

THE RELIABLE GUIDE FOR THE WORLD OF INVESTMENTS FOR 25 YEARS...



2023 ANNUAL REPORT



Preamble 05

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THE RELIABLE GUIDE FOR THE WORLD OF INVESTMENTS FOR 25 YEARS...

Setting out the right guide to reach the targets is essential. However, the right guide is not only the person who knows the route very well but is a reliable guide who also knows you very well and proceeds with the right path in line with your expectations.

Throughout our journey in the world of investments that we started 25 years ago, we have become a bank that maintains its flexibility according to market conditions, provides its deep know-how in various industries, employs qualified human resources, has a strong capital structure and produces applicable financial solutions.

We maintain this perspective and our determination. We correctly understand our clients in both investment banking as well as corporate and private banking fields and offer them banking instruments and services customised explicitly in line with their needs. We aim to be a reliable guide to our clients beyond being a good companion in their investment journey.

As we have already done so far, we will further guide our clients in their journeys in the world of investments with specific and customised solutions.

We are hoping to make many more right investments together!



OUR BANK



MOVING FORWARD STEP BY STEP

ABOUT US

As Nurol Investment Bank, we commenced our operations in 1999. We have then been offering a wide range of investment banking and corporate banking services to our clients.

Owing to our capital structure and well-equipped human resources, our awareness of being nominated among the leading banks operating in the field of investment banking in Türkiye and in line with our goal of creating economic value, we aim to establish long-term relationships with our clients and meet their needs with diversified financing products.

We provide products and services that will help all of our clients to improve their efficiency, reduce their risk level, significantly control their costs and increase their market shares.

Thanks to the knowledge and experience of our professional team with high level technical expertise and local market experience and in line with the needs of our clients, we offer creative, innovative products and services on:

- Complex financial modeling,
- Optimum financial package structuring,
- Equity finance consultancy,
- Financial instruments structured to provide alternative source of funds,
- Creating new finance sources from local and international organizations and capital markets.

We keep going on our way with bank management policies developed with cautious and sound foresight. Our bank will continue to provide timely information and flexible financial solutions for companies in today's fluctuating, interconnected and highly competitive markets.

CARRYING FORWARD THE SUCCESS TOGETHER

OUR VISION, OUR MISSION, OUR STRATEGIES



Our Vision

To offer solutions at global standards to organizations in Türkiye that need support in financial issues.



Our Mission

To accurately identify the financial problems and needs of our clients and to offer them appropriate solutions addressing these problems and needs; to be a viable and niche bank, operating independently from the group, that is competent to realize these banking solutions and is capable to generate returns for its shareholders at least as much as market conditions.



Our Strategy

- Focusing all our staff on our goal with corporate culture and team approach,
- Giving utmost importance to resource and product diversity,
- Developing products and services by accurately identifying customer needs and acting as an intermediary,
- Being nominated as Türkiye's best investment bank.

SETTING OFF SAFELY



CAPITAL STRUCTURE, SHAREHOLDING STRUCTURE AND SHARES OF BOARD MEMBERS

The shareholders and the capital structure as of 31 December 2023 is as follows:

Shareholder	# of Shares	Corresponding Equity	Equity Ratio
Nurol Holding A.Ş.	1,734,000,013.00	TRY 1,734,000,013	96.33%
Nurettin Çarmıklı	11,733,331.00	TRY 11,733,331	0.65%
Figen Çarmıklı	11,733,331.00	TRY 11,733,331	0.65%
Mehmet Oğuz Çarmıklı	11,733,331.00	TRY 11,733,331	0.65%
Eyüp Sabri Çarmıklı	10,266,665.00	TRY 10,266,665	0.57%
Oğuzhan Çarmıklı	3,422,221.67	TRY 3,422,222	0.19%
Saadet Ceyda Çarmıklı	3,422,221.67	TRY 3,422,222	0.19%
Eda Çarmıklı	3,422,221.67	TRY 3,422,222	0.19%
Gürol Çarmıklı	5,133,332.00	TRY 5,133,332	0.29%
Gürhan Çarmıklı	5,133,332.00	TRY 5,133,332	0.29%
Total	1,800,000,000	TRY 1,800,000,000	100.00%

The shares directly owned by the Members of the Board of Directors as of the end of 2023 are listed in the table below. Except for the Members of the Board of Directors listed in the table below, the CEO and other Members of the Board of Directors do not own any shares in the bank.

	# of Shares	Equity Ratio
Mehmet Oğuz Çarmıklı - Vice Chairman of the Board	11,733,331	0.65%
Eyüp Sabri Çarmıklı - Board Member	10,266,665	0.57%
Gürol Çarmıklı - Board Member	5,133,332	0.29%

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Pursuant to the resolution adopted at the Ordinary General Assembly Meeting dated 28.03.2023, Equity Capital of the Company was increased from TRY 750,000,000 to TRY 1,800,000,000, and entire increased capital (TRY 1,050,000,000 TL) was covered from internal resources.

STEAMING AHEAD

NUROLBANK'S GOALS AND EXPECTATIONS FOR THE YEAR 2024

- To improve the diversity in terms of industries by including companies operating in the Commercial Banking segment, in addition to Corporate Banking clients, in our customer portfolio;
- To create synergy by intermediating the bond issuance of the private sector and to increase both interest and commission income;
- To diversify the customer portfolio and to develop new products and services by accurately identifying client needs;
- To strengthen the resource structure by issuing debt instruments with various maturities.

In line with the above mentioned goals, we further aim to constantly monitor the balance between in-group and out-of-group customers, to take measures for to improve efficiency, to ensure efficient use of the resources to be created through our Bank's bond/bill issuances, to continue the efforts for to improve the recognition and publicity of the Bank and to maintain all these goals within the framework of systematic risk analysis and control approach.

GOALS FOR 2024


**TO IMPROVE
THE RECOGNITION
AND THE
PUBLICITY OF
THE BANK**

**TO DIVERSIFY
THE CUSTOMER
PORTFOLIO**


**TO INCREASE
DIVERSITY BY
INDUSTRIES**

ADDING VALUE TO THE ECONOMY

OUR BANKING ACTIVITIES

Treasury

Treasury is responsible for fulfilling the obligations towards the Central Bank of the Republic of Türkiye, the Banking Supervision and Regulatory Authority as well as supervisory and regulatory institutions such as the Capital Markets Board and is further responsible for managing our Bank's liquidity ratio and balance sheet. Owing to our knowledge and experience in treasury operations, it is our primary responsibility to timely and completely fulfill all our covenants, to ensure liquidity by taking into account Bank's growth targets and strategies, to diversify our balance sheet, to find alternative investment channels, to diversify and minimize our risks, to increase our revenue by reducing our costs and to follow Reserve Requirement Ratio liabilities and other statutory ratios. 2023 was a year of significant volume increases for the Treasury Department. With its experienced and expert staff, Treasury Department has performed the necessary changes and taken the necessary measures in terms of the Bank's position in parallel with the developments in the markets throughout the year, has taken the necessary precautions timely without experiencing liquidity problems, ensured the flow of information in the fastest way possible and has provided customers with first-hand market information. In 2023, Treasury Department of the Nurol Investment Bank successfully achieved sustainable profitability by improving its efficiency. As of year 2024, Treasury Department will keep expanding the product range beyond existing Treasury instruments in order to contribute to the Bank's profitability and efficiency, providing the necessary information flow through market analysis and supporting its customers with regard to product pricing and types by effectively managing market, exchange rate, interest, liquidity and operational risks. Thanks to our expert staff and innovative approach, we will continue to make a difference and expand our operations in 2024.

OUR BANKING ACTIVITIES

INVESTMENT BANKING

Financial Institutions

Financial Institutions Department ensures the Bank's publicity in national and international markets to reach a wider audience, carries out Nurol Investment Bank's relations with local and foreign banks and institutions through correspondent relations developed in line with the transactions of the Treasury Department, and establishes new connections with new institutions and organizations in line with the needs that arise.

In 2023, Financial Institutions Department contributed to the increase in transaction volumes by expanding the number of correspondents despite the difficult conditions experienced globally. The bank's cash and non-cash limits before the correspondents have been increased and a diversity in term of correspondents has been achieved to reach out foreign trade financing and finance obtained from foreign markets. In parallel with the developing foreign trade and increasing volumes of treasury transactions, new accounts were opened in new foreign currencies and the product range offered to customers was expanded. The bank has an extensive correspondent network of 431 banks located in 68 countries.

As of the end of 2023, the financing facility obtained from foreign and domestic financial institutions has reached TRY 4.4 billion and takes a significant place in the bank's liabilities.

Investor Relations

Investor Relations Department executes the issuance of the Bank's debt instruments through capital markets and mediates the issuance of private sector debt instruments.

NurolBank borrowed TRY 8.7 billion as a result of 70 separate borrowing transactions in 2023. The instruments issued include bonds/debentures and commercial bills, which are referred to as conventional capital market debt instruments, asset-backed securities, as well as lease certificates which are interest-free banking instruments. Our bank extends the financial facility provided with the lease certificates issued to its customers through interest-free banking financing instruments. The Bank's interest-free banking activities are audited by the ISFA Interest-Free Banking Advisory Committee and consultancy services are provided from the ISFA Islamic Finance Consultancy team.

In 2023, a total of TRY 1.3 billion worth of debt instruments of 5 different companies were issued, including TRY 89.2 million of lease certificates and TRY 1.2 billion of commercial bills/bonds.

Project Financing and Business Development

Main goal of investment banking is to determine the needs of corporate and commercial clients and to offer "tailor-made" solutions that suit their wishes, demands and structures. Owing to our experience and knowledge, both as the Bank and as a group, in the fields of basic infrastructure investment, transportation, energy and telecommunications projects, we perform project suitability analysis, find strategic/financial partners to the projects and provide consultancy services on structured financing and project finance.

NurolBank has the expertise and human resources to assume key roles at every stage of a solid and efficient project and offers a variety of instruments ranging from medium and long-term financing facilities to bridge loans.

Financial Consultancy

• Financial Consultancy Services

Within the scope of investment banking activities, our Bank further offers corporate finance consultancy services to its customers in addition to borrowing instruments.

• Structured Finance

In line with their long and short-term needs, our customers are offered debt refinancing, acquisition financing, project finance, intermediation in issuing bond and debentures, intermediation in issuing Asset-Backed Securities (ABS) and lease certificate (SUKUK) transactions within the scope of Structured Finance.

OUR BANKING ACTIVITIES

CORPORATE BANKING

Financial Consultancy (cont'd)

• Private Equity Financing

In line with their long and short-term needs, our customers are offered debt refinancing, acquisition financing, project finance, intermediation in issuing bond and debentures, intermediation in issuing Asset-Backed Securities (ABS) and lease certificate (SUKUK) transactions within the scope of Structured Finance.

Corporate Finance

Thanks to its strong and qualified team, NurolBank offers services such as finding financial solutions for domestic and foreign organizations to benefit from the capital and debt markets to the maximum extent, mediating company mergers, acquisitions and public offerings, and providing corporate finance consultancy in financial restructuring and privatization projects.

Corporate finance team provides services under six main headings:



Our Bank has a credit customer portfolio providing the opportunity to closely follow many companies and sectors in Türkiye. A significant know-how has already been gained as a result of the significant projects carried out both through our Bank and the group along with the relationships established with foreign and domestic organizations for these projects. This know-how and experience gained has improved NurolBank's ability to apprehend different needs of each client and offer customized solutions and has enabled our Bank to gain a privileged place in the field of investment banking in Türkiye.

The Group further provides consultancy services to real estate investment trusts, with its know-how and experience based on its experience in the real estate industry which is rapidly growing due to the development of the Turkish economy and the increase in accumulated capital.

Through identifying the rising companies within the scope of the sectors we have determined in 2022, providing merger and acquisition (M&A) consultancy services to potential companies through our international connections, acting as an intermediary for companies in need of financing to find financial partners and offering these companies low-risk resources with financing instruments structured according to their financing needs, we aim to contribute to the asset profitability of our Bank.

OUR BANKING ACTIVITIES

CORPORATE BANKING

Cash & Non-Cash Loans

CASH LOANS

Revolving Cash Loans

- It is a type of loan that allows the client to withdraw and deposit money at any time, within a certain credit line, in order to meet its short-term funding needs.
- Interest is accrued and collected quarterly.
- These are loans that are affected by the interest rate fluctuations in the market.

Spot Loans

- It is a type of loan that aims to meet the short-term funding needs.
- The loan amount, interest rate and maturity are determined on the date the loan is disbursed and are fixed until the end of maturity.
- It provides the client the opportunity to borrow at a fixed interest rate, regardless of the changing market conditions.
- It is the loan where fixed interest and principal amount is reimbursed at agreed term.

Commercial Installment Loans

- These are loans that can be used to purchase goods in return for cash and to meet business needs.
- They are installment loans with flexible or fixed payment options, disbursed within the framework of a certain maturity and payment plan.
- Foreign Currency Denominated Loans
- These are loans that are denominated in a certain foreign currency, extended in TRY at the prevailing foreign exchange buying rates, where the principal and interest repayment amount is calculated and collected in TRY taking into account the denominated foreign currency type and amount. Foreign Currency Denominated Loans can also be extended as a spot loan or installment loans.

Taxable Foreign Currency Loans

- Foreign currency loans extended for commercial and professional purposes provided that the receivables held as collateral shall not exceed the amount of foreign currency held in their branches in Türkiye and/or the amount of foreign currency securities issued by or under the guarantee of the central governments and central banks of the member countries of the Organization for Economic Co-operation and Development (OECD). or foreign currency loans of USD 5 million or more with an average maturity of more than one year.

NON-CASH LOANS

Bid Bonds/Provisional Guarantee

- These are letters of guarantee issued to the contracting authority and guaranteeing, if the tendered work is awarded to the beneficiary, that the beneficiary will sign the contract with regard to the tender and submit the performance bond.

Performance Bond

- These are bonds that guarantee that the beneficiary will fully comply with the provisions of the contract and the specifications with regard to the tendered work.

Advance Payment Guarantee

- In cases where the tendered work requires prior preparation, these are letters of guarantee provided to guarantee the advance payments extended to the beneficiary to cover the related expenses in order to be further appropriated against the final progress payments.

OUR BANKING ACTIVITIES

Other Guarantee Bonds

- These are letters of guarantee issued to different authorities and other real or legal persons for situations that differ from the letters of guarantee with regard to tenders.
- Other Guarantee Bonds
- Customs Guarantees
- Letters of guarantee issued to the Courts and Enforcement Offices
- Letters of guarantee issued to the Tax Offices
- Letters of guarantee issued to secure a Dealership Agreement
- Letters of guarantee issued to secure the Procurement of Goods
- Payment Guarantees
- Letters of guarantee issued to secure a deposit

External Guarantees / Foreign Letters of Guarantee

- These are letters of guarantee issued to foreign addressees and institutions abroad.

Financial Leasing

- Financing opportunity is provided up to 100% for investments.
- In cases where investments are financed by leasing, equity capital and credit limits in banks are not used. Thus, equity can be allocated to other areas of need in the company.
- Cash flow can be planned with flexible lease payments that best suit the company's fund flow.
- The Financial Leasing Agreement and the collaterals/guarantees received within the scope of this agreement are exempt from all taxes, duties and fees. Except for VAT-based lease payments, only notary and administrative expenses are collected.
- The VAT of the lease payments may be appropriated against the VAT liabilities of the companies.
- The ownership of the leased equipment is transferred to the lessee at the end of the leasing term in return for a nominal fee.
- In case the Lessee has an investment incentive certificate, it can benefit from the relevant incentives by transferring the part of the incentive certificate corresponding to the investment amount.
- As the purchasing (domestic and import) related to the leasing transaction is carried out by the Bank, it does not impose an operational burden on companies.
- Depreciation for equipment purchased through leasing is reserved by the Lessee.

Accounts Receivables (AR) Financing

- It is the process of transferring your receivables to our Bank for the purpose of converting them into cash before the maturity.

