a daily basis and measures the probability of loss that may arise from the related risks by using internal model. Risks measured are regularly reported to the business units, their compliance with the Bank's risk appetite is monitored and impacts on capital requirement are analyzed. By taking into account the distinction between banking and trading portfolios, analyses and measurements enable Market Risk Management to determine specific limits on sub-portfolio / product levels.

Market risks that the Bank is exposed to are assessed and managed by a triple structure consisting of Treasury, Financial Planning and Market Risk Management Units. The Board of Directors, the Executive Committee and the Audit Committee have primary responsibility for management of such risks. Both Top management and the sub-units are responsible for managing the risks taking into account constraints and targets such as Bank's interest rate sensitivity, liquidity constraints, funding sources, budget targets, medium and long-term capital planning and profitability of the products in operation.

Models, strategies and processes that are accurate and integrated in accordance with risks the Bank is or may be exposed to have been established. Automated reporting and validation activities are carried out for effective analysis, monitoring and control mechanisms. Risk management infrastructure integrated with day-to-day activities enabling monitor and measurement independently from executive activities; and supports business and decision-making processes has been established. Policies, processes, targets, roles / responsibilities, and regular trainings are the main elements of the Bank's dissemination of risk culture and awareness. Systems and structures compatible with international best practices and in line with the risk appetite are available for risk management.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

The Bank implements internal policies and procedures that are reviewed and approved at least once a year by the Board of Directors in order to manage market risks arising from on and off-balance sheet liabilities. Based on the principles mentioned in Regulatory Authority's directives and best practice guidelines, internal policies determine responsibilities and practitioners for identification, measurement, monitoring and reporting of the risks in line with the risk appetite and needs of the Bank; lay the groundwork for granting limits in the Bank; and guide the actions to be taken in case of risk appetite is exceeded.

Market Risk Management organization consists of 4 sub-units; Market Risk Analysis, Asset-Liability Management and Affiliates Coordination, Counterparty Risk and Collateral Management and Risk Methodologies and Market Data Analysis units.

Market Risk Analysis unit; carry out the activities such as measuring and setting limits for risks arising from Financial assets where fair value change is reflected to income statement and Financial assets where fair value change is reflected to other comprehensive income statement using advanced internal methods (Value at Risk, Base Point Value Sensitivity etc.), complying policies and procedures with new regulations and best practices, product-based risk analysis, developing risk measurement and valuation techniques and applying stress tests.

Asset Liability Management and Subsidiaries Coordination unit; enables the Bank to measure the liquidity risk, manage the structural interest rate exposure, manage the protection procedures and the protection accounting processes used to reduce the risk of re-pricing. Follows the concentration of the Bank's funding side. Also paves the way for implementation of Bank-side risk applications and risk culture in the Bank's subsidiaries, plays an active role in risk appetite determination and coordination processes.

Counterparty Risk and Collateral Management Unit calculates the exposures of over the counter (OTC) derivative transactions via internal model method and manages the inclusion of these exposures into the monitoring and the credit underwriting processes.

The Risk Methodologies and Market Data Analysis unit provides unbiased management of all market data related to treasury products under the risk management framework. The unit is responsible for the verification of fair values, and transfer of related data sources to the banking system.

3.6.2. Market risk under standardised approach

		Current Period	Prior Period
		Risk Weighted Asset	**Risk Weighted Asset**
	Outright products	**9.069.264**	**13.080.255**
1	Interest rate risk (general and specific)	1.930.553	2.852.682
2	Equity risk (general and specific)	-	-
3	Foreign exchange risk	6.930.423	10.170.048
4	Commodity risk	208.288	57.525
	Options	**32.150**	**635.050**
5	Simplified approach	-	-
6	Delta-plus method	32.150	635.050
7	Scenario approach	-	-
8	Securitisation	-	-
	Total	**9.101.414**	**13.715.305**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

3.7. Explanations on Operational Risk:

The Bank calculates the amount subject to operational risk based on "Basic Indicator Method" by using 2022, 2021 and 2020 year-end gross income balances of the Bank, in accordance with Section 3 of the "Regulation Regarding Measurement and Evaluation of Banks' Capital Adequacy Ratio", published in the Official Gazette No. 29511 dated October 23, 2015, namely "The Calculation of the Amount Subject to Operational Risk". As of December 31, 2023, the total amount subject to operational risk is TL 93.204.174 (December 31, 2022 - TL 42.578.789) and the amount of the related capital requirement is TL 7.456.334 (December 31, 2022 - TL 3.406.303).

Current Period	2 Prior Period Value	1 Prior Period Value	Current Period value	Total / Total number of years for	Rate (%)	Total
Gross Income	22.290.957	29.687.861	97.147.860	49.708.893	15%	7.456.334
Amount subject to operational risk (Total*12,5)						**93.204.174**

Prior Period	2 Prior Period Value	1 Prior Period Value	Current Period value	Total / Total number of years for	Rate (%)	Total
Gross Income	16.147.244	22.290.957	29.687.861	22.708.687	15%	3.406.303
Amount subject to operational risk (Total*12,5)						**42.578.789**

3.8. Interest rate risk arising from banking accounts

Interest rate risk means possible losses on financial structure or equity of the Bank by movements in interest rates. Changes in interest rates affect the Bank's earnings by changing the level of net interest incomes, other interest sensitive incomes and operating expenses. The change in interest rates also affects the underlying values of the Bank's assets for active, passive and off-balance sheet items by changing the economic values of future cash flows (and in some cases, the cash flows themselves).

Interest rate risk has three main reasons:

- Repricing Risk: It is caused by the inconsistency in pricing of active and passive items.
- Yield Curve Risk: It results from the variation of the curve and shape of the yield curve.
- Basis Risk: It's due to the low correlation of the earned and paid interest yields of different financial instruments with peer revaluation structure.

The customer's prepayment risk (option risk) is indirectly taken into account in managing and following the interest rate risk by following a specific risk protection rate.

Within the scope of the interest rate risk arising from banking accounts, the core deposit analysis for demand deposits is carried out according to the maximum maturity structure of the same regulation. In core deposit analysis, it is possible to distribute demand deposits up to three times using behavioral models reviewed once a year. In addition, Consumer Price Index bonds model and early payment model in real estate and consumer loans are also considered in the calculation of interest rate risk.

Interest rate risk is monitored weekly through internal reports and reports made to the Executive Board on a monthly basis.

In accordance with the "Regulation on Measurement and Evaluation of the Interest Rate on Banking Accounts by Standard Shock Method", the economic value differences arising from fluctuations in interest rates are stated in the table below as of December 31, 2023, based on the significant currencies of the Bank.

		Current Period		Prior Period	
Currency	Applied shock (+/- x basis points)	Gains/Losses	Gains/Equity-Losses/Equity	Gains/Losses	Gains/Equity-Losses/Equity
TRY	(+)500 bp	(12.799.786)	(6,02)%	(6.479.005)	(4,42)%
TRY	(-)400 bp	12.614.309	5,94%	6.097.199	4,16%
EUR	(+)200 bp	1.547.843	0,73%	764.516	0,52%
EUR	(-)200 bp	(1.554.431)	(0,73)%	(754.817)	(0,51)%
USD	(+)200 bp	(6.799.301)	(3,20)%	(3.930.975)	(2,68)%
USD	(-)200 bp	8.458.759	3,98%	4.983.463	3,40%
Total (For negative shocks)		**19.518.637**	**9,19%**	**10.325.845**	**7,04%**
Total (For positive shocks)		**(18.051.244)**	**(8,50)%**	**(9.645.464)**	**(6,57)%**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

4. Explanations on currency risk

The difference between the Bank's foreign currency denominated and foreign currency indexed on - and off-balance sheet assets and liabilities is defined as the "Net Foreign Currency Position" and it is the basis of currency risk. Cross currency risk is also taken into consideration for the currency risk calculations and measurements.

The Bank keeps the amount of currency risk exposure within the related legal limits and follows the exchange position on a daily/regular basis. In addition, although the internal exchange position limit is lower when compared to the related legal limit, there has not been any limit exceeding during the period. As an instrument of currency risk management, derivatives such as swap and forwards are used to reduce risk whenever needed. In order to guard against extreme volatility during the year stress tests are applied. Value at risk method is used for the measurement of foreign exchange risk.

The details of hedging of the foreign currency debt instruments and net foreign currency investment risk with derivative instruments are disclosed in section four Note 10.

The Bank's publicly announced foreign exchange bid rates as of the date of the financial statements and for the last five work days prior to that date are as follows:

(Exchange rates presented as full TL)	USD	EUR
Balance sheet evaluation rate:	**29,4382**	**32,5739**
First day current bid rate	29,3973	32,6937
Second day current bid rate	29,3374	32,4186
Third day current bid rate	29,2647	32,2421
Fourth day current bid rate	29,2108	32,1766
Fifth day current bid rate	29,1344	32,0726
Arithmetic average of the last 31 days:	**29,0552**	**31,7410**
Balance sheet evaluation rate as of prior period:	**18,6983**	**19,9349**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Information on currency risk of the Bank

Current Period	EUR	USD	OTHER FC[(4)]	Total
Assets				
Cash (Cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Türkiye	56.774.357	84.355.306	20.101.896	161.231.559
Banks	4.145.660	22.777.967	677.234	27.600.861
Financial assets measured at fair value through profit or loss	26.470	3.012.799	-	3.039.269
Money market placements	-	-	-	-
Financial assets measured at fair value through other comprehensive income	217.340	29.169.200	-	29.386.540
Loans [(1)]	93.221.192	113.150.058	11.848.648	218.219.898
Investments in associates, subsidiaries and joint ventures	17.228.856	1.845.937	6.170.284	25.245.077
Financial assets measured at amortised cost	8.169.650	97.801.833	-	105.971.483
Hedging derivative financial assets	516.406	2.946.510	-	3.462.916
Tangible assets	-	-	-	-
Intangible assets	-	-	-	-
Other assets[(2)]	5.769.753	30.471.328	2.237.961	38.479.042
Total assets	**186.069.684**	**385.530.938**	**41.036.023**	**612.636.645**
Liabilities				
Bank deposits	2.793.090	4.924.632	2.777.288	10.495.010
Foreign currency deposits	129.288.504	176.968.689	78.919.759	385.176.952
Funds from money market	6.640.705	30.509.726	-	37.150.431
Funds borrowed from other financial institutions	49.111.241	89.374.469	-	138.485.710
Marketable securities issued	4.217.184	60.424.222	5.601.503	70.242.909
Miscellaneous payables	6.119.186	1.996.023	45.644	8.160.853
Hedging derivative financial liabilities	-	-	-	-
Other liabilities[(3)]	9.855.093	115.366.905	96.828	125.318.826
Total liabilities	**208.025.003**	**479.564.666**	**87.441.022**	**775.030.691**
Net on-balance sheet position	**(21.955.319)**	**(94.033.728)**	**(46.404.999)**	**(162.394.046)**
Net off-balance sheet position[(5)]	**22.265.752**	**94.933.770**	**52.712.947**	**169.912.469**
Financial derivative assets	39.336.954	206.873.665	55.193.732	301.404.351
Financial derivative liabilities	17.071.202	111.939.895	2.480.785	131.491.882
Net Position	**310.433**	**900.042**	**6.307.948**	**7.518.423**
Non-cash loans	**94.446.269**	**100.266.195**	**13.047.438**	**207.759.902**
Prior Period				
Total assets	134.837.408	259.394.816	30.323.387	424.555.611
Total liabilities	135.175.623	306.341.918	44.047.378	485.564.919
Net on-balance sheet position	**(338.215)**	**(46.947.102)**	**(13.723.991)**	**(61.009.308)**
Net off-balance sheet position	**979.612**	**37.290.465**	**16.652.092**	**54.922.169**
Financial derivative assets	21.532.349	115.122.440	18.587.009	155.241.798
Financial derivative liabilities	20.552.737	77.831.975	1.934.917	100.319.629
Net Position	**641.397**	**(9.656.637)**	**2.928.101**	**(6.087.139)**
Non-cash loans	**68.264.361**	**65.819.518**	**9.487.407**	**143.571.286**

(1) Includes FX indexed loans amounting to TL 115.545 (December 31, 2022 - TL 166.285) which have been disclosed as TL in the financial statements.
(2) Does not include foreign currency prepaid expenses amounting to TL 2.569.809 (December 31, 2022 - TL 1.036.303).
(3) Does not include foreign currency other comprehensive income and expense under equity.
(4) Other FC column includes also gold balance.
(5) Forward transactions classified as commitments are also included.

Currency risk sensitivity analysis:

The table below represents the sensitivity of the Bank to 15% change of currency exchange rates (USD and EUR). 15% change is the assumption of parity change that may be faced in a possible fluctuation used in the Bank's stress test scenarios.

	Current Period	Prior Period
Change in currency exchange rates	**Equity and Profit/loss effect [(1)]**	**Equity and Profit/loss effect [(1)]**
(+)15%	1.698.583	1.593.635
(-)15%	(1.253.541)	(596.848)

(1) Excluding tax effect.

5. Explanations on interest rate risk

The monitoring of interest rate sensitive assets and liabilities, including sensitivity analysis regarding the effect of interest rate fluctuations on the financial statements, is performed by the risk management department for all interest sensitive instruments over carrying values. The results are presented monthly to the Asset and Liability Management function of the Executive Committee. By using sensitivity and scenario analyses, the possible effects by interest rate volatility are analyzed. In these analyses possible losses are calculated for the change in fair value of interest sensitive products by applying shock tests to interest rates.

Sensitivity analyses are also calculated daily within Market Risk reporting on the basis of maturity and foreign exchange types and reported to Senior Management by checking them against the determined limits.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

The Bank utilizes TL/FC and TL/TL interest rate and money swap transactions in order to limit the interest and foreign currency risk arising from short-term deposit and long-term consumer loans within the balance sheet.

5.1. Interest rate sensitivity of assets, liabilities and off-balance sheet items based on repricing dates:

Current Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-interest bearing	Total
Assets							
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Türkiye	-	-	-	-	-	263.273.969	263.273.969
Banks	-	32.710	19.815	-	-	27.549.457	27.601.982
Financial assets measured at fair value through profit or loss	-	1.399.417	40.278	247.444	418.577	987.929	3.093.645
Receivables from money markets	-	-	-	-	-	-	-
Financial assets measured at fair value through other comprehensive income	13.735.628	22.678.595	7.503.380	15.323.406	36.025.229	126.919	95.393.157
Loans(1)	239.575.567	128.225.192	336.362.119	133.877.696	39.689.930	(12.990.208)	864.740.296
Financial assets measured at amortised cost	111.445.955	14.176.961	18.462.122	66.634.958	94.614.498	-	305.334.494
Other assets	2.817.698	2.445.267	3.537.942	8.316.238	4.187.380	157.909.067	179.213.592
Total assets	**367.574.848**	**168.958.142**	**365.925.656**	**224.399.742**	**174.935.614**	**436.857.133**	**1.738.651.135**
Liabilities							
Bank deposits	15.738.390	7.077.792	8.395.079	119.974	-	1.075.215	32.406.450
Other deposits	346.891.074	137.743.306	85.506.313	27.986	-	433.894.804	1.004.063.483
Funds from money market	39.552.389	16.893.465	1.527.163	-	-	-	57.973.017
Miscellaneous payables	-	-	-	-	-	74.014.722	74.014.722
Marketable securities issued	8.231.836	7.410.734	37.597.921	24.461.173	-	-	77.701.664
Funds borrowed from other financial institutions	5.146.980	94.505.505	38.547.419	1.822.773	284.456	-	140.307.133
Other liabilities(2)	21.817.850	76.197.295	3.094.432	18.230.707	4.772.460	228.071.922	352.184.666
Total liabilities	**437.378.519**	**339.828.097**	**174.668.327**	**44.662.613**	**5.056.916**	**737.056.663**	**1.738.651.135**
Balance sheet long position	**-**	**-**	**191.257.329**	**179.737.129**	**169.878.698**	**-**	**540.873.156**
Balance sheet short position	**(69.803.671)**	**(170.869.955)**	**-**	**-**	**-**	**(300.199.530)**	**(540.873.156)**
Off-balance sheet long position	2.553.718	4.501.619	13.963.905	-	-	-	21.019.242
Off-balance sheet short position	-	-	-	(12.721.790)	(12.296.675)	-	(25.018.465)
Total position	**(67.249.953)**	**(166.368.336)**	**205.221.234**	**167.015.339**	**157.582.023**	**(300.199.530)**	**(3.999.223)**

Prior Period	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	5 Years and Over	Non-interest bearing	Total
Assets							
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Türkiye	2.990.650	-	-	-	-	140.905.480	143.896.130
Banks	4.302.402	1.515.978	-	-	-	20.587.586	26.405.966
Financial assets measured at fair value through profit or loss	-	785.794	20.156	127.463	212.054	419.990	1.565.457
Receivables from money markets	2.461.599	-	-	-	-	-	2.461.599
Financial assets measured at fair value through other comprehensive income	10.342.408	18.374.292	19.981.834	13.061.194	15.477.650	106.375	77.343.753
Loans(1)	121.266.566	115.950.167	203.086.731	119.187.906	25.889.845	(14.934.044)	570.447.171
Financial assets measured at amortised cost	47.403.578	21.317.824	12.593.488	25.816.383	56.169.325	-	163.300.598
Other assets	1.523.180	2.725.701	2.052.369	8.371.026	3.884.915	104.115.728	122.672.919
Total assets	**190.290.383**	**160.669.756**	**237.734.578**	**166.563.972**	**101.633.789**	**251.201.115**	**1.108.093.593**
Liabilities							
Bank deposits	2.616.798	2.582.968	3.914.800	47.571	-	1.236.609	10.398.746
Other deposits	253.255.745	115.690.393	20.076.279	22.215	-	273.321.940	662.366.572
Funds from money market	30.029.851	5.484.635	-	-	-	-	35.514.486
Miscellaneous payables	-	-	-	-	-	42.477.010	42.477.010
Marketable securities issued	1.854.351	14.010.582	24.675.391	-	-	-	40.540.324
Funds borrowed from other financial institutions	17.101.017	26.823.141	24.397.752	1.578.836	147.674	-	70.048.420
Other liabilities(2)	13.383.237	39.873.508	10.105.754	25.280.384	3.614.406	154.490.746	246.748.035
Total liabilities	**318.240.999**	**204.465.227**	**83.169.976**	**26.929.006**	**3.762.080**	**471.526.305**	**1.108.093.593**
Balance sheet long position	**-**	**-**	**154.564.602**	**139.634.966**	**97.871.709**	**-**	**392.071.277**
Balance sheet short position	**(127.950.616)**	**(43.795.471)**	**-**	**-**	**-**	**(220.325.190)**	**(392.071.277)**
Off-balance sheet long position	21.899.104	41.553.407	-	-	-	-	63.452.511
Off-balance sheet short position	-	-	(18.802.958)	(33.692.067)	(10.384.551)	-	(62.879.576)
Total position	**(106.051.512)**	**(2.242.064)**	**135.761.644**	**105.942.899**	**87.487.158**	**(220.325.190)**	**572.935**

(1) Non-performing loans are shown in net Non-Interest Bearing loss column after being offset by expected loss provisions.
(2) Shareholders' equity is presented under "Non interest bearing".

