

## 3.4. Explanations

### 3.4.1 Basis of Preparation of the Financial Statements

The CBRT prepares its books of account in accordance with the tax legislation and the CBRT Law No. 1211, and prepares its statutory financial statements in accordance with the Turkish Commercial Code (TCC) No. 6102 and the CBRT Law No. 1211.

Periodicity, full disclosure, prudence, social responsibility, economic entity, going concern, monetary unit, historical cost, neutrality and documentation, consistency, substance over form, and materiality principles, which are the underlying assumptions of accounting, constitute the basis of the CBRT's accounting practices.

Foreign currency transactions of the CBRT are converted to Turkish lira at the exchange rates prevailing on transaction dates. During the preparation of financial statements, FX-denominated assets and liabilities are converted to Turkish lira using the FX and foreign currency buying rates of the CBRT applicable on the balance sheet date.

Pursuant to Article 61 of the CBRT Law No. 1211, valuation differences arising from the revaluation of gold, foreign currency, and other foreign currency denominated assets and liabilities in the assets and liabilities of the CBRT due to changes in the value of the Turkish currency against foreign currencies as well as in international gold prices are monitored in a separate account. The realized amounts of these valuation differences calculated according to the average cost method are reflected in the profit and loss statement. Periodic intervals in the average cost system are set according to the Bank's decision and applied prospectively.

As per the General Communiqué on Tax Procedure Law (TPL) published in the Official Gazette No. 555 of 30 December 2023, the fiscal balance sheet is subject to inflation adjustment and financial statements of 31 December 2023 have not been adjusted for inflation.

The financial statements are presented in Turkish lira.

#### 3.4.1.1 Gold Reserves

The CBRT's gold reserves consist of international and non-international standard gold held at CBRT vaults, foreign banks, and the Borsa Istanbul (BIST).

With regard to gold reserve management, the CBRT can execute transactions such as outright purchases and sales, gold custody accounts, term gold deposit transactions, FX swaps against gold and gold swaps against FX, swaps with domestic banks against gold, location swaps, physical transportation of gold, etc.

Gold deposited by banks for the maintenance of reserve requirements is monitored at banks abroad and the BIST.

Gold is initially recognized at prices prevailing on the recognition date, and measured at fair value in the following periods. Fair value is calculated on the last business day of the respective week and month based on the last available gold price quoted at 10.30 a.m. in the London Bullion Market, with one ounce of gold equaling 31.1035 grams, and is reported on the balance sheet after being converted daily to Turkish lira from these revalued amounts. Fair value differences arising from both price and exchange rate differences are recognized as unrealized gains or losses in the "Revaluation Account" as per Article 61 of the CBRT Law No. 1211.

#### 3.4.1.2 Financial Assets and Liabilities

##### a) Financial Assets at Fair Value Through Profit or Loss

Financial assets at fair value through profit or loss are securities in Turkish lira and foreign currency held for the purpose of liquidity management and reserve management.

Pursuant to Articles 52 (on open market operations) and 53 (on operations in gold and foreign exchange) of the CBRT Law No. 1211, securities purchased by the CBRT on its own account are classified in this group. After initial recognition, financial assets at fair value through profit or loss are revalued at their fair values at the end of each month, and gains and losses arising from revaluation are transferred to profit and loss accounts. The differences between acquisition costs and fair values of these financial assets are reflected in the "3. Foreign Correspondents" and "5. Securities Portfolio" items on the balance sheet.

Fair value is calculated based on weighted average prices that occur in the BIST for transactions with the same value date. In the absence of these prices, prices of related securities published daily in the Official Gazette by the CBRT are used for the fair value calculation. Foreign currency securities are valued at their fair value using the closing prices in related international markets at the end of each month.

Interest earned during the holding period of financial assets at fair value through profit or loss is recorded within interest income.

#### **b) Loans**

Loans extended by the CBRT are recognized when cash is advanced to borrowers. Loans are measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash flows through the expected life of the financial asset, or, where appropriate, through a shorter period, exactly to the net present value of the financial asset.

#### **c) Participation Shares**

These are initially recognized at their acquisition costs. Subsequent to the initial recognition, fair values are determined based on market prices or other valuation techniques. Unrealized gains and losses arising from changes in the fair value are monitored in "10. Other Liabilities." Dividends related to participation shares are reflected in the profit and loss statement in the period when the right to receive dividends is established.

#### **d) Repurchase Transactions**

Repurchase transactions of Turkish lira securities are undertaken within the scope of the open market operations of the CBRT. Repurchase transactions are recognized as collateralized loans. While the cash receivables are shown in item "6. Lending Related to Monetary Policy Operations / 6.1 Open Market Operations" on the asset side in the amount lent on the transaction date, securities received as collateral are monitored in regulating accounts. Interest received from banks is accrued at month ends using the effective interest method. On the maturity date, the interest income arising from the transaction is reflected in the profit and loss statement.

#### **e) Impairment of Financial Assets**

For financial assets other than those at fair value through profit or loss, the expected credit impairment model is used. Calculation of the expected credit loss is based on the transition matrix data published each year by CRAs. The rate of loss given default is taken as 45% as suggested by Basel regulations. The expected credit impairment is calculated by using the amount in default, the probability of default and the rate of loss given default.

#### **f) Derecognition of Financial Assets**

The CBRT derecognizes an asset when the rights arising from the contract on the cash flow of the financial asset expire or when all risks and rewards arising from the acquisition of this asset are transferred to another party.

#### **g) Financial Liabilities at Fair Value Through Profit or Loss**

This group includes the liquidity bills issued by the CBRT pursuant to Article 52 of the CBRT Law No. 1211 with an aim to effectively regulate money supply and liquidity in the economy within the framework of monetary policy targets, that have maturities no longer than 91 days and are tradable in the secondary markets on CBRT's own account and behalf within the scope of open market operations. The CBRT recognizes liquidity bills at the issuing amount and revalues them at the end of each month at their fair value according to the prices announced in the Official Gazette on a daily basis. The differences between the issuing amounts and the fair values are reflected in the profit and loss statement as of month ends. As of the balance sheet date, there are no liquidity bills issued by the CBRT.

#### **h) Other Financial Liabilities**

Other financial liabilities are recognized at amortized cost with interest expense calculated on an effective interest rate.