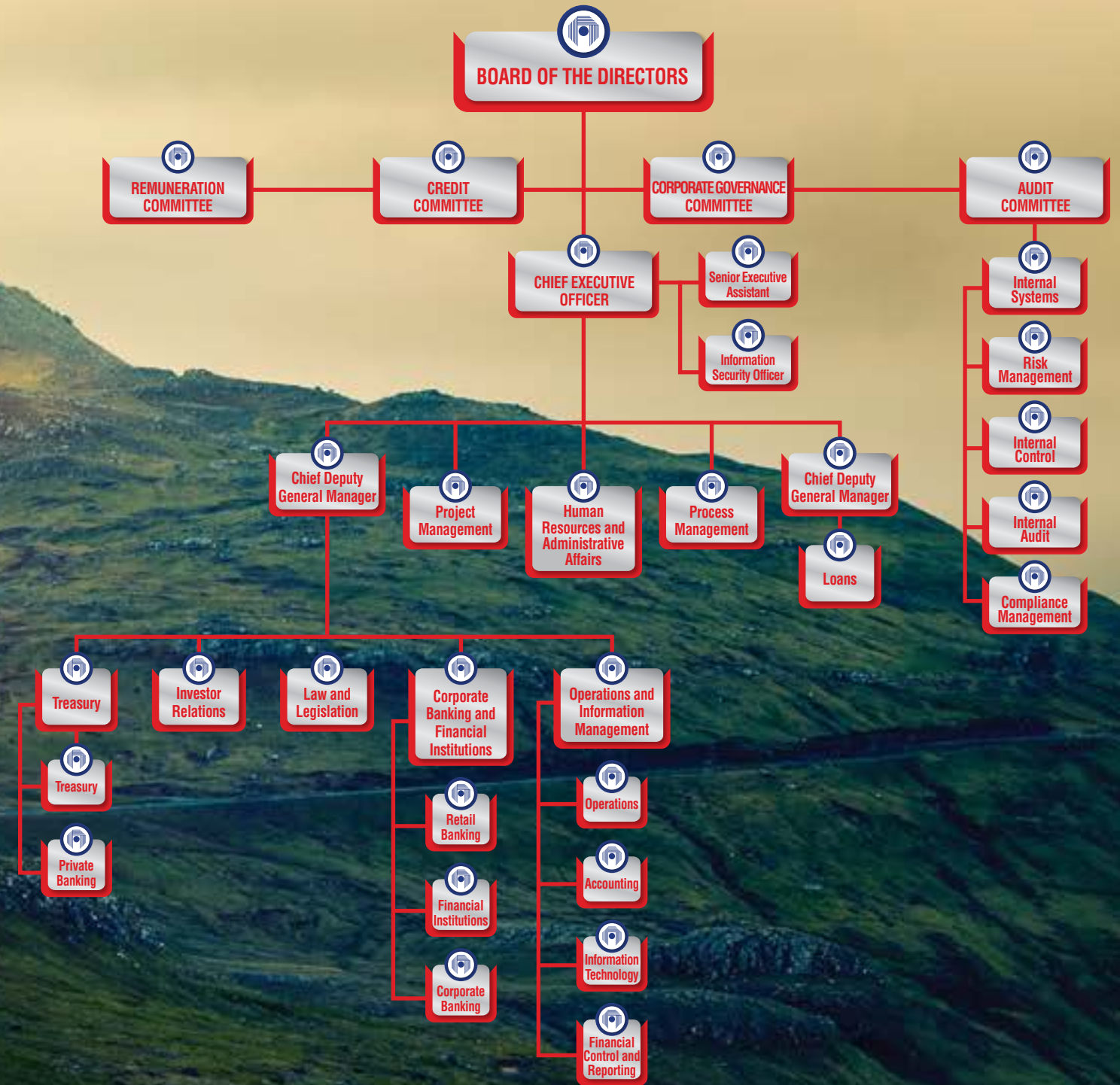
PRIVATE BANKING

Our portfolio managers, who are experts in their fields, have been providing private banking services to our clients in line with their risk perceptions with instruments suitable for market conditions. The Bank has gained new clients by giving a sound performance with a wide range of products including Mutual Funds, Private Sector Bonds, Treasury Bills-Government Bonds, Eurobonds, Structured Transactions and Derivative Instruments.

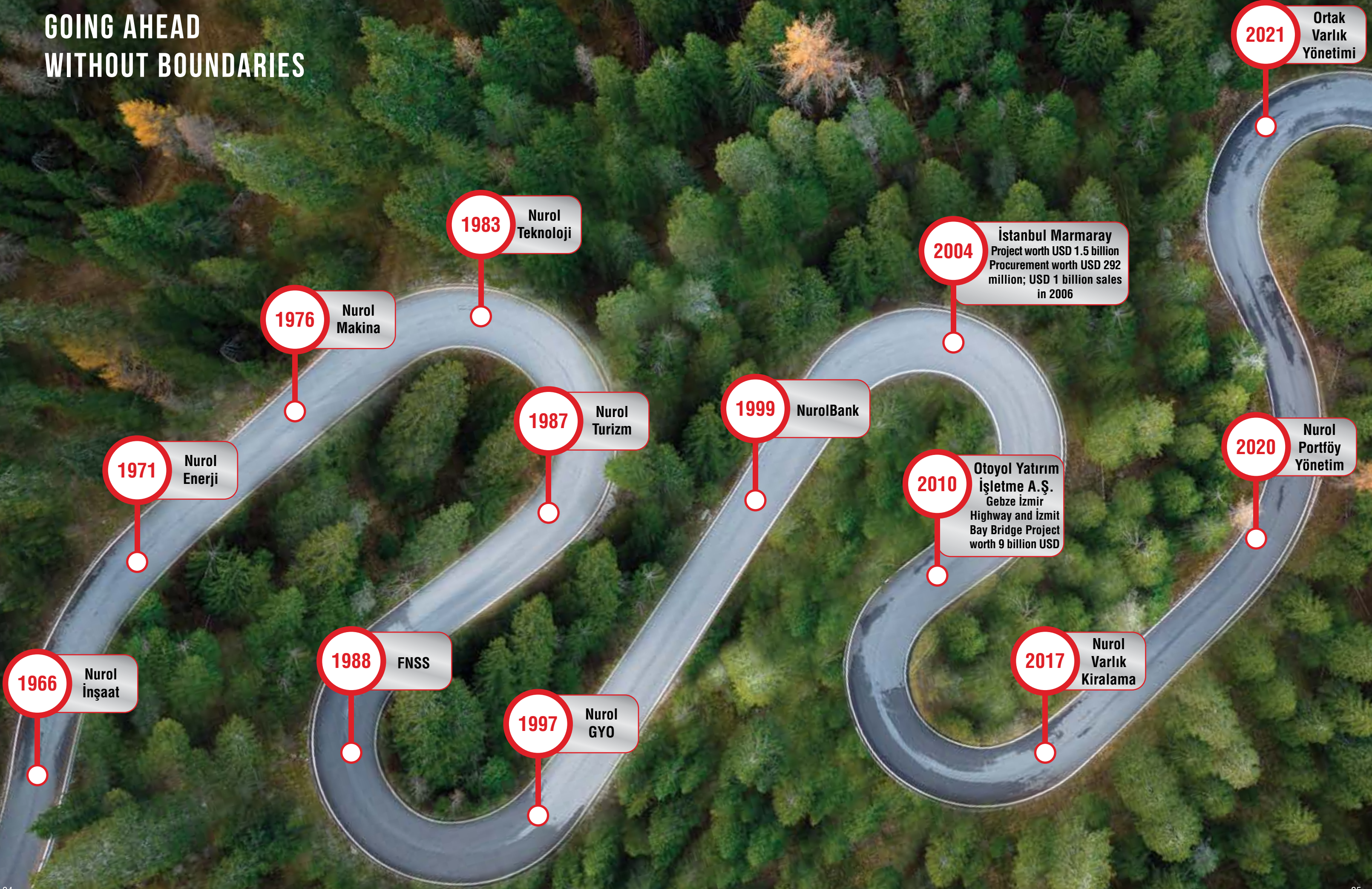
In line with its goals, the Bank will keep on offering innovative products in 2024 in order to improve its efficiency and diversify its portfolio. By strengthening the synergy of the Bank's Treasury and Corporate Finance Departments with particularly our Portfolio Management Company, Nurol Portföy, positive effects are aimed on both Bank's profitability and customer satisfaction.

PLANNING THE ROAD TO SUCCESS COLLECTIVELY

ORGANIZATIONAL STRUCTURE



GOING AHEAD WITHOUT BOUNDARIES



COMING A LONG WAY IN SHORT TIME

RATING ASSIGNED BY THE RATING AGENCY

In April 2023, JCR Eurasia Rating affirmed the Long-Term National Issuer Credit Rating of “Nurol Yatırım Bankası A.Ş.” as “AA (Tr)”, well above the investment level category with “very high credit quality” and evaluated the Short-Term National Issuer Credit Rating at “J1+ (tr)”. The Company’s Long- and Short-Term National rating outlooks have been determined as “Stable”.

On the other hand, the Company’s International Foreign Currency Rating is limited to BB, which is Türkiye’s credit rating. Therefore, the Company’s Long-Term and Short-Term International Ratings have been affirmed as “BB” and “J1+” with “Negative” outlooks in line with the global and national scale rating matching published by JCR Eurasia Rating.

Key rating drivers considered when assigning the rating score of Nurol Yatırım Bankası A.Ş. within the scope of the credit rating process were:

- Sustainable improvement in key profitability indicators,
- Maintenance of loan-driven moderate growth strategy accompanied by security deposits,
- Diversified funding structure based on debt issuances that ensure financial flexibility
- Country-specific advantages that contribute to the activities of investment banks and encourage investment,
- High level of compliance with corporate governance, best practices and continuity of well-established risk management practices,
- Capital adequacy ratio that is below industry averages despite being in compliance with legal requirements,
- Scarce alternative delivery channels and lack of revenue stream to provide continuity of efficiency rates,
- Ongoing credit risk concentration among the top ten cash and non-cash loans customers deteriorating asset quality,
- Predominantly short-term debt profile in the industry,

Considering the above mentioned drivers, the Long Term National Issuer Credit Rating of “Nurol Yatırım Bankası A.Ş.” has been affirmed as “AA (tr)”. In this regard, JCR Eurasia Rating has determined the ratings of Nurol Yatırım Bankası A.Ş. as follows:

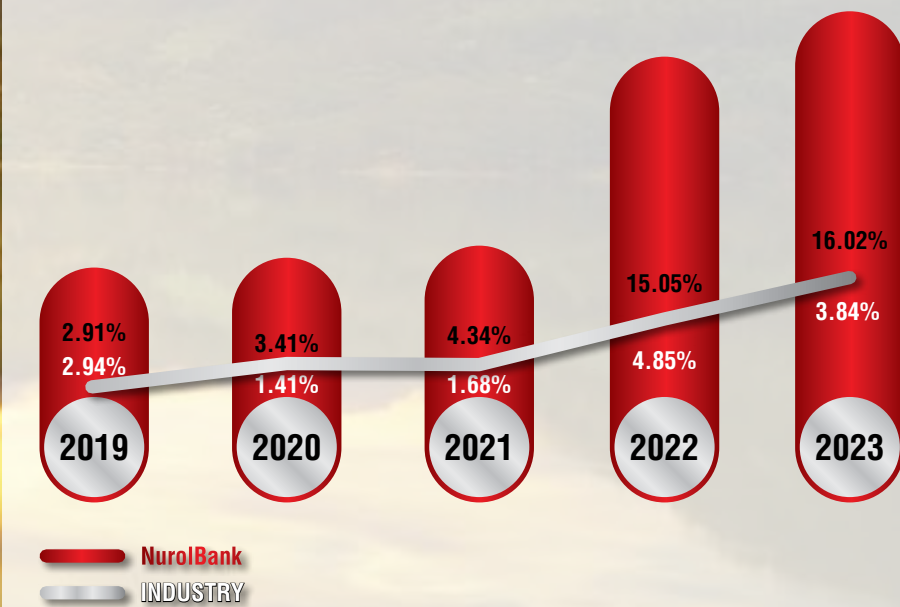
		Long Term	Short Term	
International	Foreign currency	BB	-	
	Turkish Lira	BB	-	
	Appearance	FC	Negative	-
		TL	Negative	-
National	National rating	AA(Tr)	J1+(Tr)	
	Appearance	Stable	Stable	
	Export rating	AA(Tr)	J1+(Tr)	



FINANCIAL FIGURES

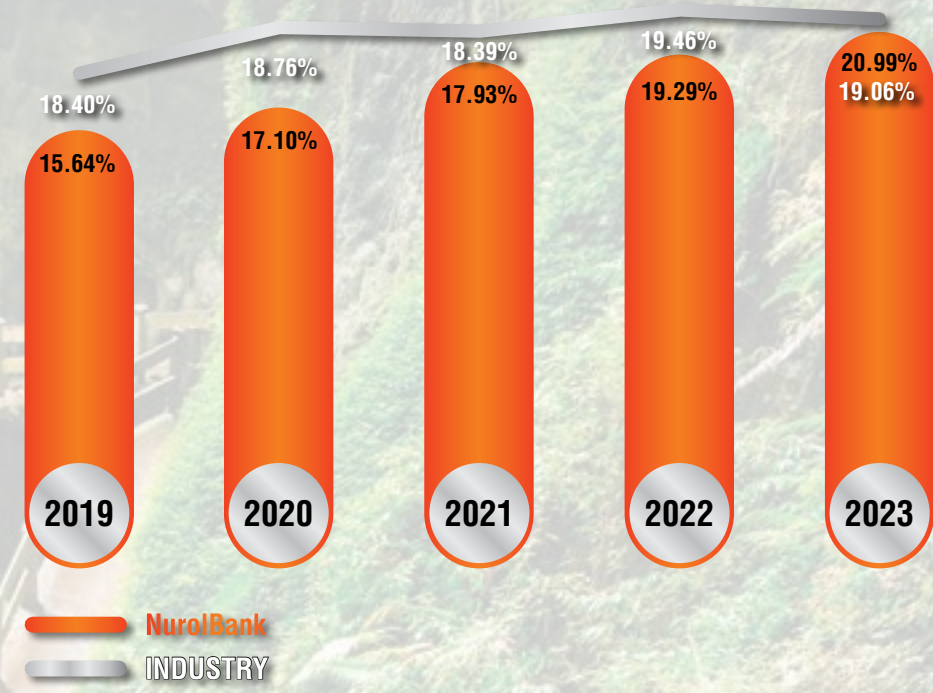
MOVING FORWARD WITH FIRM STEPS

Average Return on Assets (ROA) Comparison

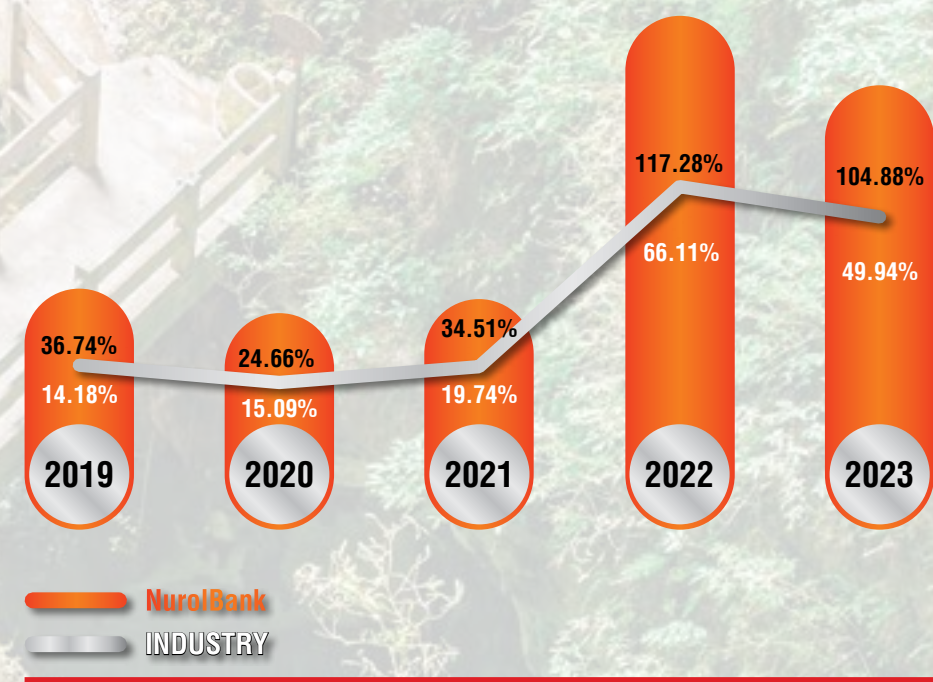


DRAWING A ROADMAP

Comparative Capital Adequacy Ratios



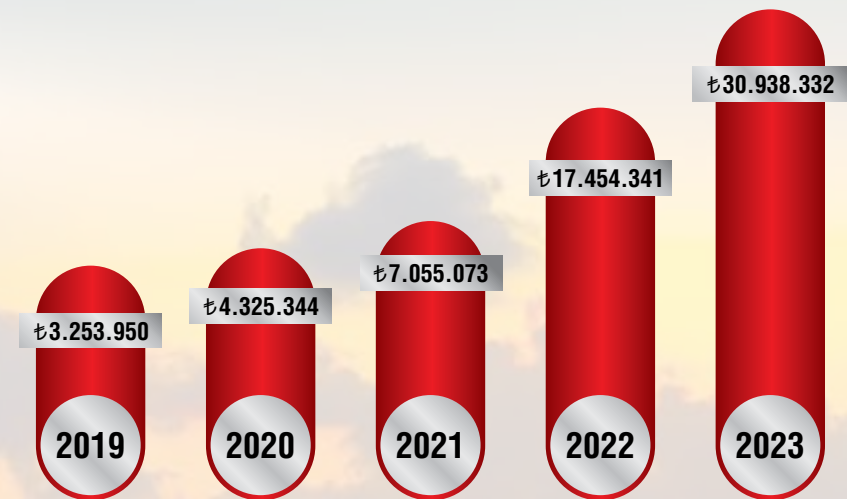
Average Return on Equity (ROE) Comparison