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Average interest rates for monetary financial instruments:

The following average interest rates are calculated by weighting the rates with their principal amounts outstanding as of the balance sheet date.

Current Period	EUR	USD	Yen	TL
	%	%	%	%
Assets				
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Türkiye	-	-	-	-
Banks	3,86	5,45	-	-
Financial assets measured at fair value through profit or loss	5,98	5,75	-	-
Receivables from money markets	-	-	-	-
Financial assets measured at fair value through other comprehensive income	4,12	7,66	-	38,37
Loans	8,34	9,31	-	40,63
Financial assets measured at amortised cost	4,32	6,46	-	39,55
Liabilities				
Bank deposits(1)	4,01	5,73	-	39,50
Other deposits(1)	0,14	0,24	-	19,03
Funds from money market	5,74	5,56	-	40,48
Miscellaneous payables	-	-	-	-
Marketable securities issued	6,30	8,03	-	35,24
Funds borrowed from other financial institutions	7,21	7,38	-	27,12

Prior Period	EUR	USD	Yen	TL
	%	%	%	%
Assets				
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Türkiye	2,50	-	-	-
Banks	-	-	-	10,05
Financial assets measured at fair value through profit or loss	4,80	5,38	-	-
Receivables from money markets	-	-	-	11,86
Financial assets measured at fair value through other comprehensive income	3,32	7,59	-	48,75
Loans	6,62	8,46	-	22,83
Financial assets measured at amortised cost	4,32	6,42	-	53,69
Liabilities				
Bank deposits(1)	-	3,05	-	8,63
Other deposits(1)	0,10	0,84	-	8,16
Funds from money market	3,37	4,43	-	8,07
Miscellaneous payables	-	-	-	-
Marketable securities issued	5,53	6,78	-	20,85
Funds borrowed from other financial institutions	4,22	5,90	-	11,05

(1) Demand deposit balances are included in average interest rate calculation.

6. Explanation on share certificates position risk from banking book:

None.

7. Explanations on Liquidity Risk Management and Liquidity Coverage Ratio:

Liquidity risk is defined as risk of unexpected loss to be occurred or bank to have difficulties in raising funds while meeting maturing liabilities. Liquidity management is daily monitored in the Bank under Treasury Management and Risk Management. The liquidity policy of the Bank is approved by the Bank's Board of Directors. Treasury Management is responsible for carrying out transactions which are appropriate to Bank's policy, monitoring of liquidity position and submitting necessary reports to executives. Treasury management contributes to determine strategies and operating actions for the management of the liquidity position in addition to prepare funding plan and contingency funding plan of the Bank. Liquidity risk is evaluated with liquidity gap analysis, liquidity stress tests and supplementary precautions/measurements. Liquidity Gap analysis are performed for two different periods as short-term and long-term. Going concern scenario and structural positions are reported monthly. This reporting constitutes the basis of monitoring and management of liquidity position.

The Bank does not function as a central funding institution in its relations with its subsidiaries. Intra-group liquidity management and funding strategies are limited with related legal boundaries and monitored regularly via various reports. Intraday liquidity is also monitored closely by the bank in its best effort.

The Bank issues an annual funding plan in order to sustain funding in a consistent and balanced way. Funding plan have to be updated at least annually and approved by the Executive Committee since it is complied with budgeting process and risk appetite frameworks. The primary purpose of the funding plan is to provide a reliable balance between assets and liabilities.

Both short-term liquidity and medium/long-term (structural) liquidity measurement and reporting for all types of currencies are periodically made in the Bank and its subsidiaries. There are limits which are predetermined and approved by the Board of Directors on the basis of all currencies for each period.

The Bank mainly uses derivative transactions as managing liquidity risk and monitors cash inflow and outflow periods in the framework of funding plan balancing the distribution among currencies.

The Bank aims to reduce the risks to the lowest level if required via measuring possible risks in liquidity with stress tests. Stress tests make it possible for the Bank to reinterpret analysis of its liquidity position according to scenarios depending on possible cases and tail risks except for crisis situations. Liquidity Stress Test methodology makes a similar approach with Liquidity Coverage Ratio (LCR) template and hence allows the overview of the results in line with Basel approaches. The Bank applies and reports liquidity stress tests consisting of different scenarios and maturity segments both on solo and consolidated level and the results are compared with both liquidity stress tests and other liquidity limit and trigger levels set, with different frequencies (weekly, monthly etc.) according to the scenarios.

"Liquidity Contingency Plan" is applied if the Bank needs more liquidity than its daily liquidity need because of possible financial events in future. Duties and responsibilities are defined in detail in the aforementioned plan. Both the liquidity policy and liquidity contingency policy are in line with BRSA best practice documents on liquidity risk management. The abovementioned policies and the thresholds (limits etc.) covered within liquidity risk management framework are updated and approved at least annually.

Funding sources of the Bank mainly consist of deposits which constitute 60% (December 31, 2022 – 61%) of total liabilities of the Bank and also include repo, secured loans, syndication, securitization, bond/security issuance and other instruments including subordinated loans/debts.

The Bank calculates and reports the LCR in full compliance with the regulations. LCR is a metric measuring the adequacy of unencumbered free liquid assets owned by banks (called high quality liquid assets) to meet expected net cash outflows over the next 30 days. The metric is an important Basel regulation that measures short-term liquidity and is closely monitored in the Bank. In addition to LCR, the Bank has also measures the Net Stable Funding Rate (NSFR), which is considered another complementary element and provides another important medium / long-term liquidity risk measurement. In accordance with the Regulation on Calculation of Banks' Net Stable Funding Ratio, published in the Official Gazette dated May 26, 2023 and numbered 32202, the relevant metric has started to be followed up within the framework of legal regulations. These two metrics are also included within the Risk Appetite Indicators and closely monitored at the Bank.

High quality liquid assets mentioned in LCR calculation consist of cash, effective money, CBRT accounts and reserves and government bonds issued by Ministry of Treasury and Finance of the Republic of Türkiye treated as high quality liquid assets.

Cash outflows from derivative transactions in liquidity coverage ratio calculation are based on inclusion of net cash flows with maturity of 30 days in the calculation. Additionally, transactions having a margin possibility are included in liquidity coverage ratio calculation by taking the largest outflow amount according to the negative values of net margin flows realized in the last 24 months in respect of 30 days period or for liability into consideration as cash outflow.

Secured funding consists of repo and other secured borrowings. A large part of securities which are subjects of the aforementioned funding transactions consist of Sovereign Bonds issued by Ministry of Treasury and Finance of the Republic of Türkiye and transactions are carried out in both CBRT market and interbank market.

The Bank manages all the transactions made before its foreign branches and partnership in the framework of central bank, markets and related legislation of the country in which the institutions are located. Legal lending limits and high limit transactions are closely monitored in this framework.

All cash inflow and outflow items related to liquidity profile of the Bank are included in liquidity coverage ratio tables below for the last three months.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Average amounts of weekly liquidity coverage ratio calculations related to the last three months of current period are explained in the table below.

	Unweighted Amounts		Weighted Amounts	
Current Period	**TL+FC**	**FC**	**TL+FC**	**FC**
High Quality Liquid Assets				
High Quality Liquid Assets			426.099.327	176.506.801
Cash Outflows				
Retail and Small Business Customers Deposits	**675.824.159**	**259.887.706**	**60.939.206**	**25.611.399**
Stable deposits	132.864.185	7.547.427	6.643.209	377.371
Less stable deposits	542.959.974	252.340.279	54.295.997	25.234.028
Unsecured Funding other than Retail and Small Business Customers Deposits	**340.699.396**	**143.880.893**	**208.081.189**	**82.384.996**
Operational deposits	-	-	-	-
Non-Operational deposits	244.920.949	113.060.551	126.153.678	51.564.654
Other Unsecured funding	95.778.447	30.820.342	81.927.511	30.820.342
Secured funding	-	-	-	-
Other Cash Outflows	**3.637.081**	**3.637.081**	**3.637.081**	**3.637.081**
Liquidity needs related to derivatives and market valuation changes on derivatives transactions	3.637.081	3.637.081	3.637.081	3.637.081
Debts related to the structured financial products	-	-	-	-
Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	**384.673.976**	**193.447.252**	**19.233.699**	**9.672.362**
Other irrevocable or conditionally revocable commitments	**684.119.958**	**63.800.106**	**54.843.105**	**15.577.428**
Total Cash Outflows			**346.734.280**	**136.883.266**
Cash Inflows				
Secured Lending Transactions	-	-	-	-
Unsecured Lending Transactions	120.494.559	38.879.864	78.727.122	33.941.859
Other contractual cash inflows	785.405	62.427.717	785.405	62.427.717
Total Cash Inflows	**121.279.964**	**101.307.581**	**79.512.527**	**96.369.576**
			Capped Amounts	
Total High Quality Liquid Assets			**426.099.327**	**176.506.801**
Total Net Cash Outflows			**267.221.753**	**40.513.690**
Liquidity Coverage Ratio (%)			**159,46**	**435,67**

The dates and values of minimum and maximum foreign currency and total liquidity coverage ratios calculated weekly related to the last three months of current period are explained in the table below.

Current Period	**Minimum FC (%)**	**Minimum TL+FC (%)**	**Maximum FC (%)**	**Maximum TL+FC (%)**
Week	October 27, 2023	December 8, 2023	November 17, 2023	October 13, 2023
Ratio (%)	261,89	144,15	524,36	190,04

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Average amounts of weekly liquidity coverage ratio calculations related to the last three months of prior period are explained in the table below.

	Unweighted Amounts		Weighted Amounts	
Prior Period	**TL+FC**	**FC**	**TL+FC**	**FC**
High Quality Liquid Assets				
High Quality Liquid Assets			266.153.547	124.356.546
Cash Outflows				
Retail and Small Business Customers Deposits	**389.873.368**	**183.435.928**	**35.577.660**	**18.288.074**
Stable deposits	68.193.537	1.110.375	3.409.677	55.519
Less stable deposits	321.679.831	182.325.553	32.167.983	18.232.555
Unsecured Funding other than Retail and Small Business Customers Deposits	**261.677.790**	**125.587.430**	**151.543.591**	**68.178.012**
Operational deposits	-	-	-	-
Non-Operational deposits	199.994.518	101.394.587	98.399.319	43.985.169
Other Unsecured funding	61.683.272	24.192.843	53.144.272	24.192.843
Secured funding	-	-	**78.922**	**78.922**
Other Cash Outflows	**3.473.170**	**3.473.170**	**3.473.170**	**3.473.170**
Liquidity needs related to derivatives and market valuation changes on derivatives transactions	3.473.170	3.473.170	3.473.170	3.473.170
Debts related to the structured financial products	-	-	-	-
Commitment related to debts to financial markets and other off balance sheet liabilities	-	-	-	-
Commitments that are unconditionally revocable at any time by the Bank and other contractual commitments	**258.428.718**	**144.633.170**	**12.921.436**	**7.231.659**
Other irrevocable or conditionally revocable commitments	**245.169.276**	**36.462.264**	**21.536.223**	**5.412.562**
Total Cash Outflows			**225.131.002**	**102.662.399**
Cash Inflows				
Secured Lending Transactions	-	-	-	-
Unsecured Lending Transactions	67.664.131	31.860.507	49.727.167	29.074.061
Other Contractual Cash Inflows	8.504	76.793.835	8.504	76.793.835
Total Cash Inflows	**67.672.635**	**108.654.342**	**49.735.671**	**105.867.896**
			Capped Amounts	
Total High Quality Liquid Assets			**266.153.547**	**124.356.546**
Total Net Cash Outflows			**175.395.332**	**25.665.600**
Liquidity Coverage Ratio (%)			**151,74**	**484,53**

The dates and values of minimum and maximum foreign currency and total liquidity coverage ratios calculated weekly related to the last three months of prior period are explained in the table below.

Prior Period	**Minimum FC (%)**	**Minimum TL+FC (%)**	**Maximum FC (%)**	**Maximum TL+FC (%)**
Week	November 11, 2022	December 2, 2022	October 7, 2022	October 7, 2022
Ratio (%)	432,12	137,02	580,31	170,73

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Breakdown of assets and liabilities according to their remaining maturities:

Current Period	Demand	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Unclassified	Total
Assets								
Cash (cash in vault, effectives, cash in transit, cheques purchased) and balances with the Central Bank of the Republic of Türkiye	168.187.296	95.086.673	-	-	-	-	-	263.273.969
Banks	27.549.457	-	32.710	19.815	-	-	-	27.601.982
Financial assets measured at fair value through profit or loss	28.912	-	11.968	40.278	247.444	1.806.026	959.017	3.093.645
Receivables from money markets	-	-	-	-	-	-	-	-
Financial assets measured at fair value through other comprehensive income	-	118.693	1.097	10.078.121	39.056.475	46.011.852	126.919	95.393.157
Loans (1)	-	228.244.172	121.033.926	312.095.161	167.815.927	48.541.318	(12.990.208)	864.740.296
Financial assets measured at amortised cost	-	4.205.875	556.081	16.901.404	179.726.491	103.944.643	-	305.334.494
Other assets	63.869.008	2.551.715	1.548.561	3.759.015	9.133.757	4.311.477	94.040.059	179.213.592
Total assets	**259.634.673**	**330.207.128**	**123.184.343**	**342.893.794**	**395.980.094**	**204.615.316**	**82.135.787**	**1.738.651.135**
Liabilities								
Bank deposits	1.075.215	15.738.390	7.077.792	8.395.079	119.974	-	-	32.406.450
Other deposits	433.894.804	346.891.074	137.743.306	85.506.313	27.986	-	-	1.004.063.483
Funds borrowed from other financial institutions	-	2.943.822	38.589.745	74.310.434	24.178.676	284.456	-	140.307.133
Funds from money market	-	39.552.389	15.441.594	2.979.034	-	-	-	57.973.017
Marketable securities issued	-	8.231.836	7.410.734	37.597.921	24.461.173	-	-	77.701.664
Miscellaneous payables	1.118.604	70.049.253	563.122	-	-	-	2.283.743	74.014.722
Other liabilities (2)	20.987.135	21.005.378	10.316.410	12.510.241	44.429.195	56.300.975	186.635.332	352.184.666
Total liabilities	**457.075.758**	**504.412.142**	**217.142.703**	**221.299.022**	**93.217.004**	**56.585.431**	**188.919.075**	**1.738.651.135**
Net liquidity gap	**(197.441.085)**	**(174.205.014)**	**(93.958.360)**	**121.594.772**	**302.763.090**	**148.029.885**	**(106.783.288)**	**-**
Net Off-Balance Sheet Position	**-**	**1.183.876**	**(4.864.345)**	**(4.777.487)**	**328.193**	**4.130.540**	**-**	**(3.999.223)**
Derivative Financial Assets	-	168.312.983	134.444.699	116.952.776	171.066.627	95.879.831	-	686.656.916
Derivative Financial Liabilities	-	167.129.107	139.309.044	121.730.263	170.738.434	91.749.291	-	690.656.139
Non-Cash Loans	**-**	**18.214.843**	**42.540.641**	**168.051.989**	**59.808.203**	**12.543.936**	**85.313.046**	**386.472.658**
Prior Period								
Total assets	148.596.036	182.103.767	100.035.927	210.801.247	259.667.039	163.290.831	43.598.746	1.108.093.593
Total liabilities	286.453.990	347.883.406	158.534.418	89.839.348	63.222.927	28.029.194	134.130.310	1.108.093.593
Liquidity gap	**(137.857.954)**	**(165.779.639)**	**(58.498.491)**	**120.961.899**	**196.444.112**	**135.261.637**	**(90.531.564)**	**-**
Net Off-Balance Sheet Position	**-**	**323.517**	**(461.678)**	**(2.326.522)**	**199.329**	**2.838.289**	**-**	**572.935**
Derivative Financial Assets	-	107.816.647	96.510.990	54.588.952	101.477.240	71.544.105	-	431.937.934
Derivative Financial Liabilities	-	107.493.130	96.972.668	56.915.474	101.277.911	68.705.816	-	431.364.999
Non-Cash Loans	**-**	**8.854.872**	**25.285.755**	**110.013.625**	**31.860.733**	**12.551.216**	**54.982.270**	**243.548.471**

(1) Non-performing loans are presented in the "Unclassified" column after being offset against expected loss provisions.
(2) Shareholders' equity is presented under the "Other liabilities" item in the "Unclassified" column.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Breakdown of financial liabilities according to their remaining contractual maturities:

The maturity distribution of values at contracted maturity date of non-derivative financial liabilities is presented below. Maturity segments also include the interests of related assets and liabilities.