#### **i) Reverse Repurchase Transactions**

Reverse repurchase transactions are recognized as collateralized deposits. While the securities lent as collateral are shown in "5. Securities Portfolio" in the assets of the balance sheet, cash debts are monitored in "2. Liabilities Related to Monetary Policy Operations / 2.1 Open Market Operations" item in the liabilities as the amount received on the transaction date. The interest paid to the banks is accrued at month ends using the effective interest method. The interest expense paid for the transaction on the maturity date is reflected in the profit and loss statement.

## j) Deposit Transactions

### i. Foreign Exchange Deposits Against Turkish Lira Deposits Transactions

Foreign exchange deposits given are monitored in "7. Domestic Banks" on the assets side, and TRY deposits received are monitored in "2. Liabilities Related to Monetary Policy Operations / 2.4 Other" on the liabilities side. Interest amounts collected from foreign exchange deposits and paid to TRY deposits are accrued at month ends using the effective interest method. The interest income and interest expense arising from these transactions on the maturity date are recorded in the profit and loss statement.

### ii. Reciprocal Deposit Transactions

Foreign exchange deposits received are monitored in "3. Deposits / 3.2 Banking Sector / 3.2.1 Domestic Banks / 3.2.1.1 Cash" on the liabilities side, and TRY deposits given are monitored in "6. Lending Related to Monetary Policy Operations / 6.3 Other" on the assets side. Interest amounts collected from TRY deposits are accrued at month ends using the effective interest method. The interest income arising from the transaction on the maturity date is reflected in the profit and loss statement.

## k) TRY-Settled Forward Foreign Exchange Sales

At value date, TRY receivables and foreign exchange commitments are recognized under regulating accounts. At the end of each month, gains and losses at fair value are monitored under "16. Other Assets / 16.4 Other" / "10. Other Liabilities / 10.4 Other" on the balance sheet, and TRY payments/collections due to the exchange rate difference arising from transactions on the maturity date are reflected in the profit and loss statement. Regarding TRY-settled forward foreign exchange transactions at the BIST Derivatives Market (VIOP), gains and losses are reflected in the profit and loss statement on a daily basis.

## l) Currency Swaps

### i. Bilateral Currency Swap Agreements with Central Banks

FX payables and TRY receivables due to currency swap agreements are recognized under the regulating accounts at value date and monitored in "3. Foreign Correspondents / 3.3. Other" on the assets side and "3. Deposits / 3.2 Banking Sector / 3.2.2 Foreign Banks" on the liabilities side respectively. The interest received/paid for the usages within swap agreement is accrued at month-ends using the effective interest method. Interest received/paid on maturity is reflected in the profit and loss statement.

### ii. Currency Swap Transactions with Banks

Sales/purchases of assets (TRY, FX, gold) related to swap transactions carried out at the CBRT and BIST are conducted at value date. Payables/receivables are recognized under the regulating accounts at the value date. At month-ends, fair value increases/decreases are monitored in "16. Other Assets / 16.4 Other" / "10. Other Liabilities / 10.4 Other" on the balance sheet and under interest income items in the profit and loss statement. The non-interest valuation effects of valuation increases/decreases in the fair value, together with the valuation effects of the unrealized gain or loss arising from the valuation of the underlying assets subject to swap transactions, are included on the balance sheet in "16. Other Assets / 16.4 Other" / "10. Other Liabilities / 10.4 Other" items, the amounts related to the interest components of the increase/decrease in the fair value are followed in the profit/loss statement, and the amounts related to the interest income/expenses arising from the transaction at maturity are reflected in the profit/loss statement.

## m) FX-Protected Deposit Transactions

### i. Transactions Regarding FX-Protected Deposits Converted From FX

The assets (foreign currency, gold) received through transactions for the conversion to Turkish lira deposits and participation accounts are recognized, to be transferred to the related accounts at value date, under "7. Domestic Banks" on the balance sheet. At month-ends, the fair values of the exchange rate difference to be paid as part of the transactions for the conversion of Turkish lira deposits and participation accounts are monitored reciprocally in "16. Other Assets / 16.4 Other" / "10. Other Liabilities / 10.4 Other" on the balance sheet, and on the maturity date, the exchange rate difference expenses arising from transactions are reflected in the profit and loss statement.

### ii. Transactions Regarding FX-Protected Deposits Converted From TRY

The fair values of the exchange rate difference related to the transactions for FX-protected deposits converted from TRY, and transferred to the CBRT pursuant to the Provisional Article 2 of Law No. 7456 of 14 July 2023, are monitored reciprocally in "16. Other Assets / 16.4 Other" / "10. Other Liabilities / 10.4 Other" on the balance sheet, and on the maturity date, the exchange rate difference expenses arising from transactions are reflected in the profit and loss statement.

### 3.4.1.3 Income and Expenses

#### a) Interest Income/Expenses

As required by the periodicity principle, income and expenses are accrued for the interest amounts of undue receivables and payables at month-ends, and income and expense accruals are recognized for due receivables and payables whose collections or payments will occur in the subsequent period.

#### b) Fee and Commission Income/Expenses

The fee and commission income and expenses, which the CBRT pays or receives as a result of the transactions with commercial banks, the Ministry of Treasury and Finance, public administrations within the scope of general budget, and other individuals and institutions, are recognized as income or expense in the period of payment or receipt. Income and expense accruals are recognized for payments or collections that will occur in the subsequent period.

#### c) Non-Interest Income/Expenses

The difference between acquisition costs of financial assets at fair value through profit/loss and their fair values, exchange rate difference-driven income and expenses regarding TRY-settled forward foreign exchange sales, the exchange rate difference expense of transactions for FX-protected deposits, income and expenses in purchase and sale of gold and foreign currency, and general expenses are recognized under this item. The average cost method is used in calculating income and expenses in purchase and sale of gold and foreign currency. Interest income and expenses arising from currency swap transactions are included in the average cost. As per the periodicity principle, prepaid expenses are charged on a monthly basis.

### 3.4.1.4 Fixed Assets

Fixed assets consist of land, buildings, and additional expenses as a part of buildings' cost, furniture and fixtures, and software products. The land on the balance sheet of the CBRT is carried at acquisition cost, while buildings, furniture and fixtures, and software are carried at cost minus accumulated depreciation on the balance sheet. The difference between the sale proceeds arising from the disposal of fixed assets and the net carrying value of the asset is recognized in the profit and loss statement. Depreciation of fixed assets, other than land, is calculated and reflected in financial statements in accordance with their useful life as specified in the TPL General Communiqués using the prorated depreciation method.