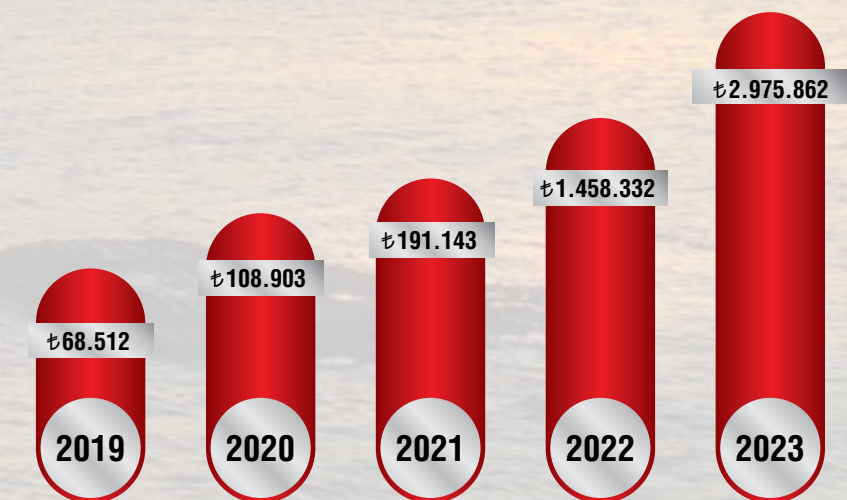
GUIDING THE RIGHT PATH



Total Assets (in Thousand TRY)



Net Profit (in Thousand TRY)



SIGNIFICANT FINANCIAL FIGURES

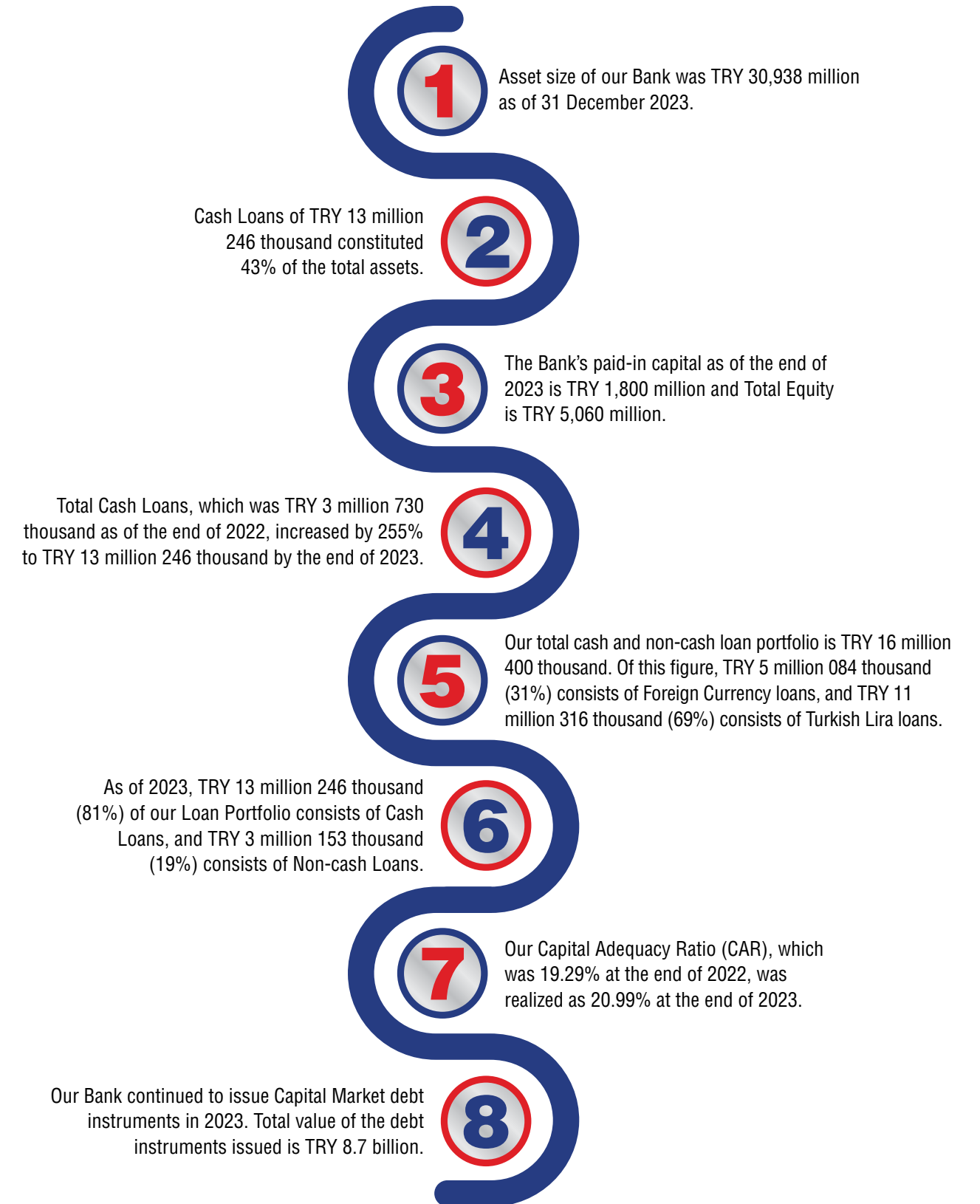
(Thousand TL)	31.12.2023	31.12.2022
Total Assets	30,938,332	17,454,341
Banks Other Financial Institutions	2,214,694	2,700,413
Securities	6,029,875	6,364,991
TRY Cash Loans	8,332,687	2,818,374
FX Cash Loans	4,913,797	911,408
Total Cash Loans	13,246,484	3,729,782
Cash Loans / Total Assets	43.00%	21.00%
Cash Loans (%)	81.00%	66.00%
TRY Non-Cash Loans	2,982,857	1,773,578
FX Non-Cash Loans	170,393	111,193
Total Non-Cash Loans	3,153,250	1,884,771
Non-Cash Loans	19.00%	%34.00
Financial Leasing Receivables	160,526	480,469
Issued Securities	2,790,998	2,843,300
Received Loans	1,879,030	1,467,210
Funds accepted by Development and Investment Banks	410,483	44,454
Subordinated debts	-	93,785
Total Equity	5,060,332	2,330,685
Profit/Loss before Tax	3,875,707	1,844,004
Net Profit/Loss	2,975,862	1,458,332

PERFORMANCE RATIOS

Ratios (%)	31.12.2023	31.12.2022
Capital Adequacy Ratio	20.99%	19.29%
Average Return on Equity	104.88%	117.28%
Average Return on Assets	16.02%	15.03%
Loans / Total Assets	42.82%	21.37%

- Information on Research and Development Practices Related to New Services and Activities: N/A
- Investments Realized by the Bank in the Relevant Accounting Period: N/A
- Information on the Acquisition of the Company's Own Shares: As of 31 December 2023, the Company has not acquired no shares of its own.
- Information on the Privileged Shares and Voting Rights of Privileged Shares: There are no privileged shares in the bank's capital.
- Information regarding dividend distribution policy: It is aimed to distribute profit in the amount approved by BRSA and to add the undistributed profit to the Outstanding Capital.
- Company's activities and significant developments with regard to the activities: The targets set for the previous period were achieved and the General Assembly resolutions were fulfilled.
- There are no administrative or judicial sanctions executed against the Company and its board members due to practices contrary to the provisions of the legislation.

NUROLBANK'S ACTIVITIES AND ITS POSITION IN THE SECTOR AS OF 2023

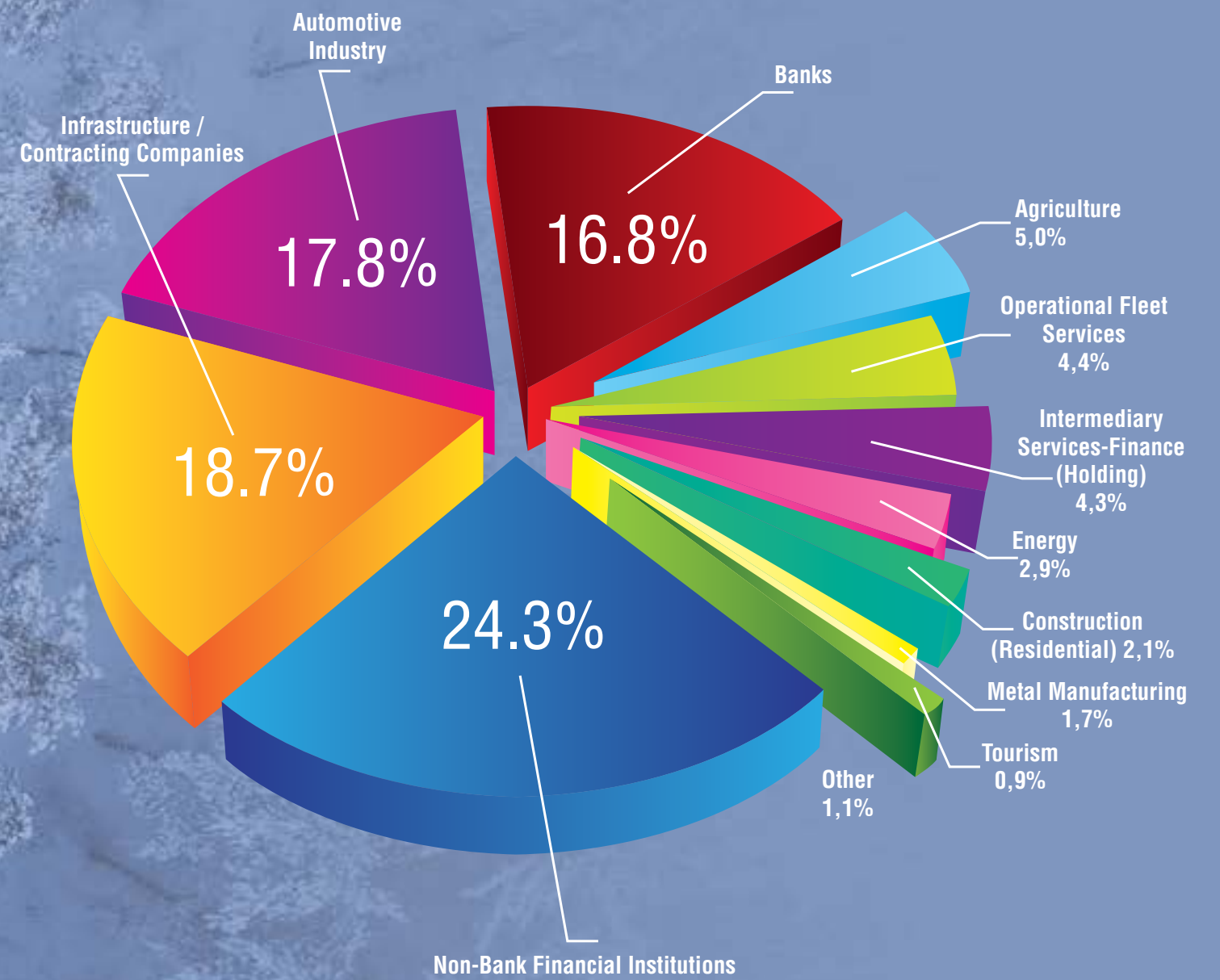


Subsidiaries

The subsidiaries of Nurolobank Yatırım Bankası A.Ş., namely Nurolobank Varlık Kiralama A.Ş., Nurolobank Portföy Yönetim Şirketi A.Ş. and Ortak Varlık Yönetim A.Ş., were incorporated on 14.06.2017, 18.11.2020 and 22.01.2021 respectively.

KNOWING THE SAFEST WAY TO INVEST

DISTRIBUTION OF TOTAL RISKS BY INDUSTRY





OUR VIEW ABOUT THE WORLD AND TURKISH ECONOMY





MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

In the first half of 2023, global economic activity followed a moderate course due to the decline in energy prices and the delayed recovery of the Chinese economy. While the US Fed increased interest rates, the ECB in Europe took a similar step. It is possible to argue that persistent inflation and economic imbalances are overlooked worldwide. Tight monetary policies were not that effective in fighting against inflation's resistance, and factors such as geopolitical risks and climate change still create uncertainty.

A complex picture concerning the financial markets emerged in April, and the IMF lowered its global growth forecasts. Although global growth forecasts were increased to 3% in July, risks still prevail. In August, the Fed and ECB continued to increase the interest rates, and inflation control was again emphasized. Uncertainty in the global economy prevailed in the third quarter. Thus, the IMF updated its growth forecasts. The October report estimated global growth at 3% for 2023 and 2.9% for 2024, and inflation forecasts were revised accordingly. The increase in global risk appetite positively impacted the markets in December. With the influence of the signals indicating that the Fed will cut down interest rates, the MSCI World Stock Exchange index increased by 21.8% throughout the year.

The monetary policy implemented in Türkiye in the second half of 2023 to support the fight against inflation, with increased reserves and simplification steps in macroprudential policy, ensured stability in domestic financial markets. While the credit risk premium of Türkiye decreased, investment demands from domestic investors brought the BIST 100 Index to historically high levels.

Rapid growth in loan figures in 2022 was balanced with the tightening financial conditions of 2023, and the increase in policy interest and macroprudential steps pushed loan interest rates upwards and increased the deposit volume in local currency. Overdue receivables followed a horizontal course, and the capital adequacy ratio reached high levels. Economic activity in the first half of 2023 remained vibrant despite weak external demand and the effects of the earthquake. The growth rate realized as 4.4% in 2023 is expected to be 4.0% in 2024, which aligns with the medium-term program targets. Expenditures for relieving the damage caused by the earthquakes that hit Kahramanmaraş and Hatay opened a gap in the budget, and the high course of inflation positively impacted revenues while putting pressure on expenditures.

The year-end inflation rate was realized as 64.8%, and the economy completed the year at a level consistent with the midpoint of the estimates presented in the previous Inflation Report. The effects of the exchange rate, services inflation, food prices, and tax regulations are significant factors determining inflation. In the upcoming period, CPI is estimated to drop to 36% with coordinated policy practices prioritizing price stability and then 14% by the end of 2025. Developments on the issue will be further followed.

In 2024 expectations, it is interpreted that the global slowdown may increase unemployment rates, and the tightening financial conditions may continue to restrict global growth.

As Nurolbank, I am confident that we will successfully complete the process within the framework of our effective risk management principles, which we have implemented promptly by carefully and appropriately analyzing the markets' functioning. In line with our vision of increasing our profitability and prioritizing sustainable growth, I hope the future will bring everyone health and happiness.

On behalf of the Board of Directors, I would like to express my gratitude to all our employees for their performance and our esteemed clients for their collaboration.

Ziya Akkurt
Chairman of the Board of Directors



MESSAGE FROM THE CEO

A fluctuating trend was observed worldwide in 2023. It would not be wrong to say that the decisions of central banks worldwide have had a significant impact on financial markets. The Fed maintained its commitment to fighting against inflation by increasing interest rates, while the Eurozone's policy rates have increased. On the other hand, commodity prices have generally been in a downward trend due to the impact of demand concerns. The Central Bank of China decreased banks' required reserve ratio to support the economy.

Looking back at the end of the year's first half, we have experienced a global energy price decline. The core indicators announced in the USA and the Eurozone may show that rigidity in inflation may prevail. While the Fed expressed an intention to pause increasing policy rates, the Russia-Ukraine war and financial uncertainties had a downward impact on global growth expectations. While the debt ceiling impasse in the USA strained the global risk appetite, the draft law enacted at the beginning of June recovered the risk appetite, and the horizontal course of high energy prices reduced the inflation in developed economies.