Current Period[1]	Demand and up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
Liabilities						
Deposits	809.754.353	158.277.404	107.644.794	154.176	-	1.075.830.727
Borrowings	3.173.282	40.669.605	80.993.229	27.076.883	424.856	152.337.855
Financial liabilities measured at fair value through profit or loss	-	3.724.714	11.053.243	43.265.390	39.118.697	97.162.044
Funds from money market	39.663.248	16.000.634	3.191.365	-	-	58.855.247
Subordinated debts	21.041.873	86.317	834.082	5.299.462	18.504.795	45.766.529
Marketable securities issued (Net)	8.279.943	7.706.411	39.740.944	33.853.170	-	89.580.468
Total	**881.912.699**	**226.465.085**	**243.457.657**	**109.649.081**	**58.048.348**	**1.519.532.870**

Prior Period[1]	Demand and up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
Liabilities						
Deposits	533.996.220	122.511.971	26.042.491	72.797	-	682.623.479
Borrowings	7.883.100	14.347.407	46.646.325	5.018.971	450.651	74.346.454
Financial liabilities measured at fair value through profit or loss	735.241	1.498.167	5.498.769	31.525.794	17.827.441	57.085.412
Funds from money market	30.071.838	5.602.867	-	-	-	35.674.705
Subordinated debts	12.222.546	121.714	6.703.541	16.817.742	12.985.673	48.851.216
Marketable securities issued (Net)	1.871.478	13.764.553	6.235.755	19.718.039	-	41.589.825
Total	**586.780.423**	**157.846.679**	**91.126.881**	**73.153.343**	**31.263.765**	**940.171.091**

(1) Maturities of non-cash loans are described in Note 3 of Section 5.

8. Explanations on leverage ratio:

The main reason for decrease in leverage ratio for the current period is the increase in total risk.

	Current Period[1]	Prior Period[1]
On-Balance sheet exposures		
On-Balance sheet assets (Excluding derivative financial instruments and credit derivatives, including collaterals)	1.668.553.934	1.082.697.707
(Asset amounts deducted in determining Tier 1 capital)	(19.094.784)	(8.560.613)
Total on-Balance sheet exposures	1.649.459.150	1.074.137.094
Derivative financial instruments and credit derivatives		
Replacement cost of derivative financial instruments and credit derivatives	11.985.848	11.847.994
Potential credit risk of derivative financial instruments and credit derivatives	21.128.855	4.486.744
Total derivative financial instruments and credit derivatives exposure	33.114.703	16.334.738
Securities financing transaction exposure		
Total risk of gross securities financing transactions (excluding on-balance sheet exposure)	16.285.046	1.425.925
Agent transaction exposures	-	-
Total securities financing transaction exposures	16.285.046	1.425.925
Off-balance sheet items		
Off-balance sheet exposure at gross notional amount	1.171.054.731	543.644.296
(Adjustments for conversion to credit equivalent amounts)	(61.083.885)	(46.862.850)
Total risk of off-balance sheet items	1.109.970.846	496.781.446
Capital and total exposure		
Tier 1 capital	184.759.840	129.253.872
Total exposures	2.808.829.745	1.588.679.203
Leverage ratio (%)	**6,58**	**8,13**

(1) The arithmetic average of the last three months in the related periods.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

9. Explanations on the presentation of financial assets and liabilities at fair values:

The following table summarizes the carrying values and fair values of some financial assets and liabilities of the Bank. The carrying value represents the acquisition costs and accumulated interest accruals of corresponding financial assets or liabilities.

	Book Value		Fair value	
	Current Period	**Prior Period**	**Current Period**	**Prior Period**
Financial Assets	**1.332.889.856**	**875.626.243**	**1.346.099.446**	**895.910.485**
Due from money market	-	2.461.599	-	2.461.599
Banks	27.601.982	26.405.966	27.600.876	26.404.761
Financial assets at fair value through other comprehensive income	95.393.157	77.343.753	95.393.157	77.343.753
Financial assets measured at amortised cost	305.334.494	163.300.598	288.000.969	187.443.110
Loans	904.560.223	606.114.327	935.104.444	602.257.262
Financial Liabilities	**1.437.894.039**	**902.458.963**	**1.437.343.126**	**902.395.467**
Bank deposits	32.406.450	10.398.746	32.398.474	10.397.850
Other deposits	1.004.063.483	662.366.572	996.776.761	662.839.255
Borrowings	140.307.133	70.048.420	143.575.070	70.784.443
Financial liabilities measured at fair value through profit or loss	72.554.448	37.239.659	72.554.448	37.239.659
Subordinated debts	36.846.139	39.388.232	36.968.295	40.684.977
Marketable securities issued	77.701.664	40.540.324	81.055.356	37.972.273
Miscellaneous payables	74.014.722	42.477.010	74.014.722	42.477.010

The fair values of deposits, banks, securities issued and funds borrowed from other financial institutions are determined by calculating the discounted cash flows using the current market interest rates.

The fair value of held-to-maturity assets is determined based on market prices or when this price is not available, based on market prices quoted for other securities subject to the same redemption qualifications in terms of interest, maturity and other similar conditions.

The expected fair value of loans and receivables is determined by calculating the discounted cash flows using the current market interest rates for the loans with fixed interest rates. For the loans with floating interest rates (such as overdrafts and credit card receivables), it is assumed that the carrying value approaches to the fair value.

TFRS 13, "Fair Value Measurement", requires classification of line items at fair value presented at the financial statements according to the defined levels. These levels depend on the observability of data used for fair value calculations. Classification for fair value is generated as followed below:

Level 1: Assets or liabilities with prices recorded (unadjusted) in active markets

Level 2: Assets or liabilities that are excluded in the Level 1 of recorded prices directly observable by prices or indirectly observable derived through prices observable from similar assets or liabilities

Level 3: Assets and liabilities where no observable market data can be used for valuation

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

According to these classification principles stated, the Bank's classification of financial assets and liabilities carried at their fair value are as follows:

Current Period	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value through profit or loss	747.644	2.346.001	-	3.093.645
Financial assets measured at fair value through other comprehensive income	95.265.661	1.620	-	95.267.281
Derivative financial assets	-	21.304.525	-	21.304.525
Total assets	**96.013.305**	**23.652.146**	**-**	**119.665.451**
Financial liabilities measured at fair value through profit or loss	-	72.554.448	-	72.554.448
Derivative financial liabilities	-	11.524.206	-	11.524.206
Total liabilities	**-**	**84.078.654**	**-**	**84.078.654**

Prior Period	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value through profit or loss	397.124	1.168.333	-	1.565.457
Financial assets measured at fair value through other comprehensive income	75.469.445	1.767.933	-	77.237.378
Derivative financial assets	-	18.557.191	-	18.557.191
Total assets	**75.866.569**	**21.493.457**	**-**	**97.360.026**
Financial liabilities measured at fair value through profit or loss	-	37.239.659	-	37.239.659
Derivative financial liabilities	-	13.774.007	-	13.774.007
Total liabilities	**-**	**51.013.666**	**-**	**51.013.666**

The Bank classify its buildings carried at their fair value within property and equipment under level 3.

10. Explanations on hedge accounting:

The Bank applies the following hedge accounting models: Fair Value Hedge ("FVH") and Cash Flow Hedge ("CFH").

If the fair value of the hedging instrument within fair value hedge ("FVH") is positive it is classified under, "Derivative financial assets measured at fair value through profit or loss"; if the fair value is negative, it is classified under "Derivative financial liabilities at fair value through profit or loss".

If the fair value of the hedging instrument under hedge of cash flow hedge ("CFH") is positive, it is classified under "Derivative financial assets measured at fair value through other comprehensive income" if the fair value is negative, it is classified under " Derivative financial liabilities at fair value through other comprehensive income".

Interest rate swap and cross currency interest rate swap are used as hedging instrument in FVH and interest rate swap, currency swap and cross currency interest rate swap are used as hedging instrument in CFH. Contractual amounts and the fair values as at December 31, 2023 of these hedging instruments are presented in the table below:

	Current Period			**Prior Period**		
Hedging instrument	**Notional[(1)]**	**Asset**	**Liability**	**Notional[(1)]**	**Asset**	**Liability**
Interest rate swap / Currency swap / Cross currency interest rate swap (CFH)	40.790.710	5.320.823	32.334	58.891.229	7.357.997	32.350
Interest rate swap / Cross currency interest rate swap (FVH)	-	-	-	1.664.564	-	1.380.313
Total	**40.790.710**	**5.320.823**	**32.334**	**60.555.793**	**7.357.997**	**1.412.663**

(1) Only the "sell" legs of the related derivatives are presented with the addition of the "buy" legs of these derivatives amounting to TL 40.790.711 (December 31, 2022 – TL 59.161.370) the total notional of derivative financial assets amounting to TL 81.581.421 (December 31, 2022 – TL 119.717.163) is accounted for in off-balance sheet under "Hedging Derivative Financial Instruments" line item.

The fair valuation methodology of the derivatives presented in the above table is disclosed in the accounting principles section of these financial statements in Section 3, Part 4.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

10.1. Fair value hedge accounting:

Starting from March 1, 2009, the Bank has hedged the possible fair value effects of changes in market interest rates on some of its fixed interest loan portfolios and fair value effects of changes in foreign exchange rates on part of its foreign currency funds by using interest rate swap, cross-currency interest rate swap. Starting from July 28, 2015, the Bank has hedged the possible fair value effects of changes in market interest rates and foreign exchange rates on marketable securities by using cross-currency interest rate swaps. The Bank selected to apply macro FVH accounting for such relationship in accordance with "TAS – 39 Financial Instruments: Recognition and Measurement".

The impact of application of FVH accounting is summarized below:

Current Period						
Type of hedging instrument	**Hedged item (asset and liability)**	**Nature of hedged risks**	**Fair value difference / adjustment of the hedged item[(1)]**	**Net fair value of the hedging instrument[(2)]**		**Net gain/(loss) recognised in the income statement (Derivative financial transactions gains/losses)[(3)]**
				Asset	**Liability**	
Interest rate swap / Cross currency interest rate swaps	Some of fixed interest loan portfolios, foreign currency funds and marketable securities	Fixed interest and changes in foreign exchange rate risk	-	-	-	(12.725)

Prior Period						
Type of hedging instrument	**Hedged item (asset and liability)**	**Nature of hedged risks**	**Fair value difference / adjustment of the hedged item[(1)]**	**Net fair value of the hedging instrument[(2)]**		**Net gain/(loss) recognised in the income statement (Derivative financial transactions gains/losses)[(3)]**
				Asset	**Liability**	
Cross currency interest rate swaps	Some of fixed interest loan portfolios, foreign currency funds and marketable securities	Fixed interest and changes in foreign exchange rate risk	(12.725)	-	1.380.313	23.015

(1) The amount refers to the fair value of the hedged item calculated for Some of fixed interest loan portfolios, foreign currency funds and marketable securities in accordance with hedge accounting effectiveness tests. The foreign exchange rate changes of foreign currency fundings and cross-currency swaps are reflected to the income statement in foreign exchange gains / losses line item.
(2) The amounts include the foreign exchange differences and net straight line interest accruals of the related derivatives.
(3) The bank has no ineffective portion of the mentioned hedging transaction (December 31, 2022 - TL 9.054 loss).

At the inception date, the Bank documents the relationship between the hedging instruments and hedged items required by the FVH accounting application in accordance with "TAS 39- Financial Instruments: Recognition and Measurement" and its own risk management policies and principles. Every individual relationship is approved and documented in the same methodology. In accordance with "TAS 39- Financial Instruments: Recognition and Measurement", the effectiveness tests of the relationships are performed in accordance with the Bank's risk management policies. In the effectiveness tests, the fair values of the hedged item are calculated using the same assumptions used in calculation of fair values of the derivatives.

The effectiveness tests are performed prospectively and retrospectively on a monthly basis and the effectiveness of risk relationships are measured. At the inception date the effectiveness tests are performed prospectively. If the underlying hedge does not conform to the FVH accounting requirements (out of the 80% - 125% effectiveness range) or if the management voluntarily decides to discontinue the hedging relation, the adjustments made to the carrying value (amortized cost) of the hedged item are amortized with the straight line method and recognized in the profit or loss accounts within the remaining maturity. In addition if the hedging instrument is sold or closed before its maturity, the amount of the fair value adjustments of the hedged items are amortized to profit or loss accounts with the straight line method within the remaining maturity.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

10.2. Cash flow hedge accounting:

The Bank started to apply macro cash flow hedge accounting from January 1, 2010 onwards in order to hedge its cash flow risk from floating interest rate liabilities. The hedging instruments are USD, EUR and TL interest rate swaps, currency swaps and cross currency swaps with floating receive, fixed pay legs, and the hedged item is the cash outflows due to financing of interests of repricing USD, EUR and TL deposits, borrowings and repos.

The impact of application of CFH accounting is summarized below:

Current Period						
Type of hedging instrument	**Hedged item (asset and liability)**	**Nature of hedged risks**	**Net fair value of the hedging instrument**		**Net gain/(loss) recognized in hedging funds[(1)]**	**Net gain/(loss) reclassified to equity[(2)(3)]**
			Asset	**Liability**		
Interest rate swap / Currency swap / Cross currency interest rate swap	Customer deposits, borrowings and repos	Cash flow risk due to the changes in the interest rates	5.320.823	32.334	3.227.560	(2.151.990)

Prior Period						
Type of hedging instrument	**Hedged item (asset and liability)**	**Nature of hedged risks**	**Net fair value of the hedging instrument**		**Net gain/(loss) recognized in hedging funds[(1)]**	**Net gain/(loss) reclassified to equity[(2)(3)]**
			Asset	**Liability**		
Interest rate swaps/ Cross currency interest rate swap	Customer deposits, borrowings and repos	Cash flow risk due to the changes in the interest rates	7.357.997	32.350	5.379.550	3.046.675

(1) Includes deferred tax impact.
(2) Includes tax and foreign exchange differences.
(3) The ineffective portion of the mentioned hedging transaction is TL 594.177 gain (December 31, 2022 – TL 358.721 gain).

At the inception date, the Bank documents the relationship between the hedging instruments and hedged items required by the CFH accounting application in accordance with "TAS – 39 Financial Instruments: Recognition and Measurement" and its own risk management policies and principles. Every individual relationship is approved and documented in the same way. In accordance with "TAS – 39 Financial Instruments: Recognition and Measurement", the effectiveness tests of the relationships are performed in accordance with the Bank's risk management policies.

The effectiveness tests are performed on a monthly basis and the effectiveness of risk relationships are measured. If the underlying hedge does not conform to the CFH accounting requirements (out of the effectiveness range 80%-125%) or if the management voluntarily decides to discontinue the hedging relation or the hedging instrument is sold or closed before its maturity, the cumulative gain or loss on the hedging instrument that has been recognised in other comprehensive income from the period when the hedge was effective shall remain separately in equity until the forecast transaction occurs or is no longer expected to occur. When the hedged forecasted transactions are no longer expected to occur, the net cumulative gain or loss is reclassified from other comprehensive income to profit or loss.

10.3. Net Investment Hedge:

The Bank hedges part of the currency translation risk of net investments in foreign operations through foreign currency borrowings. The Bank's EURO denominated borrowing is designated as a hedge of the net investment in the Bank's certain EURO denominated subsidiaries. The total amount of the borrowing designated as a hedge of the net investment at December 31, 2023 is EUR 528 million (December 31, 2022 - EUR 469 million).

11. Explanations on the activities carried out on behalf of others and fiduciary transactions:

The Bank carries out trading, custody, management and consulting services on behalf of customers and on their account. The Bank has no fiduciary transactions.