### 3.4.1.5 Currency Issued

According to the CBRT Law No. 1211, the CBRT has the exclusive privilege of issuing banknotes. The amount of banknotes issued is shown under item "1. Currency Issued" on the balance sheet of the CBRT. The CBRT can replace the banknotes in circulation with new ones when necessary. In financial statements, banknotes in circulation are presented with their nominal values.

Stocks of semi-finished banknotes printed at the CBRT's banknote printing plant are monitored at cost in "16. Other Assets." Expenses associated with banknotes are initially capitalized and are charged to the profit and loss statement upon transfer of banknotes to the auxiliary storage of the CBRT. Costs of finished and semi-finished banknotes include direct costs, depreciation costs, staff costs, transportation costs, and other printing costs.

### 3.4.1.6 Provisions

According to Article 59 of the CBRT Law No. 1211, provisions, the amount of which shall be deemed appropriate by the Board, may be set aside from the gross annual profit of the Bank in order to cover certain risks that may occur in the following years due to the operations exclusive to the Bank.

### 3.4.1.7 Employee Benefits

Retirement pay and employee termination benefits are paid to employees in case of retirement or layoffs. The amount to be paid is calculated based on the title and tenure of the employee in accordance with the provisions of applicable laws.

Retirement pay and employee termination benefits are calculated according to the net present value of liabilities that are expected to arise due to the retirement of employees, and are reflected in financial statements.

### 3.4.1.8 Taxes

#### a) Current Taxes

The CBRT, which is established as a “joint stock company” as per Article 1 of the CBRT Law No. 1211, is a corporate taxpayer. The Bank is responsible for withholding tax on wages, outsourcing payments, interest on deposits, etc. as per Article 94 of the Income Tax Law No. 193, and on the payments made to firms subject to limited tax liability for real property income, self-employment earnings, and other earnings specified as per Article 30 of the Corporate Income Tax Law No. 5520.

The CBRT is a taxpayer of banking and insurance transactions tax (BITT).

Revaluation gains from assets and liabilities that are subject to Article 61 of the CBRT Law No. 1211 are not considered as a profit item for the year in which the revaluation is applied, and also not taken as an income item in the calculation of corporate tax base. Revaluation losses from assets and liabilities are not considered as an expense for the year in which the revaluation is applied, and also not taken as a loss item in the computation of corporate tax base.

Paid temporary taxes and taxes imposed on repo-reverse repo revenues and deducted from temporary taxes are monitored in item “16. Other Assets / 16.4 Other” on the balance sheet.

The corporate tax for the current period is reflected as expense in the profit and loss statement. Tax-related adjustments during the current reporting period are booked as of the date on which they are made.

The corporate income tax is calculated in accordance with subparagraph 1(a) of Article 9 of the Corporate Income Tax Law No. 5520, in the event that profits are generated in subsequent years.

#### b) Deferred Tax

Deferred tax assets and liabilities arise from the tax effect of the temporary differences between the amounts of assets and liabilities in the financial statements and their book values based on the CBRT Law and tax laws. The deferred tax asset is reflected in the assets and the deferred tax liability is reflected in the liabilities on the balance sheet.

Tax expense of the current year includes the related period's corporate tax and the change in the deferred tax income.

Pursuant to Article 61 of the CBRT Law No. 1211, the calculation of deferred taxes is not done over the “Revaluation Account,” which is not subject to the corporate tax base.

As per the General Communiqué on TPL No. 555, deferred tax assets are calculated on temporary differences between depreciation of fixed assets adjusted for inflation and unadjusted depreciation as presented in the financial statements.

As of 31 December 2023, no deferred tax asset has been recognized over the 2023 loss. The use of this right will expire in 2028.

### 3.4.1.9 Comparative Information and Adjustment of the Financial Statements of the Preceding Year

The CBRT's financial statements for the current year and the previous year are presented together to allow comparison of the financial position. For compatibility with the presentation of the current financial statements, when necessary, the comparative information is reclassified and any significant differences are explained.

### 3.4.1.10 Custody Operations

Custody assets held by the CBRT on behalf of individuals and financial institutions are monitored in regulating accounts.

### 3.4.2. Explanations Related to Financial Statements Items

#### 3.4.2.1 Gold

Gold holdings are composed of 726,375,977 net grams of gold of international standards equivalent to TRY 1,417,869,831,864 and 2,832,327 net grams of gold in non-international standards equivalent to TRY 5,528,640,444. While some part of the gold of international standards belongs to the CBRT, the rest is placed with the CBRT by the Treasury and banks to satisfy their reserve requirements and as free deposit accounts. Gold holdings of international standards are stored in the vaults of the CBRT, held at the BIST and the Bank of England (BoE).

**Table 3.4.2.1.1: Gold**

	2023		2022	
	Net Gram	TRY	Net Gram	TRY
Gold of International Standards	726,375,977	1,417,869,831,864	786,813,979	857,249,027,684
Owned by CBRT	524,066,221	1,022,965,665,246	562,985,627	613,383,714,216
At BoE	108,084,060	210,977,693,494	160,540,787	174,912,288,115
At CBRT	34,015,936	66,398,354,905	34,015,936	37,061,019,618
At BIST	381,966,224	745,589,616,847	368,428,904	401,410,406,482
Reserve Requirements of Banks	108,851,502	212,475,722,650	157,466,518	171,562,813,043
At BoE	42,531,602	83,020,745,255	54,016,306	58,851,808,892
At BIST	66,319,900	129,454,977,395	103,450,212	112,711,004,151
Free Gold Deposits of Banks	43,347,921	84,614,182,874	16,251,501	17,706,324,744
At BIST	43,347,921	84,614,182,874	16,251,501	17,706,324,744
Owned by Treasury	50,110,333	97,814,261,094	50,110,333	54,596,175,681
At BIST	50,110,333	97,814,261,094	50,110,333	54,596,175,681
Gold of Non-international Standards	2,832,327	5,528,640,444	2,832,327	3,085,875,430
Owned by CBRT	2,832,218	5,528,426,742	2,832,218	3,085,756,149
Collection (Owned by CBRT)	109	213,703	109	119,281

Note: Gold holdings are valued based on 1 ounce of gold = 31.1035 grams using the price 2,062.40 USD/Ounce (31 December 2022: 1,812.35) and USD buying rate of TRY 29.4382 as of 31 December 2023 (31 December 2022: TRY 18.6983). Accordingly, the price of 1 net gram of gold is  $(2,062.40 \times 29.4382) / 31.1035 = \text{TRY } 1,951.98$ .