Developments such as the Jackson Hole symposium and the economic recession in China guided the markets in the third quarter of the year. Expectations that interest rates will be kept high until inflation is controlled in developed countries have become more robust. The decisions taken at the BRICS summit and the updates in the IMF's global growth forecasts continued to fluctuate the markets. Oil prices have reached the highest level since November 2022, with supply disruptions towards the end of the year and increased global inflation concerns.

The easing of inflationary pressures in global markets and the perception that interest rate hikes have ended in the last month of the year shaped the decisions of leading central banks. Fed Chairman Powell's evaluations regarding the interest rate cuts in 2024 positively impacted the global risk appetite, while the strong labour market in the USA indicated that domestic demand was not suppressed enough to open the door to interest rate cuts. The weak economic outlook in the Eurozone and China continued for a while.

In Türkiye, the manufacturing sector PMI data pointed to growth, and the Central Bank of the Republic of Turkey (CBRT) reduced policy interest within the scope of its commitment to fighting high inflation. While Kahramanmaraş-centered earthquakes in February shook the country, public institutions took several measures to alleviate the effects of the disaster. This time, the CBRT tried to support the economy by decreasing interest rates. While the leading indicators in the second quarter indicated that the recovery in the domestic economy continues, there is an expectation that the weakness in foreign trade may pressure growth. The foreign trade deficit narrowed due to the long holiday in April, but it remained high. When the uncertainty created by the elections was over, the policies of the new economic management and the normalization steps in monetary policy and regulations were closely followed, and the necessary measures were taken. The confirmation of the credit ratings and the statements of international credit rating agencies regarding the depreciation of the Turkish lira was also followed throughout the year. The CBRT made a series of increases in interest rates in the third quarter of the year and increased its inflation estimates. While the BIST-100 index reached the historical highest level in July, Türkiye's 5-year CDS premium fell below 400 basis points for the first time since September 2021. Increases were recorded in CPI and PPI, while the Medium Term Program determined economic growth forecasts for 2023 and 2024.

The effects of geopolitical developments, particularly the tension in the Middle East and the Red Sea, on energy prices are among the most critical risk factors in the global economy for 2024, which will be closely monitored.

As Nurolbank, we will continue to support the sustainable growth of our country with our solid financial figures and qualified employees. In 2023, Nurolbank's total loans increased to TRY 13,246 million, while its earnings before tax were TRY 3,875 million. Our Bank's Capital Adequacy Ratio as of 31 December 2023 is 20.99%. The Return on Equity Ratio was 104.88%. Our bank further issued debt instruments with a total value of TRY 8,725 million at competitive prices throughout the year.

By purchasing a portfolio of non-performing loan receivables with a total principal size of TRY 1.7 billion in 2023, Ortak Varlık increased its portfolio size to TRY 3.4 billion and the number of its customers to over 250 thousand. Ortak Varlık maintained its place among the top 5 in the sector regarding the size of loans it tries to collect.

Nurol Portföy Yönetimi A.Ş. manages a total of 33 funds, including 14 securities investment funds, 14 real estate investment funds and five private equity investment funds as of the end of 2023. The total size of the funds managed is TRY 10.9 billion. The size of funds managed increased by 127% in one year. 41% of the funds managed are securities investment funds, 37% are private equity funds, and 22% are real estate investment funds. The Company's net earnings after tax increased by more than ten times compared to the previous year and reached TRY 22.5 million in 2023.

Aware of the responsibility of our successes, we will strive to work together to make the transformation we have pioneered sustainable. I am grateful to our esteemed employees for their strong performance this year and to our shareholders and all other stakeholders for their trust in us.

Özgür Altuntaş
Board Member and CEO

SEEING BEYOND THE BORDERS



ASSESSMENT OF THE GLOBAL ECONOMIC SITUATION

Inflation and the tightening policies of central banks stood out among the global economic developments that stamped on 2023. The increase in the consumer prices particularly in the USA along with the determined tightening steps of the Federal Reserve (Fed) brought concerns about the slowdown in economic activity. The US Federal Reserve's increase in policy rates 11 times throughout 2022 affected the efforts to adapt to interest rate increases in global markets. Financial institutions such as Silicon Valley Bank (SVB) had difficulty in meeting their deposits directed to long-term bonds due to the increased demand during the pandemic period. They further felt the need to increase capital in order to minimize the loss in their portfolio, which lost value due to the Fed's rapid interest rate increases. This situation pointed out the imbalances in the finance sector. In addition, the FDIC (Federal Deposit Insurance Corporation) appointing a trustee to Signature Bank and taking measures on the grounds that the crypto industry threatens the financial system are reflections of the changing dynamics in the financial world. This situation showed us all the effects of crypto assets and blockchain technology on traditional financial institutions. Problems facing other major banks around the world further caused fluctuations in the global economy. In particular, the weaknesses disclosed by Credit Suisse in its financial reports and the decision of the major shareholder not to inject additional capital triggered concerns about a banking crisis in Europe. UBS's acquisition of Credit Suisse signaled major changes in the finance sector.

Although the Fed's decision to expand its swap lines alleviated funding concerns in international markets, problems in the global banking sector and geopolitical uncertainties continued to force the global economy to follow a fluctuating course. Particularly the tensions in the Middle East and ongoing Russia-Ukraine war continued to have an impact on energy markets.

Leading data announced in the Eurozone in 2023 supported inflation concerns and strengthened expectations that the European Central Bank (ECB) may accelerate tightening steps in its monetary policy. The ECB demonstrated its determination to fight against inflation by accelerating interest rate increases. Following the CPI increase in the Eurozone in April, the ECB continued its determination to fight against inflation by increasing interest rates. This showed that the fight against inflation prevailed in an important region of the global economy. Core CPI inflation remained at 5.6%; accordingly, the ECB increased reference interest rates by 25 basis points at its meeting on May 4th in order to continue its fight against inflation. Growth forecasts were revised and raised by the EU Commission, despite the energy crisis and interest rate increases.

Global finance markets presented a mixed outlook in April. The IMF World Economic Outlook report published in April revealed that global growth forecasts were reduced to 2.8% for 2023 and to 3% for 2024 due to high inflation, uncertainties in the finance sector and the effects of the Russia-Ukraine war. This result highlighted the uncertainties and challenges in the global economy. Debt ceiling uncertainties in the US also put pressure on the markets in May and increased default risk concerns. The approval of the bill to increase the US debt ceiling in the House of Representatives on June 1st brought some relief to the markets.

DISCOVERING PATHWAYS TO THE WORLD

ASSESSMENT OF THE GLOBAL ECONOMIC SITUATION

The increase in the consumer prices in the USA along with the determined tightening steps of the Federal Reserve (Fed) kept alive the concerns about the slowdown in economic activity. While the Fed did not change the interest rates at its June meeting, it was emphasized that inflation was not at the desired level and the monetary tightening process was not yet finalized. This can be interpreted as that economic activity displayed a positive outlook, but certain risks remained.

Although the barrel price of Brent crude oil in the commodity market decreased in March, the production cut decision of OPEC+ countries pushed the oil prices up and tested the 87 USD level in April. The ounce price of gold, which has been considered as a safe haven after bank bankruptcy, increased in April.

Global growth expectations were revised in the OECD's June Economic Outlook Report. Although 2023 growth forecasts for the USA and China were increased, it was further noted that core inflation is still high, and the global recovery will take a long time. OECD revised its 2023 GDP growth forecast upwards for the Turkish economy.

Tensions in the Middle East in November caused a general decline in global markets. Pursuant to the IMF's World Economic Outlook Report for October, global economic growth remains weak, and the impact of monetary tightening was felt softly. The FED did not change the interest rates in December, however the interest rate cuts pointed out for the coming years had a positive impact on global stock markets. While the MSCI World Stock Exchanges index increased by 4.8%, the MSCI developing countries index increased by 7.9%.

BEING PREPARED FOR CHALLENGING PATHS

TURKISH ECONOMY

2023, the Turkish economy was shaped by inflation and various developments in financial markets. In January, CPI increased by 6.65% reaching the highest level over the last 9 months, while annual inflation decreased to 57.68% which is the lowest level over the last 11 months. The decreases in electricity, gas and crude oil prices brought down the monthly D-PPI inflation. In February, CPI increased by 3.15% while D-PPI increased by 1.56%. In financial markets, the BIST-100 index had a difficult start in January, falling by 9.7% to 4,977 points. Türkiye's 5-year CDS premium increased by 41 basis points to 546 in January.

After the earthquakes that hit the country on February 6th, a 3-month state of emergency was declared covering 10 provinces. Short-time working allowance was introduced along with a ban on termination of employment contracts. CBRT and BRSA implemented various regulations for the regions affected by the disaster. In February, Real Sector Confidence Index (RSCI) decreased by 1 point to 102.4 when compared to the previous month. The Consumer Confidence Index (CCI), adjusted by seasonal effects, increased by 4.3% to 82.5 and reached its highest level. Sectoral confidence indexes decreased by 2.2% in the services sector, 2.4% in retail trade sector and 3.6% in construction sector. The economic confidence index decreased by 0.3% to 99.1. Markets were designed by the effects of the earthquake disaster and the measures taken. Borsa İstanbul compensated for its losses with tax exemptions and regulations concerning BES (personal retirement insurance plan) funds. However, the central government budget faced a budget deficit of TRY 170.6 billion in the first two months of the year after going through a difficult process. Credit rating agencies re-evaluated Türkiye's rating. While Fitch confirmed its rating of "B" and "negative outlooks", S&P lowered its rating outlook from "stable" to "negative". At the end of March, some new regulations concerning FX-protected deposit accounts (KKM) were enacted. Accordingly, domestic companies with foreign exchange liabilities were allowed to have their FX-protected deposit accounts (KKM) accounts in banks with maturities to be determined by the CBRT, with a maturity of not less than one month. With this regulation, relevant legal entities with FX-protected deposit accounts (KKM) accounts were required to sign an undertaking committing that they will not purchase foreign currency during the maturity of the account, stating that loan disbursement requests of companies that fail to fulfill this commitment will not be approved for one year. In addition, interest rate ceiling for the Central Bank-backed TRY KKM deposits was lifted. The regulation allowed the banks to determine the maximum interest rate on accounts where the minimum interest rate will be the policy interest rate. Interest rate ceiling for the Central Bank-backed TRY KKM deposits was lifted in January.

In March, Turkish Lira's exchange rates were depreciated against the Dollar and the Euro by 1.5% and 3.9% respectively. Simultaneously, the interest rate of the 2-year benchmark bond showed a rapid increase, rising by 121 basis points. The Central Bank of the Republic of Turkey (CBRT) attracted attention with its policy rate change decisions. The CBRT, which kept the policy rate constant at 9% in January, thereafter lowered it by 50 basis points to 8.5% in February. There was no change in the policy rate in March. Continuing its gradual interest rate increases in the following months, the CBRT increased the policy rate by 500 basis points to 35% in October, in line with market expectations, and by 500 basis points to 40% above market expectations on November 23, and then by 250 basis points to 42.50% in line with market expectations in the last meeting of the year. Thus the CBRT, which slowed down the pace of monetary tightening, increased the policy rate by 34.0 points in total since June as stated in the written resolution of the November meeting.



**BRING RESOLUTE
TO KEEP GOING**

TURKISH ECONOMY

Pursuant to the CBRT's Survey of Market Participants, 12-month inflation expectations decreased from 34.9% to 30.4%. With the increase in gold prices, the CBRT's gross reserves increased to 127.1 billion USD in March. Total credit volume of the banking sector reached out to TRY 7.8 billion, increasing by 56.9% compared to the same period of the previous year. With the influence of financial fluctuations following the earthquakes that hit the country on February 6th, a 3-month state of emergency was declared covering 10 provinces. Short-time working allowance was introduced along with a ban on termination of employment contracts. CBRT and BRSA implemented various regulations for the regions affected by the disaster. In March, Real Sector Confidence Index (RSCI) decreased by 1 point to 102.4 when compared to the previous month. Meanwhile the Consumer Confidence Index (CCI) increased by 4.3% to 82.5 and reached its all-time highest level. Sectoral confidence indexes decreased by 2.2% in the services sector, 2.4% in retail trade sector and 3.6% in construction sector. The Economic Confidence Index decreased by 0.3% to 99.1 and remained below the 100 threshold value. In addition to the economic developments, CBRT emphasized in its 2024 Monetary Policy text that simplification steps will prevail and the reserve accumulation policy will be maintained through quantitative tightening steps. CBRT further stated that it will constitute a policy aiming to reach the inflation target of 5%.



MANAGEMENT AND COMMITTEES



Board Members

- 1 Ziya AKKURT
Chairman of the Board of Directors
- 2 Mehmet Oğuz ÇARMIKLI
Vice Chairman of the Board of Directors
- 3 Mehmet Mete BAŞOL
Board Member
- 4 Dr. Eyüp Sabri ÇARMIKLI
Board Member
- 5 Gürol ÇARMIKLI
Board Member

- 6 Prof. Dr. Niyazi ERDOĞAN
Board Member
- 7 Ahmet Kerim KEMAHLI
Board Member
- 8 Yusuf SERBEST
Board Member
- 9 Ahmet ŞİRİN
Board Member
- 10 Özgür ALTUNTAŞ
Board Member and CEO

CHARTING THE CORRECT ROUTE

BOARD MEMBERS



Ziya AKKURT
Chairman of the Board of Directors

Ziya Akkurt, who graduated from the Department of Public Administration at the Middle East Technical University, started his professional life in 1983 at Interbank. He worked in the Credit and Marketing Department of BNP-AK-Dresdner Bank and the International Banking Department of the Ottoman Bank / Banque Paribas / Paris, respectively. Akkurt, who started working for Akbank Corporate Banking 1996, worked in different departments of Akbank over the years and then served as the CEO of the bank between 2009 and 2012. Between 1996 and 2012, he served as a Board Member and Executive Director Responsible for Credits at BNP-AK-Dresdner Bank, Akbank A.G, BNP-AK-Dresdner Leasing and Ak Yatırım A.Ş. Ziya Akkurt has been serving as the Chairman of the Board of Directors of Nurol Yatırım Bankası A.Ş. since February 2016.

Mehmet Oğuz ÇARMIKLI
Vice Chairman of the Board of Directors

M. Oğuz Çarmıklı graduated from the Department of Civil Engineering of Istanbul State Academy of Engineering and Architecture, Yıldız Technical School. M. Oğuz Çarmıklı thereafter served as a senior manager at Nurol Construction Company which was the first company of the Nurol Group of Companies and was then transformed to Nurol İnşaat ve Ticaret A.Ş. He has been serving as the Vice Chairman of Nurol Yatırım Bankası Board of Directors since 1999 and has been a Member of the Bank's Remuneration Committee since 13.12.2011.



Mehmet Mete BAŞOL
Board Member

He graduated from the University of Arizona with a BS degree in Economics. Başol, who started his career in 1984, served as the Executive Director of the Board of Directors of Interbank, Bankers Trust, Deutsche Bank and Public Banks, respectively. He currently serves as a Board Member and as a Consultant in various companies. He has been serving as a Board Member and Corporate Governance Committee Member of Nurol Yatırım Bankası A.Ş. since 2014.

BOARD MEMBERS



Dr. Eyüp Sabri ÇARMIKLI
Board Member

He is a 1997 graduate of the Department of Political Sciences at the University of Essex, London. He pursued an academic career with a Master's Degree in International Relations and Political Theory at Westminster University, London in 2001. He received a master's degree in Contemporary History and Politics from Birbeck College, University of London, in 2002.

in 2011, he received his PhD in Political Science from the University of Westminster, London. He started his professional life by working as a manager at the Riyadh representative office of Nurol İnşaat Ticaret A.Ş. between 1991 and 1992. Between 1992 and 1993, he served as the Manager of the Department of Land Development at Nurol İnşaat Ticaret A.Ş. He then served as a CEO at Nurol Pazarlama ve Dış Ticaret A.Ş. between 1993 and 1994. He has been serving as a Board Member of Nurol Holding A.Ş. since 1994. He has also been appointed as a Board Member of NurolBank in September 2016.