12. Explanations on operating segments:

The Bank carries out its banking operations through three main business units:

- Retail Banking
- Corporate Banking
- Commercial and SME Banking

The Bank's Retail Banking activities include card payment systems, individual, individual portfolio, blue class, private banking. Retail Banking products and services offered to customers include card payment systems, consumer loans (including general purpose loans, auto loans, mortgages), commercial installment loans, time and demand deposits, gold banking, investment accounts, life and non-life insurance products and payroll services. In addition, customers who receive their monthly salary/SSI payments through our bank are offered privileges covering various banking transactions. Card payment systems cover the management of products, services, campaigns for member merchants as well as the sales and activities for a variety of customer types. Crystal, Play, Adios and Taksitçi are the other card brands providing services for the different segments within the World brand, shopping and marketing platform of the Bank. Through its Blue Class and Private Banking activities, the Bank serves high net worth customers and delivers investment products to this customer segment. Among the products and services offered to Private Banking customers are time deposit products, mutual funds, foreign exchange, gold and equity trading. Also, personal art advisory, inheritance advisory, real estate advisory, tax advisory, education and philanthropic advisory are offered within the Private Banking and Wealth Management activities.

Corporate, Commercial and SME Banking segment is organized into three subgroups: Corporate Banking for large-scale, international and multinational companies and Commercial Banking for medium-sized enterprises and SME Banking for SME companies. Corporate and Commercial Banking, has a product range of working capital finance, trade finance, project finance, domestic and international non-cash loans such as letters of credit and letters of guarantee, cash management, internet banking, financial advisory and equity management advisory. SME Banking offer to customers SME loans and SME banking packages products.

The Bank's widespread branch network and alternative distribution channels including ATMs, telephone banking, internet banking and mobile banking are utilized to serve customers in all segments. Treasury, Asset – Liability Management and other operations, mainly consist of treasury management's results, operations of supporting business units and other unallocated transactions.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Major balance sheet and income statement items based on operating segments:

The below table is prepared in accordance with the Management Information System (MIS) data of the Bank.

Current Period	**Retail banking**	**Corporate, banking**	**Commercial and SME banking**	**Treasury, asset-liability management and other**	**Total operations of the Bank**
Operating revenue	58.498.456	12.586.936	42.970.047	30.621.739	144.677.178
Operating expenses	(26.116.281)	(5.583.817)	(7.048.449)	(31.601.954)	(70.350.501)
Net operating income / (expense)	**32.382.175**	**7.003.119**	**35.921.598**	**(980.215)**	**74.326.677**
Dividend income(1)	-	-	-	9.429	9.429
Income/(loss) from investments accounted based on equity method(1)	-	-	-	8.215.171	8.215.171
Profit before tax	**32.382.175**	**7.003.119**	**35.921.598**	**7.244.385**	**82.551.277**
Tax provision expense(1)	-	-	-	(14.542.441)	(14.542.441)
Net period income	**32.382.175**	**7.003.119**	**35.921.598**	**(7.298.056)**	**68.008.836**
Net profit	**32.382.175**	**7.003.119**	**35.921.598**	**(7.298.056)**	**68.008.836**
Segment asset	380.947.485	185.429.804	244.868.623	889.638.296	1.700.884.208
Investments in associates, subsidiaries and joint ventures	-	-	-	37.766.927	37.766.927
Total assets	**380.947.485**	**185.429.804**	**244.868.623**	**927.405.223**	**1.738.651.135**
Segment liabilities	618.836.337	92.977.510	239.218.000	608.767.747	1.559.799.594
Shareholders' equity	-	-	-	178.851.541	178.851.541
Total liabilities	**618.836.337**	**92.977.510**	**239.218.000**	**787.619.288**	**1.738.651.135**

Prior Period	**Retail banking**	**Corporate, banking**	**Commercial and SME banking**	**Treasury, asset-liability management and other**	**Total operations of the Bank**
Operating revenue	20.936.911	6.562.696	18.276.595	64.308.299	110.084.501
Operating expenses	(15.442.780)	(4.982.023)	(7.397.186)	(17.101.910)	(44.923.899)
Net operating income / (expense)	**5.494.131**	**1.580.673**	**10.879.409**	**47.206.389**	**65.160.602**
Dividend income(1)	-	-	-	49.988	49.988
Income/(loss) from investments accounted based on equity method(1)	-	-	-	3.102.944	3.102.944
Profit before tax	**5.494.131**	**1.580.673**	**10.879.409**	**50.359.321**	**68.313.534**
Tax provision expense(1)	-	-	-	(15.568.845)	(15.568.845)
Net period income	**5.494.131**	**1.580.673**	**10.879.409**	**34.790.476**	**52.744.689**
Net profit	**5.494.131**	**1.580.673**	**10.879.409**	**34.790.476**	**52.744.689**
Segment asset	218.433.296	136.525.915	196.590.142	535.695.783	1.087.245.136
Investments in associates, subsidiaries and joint ventures	-	-	-	20.848.457	20.848.457
Total assets	**218.433.296**	**136.525.915**	**196.590.142**	**556.544.240**	**1.108.093.593**
Segment liabilities	406.396.874	91.213.313	164.104.986	320.122.030	981.837.203
Shareholders' equity	-	-	-	126.256.390	126.256.390
Total liabilities	**406.396.874**	**91.213.313**	**164.104.986**	**446.378.420**	**1.108.093.593**

(1) Related items have not been distributed based on operating segments and presented under "Treasury, Asset-Liability Management and Other".

13. Explanations on fees for services received from independent auditor (1):

Persuant to decision of POA dated March 26, 2021 and numbered 660, fees for services received from independent auditor are presented below:

	Current Period	**Prior Period**
Independent audit fee	29.600	18.405
Tax advisory services fee	935	549
Other assurance services fee	2.275	1.696
Total(2)	**32.810**	**20.650**

(1) Value added tax (VAT) excluded amounts are presented.
(2) Relevant amounts are presented on a consolidated basis, including domestic and foreign subsidiaries of the Bank.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Section Five - Explanations and notes related to unconsolidated financial statements

1. Explanations and notes related to assets

1.1. Information related to cash and the account of the Central Bank of the Republic of Türkiye:

1.1.1. Information on cash and the account of the CBRT:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Cash	3.655.621	18.267.050	2.606.269	10.318.674
The CBRT(1)	98.386.789	142.963.897	33.129.765	97.841.163
Other	-	612	-	259
Total	**102.042.410**	**161.231.559**	**35.736.034**	**108.160.096**

(1) The balance of gold amounting to TL 17.611.624 is accounted for under the Central Bank foreign currency account (December 31, 2022 – TL 14.779.986).

1.1.2. Information on the account of the CBRT:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Demand unrestricted amount(1)	86.406.051	59.857.962	33.129.765	35.844.180
Time unrestricted amount	-	-	-	-
Time restricted amount	-	-	-	2.990.650
Reserve requirement(2)	11.980.738	83.105.935	-	59.006.333
Total	**98.386.789**	**142.963.897**	**33.129.765**	**97.841.163**

(1) The TL reserve requirement has been classified in "Central Bank Demand Unrestricted Account" based on the correspondence with BRSA letter as of January 3, 2008.
(2) The Bank keeps TL, USD, EUR and Gold reserve deposits for its TL and FX liabilities at Central Bank accounts in accordance with the legislation of the Central Bank numbered 2013/15, "Decree on Reserve Deposits.

1.2 Information on financial assets measured at fair value through profit or loss:

The Bank has financial assets measured at fair value through profit or loss subject to repo transactions and given as collateral/blocked amounts to TL 1.387.449 (December 31, 2022 - TL 780.236).

1.3 Information on derivative financial assets:

1.3.1. Positive differences related to derivative financial assets held for trading:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Forward transactions	814.178	8.085	1.034.624	3.889
Swap transactions	8.577.085	6.548.119	5.262.254	3.702.838
Futures transactions	4.012	-	23.185	-
Options	31.050	1.173	279.107	893.297
Other	-	-	-	-
Total	**9.426.325**	**6.557.377**	**6.599.170**	**4.600.024**

1.3.2. Positive differences related to derivative financial assets held for hedging:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Fair value hedges (1)	-	-	-	-
Cash flow hedges (1)	1.857.907	3.462.916	3.658.070	3.699.927
Hedges for investments made in foreign countries	-	-	-	-
Total	**1.857.907**	**3.462.916**	**3.658.070**	**3.699.927**

(1) Explained in Note 10 of section 4.

1.4 Information on banks

1.4.1. Information on banks:

	Current Period		Prior Period	
	TL	**FC**	**TL**	**FC**
Banks				
Domestic	1.121	24.371	4.303.372	13.446
Foreign	-	27.576.490	-	22.089.148
Head quarters and branches abroad	-	-	-	-
Total	**1.121**	**27.600.861**	**4.303.372**	**22.102.594**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

1.4.2. Information on foreign banks account

	Unrestricted amount		Restricted amount	
	Current Period	Prior Period	Current Period	Prior Period
EU countries	4.211.243	4.883.436	-	-
USA, Canada	20.459.442	15.355.178	2.358.509	1.515.978
OECD countries [1]	102.190	34.545	-	-
Off-shore banking regions	1.708	1.556	-	-
Other	443.398	298.455	-	-
Total	**25.217.981**	**20.573.170**	**2.358.509**	**1.515.978**

(1) OECD countries except EU countries, USA and Canada.

1.4.3. Information on money markets receiveables

As of December 31, 2023 the bank has no money market receivables (December 31, 2022 – TL 2.461.599).

1.5 Information on financial assets at fair value through other comprehensive income which are subject to repurchase agreements and given as collateral / blocked:

As of December 31, 2023 financial assets measured at fair value through other comprehensive income given as repo transactions amounts to TL 10.388.515 (December 31, 2022 - TL 827.520). The securities, subject to collateral/blocked are TL 16.848.459 (December 31, 2022 - TL 28.421.698) of which blocked at the CBRT is TL 6.127.002 (December 31, 2022 - TL 12.534.283).

1.6 Information on financial assets at fair value through other comprehensive income:

	Current Period	Prior Period
Debt securities	100.203.690	78.495.183
Quoted on stock exchange	100.202.647	76.718.482
Not quoted	1.043	1.776.701
Share certificates	171.195	70.343
Quoted on stock exchange	-	-
Not quoted	171.195	70.343
Impairment provision (-)[1]	4.981.728	1.221.773
Total	**95.393.157**	**77.343.753**

(1) Includes the negative differences between the acquisition cost and the market price related to the securities portfolio.

1.7 Explanations on loans:

1.7.1. Information on all types of loans or advance balances given to shareholders and employees of the Bank:

	Current Period		Prior Period	
	Cash	Non-cash	Cash	Non-cash
Direct loans granted to shareholders	-	-	-	-
Corporate shareholders	-	-	-	-
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	**35.697**	**1.304.299**	**107.694**	**903.139**
Loans granted to employees	**837.758**	**183**	**478.328**	**29**
Total	**873.455**	**1.304.482**	**586.022**	**903.168**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

1.7.2. Information on the first and second group loans and other receivables and loans and other receivables that have been restructured or rescheduled:

		Loans under close monitoring		
			Loans under restructuring	
Cash Loans	**Standard Loans**	**Not under the scope of restructuring**	**Modifications on agreement conditions**	**Refinancing**
Non-specialized loans	**773.730.161**	**54.795.283**	**1.862.929**	**46.367.600**
Loans given to enterprises	224.460.792	27.689.271	1.157.918	31.057.849
Export loans	57.469.412	5.002.614	413.072	4.415.067
Import loans	-	-	-	-
Loans given to financial sector	33.658.651	-	-	-
Consumer loans	160.161.851	9.263.357	-	2.896.317
Credit cards	208.066.453	9.007.004	-	2.917.562
Other	89.913.002	3.833.037	291.939	5.080.805
Specialized loans	**-**	**-**	**-**	**-**
Other receivables	**974.531**	**-**	**-**	**-**
Total	**774.704.692**	**54.795.283**	**1.862.929**	**46.367.600**

	Standard loans	**Loans under close monitoring**
12-month provisions for possible losses	5.672.509	-
Significant increase in credit risk	-	15.243.845
Total	**5.672.509**	**15.243.845**

1.7.3. Loans according to their maturity structure:

		Loans under close monitoring	
	Standard loans	**Not under the scope of restructuring**	**Agreement conditions modified**
Short-term loans	436.449.484	16.515.494	3.019.207
Medium and long-term loans	338.255.208	38.279.789	45.211.322
Total	**774.704.692**	**54.795.283**	**48.230.529**

1.7.4. Information on loans by types and specific provisions

1.7.4.1. Information on loans by types and specific provisions:

Current Period	**Corporate, commercial and other loans**	**Consumer loans**	**Credit cards**	**Total**
Standard loans	406.476.388	160.161.851	208.066.453	774.704.692
Watch list	78.941.572	12.159.674	11.924.566	103.025.812
Loans under legal follow-up	18.453.974	6.228.677	2.147.068	26.829.719
Specific provisions (-)	12.031.981	5.313.706	1.557.886	18.903.573
Total	**491.839.953**	**173.236.496**	**220.580.201**	**885.656.650**

Prior Period	**Corporate, commercial and other loans**	**Consumer loans**	**Credit cards**	**Total**
Standard loans	298.464.143	103.533.623	103.295.497	505.293.263
Watch list	65.202.617	8.265.995	6.619.340	80.087.952
Loans under legal follow-up	14.894.720	4.464.832	1.373.560	20.733.112
Specific provisions (-)	10.379.291	4.146.363	1.256.662	15.782.316
Total	**368.182.189**	**112.118.087**	**110.031.735**	**590.332.011**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

1.7.4.2. Specific provisions provided against loans:

Current Period	Corporate, commercial and other loans	Consumer loans	Credit cards	Total
Opening balance	**10.379.291**	**4.146.363**	**1.256.662**	**15.782.316**
Impairment	4.325.401	5.621.058	1.097.529	11.043.988
Collections (-)	1.802.036	2.664.910	336.326	4.803.272
Write-off (-)	870.675	1.788.805	459.979	3.119.459
Total	**12.031.981**	**5.313.706**	**1.557.886**	**18.903.573**

Prior Period	Corporate, commercial and other loans	Consumer loans	Credit cards	Total
Opening balance	**9.963.054**	**2.505.366**	**1.249.426**	**13.717.846**
Impairment	5.356.134	3.650.863	890.671	9.897.668
Collections (-)	1.622.025	1.013.083	416.338	3.051.446
Write-off (-)	3.317.872	996.783	467.097	4.781.752
Total	**10.379.291**	**4.146.363**	**1.256.662**	**15.782.316**

1.7.4.3. Fair value of collaterals:

Current Period	Corporate, commercial and other loans	Consumer loans	Credit cards	Total
Watch List	42.228.448	316.148	-	42.544.596
Loans under legal follow-up	7.369.457	66.208	-	7.435.665
Total	**49.597.905**	**382.356**	**-**	**49.980.261**

Prior Period	Corporate, commercial and other loans	Consumer loans	Credit cards	Total
Watch List	42.642.724	191.760	-	42.834.484
Loans under legal follow-up	4.439.865	52.027	-	4.491.892
Total	**47.082.589**	**243.787**	**-**	**47.326.376**

1.7.5. Information on consumer loans, individual credit cards, personnel loans and personnel credit cards:

	Short-term	Medium and long-term	Total
Consumer loans-TL	**35.403.973**	**103.080.153**	**138.484.126**
Real estate loans	13.863	16.104.196	16.118.059
Automotive loans	3.265.232	12.978.903	16.244.135
Consumer loans	32.124.878	73.997.054	106.121.932
Consumer loans-FC indexed	**-**	**30.292**	**30.292**
Real estate loans	-	30.292	30.292
Automotive loans	-	-	-
Consumer loans	-	-	-
Individual credit cards-TL	**183.034.313**	**1.430.599**	**184.464.912**
With installments	90.084.298	1.050.748	91.135.046
Without installments	92.950.015	379.851	93.329.866
Individual credit cards-FC	**484.583**	**15.429**	**500.012**
With installments	-	-	-
Without installments	484.583	15.429	500.012
Personnel loans-TL	**79.742**	**211.652**	**291.394**
Real estate loans	-	2.112	2.112
Automotive loans	3.787	4.497	8.284
Consumer loans	75.955	205.043	280.998
Personnel loans-FC indexed	**-**	**-**	**-**
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Personnel credit cards-TL	**474.019**	**487**	**474.506**
With installments	241.441	308	241.749
Without installments	232.578	179	232.757
Personnel credit cards-FC	**3.392**	**-**	**3.392**
With installments	-	-	-
Without installments	3.392	-	3.392
Credit deposit account-TL (real person)(1)	**33.515.713**	**-**	**33.515.713**
Total	**252.995.735**	**104.768.612**	**357.764.347**

(1) TL 68.466 of the credit deposit account belongs to the loans used by personnel.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

1.7.6. Information on commercial installment loans and corporate credit cards:

	Short-term	Medium and long-term	Total
Commercial installments loans-TL	**7.774.658**	**62.104.398**	**69.879.056**
Business loans	63	1.289.282	1.289.345
Automotive loans	1.739.816	25.079.001	26.818.817
Consumer loans	6.034.779	35.736.115	41.770.894
Commercial installments loans-FC indexed	**-**	**-**	**-**
Business loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Corporate credit cards-TL	**34.242.729**	**293.582**	**34.536.311**
With installment	16.242.483	292.281	16.534.764
Without installment	18.000.246	1.301	18.001.547
Corporate credit cards-FC	**11.691**	**195**	**11.886**
With installment	-	-	-
Without installment	11.691	195	11.886
Credit deposit account-TL (legal person)	**2.791.401**	**-**	**2.791.401**
Total	**44.820.479**	**62.398.175**	**107.218.654**

1.7.7. Distribution of loans by users [(1)]:

	Current Period	Prior Period
Public	25.863.648	17.038.689
Private	851.866.856	568.342.526
Total	**877.730.504**	**585.381.215**

(1) Non-performing loans are not included.