Gold holdings of international standards are held by the CBRT as part of foreign currency reserves, and they account for 34.19% (31 December 2022: 35.56%) of total foreign currency reserves.

Gold deposited by banks for reserve requirements, which amounts to 108,851,502 net grams equivalent to TRY 212,475,722,650; gold deposited as free gold deposits, which amounts to 43,347,921 net grams equivalent to TRY 84,614,182,874; and 50,110,333 net grams of Treasury gold equivalent to TRY 97,814,261,094 are also followed under this item.

Gold holdings of non-international standards belong to the CBRT and all are stored in the vaults of the CBRT. These are recognized in the assets of the balance sheet under "16. Other Assets."

#### 3.4.2.2 Foreign Banknotes

As of 31 December 2023, the TRY equivalent of foreign banknotes in the vaults of the CBRT was TRY 103,684,060,153.

**Table 3.4.2.2.1: Foreign Banknotes**

	2023	2022
Foreign Banknotes	103,684,060,153	179,560,203,956

### 3.4.2.3 Foreign Correspondents

Item “3. Foreign Correspondents,” which represents the main part of the FX reserves of the CBRT and is presented in the assets of the balance sheet, consists of FX securities carried at fair value, deposit accounts in foreign correspondents, and current accounts.

**Table 3.4.2.3.1: Foreign Correspondents (Assets)**

	2023		2022	
	TRY	USD Equivalent	TRY	USD Equivalent
FX Securities	104,784,379,766	3,559,469,661	120,149,710,311	6,425,702,353
Deposits	453,568,530,466	15,407,481,791	164,704,488,211	8,808,527,418
Other	2,062,902,114,603	70,075,687,868	1,086,280,046,680	58,095,123,443
Demand deposits	1,844,608,041,395	62,660,354,281	948,708,803,497	50,737,703,615
SDR holding account	218,294,073,208	7,415,333,587	137,571,031,947	7,357,408,532
Other	-	-	211,236	11,297
<b>TOTAL</b>	<b>2,621,255,024,835</b>	<b>89,042,639,320</b>	<b>1,371,134,245,202</b>	<b>73,329,353,214</b>

The balances of item “4. Foreign Banks” presented in the liabilities of the balance sheet as of 31 December 2023 and 31 December 2022 are shown below.

**Table 3.4.2.3.2: Foreign Banks (Liabilities)**

	2023		2022	
	TRY	USD Equivalent	TRY	USD Equivalent
Cash	611,960,020,912	20,787,956,496	165,822,661,550	8,868,328,220
Gold	58,559,334,305	1,989,229,447	-	-
<b>TOTAL</b>	<b>670,519,355,217</b>	<b>22,777,185,943</b>	<b>165,822,661,550</b>	<b>8,868,328,220</b>

### 3.4.2.4 Balances Arising from Türkiye’s Membership in the International Monetary Fund

Within the framework of the financial relations arising from Türkiye’s membership in the IMF, Türkiye’s quota paid in gold and foreign currency is represented on the balance sheet under “4. Reserve Tranche Position” in assets and “5. Reserve Tranche Means” in liabilities. SDR 37,750,000 of this total SDR 112,889,638 was paid in gold. Türkiye’s IMF quota reached SDR 4,658 million by 18 February 2016.

**Table 3.4.2.4.1: Balances Arising from Türkiye’s Membership in the IMF**

	2023		2022	
	TRY	SDR	TRY	SDR
<b>Assets</b>				
Reserve tranche position	4,472,360,078	112,889,638	2,816,499,238	112,775,000
Treasury liabilities due to SDR allocation	219,335,649,316	5,536,388,310	138,268,529,848	5,536,388,310
<b>Liabilities</b>				
Reserve tranche means	4,472,360,078	112,889,638	2,816,499,238	112,775,000
SDR allocation	219,335,649,316	5,536,388,310	138,268,529,848	5,536,388,310

The SDR 112,307,000 allocated to Türkiye by the IMF and used by the Ministry of Treasury and Finance, the General and Special SDR Allocation in the amount of SDR 959,022,729 and the General SDR Allocation of 4,465,058,581 made in 2021 are monitored under “10. Treasury Liabilities due to SDR Allocations” in assets and “6. SDR Allocation” in liabilities.

### 3.4.2.5 Securities

As of 31 December 2023, the fair value of securities was TRY 159,913,235,806.

**Table 3.4.2.5.1: Securities**

	2023		2022	
	Cost	Fair Value	Cost	Fair Value
Government bonds and Treasury bills issued by the Ministry of Treasury and Finance	196,640,588,979	159,312,133,196	118,678,543,187	150,709,204,277
Lease certificates issued by the Ministry of Treasury and Finance	701,331,100	601,102,610	310,742,200	342,653,190
<b>TOTAL</b>	<b>197,341,920,079</b>	<b>159,913,235,806</b>	<b>118,989,285,387</b>	<b>151,051,857,467</b>

### 3.4.2.6 Lending and Liabilities Related to Monetary Policy Operations

The "6. Lending Related to Monetary Policy Operations" item on the assets of the balance sheet, which represents cash receivables of the CBRT, had a balance of TRY 9,443,643,254 as of 31 December 2023. The income accruals reflected in this item are: TRY 19,175,145 for repurchase agreements (31 December 2022: TRY 100,591,396), TRY 10,011,308 for Interbank Money Market operations (31 December 2022: TRY 25,156,345), and TRY 117,940,808 for reciprocal deposit transactions (31 December 2022: TRY 29,618,887).

The "2. Liabilities Related to Monetary Policy Operations" item on the liabilities of the balance sheet, which represents cash debts of the CBRT, had a balance of TRY 370,846,639,719. The expense accruals reflected in this item were TRY 399,880 for reverse repurchase agreements (31 December 2022: 164,367), and TRY 2,652,109,839 for Interbank Money Market operations (31 December 2022: TRY 6,417,415).