Gürol ÇARMIKLI
Board Member

He was born in İstanbul in 1975. In 2001, he received his bachelor's degree in Business Administration from Golden Gate University, USA; then received his master's degree in Human Resources Management from the same university. Following his graduation, he served as the President of Universal Materials in the USA. He is currently a Board Member at Nurol Holding A.Ş. and also serves as Corporate Development and Human Resources Coordinator. He further serves as the Chairman of the Board of Directors of Nurol Sigorta Aracılık Hizmetleri A.Ş. (a Nurol Group company) and the Board Member of Nurol Makina ve Sanayi A.Ş., Turser Turizm Servis ve Ticaret A.Ş., Nurol Teknoloji Sanayi ve Madencilik Ticaret A.Ş., Nurol Enerji Üretim ve Pazarlama A.Ş., FNSS Savunma Sistemleri A.Ş., Tümad Madencilik Sanayi ve Ticaret A.Ş., Bosfor Turizm, Nurol İnşaat ve Ticaret A.Ş., Nurol Göksu Enerji A.Ş. and Nurol Havacılık A.Ş.



BOARD MEMBERS



Prof. Dr. Niyazi ERDOĞAN
Board Member

He graduated from Atatürk University, Faculty of Arts and Sciences, Department of French Philology (1970). He received his master's and PhD degrees from Gazi University. He started his career at Akbank T.A.Ş. and continued at Interbank. He worked as the Chief Executive Officer (CEO), General Manager and Executive Member of the Board of Directors at T.C. Ziraat Bank and served as the

chairman and board member in the bank's domestic and foreign subsidiaries. He managed the merger of Türkiye Emlak Bankası with T.C. Ziraat Bank and the process of Restructuring of Public Banks in accordance with Contemporary Banking Rules. He was appointed to serve as the "President of the Savings Deposit Insurance Fund" by the Undersecretariat of Treasury between 2001 and 2003.

Ahmet Kerim KEMAHLI
Board Member

He is a graduate of St. Edward's School, Oxford. He completed the Business Organization Program at Heriot-Watt University, Edinburgh. Kemahli, who started his professional life at West LB in 1990, thereafter worked for Finansbank, Abaloğlu Holding and Çelebi Holding respectively. He has been serving as the CFO of Nurol Holding since 2010, the Board Member of Nurol

Investment Bank since 2011 and the Member of the Audit Committee since 2014.



BOARD MEMBERS

Ahmet ŞİRİN Board Member

He graduated from Faculty of Political Sciences of Ankara University. He received a master's degree from the University of Leeds. Şirin started his career in 1980 at the Inspection Board of the Ministry of Finance and served as the Head of General Directorate of Revenues, Deputy Undersecretary of the Ministry of Finance, Head of Finance at the Ministry of Public Works and Housing, Second President of the BRSA and Advisor to the Presidency of the BRSA, respectively. He has been serving as a Board Member, Chairman of the Audit Committee and Chairman of the Corporate Governance Committee at Nurol Yatırım Bankası A.Ş. since 2013.



Yusuf SERBEST Board Member

He graduated from İstanbul University, Department of Business Administration. Serbest started his career in 1989 in the Treasury Department of Töbank T.A.Ş. And thereafter worked at Nurol Menkul Kıymetler A.Ş., served as the Deputy Chairman of the Board of Directors of ISE and as a Member of the Executive Board of Aydın Örme San. and Tic. A.Ş. He has been serving as a Board Member at Nurol Yatırım Bankası since 2001.



BOARD MEMBERS

Özgür ALTUNTAŞ Board Member and CEO

He graduated from İstanbul Technical University, Department of Management Engineering. Altuntaş, who started his professional life at İstanbul Bankers Trust in 1993, thereafter served as the Director of Emerging Markets and Head of Türkiye Region at Garanti Bank, AMEX Bank, Credit Suisse and Morgan Stanley in Amsterdam, Bucharest and London, respectively. Altuntaş returned to İstanbul in August 2011 and served Royal Bank of Scotland as Chief Deputy General Manager for a two-year period until June 2013. He has been serving as a Board Member and CEO at Nurol Yatırım Bankası A.Ş. since 2013.





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Senior Executives

- 1 **Özgür ALTUNTAŞ**
Board Member and CEO
- 2 **Zafer Babür HAKARAR**
Chief Deputy General Manager
- 3 **Dr. Murat ÇİMEN**
Chief Deputy General Manager
- 4 **Semih Subutay NEZİR**
Deputy General Manager

- 5 **Yeliz BİLGİN**
Deputy General Manager
- 6 **Pınar ÇETİNEL**
Deputy General Manager
- 7 **Genk ATMACA**
Deputy General Manager
- 8 **Recep GÜL**
Deputy General Manager
- 9 **Sezai TEZCAN**
Deputy General Manager

**MOVING FORWARD
WITH KNOW-HOW
AND EXPERTISE**



SENIOR EXECUTIVES



Özgür ALTUNTAŞ
Board Member and CEO

He graduated from İstanbul Technical University, Department of Management Engineering. Altuntaş, who started his professional life at İstanbul Bankers Trust in 1993, thereafter served as the Director of Emerging Markets and Head of Türkiye Region at Garanti Bank, AMEX Bank, Credit Suisse and Morgan Stanley in Amsterdam, Bucharest and London, respectively. Altuntaş returned to İstanbul in August 2011 and served Royal Bank of Scotland as Chief Deputy General Manager for a two-year period until June 2013. He has been serving as a Board Member and CEO at Nurol Yatırım Bankası A.Ş. since 2013.

Zafer Babür HAKARAR
Chief Deputy General Manager

He is a graduate of Boğaziçi University, Department of Mechanical Engineering. Hakarar started his professional life as an associate at Finansbank in 1995 and thereafter worked as the Director of Finance and Business Development at Credit Europe in Amsterdam and Tosalı Holding, respectively. Z. Babür Hakarar has been serving as a Chief Deputy General Manager in Charge of the Treasury at Nurol Yatırım Bankası A.Ş. since 2013.



Dr. Murat ÇİMEN
Chief Deputy General Manager

He graduated from ITU, Department of Civil Engineering. He received a master's degree and PhD from Boğaziçi University. Çimen, who started his career at Interbank in 1996, thereafter served as a Senior Associate in the Project Finance and Financial Leasing Department and Deputy General Manager responsible for Investment Banking at Nurol Yatırım Bankası in 1999. He has been serving as Deputy General Manager responsible for Credits since 2017.



SENIOR EXECUTIVES



Semih Subutay NEZİR
Deputy General Manager

He graduated from METU Faculty of Economics and Administrative Relations, Department of Economics. Nezir, who started his career at Interbank in 1986, thereafter worked as the Manager of the Credit Collection and Risk Management Department at Esbank Head Office. Semih Subutay Nezir started working at Nurol Yatırım Bankası in 2001 and has been serving as the Deputy General Manager responsible for Audit and Compliance Management since 2014.

SENIOR EXECUTIVES



Cenk ATMACA
Deputy General Manager

He graduated from Faculty of Political Sciences of Ankara University, Department of Finance. He started his career in 1992 in the Foreign Relations Department of Finansbank and worked for Fiba Bank between 1998 and 2000. Between 2000 and 2008, he worked as Deputy General Manager in the Foreign Relations Department of Credit Europe Amsterdam. He served as the CEO of Credit Europe Bank, Dubai between 2008 and 2016. He has been working as Deputy General Manager in NurolBank Financial Institutions Department since 2018.

Yeliz BİLGİN
Deputy General Manager

She graduated from Marmara University Department of Business Administration. She started her career in 1998 as an Associate in Finansbank A.Ş. Treasury Department. Bilgin, who worked as a Manager in the Treasury Department of Nurol Yatırım Bankası A.Ş. since 2007, was then appointed as the Group Manager of the Investment Banking and Project Finance Department in April 2011. She has been serving as Deputy General Manager responsible for Investor Relations since April 2015.



Recep GÜL
Deputy General Manager

After graduating from Boğaziçi University Department of Computer Engineering, he received his master's degree in Banking and Insurance from Marmara University. He started his career at Standard Chartered Bank Türkiye Headquarter in 1990, then served as a director in the Information Technologies and Finance departments of WestLB AG and Portigon AG. Recep Gül, who started working for Nurol Yatırım Bankası A.Ş. on 25 May 2015, has been working as the Deputy General Manager responsible for Financial Control, Operations and Information Technologies since then.



Pınar ÇETİNEL
Deputy General Manager

Pınar Çetinel has a bachelor's degree from Galatasaray University Faculty of Law and a master's degree from the London School of Economics. She started her career in law in 2005 and focused mainly on banking, finance and capital markets. She assumed the Chief Legal Counsel role of Nurolbank in 2019 and then was appointed as the Deputy General Manager responsible for the Legal and Compliance Departments in August 2022.



Sezai TEZCAN
Deputy General Manager

He graduated from Istanbul University, Faculty of Economics, Department of Economics. He started his professional life at Koçbank in 1995. He served as the Group Manager, Regional Manager and Director in the Private Banking business unit of Yapı Kredi Bank and Akbank. He started working as the Deputy General Manager responsible for Private Banking at Nurol Yatırım Bankası A.Ş. on 11.10.2023.

OFFERING DISTINCTIVE SOLUTIONS



COMMITTEES OF THE BOARD OF DIRECTORS

Corporate Governance Committee

The Committee was constituted to monitor and guide the Bank's corporate governance operations. It operates in accordance with the provisions of the "Regulation on Corporate Governance Principles of Banks" which came into effect after being published in the Official Gazette Issue No. 26333 dated 01.11.2006 by BRSA. The Committee works under the Board of Directors. It monitors the Bank's compliance with corporate governance principles and performs improvement efforts. Corporate Governance Committee convened twice in 2023. Corporate Governance Committee consists of the following members:



Responsibility	Name, Surname	Primary Role
Chairman	Ahmet ŞİRİN	Board Member
Member	Mehmet Mete BAŞOL	Board Member

Remuneration Committee

Within the framework of the Capital Markets Board's Communiqué No: II-17.1 on "Corporate Governance", Remuneration Committee was constituted to operate within the scope of the Principle 6 of the Regulation on Banks' Corporate Governance Principles issued by the Banking Regulatory and Supervisory Agency (BRSA) with the purpose to monitor and supervise the Bank's policies and practices regarding the remuneration system under the Board of Directors. Remuneration Committee convened twice in 2023. Remuneration Committee consists of the following members:



Responsibility	Name, Surname	Primary Role
Chairman	Mehmet Oğuz ÇARMIKLI	Vice Chairman of the Board of Directors
Member	Ahmet Kerim KEMAHLI	Board Member

COMMITTEES OF THE BOARD OF DIRECTORS

Audit Committee

The Audit Committee was constituted to oversee (on behalf of the Board of Directors) the effectiveness and adequacy of the Bank's internal systems along with the operation of these systems and accounting and reporting systems within the framework of the Law and relevant regulations as well as the reliability and integrity of the information produced, to establish an audit and supervision process that will provide the necessary assurance about the adequacy and accuracy of ICAAP (Internal Capital Adequacy Assessment Process), to make the preliminary assessment on the independent audit firms, rating agencies, valuation and support service organizations to be selected by the Board of Directors, to regularly monitor the activities of the organizations nominated and contracted by the Board of Directors, to ensure the consolidation and coordination of the internal audit activities of the subsidiaries subject to consolidation in accordance with the regulations entered into force pursuant to the law and to fulfill the duties determined within the framework of Banking and Capital Market legislation. Audit Committee convened fourteen times in 2023. Audit Committee consists of the following members:

Responsibility	Name, Surname	Primary Role
Chairman	Yusuf SERBEST	Board Member
Member	Niyazi ERDOĞAN	Board Member

Credit Committee

The Committee works under the Board of Directors. The Committee was constituted in accordance with the articles of the "Regulation on Banks' Credit Transactions" published by BRSA. It ensures the Bank's credit transactions to be carried out within the framework of the established strategy and the limits determined by the Board of Directors. The Committee further evaluates, approves or rejects loan proposals throughout the Bank within the limits determined by the Board of Directors; it negotiates the systems related to the development of credit assessment process and quality and makes recommendations to the Board of Directors accordingly. Credit Committee convened 33 times in 2023. Credit Committee consists of the following members:

Responsibility	Name, Surname	Primary Role
Chairman	Ziya AKKURT	Chairman of the Board
Member	Mehmet Mete BAŞOL	Board Member
Member	Özgür ALTUNTAŞ	Board Member - CEO

COMMITTEES OF THE BOARD OF DIRECTORS

Assets-Liability Committee (ALCO)

Asset-Liability Committee (ALCO) convenes every week under the chairmanship of the CEO with the participation of Deputy General Managers and the Business Unit Managers who undertake operations that may affect the balance sheet. The agenda of the meeting consists of assessments on the Bank's balance sheet, the operations of the business units, general economic outlook and current political and economic developments and determination of the weekly strategy. Asset-Liability Committee (ALCO) convened 43 times in 2023. ALCO consists of the following members:

Responsibility	Name, Surname	Primary Role
Chairman	Özgür ALTUNTAŞ	Board Member - CEO
Member	Zafer Babür HAKARAR	Chief Deputy General Manager
Member	Sezai TEZCAN	Deputy General Manager
Member	Recep GÜL	Deputy General Manager
Member	Nazlı BAYINDIR	Financial Control Group Manager
Member	Fatma KÜSDÜL	Corporate Banking Group Manager

Information Systems Strategy and Steering Committee

The Committee works under the Board of Directors. The Committee operates within the scope of the "Communiqué on the Principles to be Considered in Bank Information Systems Management ("Communiqué")" published in the Official Gazette Issue No: 26643 dated 14.09.2007. The Committee was established by the Resolution of the Board of Directors No: 336 dated 17/06/2008 for the management and administration of legislation/provisions related to Information Systems in order to inform the Board of Directors about strategic alignment to be able to make decisions to meet IS governance objectives and to ensure these are regularly addressed as part of the corporate governance at the Board level. Information Systems Strategy Committee convened 4 times in 2023. Information Systems Strategy Committee consists of the following members:

Responsibility	Name, Surname	Primary Role
Chairman	Özgür ALTUNTAŞ	Board Member - CEO
Member	Zafer Babür HAKARAR	Chief Deputy General Manager
Member	Dr. Murat ÇİMEN	Chief Deputy General Manager
Member	Pınar ÇETİNEL	Deputy General Manager
Member	Semih Subutay NEZİR	Deputy General Manager
Member	Ramazan ESER	Human Resources and Administrative Affairs Manager

COMMITTEES OF THE BOARD OF DIRECTORS

Disciplinary and Personnel Committee

The Committee was constituted with the recommendation of Human Resources and the approval of the CEO to monitor and lead the responsibilities, working conditions, personal rights and disciplinary procedures of the Bank's personnel, without prejudice to the mandatory provisions of the Labor Law No. 4857 and the relevant legislation. The Committee works under the CEO in order to determine the degree of fault and possible damages of the transactions and actions that require disciplinary action in accordance with the Labor Law, other relevant legal provisions and the Bank's internal legislation and disciplinary regulations. The committee convenes as necessary, with the participation of relevant managers, under the chairmanship of the General Manager to decide on the issues on its agenda. The Disciplinary and Personnel Committee consists of the following members:

Responsibility	Name, Surname	Primary Role
Chairman	Özgür ALTUNTAŞ	Board Member - CEO
Member	Dr. Murat ÇİMEN	Chief Deputy General Manager
Member	Recep GÜL	Deputy General Manager

Information Security Committee

The Committee works under the Board of Directors. The Committee operates within the scope of the "Regulation on Information Systems and Electronic Banking Services of Banks" published in the Official Gazette Issue No: 31069 dated 15.03.2020. The Committee undertakes the activities of ensuring information security within the Bank, determining acceptable standards of use for information systems, developing and implementing information security policies on behalf of the Board of Directors. The Information Security Committee consists of the following members:

Responsibility	Name, Surname	Primary Role
Chairman	Özgür ALTUNTAŞ	Board Member - CEO
Member	Zafer Babür HAKARAR	Chief Deputy General Manager
Member	Dr. Murat ÇİMEN	Chief Deputy General Manager
Member	Semih Subutay NEZİR	Deputy General Manager
Member	Pınar ÇETİNEL	Deputy General Manager
Member	Recep GÜL	Deputy General Manager
Member	Ramazan ESER	Human Resources and Administrative Affairs Manager
Member	Tuğba USKUAY	Risk Management Manager
Member	Çağla ÇAĞLAR	Information Security Associate

COMMITTEES OF THE BOARD OF DIRECTORS

Information Systems Continuity Committee

The Committee is responsible for establishing a business continuity management process, ensuring the continuity of IS services, ensuring the preparation of a business continuity plan, declaring a crisis situation taking into account all factors relevant to the events taking place and deciding on to put the plan into action and ensuring the coordination with other rescue, continuity and response teams. Information Systems Continuity Committee consists of the following members:

Responsibility	Name, Surname	Primary Role
Chairman	Recep GÜL	Deputy General Manager
Member	Zafer Babür HAKARAR	Chief Deputy General Manager
Member	Dr. Murat ÇİMEN	Chief Deputy General Manager
Member	Ramazan ESER	Human Resources and Administrative Affairs Manager
Member	Semih Subutay NEZİR	Risk Management Manager
Member	Pınar ÇETİNEL	Information Security Associate

Advisory Committee

The finance facilities regulated in the second paragraph of Article 48 of the Banking Law, which defines the loan transactions, are considered as loans for development and investment banks as well as participation banks. Therefore, these types of finance facilities are, in a sense, considered common products of participation banks and development and investment banks though with different principles of application.