1.7.8. Distribution of domestic and foreign loans [(1)]:

Distribution has been disclosed based on the location where the customers operate:

	Current Period	Prior Period
Domestic loans	868.909.430	577.086.640
Foreign loans	8.821.074	8.294.575
Total	**877.730.504**	**585.381.215**

(1) Non-performing loans are not included.

1.7.9. Loans granted to associates and subsidiaries:

	Current Period	Prior Period
Direct loans granted to associates and subsidiaries	3.978.209	1.528.739
Indirect loans granted to associates and subsidiaries	-	-
Total	**3.978.209**	**1.528.739**

1.7.10. Information on credit-impaired (Stage 3):

	Current Period	Prior Period
Loans with limited collectability	1.963.518	2.222.668
Loans with doubtful collectability	6.851.466	3.223.447
Uncollectable loans	10.088.589	10.336.201
Total	**18.903.573**	**15.782.316**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

1.7.11. Information on non-performing loans (net):

1.7.11.1. Information on restructured loans from non-performing loans:

	III. Group	IV. Group	V. Group
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Current Period			
Gross amounts before specific reserves	**583.037**	**809.720**	**5.827.714**
Restructured loans	583.037	809.720	5.827.714
Prior Period			
Gross amounts before specific reserves	**670.884**	**370.519**	**4.128.764**
Restructured loans	670.884	370.519	4.128.764

1.7.11.2. Information on the movement of total non-performing loans:

	III. Group	IV. Group	V. Group
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Prior Period	**3.311.027**	**3.883.190**	**13.538.895**
Additions (+)	15.569.148	816.557	1.913.868
Transfers from other categories of non- performing loans (+)	-	14.606.092	6.951.828
Transfer to other categories of non- performing loans (-)	14.606.092	6.951.828	-
Collections (-)	1.317.881	1.953.305	5.812.321
Write-offs (-)	-	-	72.420
Sold (-)	-	-	3.047.039
Corporate and commercial loans	-	-	861.183
Consumer loans	-	-	1.755.619
Credit cards	-	-	430.237
Other	-	-	-
Current Period	**2.956.202**	**10.400.706**	**13.472.811**
Specific provision (-)	1.963.518	6.851.466	10.088.589
Net balance on balance sheet	**992.684**	**3.549.240**	**3.384.222**

TL 3.375.849 of non-performing loans, some of which were written off in previous periods, were sold to various asset management companies, by the decisions of the board of directors for TL 1.112.150.

1.7.11.3. Information on non-performing loans granted as foreign currency loans:

	III. Group	IV. Group	V. Group
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Current Period			
Period end balance	101.944	6.823.946	6.811.789
Specific provision (-)	99.969	4.292.885	4.555.633
Net balance on-balance sheet	**1.975**	**2.531.061**	**2.256.156**
Prior Period			
Period end balance	1.968.423	1.818.759	5.878.480
Specific provision (-)	1.388.732	1.803.114	3.371.100
Net balance on-balance sheet	**579.691**	**15.645**	**2.507.380**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

1.7.11.4. Information on the gross and net amounts of the non-performing loans according to types of borrowers:

	III. Group	IV. Group	V. Group
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Current Period (net)	**992.684**	**3.549.240**	**3.384.222**
Loans granted to real persons and corporate entities (gross)	2.956.202	10.400.706	13.388.137
Provision amount (-)	1.963.518	6.851.466	10.003.915
Loans granted to real persons and corporate entities (net)	992.684	3.549.240	3.384.222
Banks (gross)	-	-	774
Provision amount (-)	-	-	774
Banks (net)	-	-	-
Other loans (gross)	-	-	83.900
Provision amount (-)	-	-	83.900
Other loans (Net)	-	-	-
Prior Period (net)	**1.088.359**	**659.743**	**3.202.694**
Loans granted to real persons and corporate entities (gross)	3.311.027	3.883.190	13.454.221
Specific provision amount (-)	2.222.668	3.223.447	10.251.527
Loans granted to real persons and corporate entities (Net)	1.088.359	659.743	3.202.694
Banks (gross)	-	-	774
Specific provision amount (-)	-	-	774
Banks (net)	-	-	-
Other loans and receivables (gross)	-	-	83.900
Specific provision amount (-)	-	-	83.900
Other loans and receivables (Net)	-	-	-

1.7.11.5. Information on interest accruals, rediscounts and valuation differences calculated for non-performing loans and their provisions:

	III. Group	IV. Group	V. Group
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Current Period (net)	**132.452**	**195.355**	**199.668**
Interest accruals and rediscounts and valuation differences	327.091	605.675	1.610.291
Provision amount (-)	194.639	410.320	1.410.623
Prior Period (net)	**147.012**	**140.162**	**314.154**
Interest accruals and rediscounts and valuation differences	422.447	475.126	1.227.208
Provision amount (-)	275.435	334.964	913.054

1.7.12. Explanation on liquidation policy for uncollectible loans and receivables:

Uncollectible loans and receivables, which are classified in accordance with the Provisioning Regulation, are collected through legal follow-up, voluntary payments and liquidation of collaterals.

1.7.13. Explanation on write-off policies:

In order to ensure the liquidation of non-performing loans and other receivables related to the liquidation policy, to provide the maximum collection all possible alternatives within the framework of the legislation are applied, and in case of collection, liquidation or receivables with no possibility of restructuring, the legal follow-up and conversion of collaterals into cash method is applied.

The receivables that are determined to be uncollectible in the Legal Follow-up process regarding the write-off policy can be deleted by the resolution of the Board of Directors by fulfilling the requirements in the relevant laws, regulations and internal directives.

Besides, in accordance with the changes on "Provisioning Regulation" published in the Official Gazette No. 30961 dated November 27, 2019 by the BRSA, the Bank, during the period deemed appropriate under TFRS 9, may write off part of the loans for which the Bank has no reasonable expectation of recovery and that are classified under group five with a life time expected credit loss due the to default of debtor, starting from the following reporting date that the loan is classified in group five. Write off is only an accounting application in accordance with the related change in the regulation and it does not result in waive from the Bank's right to receive.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

1.8 Information on financial assets at amortized cost:

1.8.1 Characteristics and carrying values of financial assets measured at amortised cost which are subject to repurchase agreements and given as collateral / blocked:

As of December 31, 2023 financial assets measured at amortised cost given as repo transactions amounting to TL 53.304.273 (December 31, 2022 - TL 29.017.189). The securities subject to collateral/blocked are TL 122.707.615 (December 31, 2022 - TL 77.529.451) of which blocked at the CBRT is TL 39.080.654 (December 31, 2022 - TL 14.502.644).

1.8.2 Information on public sector debt securities measured at amortized cost:

	Current Period	Prior Period
Government bond	301.134.141	162.969.794
Treasury bill	-	-
Other public sector debt securities	4.200.353	330.804
Total	**305.334.494**	**163.300.598**

1.8.3 Information on financial assets measured at amortized cost:

	Current Period	Prior Period
Debt securities	314.180.903	167.960.745
Quoted on stock exchange	314.180.903	167.960.745
Not quoted	-	-
Impairment provision (-)(1)	8.846.409	4.660.147
Total	**305.334.494**	**163.300.598**

(1) Includes amortisation of the premiums paid during the purchase of the securities throughout the maturity of the securities.

1.8.4 Movement of financial assets measured at amortized cost within the period:

	Current Period	Prior Period
Beginning balance	**163.300.598**	**91.875.500**
Foreign currency differences on monetary assets(1)	84.232.334	50.867.573
Purchases during the year	66.445.598	30.470.261
Disposals through sales and redemptions(-)	4.457.774	7.862.794
Impairment provision (-)(2)	4.186.262	2.049.942
Period end balance	**305.334.494**	**163.300.598**

(1) Also includes the changes in the interest income accruals.
(2) Includes amortisation of the premiums paid during the purchase of the securities throughout the maturity of the securities.

1.9 Information on investments in associates (net):

1.9.1 Information on unconsolidated investments in associates:

No	Description	Address (City/ Country)	Bank's share holding percentage if different voting group percentage (%)	Bank's risk share holding percentage(%)
1.	Tanı Pazarlama ve İletişim Hizmetleri A.Ş.	Istanbul/Türkiye	38,05	38,05
2.	Banque de Commerce et de Placements S.A.	Geneva/Switzerland	30,67	30,67
3.	Kredi Kayıt Bürosu(1)	Istanbul/Türkiye	18,18	18,18
4.	Bankalararası Kart Merkezi (1)	Istanbul/Türkiye	4,89	4,89

No	Total assets	Shareholders' equity	Total fixed assets	Interest income	Income from marketable securities portfolio	Current period profit/loss	Prior period profit/loss	Fair value
1.	154.028	(209.471)	66.835	2.345	-	(228.814)	(41.648)	-
2.	111.134.356	22.894.486	69.484	4.332.767	758.319	1.166.474	716.296	-
3.	1.201.571	242.443	452.695	29.452	-	128.363	29.975	-
4.	3.880.800	3.344.720	380.638	511.366	-	2.659.647	207.417	-

(1) Financial statement information is September 30, 2023.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

1.9.2 Movement of unconsolidated investments in associates:

	Current Period	Prior Period
Balance at the beginning of the period	**2.910.408**	**2.089.190**
Movements during the period	**3.298.322**	**821.218**
Purchases	-	-
Free shares obtained profit from current year's share	-	-
Profit from current year's income	1.240.416	-
Sales(-)	-	-
Revaluation (decrease) / increase(1)	2.152.936	870.196
Impairment provision (-)(2)	95.030	48.978
Balance at the end of the period	**6.208.730**	**2.910.408**
Capital commitments	-	-
Shareholding percentage at the end of the period (%)	-	-

(1) Includes the differences in the other comprehensive income related with the equity method accounting.
(2) Includes dividend income received in the current period.

1.9.3 Information on sectors and the carrying amounts of unconsolidated financial investments in associates:

	Current Period	Prior Period
Banks	6.170.284	2.871.962
Insurance companies	-	-
Factoring companies	-	-
Leasing companies	-	-
Finance companies	-	-
Other financial investments	-	-
Total	**6.170.284**	**2.871.962**

1.9.4 Information on investments in associates quoted on a stock exchange:

None (December 31, 2022 - None).

1.10 Information on shareholders' equity of the significant subsidiaries (net):

There is no deficit of regulatory limits on capital structure of the subsidiaries which are included in the consolidated capital adequacy ratio calculation in accordance with the capital adequacy ratio limits.

1.10.1 Information on shareholders' equity of the significant subsidiaries:

	Yapı Kredi Yatırım Menkul Değerler A.Ş.	Yapı Kredi Faktoring A.Ş.	Yapı Kredi Finansal Kiralama A.O.	Yapı Kredi Portföy Yönetimi A.Ş.	Yapı Kredi Bank Nederland N.V.
Core capital					
Paid in capital	98.918	130.000	389.928	32.642	112.442
Inflation adjustment to share capital	-	-	-	-	-
Share premium	-	-	-	-	-
Other capital reserves	117.569	-	(217.104)	-	-
Other accumulated comprehensive income that will not be classified in profit or loss	23.411	(16.243)	(37.713)	(6.342)	-
Other accumulated comprehensive income that will be classified in profit or loss	(239)	-	40.649	-	13.578.697
Legal reserves	98.890	26.000	79.305	61.812	-
Extraordinary reserves	1.342.885	874.273	3.859.069	-	1.948.770
Other profit Reserves	-	-	-	-	-
Income or Loss	2.675.730	745.302	1.580.809	608.037	1.528.686
Current Year Income/Loss	2.745.676	745.302	1.492.394	584.162	1.528.686
Prior Years' Income/Loss	(69.946)	-	88.415	23.875	-
Leasehold improvements (-)	-	1.119	655	243	44
Intangible assets (-)	43.409	13.979	52.228	1.330	3.941
Total core capital	**4.313.755**	**1.744.234**	**5.642.060**	**694.576**	**17.164.610**
Supplementary capital	**25.160**	**88.104**	**247.868**	**-**	**189.653**
Capital	**4.338.915**	**1.832.338**	**5.889.928**	**694.576**	**17.354.263**
Deductions from the capital	-	-	-	-	-
Total shareholders' equity	**4.338.915**	**1.832.338**	**5.889.928**	**694.576**	**17.354.263**

The above information is based on the consolidated financial statements of the Bank as of December 31, 2023.

Paid-in capital is a capital which have been disclosed as Turkish Lira in the articles of incorporation and registered in trade register.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Inflation adjustment to share capital is the adjustment difference arising from inflation accounting.

Extraordinary Reserves are the reserves which represent the remaining net income of the previous periods after providing the legal reserves in accordance with the General Assembly of the Bank.

Legal reserves are the income reserves that are provided according to the first paragraph and the third subparagraph of the second paragraph of the article no 466 and no 467 of the Turkish Commercial Code No. 6762 allocated as capital reserves separated from annual profit according to the laws of foundation.

1.10.2 Information on subsidiaries(1):

No	Description	Address (City/ Country)	Bank's share holding percentage if different voting percentage (%)	Bank's risk group share holding percentage (%)
1	Yapı Kredi Holding B.V.	Amsterdam/Holland	100,00	100,00
2	Yapı Kredi Yatırım Menkul Değerler A.Ş.	Istanbul/Türkiye	99,98	100,00
3	Yapı Kredi Faktoring A.Ş.	Istanbul/Türkiye	99,95	100,00
4	Yapı Kredi Finansal Kiralama A.O.	Istanbul/Türkiye	99,99	99,99
5	Yapı Kredi Portföy Yönetimi A.Ş.	Istanbul/Türkiye	12,65	99,99
6	Yapı Kredi Bank Nederland N.V.	Amsterdam/Holland	67,24	100,00
7	Yapı Kredi Azerbaycan	Baku/Azerbaijan	99,80	100,00
8	Enternasyonal Turizm Yatırım A.Ş	Istanbul/Türkiye	99,99	99,99
9	Yapı Kredi Kültür Sanat Yayıncılık Tic. ve San. A.Ş.	Istanbul/Türkiye	100,00	100,00
10	Yapı Kredi Teknoloji A.Ş.	Istanbul/Türkiye	100,00	100,00
11	Yapı Kredi Finansal Teknolojiler A.Ş.	Istanbul/Türkiye	100,00	100,00

(1) It has been decided to purchase all the shares of Bankhaus J. Faisst oHG ("BHF"), which has banking licenses, in order to carry out banking activities in Germany, and the process of obtaining legal permissions continues.

1.10.3 Main financial figures of the subsidiaries in order of the above table:

Financial statement information disclosed consolidated financial statements results.

	Total assets	Shareholders' equity	Total fixed assets	Interest income	Income from marketable securities portfolio	Current period profit / loss	Prior period profit /loss	Market value	Required equity
1	116.891	114.448	-	-	-	1.363	938	-	-
2	14.829.657	4.357.164	115.105	3.794.529	12.228	2.745.676	997.983	-	-
3	12.155.026	1.759.332	30.665	2.867.896	-	745.302	390.435	-	-
4	38.256.534	5.694.943	63.930	4.566.353	-	1.492.394	837.136	-	-
5	867.940	696.149	5.749	148.275	-	584.162	331.233	-	-
6	88.961.471	17.168.595	59.610	3.443.780	171.937	1.528.686	616.341	-	-
7	9.245.136	1.849.636	400.740	414.346	74.830	134.512	53.598	-	-
8	109.851	96.819	34.543	9.272	-	11.586	6.390	-	-
9	186.800	81.580	1.696	408	-	13.663	4.270	-	-
10	130.945	47.855	9.746	6.165	-	23.018	939	-	-
11	25.015	25.015	-	-	-	-	-	-	-

1.10.4 Movement schedule of subsidiaries:

	Current Period	Prior Period
Balance at the beginning of the period	**17.905.733**	**13.110.619**
Movements in period	**13.620.148**	**4.795.114**
Purchases	-	-
Free shares obtained profit from current years share	-	-
Dividends from current year income	6.974.755	3.102.944
Sales (-)(1)	-	163.842
Revaluation increase/decrease(1), (2)	6.915.441	1.995.716
Impairment provision (-)(3)	270.048	139.704
Balance at the end of the period	**31.525.881**	**17.905.733**
Capital commitments	-	-
Shareholding percentage at the end of the period (%)	-	-

(1) The paid in capital amounting to EUR 60 million of Yapı Kredi Bank Malta Ltd, of which 100% of its shares indirectly owned by the Bank through Yapı Kredi Holding B.V., was reduced within the framework of the liquidation process on May 20, 2022 and concurrently the paid in capital of Yapı Kredi Holding B.V. amounting to EUR 102 million, was reduced to EUR 42 million.

(2) Includes the shares taken from the other comprehensive income according to the equity method.

(3) Includes dividend income received in the current period.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

1.10.5 Sectoral information on financial subsidiaries and the related carrying amounts:

	Current Period	Prior Period
Banks	13.390.646	7.330.588
Insurance companies	-	-
Factoring companies	1.758.494	1.015.337
Leasing companies	5.694.593	4.237.311
Finance companies	-	-
Other financial subsidiaries	10.682.148	5.322.497
Total	**31.525.881**	**17.905.733**

1.10.6 Subsidiaries quoted on stock exchange:

None (December 31, 2022 - None).