**Table 3.4.2.6.1: Lending/Liabilities Related to Monetary Policy Operations**

	2023	2022
<b>Assets</b>		
<b>Lending Related to Monetary Policy Operations</b>	<b>9,443,643,254</b>	<b>190,308,403,210</b>
Open market operations	3,519,175,138	146,055,498,620
Interbank money market operations	1,510,011,308	37,713,248,703
Other	4,414,456,808	6,539,655,887
<b>Liabilities</b>		
<b>Liabilities Related to Monetary Policy Operations</b>	<b>370,846,639,719</b>	<b>15,809,981,782</b>
Open market operations	119,129,880	400,164,367
Interbank money market operations	370,727,509,839	15,409,817,415
<b>Lending Related to Monetary Policy Operations (Net)</b>	<b>-361,402,996,465</b>	<b>174,498,421,428</b>

### 3.4.2.7 Domestic Banks

The "7. Domestic Banks" item represents FX deposit operations with the CBRT as counterparty, FX deposit operations intermediated by the CBRT, foreign exchange deposits against TRY deposits operations, and transactions for conversion to Turkish lira deposit and participation accounts, to be transferred to the related accounts at value date. The domestic banks item had a balance of TRY 4,058,291,397 as of 31 December 2023 (31 December 2022: TRY 3,802,185,901).

**Table 3.4.2.7.1: Domestic Banks**

	2023	2022
Transactions for Conversion to Turkish Lira Deposit and Participation Accounts	4,058,291,397	3,802,185,901
<b>TOTAL</b>	<b>4,058,291,397</b>	<b>3,802,185,901</b>



### 3.4.2.8 Credits and Non-performing Loans

Domestic credits, which are extended to banks against rediscounted bills in foreign currencies, consist of USD 850,470,000 (31 December 2022: USD 1,746,638,000), EUR 1,324,020,000 (31 December 2022: EUR 2,318,163,872), CNY 705,374,506 (31 December 2022: CNY 183,263,388), AED 136,680,954 (31 December 2022: 15,614,926), equivalent of TRY 72,161,192,326 (31 December 2022: TRY 79,441,835,810) as well as credits extended to banks against bills in Turkish lira at the amount of TRY 334,000,944,390 (31 December 2022: TRY 168,160,734,998), and advance loans against investment commitment at the amount of TRY 85,055,921,832 (31 December 2022: TRY 28,722,726,793). The year-end balance of domestic credits including rediscounts is TRY 445,174,833,315 (31 December 2022: TRY 263,252,471,497).

Foreign credits consist of credits extended to the Central Bank of Sudan. In accordance with the banking agreement between the CBRT and the Central Bank of Sudan, foreign credits extended amount to USD 9,061,417 (31 December 2022: USD 9,061,417) equivalent to TRY 266,751,796 (31 December 2022: TRY 169,433,087).

**Table 3.4.2.8.1: Credits and Non-performing Loans**

	<b>2023</b>	<b>2022</b>
Domestic credits	445,174,833,315	263,252,471,497
Foreign credits	266,751,796	169,433,087
Non-performing loans (Net)		
Non-performing loans	47,018,242,554	29,711,062,730
Provisions for non-performing loans	-47,018,242,554	-29,711,062,730
<b>TOTAL</b>	<b>445,441,585,111</b>	<b>263,421,904,584</b>

Note: Interest accrued to the claims on the Central Bank of Iraq is USD 8,213,361 (31 December 2022: USD 8,168,526) equivalent to TRY 198,605,130 (31 December 2022: TRY 136,694,730).

The claims on the Central Bank of Iraq are USD 1,504,610,222 (31 December 2022: USD 1,496,396,860) equivalent to TRY 44,293,016,630 (31 December 2022: TRY 27,980,077,415). The total of claims arising from the credit extended against bills for the Iraq Bekhme Dam Project is USD 92,574,475 (31 December 2022: USD 92,574,475) equivalent to TRY 2,725,225,924 (31 December 2022: TRY 1,730,985,315). The principal of and the monthly interest accrued on the amount of the loan extended to the Central Bank of Iraq are valued on a daily basis and a provision is set aside for the resulting exchange rate difference as per Article 323 of the TPL No. 213 and Article 59 of the CBRT Law No. 1211. These provisions are monitored in profit-loss accounts. As the claim amounting to TRY 47,018,242,554 (31 December 2022: TRY 29,711,062,730) was netted with the provisions, the non-performing loans item had no balance as of 31 December 2023.

### 3.4.2.9 Share Participations

The CBRT has share participations in the BIS, the Society for Worldwide Interbank Financial Telecommunications (SWIFT), the IILM, and the BKM.

The share participation in the BIS, which was acquired under the scope of central banking activities, is recognized at fair value calculated as 70% of the net asset value of the BIS.

**Table 3.4.2.9.1: Share Participations**

Participation	Nature of Business	2023			2022		
		Ownership (%)	TRY	Foreign Currency	Ownership (%)	TRY	Foreign Currency
BIS	Banking regulation services	1.41	9,610,293,629	SDR 10,000,000	1.41	5,611,273,957	SDR 10,000,000
SWIFT	Electronic fund transfer services	0.007	2,022,188	EUR 62,080	0.007	1,160,211	EUR 58,200
IILM	Liquidity management	13.33	294,382,000	SDR 10,000,000	13.33	186,983,000	USD 10,000,000
BKM	Payment services	51.01	90,543,079	-	51.01	90,543,079	-
<b>TOTAL</b>			<b>9,997,240,896</b>			<b>5,889,960,247</b>	

Movements in share participations are shown below:

**Table 3.4.2.9.2: Movements in Share Participations**

	2023	2022
Balance on 1 January	5,889,960,247	4,366,320,373
Fair value changes	4,107,280,649	1,523,639,874
<b>Balance</b>	<b>9,997,240,896</b>	<b>5,889,960,247</b>

### 3.4.2.10 Fixed Assets (Net)

The CBRT's fixed assets consist of land, buildings, furniture and fixtures, and software products.

**Table 3.4.2.10.1: Movements in Fixed Assets**

	Land and Buildings	Furniture and Fixtures	Software	Total
Net book value on 1 January	757,823,405	371,659,513	19,493,364	1,148,976,281
Additions	31,497,042	417,587,995	78,275,339	527,360,376
Disposals (net) (*)	-	-229,138	-	-229,138
Depreciation charge	-14,391,333	-115,717,420	-44,242,988	-174,351,741
<b>Net book value</b>	<b>774,929,113</b>	<b>673,300,950</b>	<b>53,525,715</b>	<b>1,501,755,778</b>

(\*) Disposals are shown net of accumulated depreciation.