In this context, our Bank offers some of these finance facilities to its clients, in line with their preferences, with methods pursuant to Islamic Finance Principles.

Among the services offered by our Bank in accordance with the Islamic Finance Principles are lease certificates issued, particularly in order to ensure resource diversity, and the disbursement of the resources obtained from these issuances as financing to our clients through other appropriate methods, especially Murabaha.

These transactions and required documentation, structuring of products/services, product/service-based issued Certificates of Consent for Activity (icazet) and other operations required by the relevant legislation are executed by the Isfa Islamic Finance Advisory Committee, in accordance with the consultancy agreement concluded between our Bank and the Advisor.

Certificates of Consent for Activity (icazet) were issued for the Lease Certificates by the Advisory Committee on 06.04.2023, 17.08.2023 and 25.10.2023 in accordance with the rules of the "Communiqué on Compliance with Interest-Free Banking Principles and Standards" (Communiqué) dated 14.09.2019. The Advisory Committee convenes at least once every three months and shares its suggestions and recommendations on Islamic Finance products and operations with our Bank in line with the letter No: 27267485-3455 dated 03.03.2022 published by the Participation Banks Association of Türkiye, authorized by the Banking Regulation and Supervision Agency Department of Enforcement III, as an integral part of the relevant legislation.



OUR CODE OF ETHICS



STEERING THE FUTURE

HUMAN RESOURCES PRACTICES

As of 31 December 2023, NuroİBank serves with 121 employees with an average seniority of 4.2 years and a mean age of 39. 50% of the employees are women and 50% are men. Furthermore 12% of the employees have a master's degree and 88% have a bachelor's degree.

In 2023, 57 employees were recruited.

As a result of performance-based assessments, 13 employees were promoted to a higher position.

All training programs provided to maximize employee experience and development, to increase the performance of all employees, to contribute to their personal development and to support their career path have been moved to the virtual environment, both online and offline, hence the negative impact of the pandemic on education and development processes has significantly been eliminated. As of the end of 2023, all personnel have participated in at least one e-learning event and the average training provided per personnel was realized as 20 hours.

TAKING THE HIGH ROAD

An aerial photograph of a long, narrow wooden boardwalk or bridge stretching across a vast, green field. A person is walking on the boardwalk, and their shadow is cast onto the wooden planks. The field is densely packed with green grass or reeds, and the overall scene is brightly lit, suggesting a sunny day.

CORPORATE GOVERNANCE CODE OF ETHICS PRACTICES

Statement of Compliance with Corporate Governance Code of Ethics: Transparency and adherence to ethical values have always been prioritized by our Bank.

Social Responsibility

Our Corporate Governance Code of Ethics, prepared by taking into consideration the principles of Social Responsibility, guides us in carrying out all our bank business.

We act for the benefit of society in all our activities.

Within the framework of these rules, we try to fulfill our social responsibilities harmoniously in cooperation with our employees and all our stakeholders and we encourage our employees to volunteer for social responsibility activities both within and outside the company.

As stipulated in our Compliance Policy and Compliance Risks Directive, the services offered by our Bank do not pose a threat to public health and public security nor are environmentally harmful. We adopt the same principles when choosing the projects to be financed by our Bank, and we pay strict attention to carry out our activities in consideration of this principle.

CORPORATE GOVERNANCE CODE OF ETHICS PRACTICES

Stakeholders

As regulated in our Corporate Governance Code of Ethics Regulation, which was constituted in accordance with the provisions of the Regulation on Corporate Governance Principles of Banks published by BRSA and put into effect after being approved by our Bank's Board of Directors, our relations with the shareholders are coordinated by our Corporate Governance Committee.

With regard to our Shareholders:

- We inform our shareholders in line with public disclosure principles.
- We ensure the shareholders, depositors, market participants and the public to be duly informed by our Bank about the structure and objectives of the Bank and allow them to evaluate the effectiveness of the senior executives in the management of the Bank.
- We disclose the information about our Bank to the public in full, timely, accurately, comprehensively, impartially and in an easily accessible and equitable manner to help relevant individuals and institutions to make their decisions.
- We try to inform the public by consolidating the financial statements of subsidiaries, jointly controlled partnerships and affiliates, which may or may not be credit institutions or financial institutions, as of the year-ends and the quarterly periods ending with March, June and September, based on Turkish Accounting Standards.

With regard to our Clients:

- We have developed systems and processes that are open to our clients' wishes, suggestions or complaints in order to improve our organization and services.
- We have assigned our website and a specific hotline to convey these suggestions and complaints. We have deployed and assigned the Customer Complaint HotLine and the Arbitration Committee to address and finalize customer complaints.

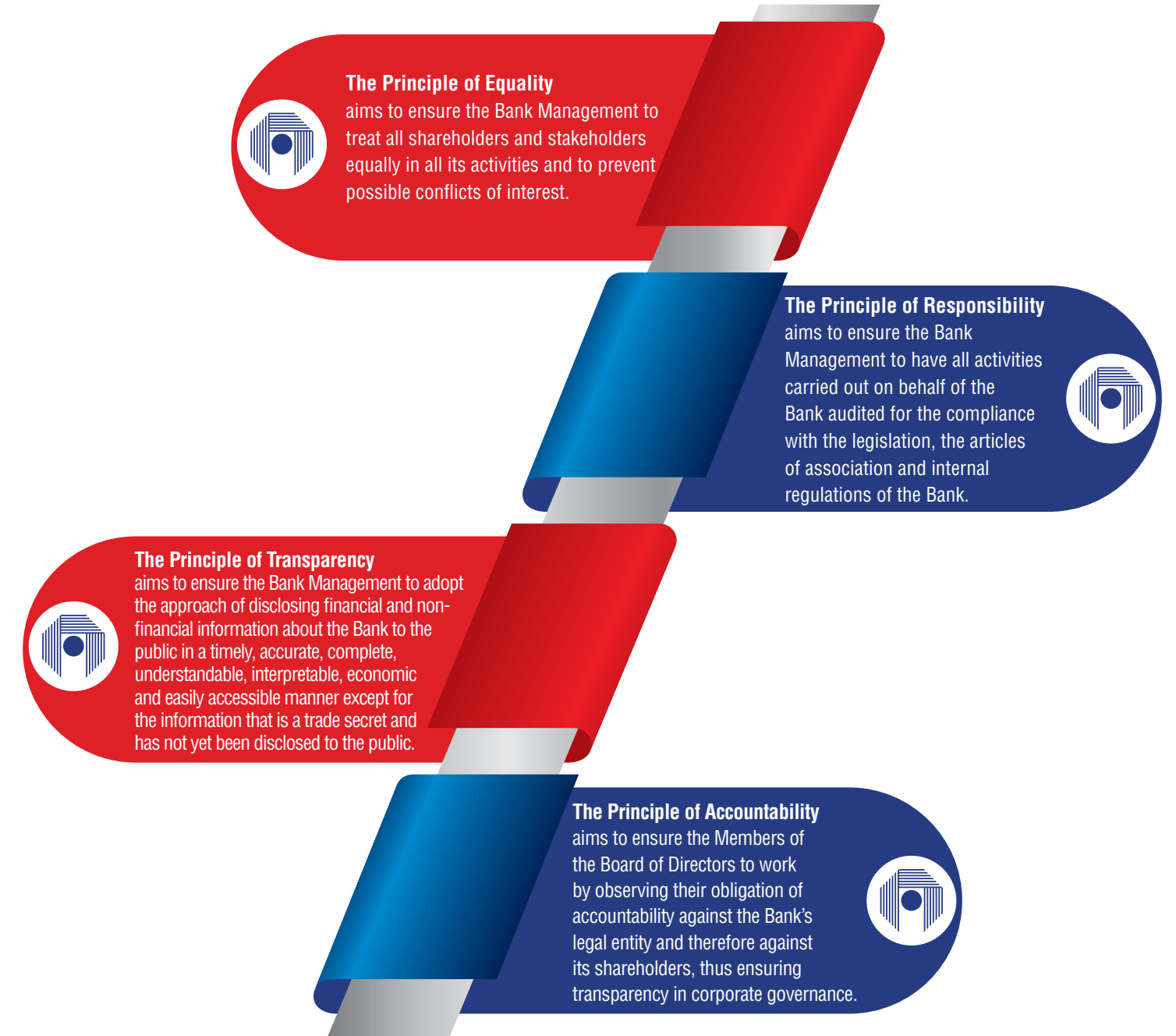
With regard to our Employees:

- We attach utmost importance to the development, information and participation of our employees in the administrative processes and we develop our processes accordingly.
- Our internal information process is coordinated and executed through our internal information portal, employee meetings, employee satisfaction and opinions survey and the performance planning and assessment processes organized and managed by our Human Resources Department.

CORPORATE GOVERNANCE CODE OF ETHICS PRACTICES

Public Disclosure and Transparency

Pursuant to our Corporate Governance Code of Ethics Regulation, which was constituted in accordance with the provisions of the Regulation on Corporate Governance Principles of Banks published by BRSA and put into effect after being approved by our Bank's Board of Directors, with regard to the Bank's Administrative Practices on Procedures and Principles concerning the matters of public disclosure and transparency:



We actively make use of our Bank's website to inform the public.
www.nuroibank.com.tr

INFORMATION WITH REGARD TO THE TRANSACTIONS CONDUCTED BY THE BANK WITH THE RISK GROUP TO WHICH IT IS INCLUDED

Our bank provides both commercial banking and investment banking services to Nurol Group companies through its branches and all its head office business units.

The scope of our Bank's Activities include:

-  Cash and non-cash credit disbursement transactions of all kinds and forms,
-  Cash and fiduciary payment and fund transfer transactions and the use of correspondent banking accounts,
-  Trading money market instruments,
-  Foreign exchange transactions, including cash in FX,
-  Trading capital market instruments,
-  Capital market buyback and resale commitment transactions,
-  Financial leasing transactions,
-  Trading derivative instruments,
-  Intermediary in foreign currency based futures contracts,
-  Interbank forward foreign exchange transactions,
-  Transactions with securities.

Feasibility studies of the projects subject to tenders, project financing developed by Nurol Group companies or both public and other private organizations, extending long-term investment loans or providing syndicated loans, extending high-amount non-cash loans or providing syndicated loans in this regard, intermediation of hedging/derivative products developed to protect against interest and exchange rate risks, intermediating in the insurance of non-standard risks (country risk, political risk, loss of profit risk, contract risks etc.) of local and international projects and leasing and factoring transactions are also included within the scope of investment banking activities.

SERVICES OUTSOURCED BY THE BANK WITHIN THE SCOPE OF THE REGULATION ON THE PROCUREMENT OF SUPPORT SERVICES

Within the scope of the Regulation on the Procurement of Support Services by Banks published on 05.11.2011, the Bank outsources;

- For information systems services;
 - i. concerning the support, update and maintenance of the main banking system from İntertech Bilgi İşlem ve Pazarlama Ticaret A.Ş.,
 - ii. concerning the transactions for the development of software for the discount of promissory notes and the register of pledge over vehicle from Bilge Adam Bilgisayar ve Eğitim Hizmetleri Sanayi Ticaret A.Ş.,
 - iii. concerning main SWIFT connection and infrastructure operations from Fineksus Bilişim Çözümleri Ticaret A.Ş.,
 - iv. concerning our Internet Banking Application from Innovance Bilgi Teknolojileri Danışmanlık Yazılım Geliştirme İnşaat ve Otomotiv Ltd. Şti.
 - v. concerning the development of software on securities from Active Bilgisayar Hizmetleri Tic. Ltd. Şti.
- For operational services;
 - i. for drawing up legal declarations and forms and preparing tax returns from Platin Serbest Muhasebeci Mali Müşavirlik Limited Şirketi,
 - ii. for the money transfer services of Ankara branch from PTT Para Lojistik A.Ş.,
 - iii. for the payroll services from Platin Personel Hizmetleri A.Ş.
 - iv. for the transportation and custody of precious goods-cash money from the headquarters and branches located in İstanbul and Ankara, from Loomis Güvenlik Hizmetleri A.Ş.
 - v. for the collection of information and documents and marketing services, from Ayşen Sert Otobizden, Sercan Donikoğlu Otomotiv, Sandıkçı Oto San. ve Tic. Ltd. Şti., Özçobanlar Otomotiv İnşaat Gıda Tekstil San. Tic. Ltd. Şti., Erciyes Otomotiv Hacı Mehmet Sarıkaya, Öz-Önder Otomotiv San. ve Tic. Ltd. Şti., KMG Oto Kiralama Turizm ve İnşaat San. ve Tic. Ltd. Şti., Murat Türkoğlu – TMT Türkoğlu Otomotiv, Dadaş Motor Motosiklet Otomotiv San. ve Tic. Ltd. Şti., Alsa Otomotiv Ticaret Ltd. Şti., Essu Otomotiv Tic. Ltd. Şti., Barışer Doğalgaz Isı Sistemleri Müh. Loj. İnş. Otomotiv Emlak Taah. San. Tic. Ltd. Şti., Özcan Oktulmuş / Dede Otomotiv, Recai Dayanıklı Tüketim Maddeleri İnşaat Turizm ve Tic. Ltd. Şti., Arda Yiyecek Emlakçılık Oto Acentası Alım Satımı ve Spor İşletmeciliği Pazarlama ve Ticaret Anonim Şirketi, GLS Motors Otomotiv Tic. Ltd. Şti., Otomerkezi Otomotiv A.Ş., Ramazan Çokal Mobilya San. Tic. Ltd. Şti. and Yeni Zirve Motorlu Taşıtlar San. Ve Tic. A.Ş.



SERVICES OUTSOURCED BY THE BANK WITHIN THE SCOPE OF THE REGULATION ON THE PROCUREMENT OF SUPPORT SERVICES

- For security services;
 - i. the employment of private security personnel to be assigned at the Ankara branch, from Securitas Güvenlik Hizmetleri A.Ş.

- **Financial benefits such as wages, premiums and bonuses, in-kind and cash benefits such as travel, accommodation and representation allowance, insurance and similar guarantees paid/extended to the members of the board of directors and senior executives:**

Total amount of financial benefits such as the honorarium, wages, premiums, bonuses and dividends paid/extended to the members of the board of directors and senior executives between 01.01.2023-31.12.2023 is TRY 60,124,710.04.

- **Statements regarding the independent audit and public audit executed during the accounting period:**

The independent audit report required within the scope of the legislation for the year 2023 was prepared by an independent auditor; accordingly our Bank's consolidated financial statements as of 31.03.2023, 30.06.2023, 30.09.2023 and 31.12.2023 and the footnotes to the financial statements have been prepared.

- **Information about the lawsuits filed against the Company that may affect the financial situation and operations of the Company and their possible consequences:**

There are no commercial lawsuits filed against our Bank that could affect the financial situation and operations of the Company.

- **Information regarding the donations and assistance extended by the company throughout the year and the expenditures made within the framework of social responsibility projects:**

Nurol Bank stepped into action for the Kahramanmaraş earthquake that caused great destruction in our country on 6th February 2023 and has already been recorded among the most devastating disasters in the world, made a cash donation to AFAD (Disaster and Emergency Management Presidency) in order to alleviate the difficulties of our citizens living there and also provided the delivery of the materials needed by the people of the region. The Bank further supported earthquake-related efforts by donating to Dosta Derman Association.

Membership to the Professional Businesswomen's Association, which the Bank has been a member of in the past years, prevails. Nurolbank supports the social responsibility projects of the association as a member.

Professional Women's Network, PWN Istanbul, is an association incorporated in 2013 to support the permanence and advancement of women in working life. PWN Istanbul, which carries out its activities as a non-governmental organization, exchanges information with PWN Global. It aims to support women to share their know-how and experience they have acquired in business life and to support each other.

ASSESSMENTS RELATED TO THE FINANCIAL FIGURES AND RISK MANAGEMENT

Audit Committee Report

Dear Shareholders,

Operations carried out by internal systems (Internal Audit, Internal Control, Risk Management and Compliance Management) are evaluated within the scope of the relevant legislation by the Audit Committee at periodic meetings; decisions and opinions on the measures to be taken by our Bank, related practices and other matters deemed important are presented to the Board of Directors.