1.11 Information on joint ventures (net):

None (December 31, 2022 - None).

1.12 Information on lease receivables (net):

None (December 31, 2022 - None).

1.13 Information on tangible assets:

	Immovable	Leased fixed assets	Vehicles	Right of use assets[(1)]	Other tangible fixed assets	Total
Prior Period						
Cost	7.331.646	166.897	5.005	2.447.780	2.959.765	12.911.093
Accumulated depreciation (-)	932.995	132.356	2.792	694.564	1.301.709	3.064.416
Net book value	**6.398.651**	**34.541**	**2.213**	**1.753.216**	**1.658.056**	**9.846.677**
Current Period						
Net book value at beginning of the period	**6.398.651**	**34.541**	**2.213**	**1.753.216**	**1.658.056**	**9.846.677**
Additions[(2)]	6.080.781	2.703	30.701	2.557.900	1.684.453	10.356.538
Disposals (-) net	24.912	-	-	517.588	8.960	551.460
Reversal of impairment	-	-	-	-	-	-
Impairment (-)	-	-	-	-	-	-
Depreciation (-)	69.601	3.086	3.639	690.911	443.527	1.210.764
Net book value at end of the period	**12.384.919**	**34.158**	**29.275**	**3.102.617**	**2.890.022**	**18.440.991**
Cost at the end of the period	13.333.735	159.740	35.403	4.230.169	4.531.259	22.290.306
Accumulated depreciation at the period end (-)	948.816	125.582	6.128	1.127.552	1.641.237	3.849.315
Net book value	**12.384.919**	**34.158**	**29.275**	**3.102.617**	**2.890.022**	**18.440.991**

(1) Includes branch and ATM leases accounted within the scope of TFRS 16.

(2) The Bank revalued its real estates included in tangible fixed assets on December 31, 2023, and the revaluation increase amounting to TL 6.066.155 is included in the additions.

As of December 31, 2023, the Bank had no provision for impairment (December 31, 2022 – None) for the property and equipment.

1.14 Information on intangible assets:

	Current Period	Prior Period
Balance at the beginning of the period	**1.206.951**	**2.001.661**
Additions during the period	902.549	420.671
Unused and disposed items (-)	4.060	246
Provision for goodwill impairment (-)	-	979.493
Amortization expenses (-)	310.055	235.642
Balance at the end of the period	**1.795.385**	**1.206.951**

1.15 Information on investment property:

None (December 31, 2022 - None).

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

1.16 Information on deferred tax:

	Current Period		Prior Period	
	Tax base	**Deferred tax**	**Tax base**	**Deferred tax**
Expected credit loss	24.998.368	7.499.511	22.707.362	5.676.841
Provision for pension fund	10.027.806	3.008.342	2.945.243	736.311
Provision for employee benefit	3.893.879	1.168.164	3.181.053	795.263
Valuation difference of securities portfolio	-	-	1.926.685	481.672
Subsidiaries, investment in associates and share certificates	122.117	36.635	122.117	30.529
Other	14.303.732	4.291.121	4.880.511	1.218.546
Total deferred tax asset	**53.345.902**	**16.003.773**	**35.762.971**	**8.939.162**
Derivative financial assets	9.815.716	2.944.715	3.215.476	803.869
Property, equipment and intangibles, net	5.936.088	1.272.444	8.043.467	1.496.348
Valuation difference of securities portfolio	5.702.908	1.710.872	-	-
Other	4.701.202	1.410.361	5.967.873	1.491.969
Total deferred tax liability	**26.155.914**	**7.338.392**	**17.226.816**	**3.792.186**
Deferred tax asset / (liability) net	**27.189.988**	**8.665.381**	**18.536.155**	**5.146.976**

In accordance with TAS 12, deferred tax assets and deferred tax liabilities in the financial statements are clarified and deferred tax asset amounting to TL 8.665.381 is presented in the financial statements (December 31, 2022 – TL 5.146.976 deferred tax assets).

1.17 Movement schedule of assets held for resale and related to discontinued operations:

	Current Period	Prior Period
Net book value at the beginning of the period	**1.035.873**	**1.327.210**
Additions (1)	85.530	228.266
Disposals (-), net	95.314	519.619
Impairment provision reversal	-	16
Impairment (-)	-	-
Depreciation (-)	-	-
Net book value at the end of the period	**1.026.089**	**1.035.873**
Cost at the end of the period	1.027.363	1.037.344
Accumulated depreciation at the end of the period (-)	1.274	1.471
Net book value at the end of the period	**1.026.089**	**1.035.873**

(1) In current period, the carrying value of asset held for resale with a right of repurchase is TL 16.000 (December 31, 2022 – TL 33.196). The total net carrying value of asset held for resale with a right of repurchase is TL 882.752 (December 31, 2022 – TL 913.642).

As of December 31, 2023, the Bank booked impairment provision on assets held for resale with an amount of TL 1.223 (December 31, 2022 – TL 1.223).

1.18 Information on other assets:

As of December 31, 2023, other assets do not exceed 10% of the total assets.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

2 Explanations and notes related to liabilities

2.1 Information on deposits:

2.1.1 Information on maturity structure of deposits/collected funds [1]:

Current Period[1]	Demand	Up to 1 month	1-3 Months	3-6 Months	6 Months-1 Year	1 Year and over	Cumulative savings account	Total
Saving deposits	71.503.238	12.316.588	180.556.060	67.060.644	63.655.624	4.046.941	189	399.139.284
Foreign currency deposits	236.198.004	31.245.223	44.378.132	2.796.545	738.134	2.228.808	-	317.584.846
Residents in Türkiye	227.928.695	30.591.376	42.705.009	2.549.676	672.643	611.694	-	305.059.093
Residents abroad	8.269.309	653.847	1.673.123	246.869	65.491	1.617.114	-	12.525.753
Public sector deposits	5.846.024	3.115.835	119.870	18.835	1.508	-	-	9.102.072
Commercial deposits	55.128.973	23.716.001	76.978.621	17.454.437	27.091.967	2.032.242	-	202.402.241
Other institutions deposits	755.091	919.243	4.980.443	1.066.252	521.736	169	-	8.242.934
Precious metals vault	64.463.474	-	1.854.413	-	1.070.896	203.323	-	67.592.106
Bank deposits	1.075.215	6.638.026	13.579.519	4.878.101	5.732.620	502.969	-	32.406.450
The CBRT	-	-	-	-	-	-	-	-
Domestic banks	56.007	6.626.558	1.264.438	4.878.101	5.732.620	502.969	-	19.060.693
Foreign banks	558.830	11.468	12.315.081	-	-	-	-	12.885.379
Participation banks	460.378	-	-	-	-	-	-	460.378
Other	-	-	-	-	-	-	-	-
Total	**434.970.019**	**77.950.916**	**322.447.058**	**93.274.814**	**98.812.485**	**9.014.452**	**189**	**1.036.469.933**

Prior Period[1]	Demand	Up to 1 month	1-3 Months	3-6 Months	6 Months-1 Year	1 Year and over	Cumulative savings account	Total
Saving deposits	48.652.818	5.615.732	147.022.497	7.061.217	733.408	4.350.077	472	213.436.221
Foreign currency deposits	149.058.417	30.315.393	63.639.967	3.668.840	1.469.813	1.766.066	-	249.918.496
Residents in Türkiye	145.816.938	29.914.710	61.723.338	3.384.220	1.332.362	794.816	-	242.966.384
Residents abroad	3.241.479	400.683	1.916.629	284.620	137.451	971.250	-	6.952.112
Public sector deposits	1.073.991	1.812.672	106.067	3.730	-	-	-	2.996.460
Commercial deposits	42.969.790	29.848.734	64.121.906	13.448.552	109.747	7.225.835	-	157.724.564
Other institutions deposits	340.198	606.623	3.278.473	414.220	722	13.487	-	4.653.723
Precious metals vault	31.226.726	-	1.125.635	-	1.152.310	132.437	-	33.637.108
Bank deposits	1.236.609	2.286.662	1.710.701	3.042.361	1.955.815	166.598	-	10.398.746
The CBRT	-	-	-	-	-	-	-	-
Domestic banks	4.342	2.154.596	887.874	3.042.361	1.955.815	166.598	-	8.211.586
Foreign banks	473.111	132.066	822.827	-	-	-	-	1.428.004
Participation banks	759.156	-	-	-	-	-	-	759.156
Other	-	-	-	-	-	-	-	-
Total	**274.558.549**	**70.485.816**	**281.005.246**	**27.638.920**	**5.421.815**	**13.654.500**	**472**	**672.765.318**

(1) Within the scope of the "Decision on Supporting Deposit and Participation Accounts Against Exchange Rate Increases (Decision No: 5206)" published in the Official Gazette dated February 24, 2022 and numbered 31760, and the CBRT's communiqués numbered 2021/14, 2021/16, 2022/7 and 2022/11, the "Currency protected TL deposit" product which provide protection against foreign currency exchange rate changes for TL deposits was launched for customers. In this context as of the report date, the total amount of deposits opened is TL 222.335.968 (December 31, 2022 – TL 121.858.904).

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”))

2.1.2 Information on saving deposits insurance:

2.1.2.1 Information on saving deposits under the guarantee of the deposits insurance fund and exceeding the limit of deposit insurance fund:

Saving deposits	Under the guarantee of deposit insurance		Exceeding limit of the deposit insurance	
	Current Period	Prior Period	Current Period	Prior Period
Deposits	141.627.769	81.917.941	257.622.362	131.543.625
Foreign currency saving deposits	63.728.267	33.461.579	118.596.892	105.018.961
Other deposits	32.917.070	13.580.277	27.761.034	16.621.798
Foreign branches’ deposits under foreign authorities’ insurance	-	-	-	-
Off-shore banking regions’ deposits under foreign authorities’ insurance	-	-	-	-

Legal entities’ deposits	Under the guarantee of deposit insurance		Exceeding limit of the deposit insurance	
	Current Period	Prior Period	Current Period	Prior Period
Deposits	22.150.658	13.503.981	163.557.160	125.981.694
Foreign currency saving deposits	6.652.355	3.477.805	123.748.178	107.062.919
Other deposits	1.068.231	453.968	5.845.003	2.980.166
Foreign branches’ deposits under foreign authorities’ insurance	-	-	-	-
Off-shore banking regions’ deposits under foreign authorities’ insurance	-	-	-	-

2.1.2.2 Saving deposits which are not under the guarantee of saving deposit insurance fund of real persons:

	Current Period	Prior Period
Foreign branches’ deposits and other accounts	3.338.299	3.017.032
Saving deposits and other accounts of controlling shareholders and deposits of their mother, father, spouse, children in care	-	-
Saving deposits and other accounts of president and members of board of directors, CEO and vice presidents and deposits of their mother, father, spouse, children in care	588.290	1.058.777
Saving deposits and other accounts in scope of the property holdings derived from crime defined in article 282 of Turkish criminal law no:5237 dated 26.09.2004	-	-
Saving deposits in deposit bank which is established in Türkiye in order to engage in off-shore banking activities solely	-	-

2.2 Information on trading derivative financial liabilities:

2.2.1 Negative differences table for derivative financial liabilities held for trading:

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward transactions	180.708	6.414	212.753	3.747
Swap transactions	4.452.613	6.734.645	6.141.759	5.658.760
Futures transactions	10.023	-	13.354	-
Options	92.336	15.133	126.456	204.515
Other	-	-	-	-
Total	**4.735.680**	**6.756.192**	**6.494.322**	**5.867.022**

2.2.2 Negative differences table for derivative financial liabilities held for hedging:

	Current Period		Prior Period	
	TL	FC	TL	FC
Fair value hedges (1)	-	-	1.380.313	-
Cash flow hedges (1)	32.334	-	32.350	-
Hedges for investments made in foreign countries	-	-	-	-
Total	**32.334**	**-**	**1.412.663**	**-**

(1) Explained in Note 10 of section 4.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

2.3 Information about banks and other financial institutions:

2.3.1 Information on borrowings:

	Current Period		Prior Period	
	TL	FC	TL	FC
The CBRT borrowings	-	-	-	-
From domestic banks and institutions	1.424.138	1.909.903	827.825	1.467.010
From foreign banks, institutions and funds	397.285	136.575.807	949.471	66.804.114
Total	**1.821.423**	**138.485.710**	**1.777.296**	**68.271.124**

2.3.2 Information on maturity structure of borrowings:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term	1.488.963	15.067.923	811.104	12.417.743
Medium and long-term	332.460	123.417.787	966.192	55.853.381
Total	**1.821.423**	**138.485.710**	**1.777.296**	**68.271.124**

2.3.3 Information on securitization borrowings:

2.3.3.1 The Bank obtains borrowings via its structured entity, Yapı Kredi Diversified Payment Rights Finance Company, with future flow transactions which is founded on its future money transfers within its funding programme.

	Current Period		Prior Period	
	TL	FC	TL	FC
From foreign banks	-	-	-	-
From foreign institutions	-	88.426.163	-	41.492.246
From foreign funds	-	-	-	-
Total	**-**	**88.426.163**	**-**	**41.492.246**

2.3.3.2 Information on financial liabilities at fair value through profit or loss :

The Bank classified some of its financial liabilities as the financial liabilities classified at fair value through profit/loss in order to eliminate the accounting mismatch at the initial recognition in accordance with TFRS 9. As of December 31, 2023, the total amount of financial liabilities classified as fair value through profit/loss is TL 72.554.448 (December 31, 2022 –TL 37.239.659) with an accrued interest income of TL 649.336 (December 31, 2022 - TL 2.366.494 income) and with a fair value difference of TL 1.328.128 recognized as an expense (December 31, 2022 - TL 1.107.970 income). On the other hand, the nominal amounts of the total return swaps and bond forwards which are closely related with these financial liabilities as of December 31, 2023 are TL 71.731.874 (December 31, 2022 - TL 38.671.238) for buy legs and sell legs with a fair value differences amounting to TL 1.247.239 liability (December 31, 2022 - TL 2.554.954 liability). The mentioned total return swaps have 9 years maturity in average.

2.3.4 Information on marketable securities issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Bonds	7.055.826	10.933.847	7.407.273	2.031.595
Bills(1)	402.929	59.309.062	665.581	30.435.875
Total	**7.458.755**	**70.242.909**	**8.072.854**	**32.467.470**

(1) Including mortgage backed securities amounting to TL 804.685 as of December 31, 2023 (December 31, 2022 – TL 1.483.345).

2.4 Information on other liabilities:

As of December 31, 2023, other liabilities do not exceed 10% of the total balance sheet commitments.

2.5 Information on lease payables:

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	1.036.046	729.304	601.905	417.121
Between 1 – 4 years	2.048.928	1.443.588	1.227.178	851.753
More than 4 years	1.440.699	1.015.059	846.472	586.517
Total	**4.525.673**	**3.187.951**	**2.675.555**	**1.855.391**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

2.6 Information on provisions:

2.6.1 Information on reserve for employee benefit:

In accordance with Turkish Labour Law, the reserve for employment termination benefits is calculated as the present value of the probable future obligation in case of the retirement of employees. "TAS – 19 Employee Benefits" necessitates actuarial valuation methods to calculate the liabilities of enterprises.

The following actuarial assumptions were used in the calculation of total liabilities:

	Current Period	Prior Period
Discount rate (%)	2,90	0,55
Possibility of being eligible for retirement (%)	94,92	95,20

The principal actuarial assumption is that the maximum liability will increase in line with inflation. Thus, the discount rate applied represents the expected real rate after adjusting for the effects of future inflation. As the annual ceiling is revised semi-annually, the ceiling of full TL 35.058,58 effective from January 1, 2024 has been taken into consideration in calculating the reserve for employment termination benefits.

Movement of employment termination benefits liability in the balance sheet:

	Current Period	Prior Period
Prior period ending balance	**2.756.809**	**897.413**
Changes during the period	330.830	187.943
Recognized in equity	801.805	1.776.093
Paid during the period	(729.192)	(104.640)
Balance at the end of the period	**3.160.252**	**2.756.809**

In addition, the Bank has accounted for unused vacation rights provision amounting to TL 733.627 as of December 31, 2023 (December 31, 2022 - TL 424.244).

2.6.2 Information on provisions related with the foreign currency difference of foreign currency indexed loans:

None. (December 31, 2022 – None).

2.6.3 Other provisions:

	Current Period	Prior Period
Pension fund provision	10.027.806	2.945.243
Provisions on non-funded non cash loans	1.508.223	1.078.763
General provisions on non cash loans	1.782.092	1.143.394
Provision on lawsuits	175.098	118.960
Provisions on credit cards and promotion campaigns related to banking services	193.488	108.764
Other	3.484.063	2.507.964
Total	**17.170.770**	**7.903.088**

Pension fund provision:

The Bank has set aside provision amounting to TL 10.027.806 (December 31, 2022 – TL 2.945.243) for the technical deficit based on the report prepared by a registered actuary within the framework of the transfer assumption, taking into account the technical interest rate of 9,8%, CSO 1980 mortality table and calculation methods determined by the New Law. The Bank accounted pension fund provision in accordance with "TAS 19 - Employee Benefits" standard. Accordingly, as of December 31, 2023, in the calculation of pension fund provision the change arises,

- As a result of service cost and interest is recognized in income statement,
- Actuarial gains and losses, including the effect of differences between assumptions and actual outcomes, are recognized in shareholders' equity

In the calculation of the defined benefit obligation for transferrable benefits, mainly fixed and specific assumptions are used within the framework of the New Law. However, the final obligation amount that the Bank will bear at the transfer may vary depending on factors such as the discount rate, inflation and salary increase and number of participants and attrition rate.