2023	Land and Buildings	Furniture and Fixtures	Software	Total
Book value	991,421,580	1,198,836,385	202,781,685	2,393,039,650
Accumulated depreciation	-216,492,467	-525,535,435	-149,255,970	-891,283,872
<b>Net book value</b>	<b>774,929,113</b>	<b>673,300,949</b>	<b>53,525,715</b>	<b>1,501,755,778</b>
2022	Land and Buildings	Furniture and Fixtures	Software	Total
Book value	959,924,538	788,480,130	124,506,347	1,872,911,015
Accumulated depreciation	-202,101,133	-416,820,617	-105,012,983	-723,934,733
<b>Net book value</b>	<b>757,823,405</b>	<b>371,659,513</b>	<b>19,493,364</b>	<b>1,148,976,282</b>

### 3.4.2.11 Revaluation Account

**Table 3.4.2.11.1: Revaluation**

	2023	2022
Revaluation account	817,762,329,689	328,537,596,340

This item, which shows the unrealized gains and losses, arising from the valuation of FX, banknotes, other assets and liabilities denominated in foreign currency and gold in the assets and liabilities of the CBRT due to changes in the value of the Turkish lira against the foreign currencies and changes in gold prices in international markets, had a balance of unrealized gain amounting to TRY 817,762,329,689 by 31 December 2023.

### 3.4.2.12 Other Assets

**Table 3.4.2.12.1: Other Assets**

	2023	2022
<b>Gold of non-international standard</b>	<b>5,528,640,444</b>	<b>3,085,875,430</b>
<b>Coins</b>	<b>89,329,230</b>	<b>23,599,322</b>
<b>Income accruals</b>	<b>1,998,880,085</b>	<b>859,175,124</b>
Charges and commissions due from the Treasury	303,084,130	109,501,867
EFT fees	178,145,623	115,948,726
Other	1,517,650,332	633,724,531
<b>Other</b>	<b>281,298,569,130</b>	<b>77,904,653,489</b>
Prepaid taxes to be deducted from corporate tax	1,460,340,421	15,676,635,264
Income tax withholding to be deducted from corporate tax	2,330,139,792	2,633,246,870
Depots	559,973,922	157,402,248
Prepaid expenses	90,169,208	37,016,761
Other	276,857,945,787	59,400,352,346
<b>TOTAL</b>	<b>288,915,418,889</b>	<b>81,873,303,365</b>

### 3.4.2.13 Currency Issued

**Table 3.4.2.13.1: Currency Issued**

	2023	2022
Balance on 1 January	341,798,643,178	235,377,439,588
Banknotes put into circulation	144,158,582,105	147,428,371,595
Banknotes withdrawn and banknotes destroyed	-37,134,332,965	-41,007,168,005
<b>Balance</b>	<b>448,822,892,318</b>	<b>341,798,643,178</b>

The total balance of banknotes in circulation by 31 December 2023 was TRY 448,822,892,318.

### 3.4.2.14 Deposits

<b>Table 3.4.2.14.1: Deposits</b>	<b>2023</b>	<b>2022</b>
<b>Public sector deposits</b>	<b>983,018,845,601</b>	<b>509,601,386,978</b>
Treasury, general, and special budget administrations	982,800,690,002	509,525,735,365
Cash	884,986,428,907	454,929,559,684
Gold	97,814,261,094	54,596,175,681
Other	218,155,600	75,651,613
<b>Banking sector deposits</b>	<b>4,035,132,437,335</b>	<b>2,257,283,606,280</b>
Domestic banks	1,969,070,182,025	881,579,556,407
Deposits of banks	101,228,208,867	257,417,807,763
Cash	48,784,333,426	102,041,735,622
Collaterals	26,386,595,000	137,667,783,800
Cash	26,386,595,000	137,667,783,800
Gold	-	-
Gold	26,057,280,441	17,708,288,342
Free required reserves	1,867,841,973,159	624,161,748,644
Foreign correspondents	666,678,656,337	432,625,774,926
Required reserves in blocked accounts	1,399,383,598,973	943,078,274,947
Cash	1,186,907,876,322	771,515,461,904
Gold	212,475,722,650	171,562,813,043
<b>Other deposits</b>	<b>12,866,170,507</b>	<b>7,133,109,677</b>
Deposits by citizens abroad	5,181,219,360	3,912,904,950
Deposits by international institutions	417,423,702	309,526,917
IMF	309,459,799	231,690,433
Other	107,963,903	77,836,485
Extrabudgetary funds	179,201,429	188,916,133
Other	7,088,326,016	2,721,761,677
Financing companies	7,080,763,532	2,721,605,120
Deposits by embassies	24,096	15,949
Other	7,538,388	140,608
<b>TOTAL</b>	<b>5,031,017,453,443</b>	<b>2,774,018,102,935</b>

### 3.4.2.15 Tax Liability

The amount of corporate tax to be charged on taxable corporate income is calculated over the tax base generated by adding non-deductible expenses to the profit and deducting non-taxable income and allowances.

**Table 3.4.2.15.1: Taxes to be Paid**

	<b>2023</b>	<b>2022</b>
Corporate tax	-	21,352,295,697
Other taxes	2,576,678,429	750,878,277
Obligations as a tax payer	617,012,867	229,563,544
Obligations as withholding tax collector	1,959,665,561	521,314,733
<b>TOTAL</b>	<b>2,576,678,429</b>	<b>22,103,173,974</b>

The advance tax rate was 25% for the first advance tax period of 2023, and 30% for the following periods of the year (2022: 25%). In Türkiye, the advance tax is calculated and accrued on a quarterly basis.

For temporary differences arising from the differences in the provisions of the TCC and the tax legislation, deferred tax asset or liability is calculated over 30% (2022: 25%).