Audit Committee convened 14 times in 2023 to make recommendations to the Board of Directors. Accordingly, Audit Committee Activity Report for the first six months of 2023 was prepared, reviewed by the Audit Committee and presented to the Board of Directors. In addition, assessment reports regarding the audited operations were prepared and put into effect. Emergency drills are held regularly in our Bank every year. Before executing emergency drills, a mock scenario of the emergency drill is planned by the emergency working group; it is reviewed and further and approved by the Steering Committee for implementation. The emergency drill is then executed with the participation of all business units of the Bank, adhering to the mock emergency drill scenario.

Internal Control

The Internal Control Department, which operates under the Board of Directors, is structured to ensure all financial and operational risks associated with the Banking operations are constantly kept at a reasonable level and under control in line with the purpose of protecting the Bank's assets, ensuring that the operations are carried out in accordance with the law, internal legislation of the Bank, regulations, internal policies, strategies and targets and ensuring that the accounts and accounting system as well as the financial reporting system of the Bank are secure.

Internal Control performs risk and process-oriented assessments and controls within the scope of the Bank's operations and is responsible for examining, monitoring and evaluating the compliance, efficiency and effectiveness of the controls and reporting the results to the relevant parties.

The continuity of the operations and transactions effectively, accurately, regularly and safely is provided by separation of the tasks by business units, authorization and approval limits of the transactions, system controls, post-transaction controls and other transaction-specific controls. In addition, Information Systems controls are performed as a continuation and integral part of process application controls.

Operational errors and deficiencies detected within the scope of internal control activities are primarily shared with the personnel carrying out the activity and it is ensured that the necessary complementary and preventive measures are taken expeditiously. Unrelieved operational errors and deficiencies are reported and further recorded in the database with designated operational risk matrix codes.

4 Banking Processes and Information Systems processes were subjected to control within the scope of 2023 internal control work plan. In addition to monitoring the compliance of the Bank's records within the scope of remote controls, compliance with legislation, Bank's procedures and other transactions are examined using the sampling method. For the purpose of on-site controls, the transactions were checked for compliance with the bank and legal regulations. Detected findings, opinions and suggestions were primarily shared with the business owners responsible for carrying out the activities, in terms of their risks, their degree of significance and whether any corrective/preventive action is taken; they were further reported to the senior management levels and the Audit Committee following the necessary mutual assessments.

ASSESSMENTS RELATED TO THE FINANCIAL FIGURES AND RISK MANAGEMENT

Annual Reports of the Internal Control Department prepared on a quarterly basis regarding the internal control activities have been submitted to the Audit Committee. On the other hand control and audits related to information systems and banking processes, which constitute the basis for the Governance Statement to be submitted to the independent audit company, were performed by the Internal Control Department and the Internal Audit Department, prepared report was submitted to the Board of Directors through the Audit Committee.

By coordinating the correspondence between the independent audit company and the business units during the audit of Information Systems and Banking Processes, the Board of Directors was ensured to adopt a decision on the findings included in the post-audit report and that they are reported to the BRSA.

Internal Audit

Internal Audit Department, which works under the authority of the Board of Directors, performs the internal audit function covering all the operations of the Bank. For this purpose, Internal Audit performs the inspections to confirm whether the operations related to the Bank and the subsidiaries subject to consolidation comply with the legislation, internal Bank strategies, policies, principles and goals. In order to achieve the goals and benefits expected from the internal audit system, all the Bank's operations are periodically audited without any restrictions.

In addition to the regulatory requirements, a risk-oriented approach is taken as the basis for determining the operations to be audited. Internal Audit performs the audit of the operations related to the Bank and the subsidiaries subject to consolidation in accordance with the law and other legislation as well as internal Bank strategies and goals, thereby evaluates the effectiveness and efficiency of internal control and risk management systems. For the purpose of periodic and risk-based audits, the compliance of operations with the laws legislation, the compliance of the Bank's policies and procedures with the legislation, the efficiency, accuracy and effectiveness of the Bank's operations, the accuracy, reliability and compliance with time constraints of the reports, accounting statements and financial reports submitted to the BRSA and the Senior Management as well as the structure of the Bank's internal processes are evaluated.

The purpose of the audit is to reveal the deficiencies, faults and abuses occurring in the Bank's operations. An approach aiming to prevent the recurrence of identified deficiencies and providing opinions and suggestions for the effective and efficient use of the Bank's resources is adopted.

Internal Audit reviews the information systems together with the Internal Control Department within the framework of the procedures and principles specified in Section 5 of the "Regulation on the Audit of Bank Information Systems and Banking Processes to be Performed by Independent Audit Institutions" entitled "Principles Regarding the Audit of Information Systems and Banking Processes".

Internal audit on risk management evaluates whether the results obtained from the risk measurement model and methods used in the Bank are included in daily risk management, the pricing models and valuation systems used by the Bank and the risks covered by the risk measurement models used by the Bank, the accuracy and efficiency of the data and assumptions used in the models, the reliability, integrity and timeliness of the sources of the data and the accuracy of retrospective testing. The Bank's capital requirement is audited within the scope of the internal audit system within the framework of the internal assessment process, the legislation regarding this process and the Bank's internal regulations.

Inspection reports prepared at the end of these audit and inspections are forwarded to the Audit Committee, senior management and relevant units. Efforts to eliminate the detected findings are followed by the Internal Audit Department. The Board of Directors closely monitors Internal Audit activities through quarterly activity reports submitted through the Audit Committee.

ASSESSMENTS RELATED TO THE FINANCIAL FIGURES AND RISK MANAGEMENT

Compliance Management

Our Bank has drawn up a bank policy with regard to Anti-Money Laundering and the Prevention of the Financing of Terrorism as well as the Prevention of Proliferation and Financing of Weapons of Mass Destruction within the framework of local and international regulations and MASAK (Financial Crimes Investigation Board) legislation. These policies and processes are reviewed regularly every year and updated when necessary. For this purpose, customer information and actual beneficiary information are collected within the framework of know-your-customer rules, credentials and identifying information are confirmed and questioned against sanctions lists before account opening and money transfer transactions. Specific software is used for controls to prevent high risk transactions. Being aware of the significance of training, our Bank provides regular trainings to the Bank's personnel to ensure compliance with obligations within the framework of compliance policies. Trainings are provided online.

Risk Management

Within an organizational structure directly reporting to the Board of Directors, Risk Management performs operations related to measuring, monitoring, controlling and reporting defined risks, independent of executive functions and within the framework of risk management policies and procedures and implementation procedures approved by the Board of Directors and regularly reviewed.

The purpose of the risk management system is to define, measure, report, monitor and control the risks exposed to and to determine the internal capital requirement compatible with the risk profiles through policies, procedures and limits to monitor, control and, when necessary, change the nature and level of operations. The Bank's Board of Directors determines and regularly reviews the risk appetite, which indicates the level of risk it wants to carry towards achieving its goals, taking into account the risk capacity of the Bank and its subsidiaries subject to consolidation.

Stress tests and scenario analyzes concerning the risks that the Bank may be exposed to on a consolidated and non-consolidated basis are prepared and presented to the Board of Directors within the scope of the Internal Capital Adequacy Assessment Process (ICAAP).

Within the framework of the Risk Management Program, annual risk analysis assessments are performed for the organizations that outsource support services under the coordination of the Risk Management Department.

Information systems risks are included in the Bank's holistic risk management within the scope of the information systems risk management process and presented to the Board of Directors within the scope of the information systems risk inventory.

ASSESSMENTS RELATED TO THE FINANCIAL FIGURES AND RISK MANAGEMENT



Semih Subutay NEZİR
Deputy General Manager

He graduated from Middle East Technical University, Department of Economics. He started his banking career in 1986 at Uluslararası Endüstri ve Ticaret Bankası A.Ş. While continuing his career at Esbank T.A.Ş. As of 1988, he was appointed as Credit Monitoring Manager at the beginning of 1997. He started working at Nurol Yatırım Bankası A.Ş. in 2001 and has currently been working as the Deputy General Manager responsible for the Audit and Compliance Departments.



Çiğdem GÜVEN
Internal Systems Group Manager

She graduated from Ankara University Faculty of Law. She left the Banking Regulation and Supervision Agency, where she joined in 2001 as an assistant associate, in 2023 and thereafter started working at Nurol Yatırım Bankası A.Ş. She has been working as Internal Systems Group Manager at Nurol Yatırım Bankası A.Ş. since 16 June 2023.



Baki ARSLAN
Internal Control Manager

He graduated from Anadolu University, Faculty of Economics and Administrative Sciences, Department of Economics. Arslan, who started his career in 1995 as the Head of Financial and Administrative Affairs at Turkishbank A.Ş., thereafter worked at EGS Bank A.Ş. and Bayındırbank A.Ş. respectively. Arslan, who started working for Nurol Yatırım Bankası A.Ş. in 2002, has been working as a Manager in the Internal Control Department as of August 2009.



Tuğba USKUAY
Risk Management Manager

She graduated from Uludağ University, Department of Econometrics. Uskuay, who started her career in 2007 as an Assistant Associate at Turkishbank A.Ş., has been working at Nurol Yatırım Bankası A.Ş. since 2008. She was appointed as a Risk Management Senior Associate in May 2014 and has been serving as the Risk Management Manager since January 2016.



Uğur BOZKURT
Inspector

He graduated from Boğaziçi University, Department of International Trade in June 2014. He started his career as an assistant auditor at Albaraka Türk Katılım Bankası A.Ş. and worked as an auditor for a total of 5 years. Thereafter he worked as an inspector at Noor Capital Market Menkul Değerler A.Ş. for 7 months. He has been working as an inspector at Nurol Yatırım Bankası A.Ş. since September 2022.



Ebru GÜNCAN
Compliance

She graduated from Kütahya Dumlupınar University Department of Business Administration. She started her career as a teller officer at Yapı ve Kredi Bankası A.Ş. in 2014, and thereafter worked as a Senior Associate at Arap & Türk Bankası A.Ş. in 2015. As of June 2022, she has been serving as a Senior Associate in the Compliance Department at Nurol Yatırım Bankası A.Ş.



**BEING SAFE
FAR AND NEAR**

INFORMATION ON RISK MANAGEMENT POLICIES EXECUTED ON THE BASIS OF RISK TYPES

Credit Risk

With regard to the Credit Risk, the Bank strives to measure, analyze, report and monitor credit risk. Credit risk is the risk incurred if the counterparty fails to fulfill its contractual obligations. Credit risk is managed at the Bank with credit policies and procedures. In this context, credit risk is managed on the basis of criteria such as the structure and characteristics of the loan, the provisions of the loan agreement and financial conditions, the structure of the risk profile until maturity in parallel with possible market fluctuations, guarantees and collaterals, credit concentrations and compliance with the limits determined by the Board of Directors.

Credit is allocated within the limits determined for each borrower. Each client who performs a credit transaction is required to have a credit limit allocated by the Board of Directors. In addition, the client is not allowed to exceed the allocated credit risk limit systematically.

The distribution and concentrations of our loan portfolio on the basis of loan type, currency, industry, loan borrower, group, average maturity and interest sensitivity are analyzed and presented to the Senior Management and Audit Committee with monthly reports. The amount subject to credit risk is calculated using the standardized approach.

Counterparty credit risk is managed through credit limit allocation. When calculating counterparty credit risk, fair value method is taken as basis. Country risk policy is also taken into account when allocating a counterparty credit limit.

It is the Board of Directors' authority, with the approval of the Credit Committee, to determine the collateral to be accepted when allocating a credit limit to the counterparty. Senior Management evaluates counterparty, country and industry risks and takes action when deemed necessary.

Market Risk

In order to manage and limit market risk, internal Bank limits have been established in addition to statutory limits. Within the scope of the risk appetite policy, limits with regard to the market risk, the process flow, control and early warning limits are determined with the approval of the Board of Directors and announced within the Bank. Determined risk limits are regularly monitored and reported by the Risk Management Department.

For the purpose of managing the market risk, Value at Risk (VAR) measurements calculated using the internal method, exchange rate risk and general market risk calculated with the standardized approach as well as the results of stress tests and scenario analyzes are regularly shared with the Senior Management and Audit Committee by the Risk Management Department.

KNOWING HOW TO MEASURE RISKS

INFORMATION ON RISK MANAGEMENT POLICIES EXECUTED ON THE BASIS OF RISK TYPES

Operational Risk

For the purpose of managing the operational risk, the Bank identifies, classifies and analyzes the risks. The amount subject to operational risk is calculated with the basic indicator approach. For the purpose of measuring the operational risk, operational risk missing data in terms of Basel II compliance is systematically collected and evaluated in the operational risk database. The operational risk limit determined in line with the basic indicators and the records taken from the database are evaluated; the loss and near-loss amount are regularly reported to the Senior Management and the Audit Committee.

Interest Rate Risk Arising from Banking Accounts

For the purpose of managing the interest rate risk arising from banking accounts, liquidity-gap and interest rate sensitivity analyzes are performed to determine the interest rate risk the Bank is exposed to due to maturity mismatch in its on-balance sheet and off-balance sheet positions. All analyzes and ratios calculated with the standard shock method are reported to the Senior Management and Audit Committee in monthly reports.

Interest rate risk prepared by Risk Management is measured with the standard shock method and reported to the Banking Regulation and Supervision Agency. Risk appetite and early warning limits have been determined to monitor interest rate risk.

Liquidity Risk

Liquidity management is carried out by the Treasury and Financial Institutions Department, within the framework of the risk management policies approved by the Board of Directors, in order to timely and correctly take the necessary measures against possible liquidity constraints that may arise due to market conditions and our Bank's balance sheet structure.

In order to effectively manage liquidity risk, the Bank and market data are regularly monitored and balance sheet asset-liability maturity structure and market borrowing volumes are regularly analyzed. Liquidity risk is managed by taking into account the early warning limits determined as well as ensuring compliance with the statutory liquidity ratio as risk appetite.

For the purpose of calculating and monitoring the Bank's liquidity risk, cash flow, gap analyses, stress tests and scenario analyzes are periodically reported to the Senior Management and Audit Committee by the Risk Management Department.

Further Risks

Our bank further manages the risks categorized within the scope of the second structural block, such as country and transfer risk, strategic risks, reputation risk, legal risk, concentration and residual risk, in accordance with the policies approved by the Board of Directors, taking into account their materiality levels.

DISCOVERING NEW PATHS

AGENDA OF THE 2023 ORDINARY GENERAL ASSEMBLY MEETING

- 1- Opening and appointment of the Meeting Chairman,
- 2- Reading and negotiating the Board of Directors Activity Report for 2023,
- 3- Reading the Independent Audit Report,
- 4- Presentation, negotiation and approval of financial statements for 2023,
- 5- Acquittal of the members of the Board of Directors individually for their transactions in 2023,
- 6- Discussions on the distribution of the 2023 profit,
- 7- Discussion and negotiation on the salaries and honorary of the members of the Board of Directors,
- 8- 8 - Submission of the appointment by the Board of Directors for the vacant Board Members to the approval of the General Assembly,
- 9- Discussion and negotiation on whether or not to make an appointment for the vacant Board Members,
- 10- Discussion and negotiation on the bonus payments to bank personnel,
- 11- Acquittal of the Independent Auditor (Audit Company) for the 2023 activity period,
- 12- Appointment of an Independent Auditor (Audit Company) for the 2024 activity period,
- 13- Granting the permissions specified in Articles 395 and 396 of the Turkish Commercial Code to the Members of the Board of Directors,
- 14- Requests, wishes and closing.



CONVENIENCE TRANSLATION INTO ENGLISH OF
INDEPENDENT AUDITOR'S REPORT
ORIGINALLY ISSUED IN TURKISH

To the General Assembly of Nural Yatırım Bankası A.Ş.

A. Audit of the Consolidated Financial Statements

1. Opinion

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

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Banking Regulation and Supervision Agency ("BES") 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 BES 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 BES on the Official Gazette No.27394 dated 2 April 2007 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 Consolidated Financial Statements" section of our report. We hereby declare that we are independent of the Group 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 consolidated 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.