	Current Period	Prior Period
Opening balance	**2.945.243**	**1.813.098**
Amount recorded under equity	7.028.582	1.084.664
Contributions paid by the Bank	(1.818.809)	(880.685)
Income statement charge	1.872.790	928.166
Closing balance	**10.027.806**	**2.945.243**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

The amounts recognized in the balance sheet are determined as follows:

	Current Period	Prior Period
Present value of funded obligations	18.119.593	8.219.529
- Pension benefits transferable to SSI	11.186.741	9.537.922
- Post employment medical benefits transferable to SSI	6.932.852	(1.318.393)
Fair value of plan assets	(8.091.787)	(5.274.286)
Provision for the actuarial deficit of the pension fund	**10.027.806**	**2.945.243**

The principal actuarial assumptions used were as follows:

	Current Period	Prior Period
Discount rate		
- Pension benefits transferable to SSI	9,80%	9,80%
- Post employment medical benefits transferable to SSI	9,80%	9,80%

Mortality rate: Average life expectation is defined according to CSO 1980 mortality table.

Plan assets are comprised as follows:

	Current Period		Prior Period	
	Amount	**%**	**Amount**	**%**
Bank placements	2.312.910	29	1.237.561	23
Government bonds and treasury bills	3.667.312	45	2.886.545	55
Premises and equipment	1.583.398	20	883.125	17
Other	528.167	6	267.055	5
Total	**8.091.787**	**100**	**5.274.286**	**100**

	Current Period	Prior Period
Opening balance of plan assets	**5.274.286**	**3.414.420**
Contributions paid by the Bank	1.818.809	880.685
Contributions paid by the employee	1.380.995	632.015
Other	(382.303)	347.166
Closing balance	**8.091.787**	**5.274.286**

2.7 Information on taxes payable:

2.7.1 Information on taxes payable:

	Current Period	Prior Period
Corporate Tax Payable	3.783.814	4.148.627
Banking Insurance Transaction Tax ("BITT")	1.895.222	555.693
Taxation of Marketable Securities	563.484	277.629
Foreign Exchange Transaction Tax	23.308	37.258
Value Added Tax Payable	115.302	133.467
Property Tax	11.526	6.923
Other	451.982	262.624
Total	**6.844.638**	**5.422.221**

2.7.2 Information on premium payables:

	Current Period	Prior Period
Social security premiums – employee	-	-
Social security premiums – employer	-	-
Bank pension fund premiums – employee	124.465	67.648
Bank pension fund premiums – employer	172.801	94.097
Pension fund deposit and provisions – employee	-	-
Pension fund deposit and provisions – employer	-	-
Unemployment insurance – employee	8.884	4.829
Unemployment insurance – employer	17.809	9.689
Other	-	-
Total	**323.959**	**176.263**

2.8 Liabilities for property and equipment held for sale and related to discontinued operations (net):

None (December 31, 2022 - None).

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

2.9 Information on subordinated debt(1):

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt instruments to be included in additional capital calculation	**-**	**20.355.837**	**-**	**12.929.445**
Subordinated loans	-	-	-	-
Subordinated debt	-	20.355.837	-	12.929.445
Debt instruments to be included in contribution capital calculation	**1.260.412**	**15.229.890**	**725.201**	**25.733.586**
Subordinated loans	-	-	-	16.059.998
Subordinated debt	1.260.412	15.229.890	725.201	9.673.588
Total	**1.260.412**	**35.585.727**	**725.201**	**38.663.031**

(1) Subordinated loans are explained in detail in Note "Details on Subordinated Liabilities" of section four.

2.10 Information on shareholders' equity:

2.10.1 Presentation of paid-in capital:

	Current Period	Prior Period
Common stock	8.447.051	8.447.051
Preferred stock	-	-

2.10.2 Paid-in capital amount, explanation as to whether the registered share capital system is applied and if so, amount of registered share capital ceiling:

Capital System	Paid-In Capital	Registered Share Capital Ceiling
Registered Capital System	8.447.051	15.000.000

2.10.3 Information on the share capital increases during the period and the sources:

None (December 31, 2022 – None).

2.10.4 Information on transfers from capital reserves to capital during the current period:

None (December 31, 2022 - None).

2.10.5 Information on capital commitments, until the end of the fiscal year and the subsequent interim period:

None (December 31, 2022 - None).

2.10.6 Information on prior period's indicators on the Bank's income, profitability and liquidity, and possible effects of these future assumptions on the Bank's equity due to uncertainties of these indicators:

The interest, liquidity, and foreign exchange risk related to on-balance sheet and off-balance sheet assets and liabilities are managed by the Bank within several risk and legal limits.

2.10.7 Privileges on the corporate stock:

None (December 31, 2022 - None).

2.10.8 Information on marketable securities value increase fund:

	Current Period		Prior Period	
	TL	FC	TL	FC
From investments in associates, subsidiaries, and joint ventures	**682.298**	**20.312.923**	**760.044**	**11.166.800**
Revaluation difference(1)	682.298	558.682	760.044	438.666
Foreign currency difference(1)	-	19.754.241	-	10.728.134
Financial assets at fair value through other comprehensive income	**(4.178.436)**	**1.268.284**	**8.742.326**	**(945.392)**
Revaluation difference (2)	(4.178.436)	1.268.284	8.742.326	(945.392)
Foreign currency differences	-	-	-	-
Total	**(3.496.138)**	**21.581.207**	**9.502.370**	**10.221.408**

(1) Includes differences between historical cost basis and equity method of associates, subsidiaries and joint ventures.
(2) Includes tax effect related to foreign currency valuation differences in TL column.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

3 Explanations and notes related to off-balance sheet accounts

3.1 Information on off balance sheet commitments:

3.1.1 The amount and type of irrevocable commitments:

	Current Period	Prior Period
Commitments on credit card limits	512.438.126	136.756.258
Asset purchase and sale commitments	72.643.748	35.118.725
Loan granting commitments	96.706.632	53.491.909
Commitments for cheques	8.435.319	5.482.867
Other irrevocable commitments	106.052.213	29.421.817
Total	**796.276.038**	**260.271.576**

3.1.2 Type and amount of probable losses and obligations arising from off-balance sheet items:

Obligations arising from off-balance sheet are disclosed in "Off-balance sheet commitments". The Bank set aside general provision for its non-cash loans amounting to TL 1.782.092 (December 31, 2022 - TL 1.143.394) and specific provision amounting to TL 2.028.872 (December 31, 2022 - TL - 1.431.465) for non-cash loans which are not indemnified yet amounting to TL 1.508.223 (December 31, 2022 - TL 1.078.763).

3.1.2.1 Non-cash loans including guarantees, bank acceptance loans, collaterals that are accepted as financial guarantees and other letter of credits:

	Current Period	Prior Period
Bank acceptance loans	2.178.212	864.879
Letter of credits	51.798.505	32.164.021
Other guarantees and collaterals	28.183.409	28.350.265
Total	**82.160.126**	**61.379.165**

3.1.2.2 Guarantees, suretyships and other similar transactions:

	Current Period	Prior Period
Temporary letter of guarantees	5.075.662	4.124.146
Definite letter of guarantees	147.128.857	90.240.341
Advance letter of guarantees	44.721.720	29.283.824
Letter of guarantees given to customs	7.917.628	5.894.112
Other letter of guarantees	99.468.665	52.626.883
Total	**304.312.532**	**182.169.306**

3.1.3 Information on non-cash loans:

3.1.3.1 Total amount of non-cash loans:

	Current Period	Prior Period
Non-cash loans given against cash loans	96.627.631	50.905.414
With original maturity of 1 year or less than 1 year	9.930.139	8.240.689
With original maturity of more than 1 year	86.697.492	42.664.725
Other non-cash loans	289.845.027	192.643.057
Total	**386.472.658**	**243.548.471**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

3.1.3.2 Information on sectoral concentration of non-cash loans:

	Current Period				Prior Period			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	**4.459.418**	**2,50**	**5.619.898**	**2,71**	**2.394.159**	**2,39**	**2.605.156**	**1,81**
Farming and raising livestock	3.822.365	2,14	3.008.408	1,45	1.786.275	1,79	1.643.448	1,14
Forestry	497.454	0,28	2.571.808	1,24	534.118	0,53	957.397	0,67
Fishing	139.599	0,08	39.682	0,02	73.766	0,07	4.311	0,00
Manufacturing	**96.468.975**	**53,98**	**127.157.790**	**61,20**	**58.429.473**	**58,44**	**86.451.451**	**60,22**
Mining	556.194	0,31	650.363	0,31	429.820	0,43	684.123	0,48
Production	84.673.111	47,38	108.697.093	52,32	51.079.831	51,09	73.470.076	51,17
Electric, gas and water	11.239.670	6,29	17.810.334	8,57	6.919.822	6,92	12.297.252	8,57
Construction	**29.337.700**	**16,42**	**37.923.177**	**18,25**	**14.125.654**	**14,13**	**26.797.716**	**18,67**
Services	**47.700.383**	**26,68**	**36.910.809**	**17,76**	**24.480.600**	**24,48**	**27.543.101**	**19,18**
Wholesale and retail trade	13.787.213	7,71	5.364.997	2,58	6.899.143	6,90	2.823.215	1,97
Hotel, food and beverage services	2.097.811	1,17	3.245.848	1,56	1.207.034	1,21	1.943.389	1,35
Transportation and telecommunication	4.539.026	2,54	10.588.164	5,10	2.721.373	2,72	6.749.277	4,70
Financial institutions	20.202.345	11,30	8.422.508	4,05	9.710.296	9,71	5.942.364	4,14
Real estate and leasing services	1.210.701	0,68	1.513.316	0,73	634.367	0,63	2.227.830	1,55
Education services	356.684	0,20	143.348	0,07	65.617	0,07	107.658	0,07
Health and social services	5.506.603	3,08	7.632.628	3,67	3.242.770	3,24	7.749.368	5,40
Other	**746.280**	**0,42**	**148.228**	**0,08**	**547.299**	**0,56**	**173.862**	**0,12**
Total	**178.712.756**	**100,00**	**207.759.902**	**100,00**	**99.977.185**	**100,00**	**143.571.286**	**100,00**

3.1.3.3 Information non-cash loans classified in Group I and Group II:

	Group I		Group II	
Current Period	**TL**	**FC**	**TL**	**FC**
Non-cash loans				
Letters of guarantee	162.235.291	126.946.952	5.644.786	7.838.812
Bank acceptances	-	2.103.028	-	22.795
Letters of credit	1.257.810	49.960.947	-	572.300
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring guarantees	-	-	-	-
Other commitments and contingencies	9.246.038	18.922.466	10.700	-
Total	**172.739.139**	**197.933.393**	**5.655.486**	**8.433.907**

	Group I		Group II	
Prior Period	**TL**	**FC**	**TL**	**FC**
Non-cash loans				
Letters of guarantee	85.139.234	89.810.514	3.429.146	2.639.148
Bank acceptances	-	864.879	-	-
Letters of credit	327.114	31.719.391	-	117.516
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring guarantees	-	-	-	-
Other commitments and contingencies	10.761.832	16.587.887	5.000	994.552
Total	**96.228.180**	**138.982.671**	**3.434.146**	**3.751.216**

3.1.3.4 Maturity distribution of non cash loans:

Current Period (1)	**Indefinite**	**Up to 1 year**	**1-5 years**	**Above 5 years**	**Total**
Letter of credit	-	35.912.802	15.874.650	11.053	51.798.505
Letter of guarantee	81.805.739	50.223.916	152.998.122	19.284.755	304.312.532
Bank acceptances	-	2.145.223	32.989	-	2.178.212
Other	3.507.307	9.026.417	3.641.804	12.007.881	28.183.409
Total	**85.313.046**	**97.308.358**	**172.547.565**	**31.303.689**	**386.472.658**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

Prior Period [1]	Indefinite	Up to 1 year	1-5 years	Above 5 years	Total
Letter of credit	-	22.200.880	9.809.757	153.384	32.164.021
Letter of guarantee	53.544.571	40.030.331	74.566.453	14.027.951	182.169.306
Bank acceptances	-	861.227	3.652	-	864.879
Other	1.437.699	10.928.574	3.299.513	12.684.479	28.350.265
Total	**54.982.270**	**74.021.012**	**87.679.375**	**26.865.814**	**243.548.471**

(1) The distribution is based on the original maturities.

3.2 Information on derivative financial instruments:

	Current Period	Prior Period
Types of trading transactions		
Foreign currency related derivative transactions (I)	576.496.587	397.116.690
FC trading forward transactions	42.803.047	29.982.592
Trading swap transactions	502.565.587	257.816.902
Futures transactions	7.475.390	2.520.247
Trading option transactions	23.652.563	106.796.949
Interest related derivative transactions (II)	505.199.409	249.210.542
Forward interest rate agreements	-	-
Interest rate swaps	500.965.348	244.236.022
Interest rate options	4.234.061	4.974.520
Interest rate futures	-	-
Other trading derivative transactions (III)	214.035.638	97.258.538
A. Total trading derivative transactions (I+II+III)	**1.295.731.634**	**743.585.770**
Types of hedging derivative transactions		
Transactions for fair value hedge	-	1.934.705
Cash flow hedges	81.581.421	117.782.458
Transactions for foreign net investment hedge	-	-
B. Total hedging related derivatives	**81.581.421**	**119.717.163**
Total derivative transactions (A+B)	**1.377.313.055**	**863.302.933**

3.3 Information on credit derivatives and risk exposures:

The Bank has no credit default swaps in derivative portfolio for the period ended December 31, 2023 (December 31, 2022 - None).

Derivative portfolio includes total return swap that has a nominal amount of TL 142.663.748 total of buy and sell leg as of December 31, 2023 (December 31, 2022 – TL 76.542.476).

3.4 Information on contingent liabilities and assets:

The Bank has recorded a provision of TL 175.098 (December 31, 2022 – TL 118.960) for litigation and has accounted for it in the accompanying financial statements under the "Other Provisions" account. Except for the claims where provisions are recorded, management considers as remote the probability of a negative result in ongoing litigations and therefore does not foresee cash outflow for such claims.

3.5 Information on services in the name and account of others:

The Bank's activities such as intermediation and custody to serve the investment needs of customers are followed up under off balance sheet accounts.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

4 Explanations and notes related to income statement:

4.1 Information on interest income:

4.1.1 Information on interest income on loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
Short-term loans(1)	49.469.055	3.826.103	22.469.651	2.355.312
Medium/long-term loans(1)	58.712.823	15.432.102	31.601.752	10.036.681
Interest on loans under follow-up	3.268.424	-	1.997.997	-
Premiums received from resource utilization support fund	-	-	-	-
Total	**111.450.302**	**19.258.205**	**56.069.400**	**12.391.993**

(1) Includes fees and commissions received for cash loans.

4.1.2 Information on interest income on banks:

	Current Period		Prior Period	
	TL	FC	TL	FC
From the CBRT	76.667	63.600	2.292	7.866
From domestic banks	287.227	-	158.470	170
From foreign banks	232	2.846.576	-	815.296
Headquarters and branches abroad	-	-	-	-
Total	**364.126**	**2.910.176**	**160.762**	**823.332**

4.1.3 Information on interest income on marketable securities:

	Current Period		Prior Period	
	TL	FC	TL	FC
Financial assets measured at fair value through profit or loss	-	126.273	5.480	47.235
Financial assets measured at fair value through other comprehensive income	20.891.100	2.100.922	18.145.938	1.045.902
Financial assets measured at amortised cost	57.140.469	3.847.057	35.894.422	2.897.973
Total	**78.031.569**	**6.074.252**	**54.045.840**	**3.991.110**

4.1.4 Information on interest income received from associates and subsidiaries:

	Current Period	Prior Period
Interest received from associates and subsidiaries	966.328	289.003
Total	**966.328**	**289.003**

4.2 Information on interest expense:

4.2.1 Information on interest expense on borrowings:

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	288.589	6.714.694	276.117	2.913.059
The CBRT	-	-	-	-
Domestic banks	197.364	154.515	155.904	59.229
Foreign banks	91.225	6.560.179	120.213	2.853.830
Headquarters and branches abroad	-	-	-	-
Other institutions	-	5.280.483	-	2.031.496
Total (1)	**288.589**	**11.995.177**	**276.117**	**4.944.555**

(1) Includes fees and commissions related to borrowings.

4.2.2 Information on interest expense to associates and subsidiaries:

	Current Period	Prior Period
Interest paid to associates and subsidiaries	578.551	257.882
Total	**578.551**	**257.882**

4.2.3 Information on interest expense to marketable securities issued:

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest expense to marketable securities issued	2.677.617	6.996.096	1.482.485	5.137.906
Total	**2.677.617**	**6.996.096**	**1.482.485**	**5.137.906**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

4.2.4 Information on interest expense on money market transactions

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest expense on money market transaction	3.050.232	1.264.748	4.308.818	212.791
Total	**3.050.232**	**1.264.748**	**4.308.818**	**212.791**

4.2.5 Information on other interest expenses:

As of December 31, 2023, commision expense amounting to TL 1.505.590 (December 31, 2022 – TL 1.858.951) has been recognized in other interest expenses within the scope of 30th article of the CBRT Tariff Schedule titled "Communiqué on Required Reserve and Foreign Currency Deposit Accounts".