The breakdown of temporary differences and the resulting deferred tax assets/liabilities as of 31 December 2023 is as follows:

**Table 3.4.2.15.2: Temporary Differences and Deferred Tax Assets/Liabilities**

	2023		2022	
	Total Temporary Differences	Deferred Tax Assets/Liabilities	Total Temporary Differences	Deferred Tax Assets/Liabilities
Total assets	8,979,039,477	2,693,711,843	481,659,900	120,414,975
Retirement pay and employment termination benefit obligations	761,816,605	228,544,981	474,687,813	118,671,953
Depreciation adjustment for fixed assets	8,217,222,872	2,465,166,862	6,972,087	1,743,022
Total liabilities	-9,214,122,629	-691,059,197	-5,361,528,957	-335,095,560
Fair value adjustment of the BIS participation share	9,214,122,629	-691,059,197	-5,361,528,957	-335,095,560
<b>Net Assets/Liabilities</b>	<b>-235,083,152</b>	<b>2,002,652,646</b>	<b>-4,879,869,057</b>	<b>-214,680,585</b>

**Table 3.4.2.15.3: Deferred Tax Asset/Liability Movements**

	2023	2022
Balance on 1 January	-214,680,585	-150,245,022
Deferred tax related to profit and loss statement (net)	2,573,305,061	72,490,830
Deferred tax related to other liability accounts	-355,971,830	-136,926,393
<b>Balance</b>	<b>2,002,652,646</b>	<b>-214,680,585</b>

### 3.4.2.16 Provisions

**Table 3.4.2.16.1: Provisions**

	2023	2022
Retirement pay and employment termination benefit provisions	885,429,648	474,687,813
Insurance provision for money in transit	243,056,337	243,056,337
<b>TOTAL</b>	<b>1,128,485,985</b>	<b>717,744,150</b>

The year-end balance of the insurance provision for the money in transit, which is set aside pursuant to Article 59 of the CBRT Law No. 1211, was TRY 243,056,337 as of 31 December 2023.

As per the Pension Fund Law No. 5434 and the Turkish Labor Law No. 1475, employers are obliged to pay retirement pay or employment termination benefits to their employees whose contracts have expired, and who are eligible to retire with a right to receive retirement and employment termination benefits.

Provisions for retirement pay and employment termination benefits are calculated by estimating the present value of the prospective future obligation of the CBRT arising from the retirement of its employees. Accordingly, the actuarial assumptions used in calculating total liabilities are presented below.

The principal actuarial assumption is that the maximum liability for each year of service will increase in tandem with the inflation rate. Therefore, the discount rate applied represents the expected real rate adjusted for future inflation effects. For this reason, provisions in the financial statements as of 31 December 2023 have been calculated by estimating the present value of the prospective future liability arising from retiring employees.

The ceiling amount of termination benefit is revised every six months. While calculating the provision for the termination benefit liabilities of the CBRT's employees, the ceiling amount of TRY 23,490 (31 December 2022: TRY 15,371) that took effect as of 1 July 2023 was taken into account.

The change in the retirement pay and employment termination benefit liabilities is shown below:

**Table 3.4.2.16.2: Change in Retirement Pay and Employment Termination Benefit Liabilities**

	2023	2022
Balance on 1 January	474,687,813	231,643,379
Provision set aside	427,268,862	255,259,177
Retirement pay and employment termination benefit paid	-16,527,027	-12,214,743
<b>Balance</b>	<b>885,429,648</b>	<b>474,687,813</b>

**3.4.2.17 Capital and Reserves**

The CBRT's total capital is TRY 25,000 and it is divided into 250,000 registered shares, each with a value of TRY 0.10.

**Table 3.4.2.17.1: Capital and Reserves**

	2023	2022
Paid-in capital	25,000	25,000
Inflation adjustment for paid-in capital	46,208,524	46,208,524
Reserves	9,664,248,946	7,753,226,486
Reserves	9,330,080,367	7,419,057,907
Special reserves	334,168,579	334,168,579
<b>TOTAL</b>	<b>9,710,482,470</b>	<b>7,799,460,010</b>

In line with the decision taken at the 91st CBRT Shareholders Ordinary General Assembly Meeting, the entirety of the reserve funds earmarked from the profit of 2021, totaling TRY 7,419,057,907 was distributed along with the profit. Pursuant to the decision of the Board adopted under the Article 22(h) of the CBRT Law No. 1211, the entirety of the reserve funds set aside from the profit of 2022, totaling TRY 9,330,080,367, will be deducted from the loss of 2023.

The shareholders of the CBRT by 31 December 2023 and 31 December 2022 are as follows:

**Table 3.4.2.17.2: Shareholders of the CBRT**

	2023		2022	
	Share (TRY)	Share (%)	Share (TRY)	Share (%)
Ministry of Treasury and Finance	13,780	55.12	13,780	55.12
T.C. Ziraat Bankası	4,806	19.22	4,806	19.22
Mervak İç ve Dış Ticaret A.Ş.	1,280	5.12	1,280	5.12
Türkiye Garanti Bankası	621	2.48	621	2.48
Türkiye İş Bankası	582	2.33	582	2.33
Türkiye Halk Bankası	277	1.11	277	1.11
Yapı ve Kredi Bankası	139	0.56	139	0.56
Akbank	8	0.03	8	0.03
ING Bank	5	0.02	5	0.02
Türk Ekonomi Bankası	2	0.01	2	0.01
Other	3,500	13.99	3,500	13.99
<b>Paid-in Capital</b>	<b>25,000</b>	<b>100.00</b>	<b>25,000</b>	<b>100.00</b>

### 3.4.2.18 Other Liabilities

**Table 3.4.2.18.1: Other Liabilities**

	<b>2023</b>	<b>2022</b>
Letters of credit	560,965,114	87,996,814
Expense accruals	1,606,687,720	660,434,768
Other	163,238,293,613	32,922,896,500
Difference arising from accounting policy changes	8,525,927,458	5,029,196,379
Blocked accounts as per the decisions of tax offices, debt enforcement offices, and courts	29,071,287	19,672,440
Amounts to be debited to foreign correspondent accounts on next year's value date	2,130,929,496	1,828,664,538
Other	152,552,365,372	26,045,363,143
<b>TOTAL</b>	<b>165,405,946,447</b>	<b>33,671,328,082</b>

### 3.4.2.19 Regulating Accounts

Regulating accounts, which are expressed in terms of Turkish lira, FX, and units, had a total balance of 11,907,432,215,123 as of 31 December 2023 (31 December 2022: 6,273,813,384,783).



## 3.4.2.20 Profit/Loss Accounts

<b>Table 3.4.2.20.1: Profit/Loss Statement</b>		
	<b>2023</b>	<b>2022</b>
<b>NET INTEREST INCOME/EXPENSE</b>	<b>153,499,067,628</b>	<b>139,726,890,767</b>
<b>Interest Income</b>	<b>286,203,667,647</b>	<b>166,619,106,946</b>
TRY and FX securities portfolio	42,282,547,562	31,372,141,294
Repo transactions	13,839,785,647	33,160,227,949
Interbank money market operations	6,233,483,492	11,684,350,063
Credits	40,729,024,870	9,423,941,069
Banks	183,118,826,076	80,978,446,571
<b>Interest Expenses</b>	<b>-132,704,600,019</b>	<b>-26,892,216,179</b>
FX deposits by citizens abroad	-48	-186
Reverse repo transactions	-369,355,214	-12,585,183
Interbank money market operations	-12,740,931,010	-757,896,397
Ministry of Treasury and Finance accounts	-78,603,680,861	-15,186,327,204
IMF general resource account charges	-7,226,046,940	-1,513,494,396
TRY required reserves	-	-3,013,667,981
Banks	-33,764,585,946	-6,408,244,832
<b>NET FEE AND COMMISSION INCOME/EXPENSE</b>	<b>23,165,250,093</b>	<b>18,453,429,021</b>
<b>Fee and Commission Income</b>	<b>23,406,153,797</b>	<b>18,615,352,189</b>
EFT transaction fees and commissions	2,785,343,414	1,303,742,172
Commissions to be due from the Ministry of Treasury and Finance	1,845,113,350	1,209,279,283
Commission and maintenance fees due from banks	18,351,009,880	15,934,214,861
Other fund transfer fees	20,458,251	12,616,685
Fees charged to banks within the context of CMS	214,939,406	120,421,753
Other	189,289,496	35,077,435
<b>Fee and Commission Expenses</b>	<b>-240,903,704</b>	<b>-161,923,168</b>
Commission and maintenance fees paid to banks	-235,398,819	-158,246,586
Other	-5,504,885	-3,676,582
<b>NET NON-INTEREST INCOME/EXPENSE</b>	<b>-997,420,486,491</b>	<b>-64,878,626,928</b>
<b>Non-interest Income</b>	<b>244,869,771,911</b>	<b>61,810,163,251</b>
Profit on purchase and sale of FX and gold	239,248,921,554	21,897,020,379
Securities portfolio trading income and increase in fair value	2,810,690,572	25,722,715,804
Dividend income	74,555,979	46,537,569
Other	2,735,603,806	14,143,889,499
<b>Non-interest Expenses</b>	<b>-1,242,290,258,402</b>	<b>-126,688,790,179</b>
Loss on purchase and sale of FX and gold	-256,135,880,299	-16,163,239,704
Securities portfolio trading loss and decrease in fair value	-75,865,584,929	-8,380,965,274
Provision expenses for non-performing loans	-17,307,179,824	-9,196,194,268
Wages and salaries	-4,538,937,732	-2,220,456,789
Social security costs	-722,900,769	-382,878,222
Operating expenses	-701,295,942	-740,372,514
Banknote paper and ink expenses	-1,014,621,829	-508,255,436
Depreciation charges	-173,246,703	-114,777,719
Other (*)	-885,830,610,374	-88,981,650,253
<b>PROFIT/LOSS BEFORE TAX</b>	<b>-820,756,168,771</b>	<b>93,301,692,859</b>
<b>DEFERRED TAX INCOME/EXPENSE</b>	<b>2,573,305,061</b>	<b>72,490,830</b>
<b>REPORTED PROFIT/LOSS OF THE PERIOD</b>	<b>-818,182,863,710</b>	<b>93,374,183,689</b>

(\*) Expenses related to the FX-protected deposits converted from TRY transactions, which have been transferred to the CBRT pursuant to the Provisional Article 2 of Law No. 7456 of 14 July 2023, as well as to transactions of FX-protected deposits converted from FX and other FX earning transactions (YUVAM – Deposit and Participation Scheme for Non-resident Turkish Citizens – and physical gold etc.) amounted to TRY 833,419,912,761 (2022: TRY 72,843,177,706).

### 3.4.2.21 Profit Distribution

Paragraph 5 of Article 64 of the TCC Law No. 6102 stipulates that natural and legal persons, who are subject to the TCC, are also obliged to conform to the provisions of the TPL No. 213 concerning bookkeeping and recording time as well as the regulations made based on the powers given by Article 175 and the repeated Article 257 of the same law. According to the aforementioned paragraph, provisions of Law No. 6102 concerning bookkeeping, inventory, financial statement preparation, capitalization, provisions, accounts, valuation, maintenance, and submission do not impede the implementation of Law No. 213 and the related provisions of other tax laws, nor do they impede the determination of the tax base in compliance with tax laws and the preparation of related financial statements.

Pursuant to Article 60 of the CBRT Law No. 1211 and Articles 523 and 64 of the TCC No. 6102, and as stated in its accounting books kept according to the provisions of the TPL No. 213, the loss of the CBRT for 2023, totaling TRY 820,765,083,103 is seen below:

**Table 3.4.2.21.1: Distribution of Profit** (Article 60 of Law No. 1211)

	<b>2023</b>	<b>2022</b>
<b>Reported profit/loss of the period (TCC No. 6102)</b>	<b>-818,182,863,710</b>	<b>93,374,183,689</b>
Reporting adjustments	-2,582,219,393	- 73,378,517
<b>Profit to be distributed/Loss of the period (TPL No. 213)</b>	<b>-820,765,083,103</b>	<b>93,300,805,172</b>
Tax provisions (-)	-	21,352,295,697
Corporate income tax	-	21,352,295,697
Profit after tax	-	71,948,509,475
Other distributions (-)	-	39,330,097,766
1- Reserves	-	39,330,080,367
Reserve funds (Article 60 of Law No. 1211)	-	9,330,080,367
Reserves (Article 523 of TCC Law No. 6102)	-	30,000,000,000
2- Shareholders	-	3,000
First dividends	-	1,500
Second dividends	-	1,500
3- Bonus to the personnel (Article 60(c) of Law No. 1211)	-	14,399
<b>The Amount to be Transferred to the Ministry of Treasury and Finance</b>	<b>-</b>	<b>32,618,411,709</b>

In line with the decision of the Board adopted under the Article 22(h) of the CBRT Law No. 1211, the entirety of the reserve funds set aside from the profit of 2022, totaling TRY 9,330,080,367, will be deducted from the loss of 2023. Pursuant to Article 509 of the TCC No. 6102, no dividends or reserve funds will be distributed until the settlement of the remaining amount, which will be recorded under "Retained Losses" in the assets of the balance sheet in the subsequent years.

The table below shows the distribution of the CBRT's expenses in the last two years on the basis of the current expenditure items in real (2003) prices.