4.2.6 Maturity structure of the interest expense on deposits:

		Time Deposit							
Account name	**Demand Deposit**	**Up to 1 month**	**Up to 3 months**	**Up to 6 months**	**Up to 1 Year**	**More than 1 year**	**Accumulating deposit**	**Total**	**Prior Period**
TL									
Bank deposits	3.564	2.224.831	78.278	-	-	-	-	2.306.673	503.024
Saving deposits	-	2.135.768	69.288.361	3.599.674	1.506.049	56.096	57	76.586.005	15.840.605
Public sector deposits	-	138.407	54.771	2.078	63	-	-	195.319	25.128
Commercial deposits	111	4.999.023	17.288.159	1.489.188	1.809.613	690.742	-	26.276.836	11.447.346
Other deposits	-	619.461	5.338.029	2.118.029	2.883.254	462.041	-	11.420.814	3.194.081
Deposits with 7 days notification	-	-	-	-	-	-	-	-	-
Total	**3.675**	**10.117.490**	**92.047.598**	**7.208.969**	**6.198.979**	**1.208.879**	**57**	**116.785.647**	**31.010.184**
FC									
Foreign currency deposits	2.047	134.957	375.648	15.290	7.609	7.274	-	542.825	1.639.983
Bank deposits	271.302	177.218	210.536	-	-	-	-	659.056	89.215
Deposits with 7 days notification	-	-	-	-	-	-	-	-	-
Precious metal vault	-	491	3.617	-	1.008	69	-	5.185	4.518
Total	**273.349**	**312.666**	**589.801**	**15.290**	**8.617**	**7.343**	**-**	**1.207.066**	**1.733.716**
Grand total	**277.024**	**10.430.156**	**92.637.399**	**7.224.259**	**6.207.596**	**1.216.222**	**57**	**117.992.713**	**32.743.900**

4.3 Information on dividend income:

	Current Period	Prior Period
Financial assets measured at fair value through profit or loss	5.982	3.415
Financial assets measured at fair value through other comprehensive income	3.447	2.866
Other	-	43.707
Total	**9.429**	**49.988**

4.4 Information on trading profit/loss (net):

	Current Period	Prior Period
Profit	**197.601.504**	**123.989.879**
Gain from capital market transactions	3.554.082	2.508.148
Derivative financial transaction gains	96.334.698	62.119.473
Foreign exchange gains	97.712.724	59.362.258
Loss (-)	**177.690.143**	**115.001.851**
Loss from capital market transactions	46.636	148.108
Derivative financial transaction losses	62.667.996	43.740.409
Foreign exchange loss	114.975.511	71.113.334
Net trading profit/loss	**19.911.361**	**8.988.028**

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

4.5 Allowance for expected credit losses and other provision expenses:

	Current Period	Prior Period
Allowance for expected credit losses[1]	**23.771.750**	**22.180.114**
12-month expected credit losses (Stage 1)	7.385.261	4.426.243
Significant increase in credit risk (Stage 2)	4.767.860	6.678.340
Credit-Impaired (Stage 3)	11.618.629	11.075.531
Impairment provisions for financial assets	**-**	**228.446**
Financial assets measured at fair value through profit or loss	-	228.446
Financial assets measured at fair value through other comprehensive income	-	-
Impairment provisions related to investments in associates, subsidiaries and jointly controlled partnerships (Joint ventures)	-	-
Investments in associates	-	-
Subsidiaries	-	-
Jointly controlled partnerships (joint ventures)	-	-
Other	**98.106**	**98.452**
Total	**23.869.856**	**22.507.012**

(1) Reversals of provisions for expected credit losses are started to be reported as gross basis. Therefore, the income amounting to TL 6.517.358 related to the reversal of provisions, which was previously reported under the allowance for expected credit loss, has been classified under Other Operating Income.

4.6 Information on derivatives financial transaction gain/loss:

The net gain resulting from the foreign exchange differences related to derivative financial transactions is TL 36.284.814 (December 31, 2022 – TL 20.099.247 gain).

4.7 Information on other operating income:

"Other Operating Income" in the statement of profit or loss mainly includes collections from receivables for which Specific / General provision has been allocated in prior periods.

Reversals of provisions for expected credit losses are started to be reported as gross basis. Therefore, the income amounting to TL 6.517.358 related to the reversal of provisions, which was previously reported under the allowance for expected credit loss, has been classified under Other Operating Income.

4.8 Information related to other operating expenses:

	Current Period	Prior Period
Reserve for employee termination benefits	330.831	88.009
Provision expense for pension fund	53.981	47.481
Impairment expenses of property and equipment	-	-
Depreciation expenses of property and equipment	1.210.764	752.772
Impairment expenses of intangible assets	-	-
Goodwill impairment expenses	-	-
Amortisation expenses of intangible assets	310.055	235.642
Impairment expenses of equity participations for which equity method applied	-	-
Impairment expenses of assets held for resale	-	-
Depreciation expenses of assets held for resale	-	-
Impairment expenses of fixed assets held for sale and assets related to discontinued operations	-	-
Other operating expenses	22.600.684	9.523.365
TFRS 16 exempt lease expenses	194.703	120.136
Repair and maintenance expenses	677.897	327.836
Advertising expenses	829.445	417.732
Other expense	20.898.639	8.657.661
Loss on sales of assets	306	-
Other	5.196.765	2.672.539
Total	**29.703.386**	**13.319.808**

4.9 Provision for taxes on income from continuing operations and discontinued operations:

The profit before tax includes TL 72.901.992 (December 31, 2022 – TL 76.948.376) of net interest income, TL 34.481.986 (December 31, 2022 – TL 14.133.922) of net fees and commissions expenses, TL 16.777.259 personnel expenses (December 31, 2022 – TL 9.097.079) and other operating expenses amounting to TL 29.703.386 (December 31, 2022 - TL 13.319.808).

As of December 31, 2023, the Bank has no (December 31, 2022 – None) profit before tax from discontinued operations.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

4.10 Provision for taxes on income from continuing operations and discontinued operations:

As of December 31, 2023, the Bank has TL 9.370.801 tax expense (December 31, 2022 - TL 20.149.630 tax expense) and TL 5.171.640 deferred tax expense (December 31, 2022 - TL 4.580.785 deferred tax income).

	Current Period	Prior Period
Profit before tax	82.551.277	68.313.534
Tax calculated at statutory rate	24.765.383	17.078.384
Nondeductible expenses, discounts and other, net	(10.222.942)	(1.509.539)
Total	**14.542.441**	**15.568.845**

4.11 Information on net income/loss for the period:

4.11.1 The characteristics, dimension and recurrence of income or expense items arising from ordinary banking transactions do not require any additional explanation to understand the Bank's current period performance.

4.11.2 The effect of the change in an estimate of financial statement items to profit / loss is not likely to affect subsequent periods

4.12 Other items in statement of profit or loss:

"Other fees and commissions received" and "Other fees and commissions paid" in profit or loss mainly include commissions and fees related to credit cards and banking transactions.

5 Explanations and notes related to statement of changes in shareholders' equity

5.1 Information on dividends:

Authorised body for profit appropriation of the current period is General Assembly. As of the preparation date of these financial statements, annual ordinary meeting of the General Assembly has not been held yet.

5.2 Information on increase/decrease amounts resulting from merger:

None.

5.3 Information on equity share premiums :

The details regarding property and equipment valuation differences are disclosed in section 3 note 19.

5.4 Explanations on property and equipment valuation differences:

The Bank adopted fair value accounting method for its buildings and art objects and paintings in tangible assets in accordance with TAS 16 " Property, Plant and Equipment". As of December 31, 2023, revaluation gain under shareholders' equity is amounting to TL 10.891.228 (December 31, 2022 – TL 4.891.380).

5.5 Explanations related to accumulated remeasurement gains/losses of defined benefit plans:

Accumulated remeasurement gains/losses of defined benefit plans are accounted under equity. As of December 31, 2023 actuarial loss related to provision for employee benefit accounted under equity is amounting to TL 2.306.005 (December 31, 2022 – TL 1.869.365), actuarial loss related to pension fund provision is amounting to TL 5.896.655 (December 31, 2022 – TL 1.046.409).

5.6 Explanations on joint ventures accounted for using equity method:

Associates, subsidiaries and joint ventures are being carried at equity method as defined in " TAS 28 - Investments in Associates and Joint Ventures" in the unconsolidated financial statements of the Bank started from June 30, 2015. Any valuation differences arising from prior years, before January 1, 2015, are booked as "Other accumulated comprehensive income that will not be reclassified in profit or loss" under equity. In the following periods, any valuation differences arising from the current period income and other comprehensive income are recognized in profit or loss and "Other accumulated comprehensive income that will not be reclassified in profit or loss" under the equity, respectively.

5.7 Explanations on financial assets at fair value through other comprehensive income:

"Unrealized gains and losses" arising from changes in the fair value of financial assets classified as financial assets at fair value through other comprehensive income are recognized in the shareholders' equity until the related assets are impaired or disposed.

5.8 Hedging transactions :

The Bank has begun to apply cash flow hedge accounting in order to hedge the risk of cash flow of its liabilities from January 1, 2010. In the scope of this application, the derivative financial instruments are specified as floating rate and fixed rate interest payment USD, EUR and TL interest rate swaps, hedging liabilities as the USD, EUR and TL customer deposits, repos, cash outflows due to re-pricing of loans because of the expected interest rate financing. In this context, fair value change of the effective portion of derivative financial instruments accounted in other accumulated comprehensive income that will be reclassified in profit or loss, taking into account tax effects. Such amount as of December 31, 2023 is TL 3.227.560 gain (December 31, 2022 – TL 5.379.550 gain).

The Bank's Euro denominated borrowing is designated as a hedge of the net investment in the Bank's certain EUR denominated subsidiaries. The total amount of the borrowing designated as a hedge of the net investment at December 31, 2023 is EUR 528 million (December 31, 2022 is EUR 469 million). The foreign exchange loss of TL 9.761.731 net of tax, on translation of the borrowing to Turkish Lira at the statement of financial position date is recognized in "hedging reserves" in equity (December 31, 2022- TL 5.321.236 loss).

5.9 Information on share issue premium:

Other capital and profit reserves, in general, consist of legal reserves and extraordinary reserves.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

6 Explanations and notes related to statement of cash flows:

6.1 Information on cash and cash equivalents:

6.1.1 Components of cash and cash equivalents and the accounting policy applied in their determination:

Cash and foreign currency balances together with demand deposits at banks including the unrestricted amounts of CBRT are defined as "Cash"; money market placements and time deposits in banks with original maturities of less than three months are defined as "Cash Equivalents".

6.1.2 Effect of a change in the accounting policies:

None.

6.1.3 Reconciliation of cash and cash equivalent items with balance sheet and cash flow statements:

6.1.3.1 Cash and cash equivalents at the beginning of period:

	Current Period	Prior Period
Cash	**102.024.569**	**82.130.561**
Cash and effectives	12.925.202	12.757.411
Demand deposits in banks	89.099.367	69.373.150
Cash equivalents	**11.266.214**	**13.077.137**
Interbank money market	2.460.000	1.808.653
Time deposits in banks	8.806.214	11.268.484
Total cash and cash equivalents	**113.290.783**	**95.207.698**

6.1.3.2 Cash and cash equivalents at the end of the period:

	Current Period	Prior Period
Cash	**193.378.243**	**102.024.569**
Cash and effectives	21.923.283	12.925.202
Demand deposits in banks	171.454.960	89.099.367
Cash equivalents	**2.410.361**	**11.266.214**
Interbank money market	-	2.460.000
Time deposits in banks	2.410.361	8.806.214
Total cash and cash equivalents	**195.788.604**	**113.290.783**

6.2 Information on cash and cash equivalents those are not available for use due to legal limitations and other reasons:

As of December 31, 2023 the cash and cash equivalents those are not available for use due to legal limitations and other reasons including reserve reqirements is amounting to TL 243.527.128 (December 31, 2022 – TL 129.483.346).

6.3 Explanations on other items in the statement of cash flows and the effects of the change in foreign exchange rates on cash and cash equivalents:

Decrease in "Other Account" amounting to TL 6.097.615 as of December 31, 2023 (December 31, 2022 – TL 2.353.291 decrease), which is classified under "Operating profit before changes in operating assets and liabilities", includes mainly fee and commissions given, other operating expenses excluding personnel expenses, and foreign exchange gains/losses.

Decrease in "Net increase/decrease in other liabilities" amounting to TL 24.283.195 (December 31, 2022 - TL 5.834.915 decrease) which is classified under "Changes in operating assets and liabilities" mainly arises from changes in miscellaneous payables, subordinated loans and other liabilities.

The effects of the change in foreign exchange rates on cash and cash equivalents are calculated as an increase approximately of TL 39.947.582 as of December 31, 2023 (December 31, 2022 – TL 23.988.491 increase).

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

7 Explanations and notes related to the Bank's risk group

7.1 The volume of transactions relating to the Bank's risk group, outstanding loan and deposit transactions and profit or loss of the period:

7.1.1 Information on loans of the Bank's risk group:

Current Period	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
Bank's risk group (1)(2)	**Cash**	**Non-cash**	**Cash**	**Non-cash**	**Cash**	**Non-cash**
Loans and other receivables						
Balance at the beginning of the period	1.560.635	585.093	152.609	903.139	11.984.555	5.772.850
Balance at the end of the period	4.006.916	749.568	35.697	1.304.299	16.194.885	9.439.424
Interest and commission income received	**966.328**	**2.837**	**37.903**	**6.574**	**4.364.221**	**64.978**

Prior Period	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
Bank's risk group (1)(2)	**Cash**	**Non-cash**	**Cash**	**Non-cash**	**Cash**	**Non-cash**
Loans and other receivables						
Balance at the beginning of the period	660.084	892.378	416.619	1.070.846	8.100.359	3.310.640
Balance at the end of the period	1.560.635	585.093	152.609	903.139	11.984.555	5.772.850
Interest and commission income received	**289.003**	**2.693**	**53.667**	**2.651**	**1.776.606**	**27.690**

(1) Defined in subsection 2 of the 49th article of the Banking Act No.5411.
(2) The information in table above includes marketable securities and due from banks as well as loans.

7.1.2 Information on deposits of the Bank's risk group:

Bank's risk group (1)(2)	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
Deposit	**Current Period**	**Prior Period**	**Current Period**	**Prior Period**	**Current Period**	**Prior Period**
Beginning of the period	4.268.084	2.837.798	27.722.742	38.192.490	70.370.899	50.910.186
End of the period	4.993.999	4.268.084	25.111.812	27.722.742	123.672.839	70.370.899
Interest expense on deposit	**578.551**	**257.882**	**2.072.059**	**1.989.739**	**4.353.518**	**1.482.137**

(1) Defined in subsection 2 of the 49th article of the Banking Act No. 5411.
(2) The information in table above includes borrowings and repo transactions as well as deposits.

(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL"))

7.1.3 Information on forward and option agreements and other derivative instruments with the Bank's risk group:

Bank's risk group[1]	Associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions at fair value through profit or loss						
Beginning of the period[2]	1.404.594	4.298.899	1.886.536	2.828.070	1.273.964	379.300
End of the period [2]	376.933	1.404.594	19.721.860	1.886.536	5.382.691	1.273.964
Total profit / (loss)	**1.159.534**	**1.086.978**	**(35.811)**	**192.197**	**108.119**	**(349.753)**
Transactions for hedging purposes						
Beginning of the period [2]	-	-	-	525.855	-	-
End of the period [2]	-	-	-	-	-	-
Total profit / (loss)	-	-	-	-	-	-

(1) Defined in subsection 2 of the 49th article of the Banking Act No. 5411.
(2) The balances at the beginning and end of the periods are disclosed as the total of buy and sell amounts of derivative financial instruments.

7.2 Information regarding benefits provided to the Bank's top management

Salaries and benefits paid to the Bank's top management amount to TL 496.116 as of December 31, 2023 (December 31, 2022 - TL 225.532).

8 Explanations and notes related to the domestic, foreign, off-shore branches or associates and foreign representatives of the Bank:

	Number	Number of Employees			
Domestic Branch	779	15.006			
			Country of incorporation		
Foreign Represantative Office	-	-	-		
				Total asset	Statutory share capital
Foreign Branch	1	3	Bahrain	34.393.503	-
Off-Shore Banking Region Branch	-	-		-	-

9 Explanations and notes related to subsequent events:

On January 15, 2019, the Additional Tier 1 bond which can be redeemed in the fifth year, issued abroad by the Bank with an amount of USD 650 million, were redeemed as of January 15, 2024, by the approval of BRSA.

On January 17, 2024, the Bank issued abroad a Tier 2 bond with an amount of USD 650 million, maturity of 10 years, fixed interest and semi-annual interest payments with an early redemption option in 2029.

Section six - Other explanations

1. Other explanations on the Bank's operations

None

Section Seven - Independent auditor's report

1. Explanations on independent auditor's report

The unconsolidated financial statements for the period ended December 31, 2023 have been audited by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. The independent auditor's report dated, February 2, 2024 is presented preceding the unconsolidated financial statements.

2. Explanations and notes prepared by independent auditor

None.