PwC Başvuru Dairesi ve Serbest Muhasebatçı Mali Müşavirlik A.Ş.
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3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. Key audit matters were addressed in the context of our independent audit of the consolidated 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
<p>Expected credit losses for loans</p> <p>The Group has total expected credit losses for loans amounting to TL 102,029 thousand in respect to total loans amounting to TL 13,348,513 thousand which represent a significant portion of the Group's total assets in its consolidated financial statements as of 31 December 2023. Explanations and notes related to provision for impairment of loans are presented in Section Three VI-Loans and VII, Section Four II, Section Five I-6 in the accompanying consolidated financial statements issued as of 31 December 2023.</p> <p>The Parent Bank recognizes provision for impairment in accordance with "IFRS 9 Financial Instruments" ("IFRS 9") requirements in line with 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 with number 29750.</p> <p>IFRS 9 is a complex accounting standard which requires considerable judgement and interpretation. These judgements are key in development of the financial model built to measure expected credit losses on loans recorded at amortized cost.</p> <p>Our audit was focused on this area due to existence of complex estimator and information used in the impairment assessment; the significance of the loan balances; the appropriateness of classification of loans as per their credit risk (staging) in accordance with applicable regulation and the importance of determination of the associated impairment allowances. Timely and correctly identification of loss event and the 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.</p>	<p>Within our audit procedures, we assessed policies and procedures together with the overall governance established by the Group with respect to classification of loans and estimation of impairment in line with the IFRS 9 framework. We have tested the design and operating effectiveness of controls implemented by the Group in line with its governance, policies and procedures.</p> <p>Together with our modelling specialists, we have evaluated and tested the methodologies used in building impairment models in line with the requirement of IFRS 9 and the Group's policies for the significant portfolio of loans. We have tested model calculations through re-performance together with our modelling specialists on a sample basis. We have independently assessed together with our related specialists methodologies used in the models with respect to segmentation, life time expected credit losses, losses given default and use of macroeconomic expectations, life time expected credit losses, losses given default.</p> <p>We have carried loan review on a selected sample of loans with the objective to identify whether the classification of loans is performed appropriately in accordance with the applicable regulations, whether the loss event had occurred and whether the provision for impairment has been recognized in a timely manner within the IFRS 9 framework.</p> <p>We have reviewed the appropriateness and sufficiency of disclosures made in the financial statements of the Group with respect to loan and related impairment provision.</p>

4- Other Matter

The consolidated financial statements of the Group as at and for the year ended 31 December 2022 were audited by another independent audit firm that expressed an unqualified opinion results in the audit report dated 13 February 2023.

5- Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

6- Auditor's Responsibilities for the Audit of the Consolidated 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 BRSB 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 consolidated financial statements.

As part of an independent audit conducted in accordance with "Regulation on Independent Audit of Banks" published by the BRSB 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 consolidated 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 Group'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 Group's 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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 consolidated 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 31 December 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

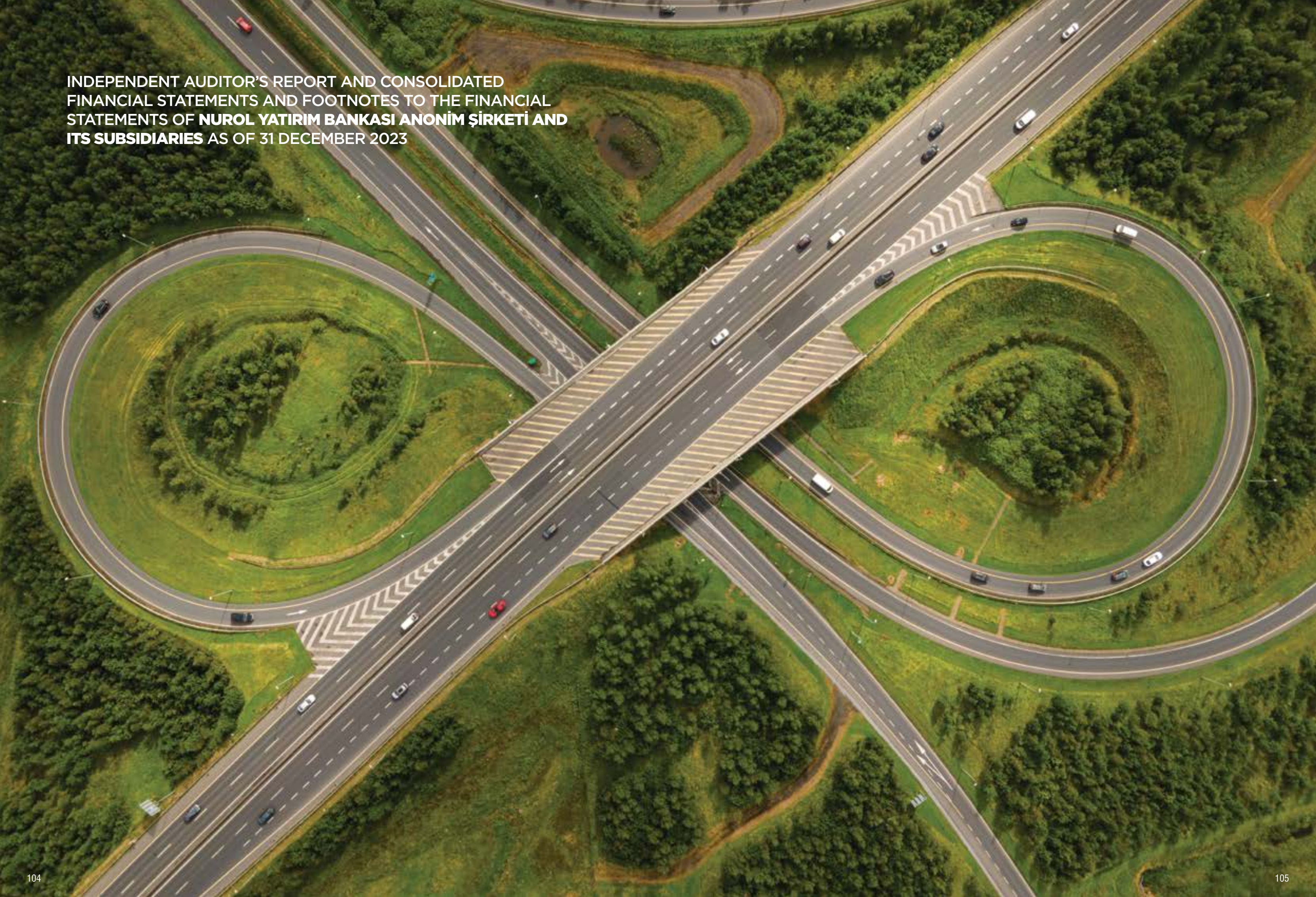
BRSA Accounting and Financial Reporting Legislation explained in detail in Section Three differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board including the application of IAS 29 - Financial Reporting in Hyperinflationary Economies as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

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

**Gülşen Yağar Temel, SMMM
Independent Auditor**

Istanbul, 11 March 2024

INDEPENDENT AUDITOR'S REPORT AND CONSOLIDATED
FINANCIAL STATEMENTS AND FOOTNOTES TO THE FINANCIAL
STATEMENTS OF **NUROL YATIRIM BANKASI ANONİM ŞİRKETİ** AND
ITS SUBSIDIARIES AS OF 31 DECEMBER 2023



NUROL YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES CONSOLIDATED FINANCIAL REPORT AS OF 31 DECEMBER 2023

Address of the Parent Bank's
Headquarters : Maslak Mah. Büyükdere Cad. Nuroi Plaza No: 255
B Blok Kat:15, İstanbul Sarıyer Maslak
Telephone of the Bank : (212) 286 81 00, (212) 286 80 01
Web site of the Bank : www.nuroibank.com.tr
E-mail for correspondence : nuroibank@nuroibank.com.tr

The consolidated annual financial report includes the following sections in accordance with the Communiqué on Financial Statements and Related Explanations and Notes that will be Publicly Announced as sanctioned by the Banking Regulation and Supervision Agency.

- General Information About The Parent Company
- Consolidated Financial Statements of The Parent Company
- Explanations on Accounting Policies
- Information Related to Consolidated Financial Position and Risk Management
- Explanations and Notes Related to Consolidated Financial Statements
- Other Explanations and Notes
- Explanations on Independent Auditor's Report

The consolidated subsidiaries in the scope of this consolidated financial report are as follows:

Subsidiaries

1. Nuroi Varlık Kiralama Anonim Şirketi
2. Nuroi Portföy Yönetim Anonim Şirketi
3. Ortak Varlık Yönetim Anonim Şirketi

The accompanying consolidated financial statements and notes to these financial statements which are expressed, unless otherwise stated, in thousands of Turkish Lira ("TL"), have been prepared and presented based on the accounting books of the Bank in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, and related appendices and interpretations of these, and have been audited and presented hereafter.

Ziya Akkurt
Board Chairman



Özgür Altuntaş
CEO



Zafer Babür Hakarar
Deputy CEO



Recep Gül
Deputy General Manager



Yusuı Serbest
Audit Committee Chairman



Prof. Dr. Niyazi Erdođan
Audit Committee Member



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

Name-Surname / Title: Nazlı Bayındır / Group Manager
Telephone Number : (212) 286 81 00
Fax Number : (212) 286 81 01

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SECTION ONE
GENERAL INFORMATION

I. Main Partnership Bank's foundation date, start-up statute, history about the changes in this mentioned statute

Nurol Yatırım Bankası A.Ş. ("Main Bank" or "Bank") was established as an "investment bank" with the decision of the Council of Ministers dated 6 August 1998 and numbered 98/11565 and started its banking operations in May 1999.

Provided that necessary permissions are obtained from the competent authorities, the Bank may operate in the capital markets, invest with the resources provided by using capital market instruments, provide consultancy services including transfer and merger issues in order to ensure that enterprises have an effective management and sound financial structure, and conduct investment banking and related activities related to investment banking. was established to operate in all fields.

II. Explanation about the Main Partnership Bank's capital structure, shareholders of the Bank who are in charge of the management and/or auditing of the Bank directly or indirectly, changes in these matters (if any) and the group the Bank belongs to

Name Surname /Commercial Title	Total Capital	(%)	Paid in capital	Unpaid Portion
Nurol Holding A.Ş.(*).	1,734,000	96.33	1,734,000	-
Other	66,000	3.67	66,000	-

(*). With the decision of the Banking Regulation and Supervision Board dated 29.12.2022 and numbered 10459, 16.70% of Nurol İnşaat ve Ticaret A.Ş. share of Nurol Holding A.Ş. Pursuant to Article 18 of the Banking Law No. 5411 (Law), it was decided to be purchased by the Bank.

The capital group that directly or indirectly controls the Bank's capital is the Nurol Group. Nurol Group of Companies operates in the construction industry, defense industry, finance, tourism, mining, real estate, marketing and manufacturing industries with 33 companies, 4 joint ventures and 11 domestic and foreign subsidiaries.

III. Explanation on the Board of Directors, members of the audit committee, president and executive vice presidents, changes in these matters (if any) and shares of the Main Partnership Bank they possess

Name Surname	Title	Start Date	Education	Before starting work previous banking and business experience	Share (%)
Board Members					
Ziya AKKURT	Board Chariman	26.02.2016	Graduate	39 years	-
M. Oğuz ÇARMIKLI	Vice Board Chairman	27.05.1999	Graduate	39 years	0.89
Yusuf SERBEST	Board Member (Chairman of the Audit Committee)	08.08.2022	Graduate	38 years	-
Ahmet ŞİRİN	Board Member	08.08.2022	Graduate	17 years	-
Mehmet Mete BAŞOL	Board Member- (Corporate Governance Committee Member-Credit Committee Member)	12.08.2014	Graduate	25 years	-
Özgür ALTUNTAŞ	Board Member - CEO	03.10.2013	Graduate	25 years	-
Ahmet Kerim KEMAHLI	Board Member	10.03.2010	Graduate	25 years	-
Eyüp Sabri ÇARMIKLI	Board Member	21.04.2016	Graduate	13 years	0.78
Gürhan ÇARMIKLI	Board Member	21.04.2016	Graduate	13 years	0.39
Zafer Babür HAKARAR	Deputy General Manager	03.10.2013	Postgraduate	25 years	-
Dr. Murat ÇİMEN	Deputy General Manager	03.10.2013	PhD	25 years	-
Ahmet Murat KAVURGA	Assistant General Manager	22.02.2014	Graduate	33 years	-
Recep GÜL	Assistant General Manager	14.02.2023	Graduate	30 years	-
Semih Subutay NEZİR	Assistant General Manager	01.08.2009	Graduate	30 years	-
Yeliz BİLGİN	Assistant General Manager	29.04.2015	Graduate	15 years	-
Seyfullah Cenk ATMACA	Assistant General Manager	12.03.2018	Graduate	5 years	-
Pınar ÇETİNEL	Assistant General Manager	09.08.2022	Graduate	4 years	-

GENERAL INFORMATION (Continued)

IV. Explanation on shareholders having control shares

Explanation on shareholders having control shares of the Bank as of 29 December 2023, is stated below:

Name Surname /Commercial Title	Share Amounts	Share Percentage (%)	Paid in Capital	Unpaid Portion
Nurol Holding A.Ş.	1,734,000	96.33	1,734,000	-

V. Information on the Main Partnership Bank's service type and field of operations

The Bank was established to carry out all kinds of banking transactions, including but not limited to the matters stipulated below, to engage in undertakings and activities in all kinds of economic, financial and commercial matters that are not prohibited by the legislation, and to engage in all matters that the legislation allows to be carried out or executed by banks. The aims and subjects of the Bank are as follows;

- 1.It can provide all kinds of cash and guarantees, bills of exchange, endorsements or acceptances, or lend in any form and form, open letters of credit, open letters of credit to institutions and organizations engaged in all economic sectors, primarily in the construction and contracting sector. may confirm letters of credit, carry out other transactions related to letters of credit and guarantees or commercial vehicles in general, form partnerships with them and participate in established ones,
- 2.Assists in the realization of projects and studies to be carried out directly or in partnerships by entrepreneurs at home and abroad,
- 3.Assists and mediates foreign and domestic capital to invest in Turkey, to participate in established or to be established companies,
- 4.Contributes to the development and dissemination of investment banking instruments in Turkey,
- 5.Short, medium and long term loans can be made against pledges, mortgages and other collateral or in the form of open loans,
- 6.It can participate in companies that have been or will be established and, when necessary, can establish new ventures with the Bank's resources,
- 7.It can carry out capital or money market transactions on all kinds of securities, in cooperation with national/international institutions when necessary, and participate in companies established/to be established for this purpose,
8. It can be a party to all kinds of leasing transactions, including cross-border, can give guarantees, mediate, establish companies for this purpose and participate in companies to be established,
9. It can carry out all kinds of derivative transactions, all kinds of foreign currency transactions including forward foreign currency purchase/sale, factoring, forfaiting, repo, reverse repo transactions, may become a member of the exchanges established or to be established related to these, and may trade in these exchanges,
10. It can buy, sell, import and export gold, silver and other precious metals, become a member of the precious metal and metal exchanges that have been established or will be established, and can trade in these exchanges,
11. Can rent safes to customers,
12. Can do internet banking and electronic banking,
13. Establish correspondent relations with domestic and foreign banks,
14. It can operate in Turkish Lira and foreign currency in all national and international established or to be established money markets,
- 15.Pursuant to the relevant articles of the Banking Law and on the condition of complying with the conditions written in the articles of association, it can buy and sell commercial and industrial commodities and real estate, make all kinds of legal savings on them, establish mortgages, remove established mortgages, conclude commercial enterprise pledges, can enter into lease agreements,

GENERAL INFORMATION (Continued)

V. Information on the Main Partnership Bank's service type and field of operations (Continued)

16. In order to ensure that the receivables are secured or collected, it can take mortgages in its own favor, remove it, make garame mortgage agreements, establish commercial enterprise pledges and movable pledges, remove them, conclude lease agreements,

17. It can issue all kinds of capital market instruments authorized by the legislation, make all kinds of legal savings on them, pledge them, establish pledges on them in its favor, remove them,

18. Engage in insurance activities, act as an insurance agency,

19. It may engage in securities brokerage activities authorized by the banks by the Capital Market Law, may establish, operate and manage securities investment funds in accordance with the relevant provisions of the Capital Market Law, engage in capital market activities in accordance with the relevant provisions of the Capital Market Law, may perform other business and transactions by using the rights and authorities granted or to be granted to banks by the Banking Law and other laws and regulations,

20. It can buy and sell Treasury bonds, bills and other securities issued or to be issued by the Treasury, capital market instruments, securities issued or to be issued by public and private legal entities including the Public Partnership and Privatization Administration, and other capital market instruments. can make all kinds of legal dispositions, pledge them, establish or remove pledges on them in favor of themselves,

21. It can carry out training, economic organization and consultancy activities related to banking,

22. Donations can be made within the scope of social responsibility and in accordance with the procedures and principles determined in the relevant legislation,

23. It can conduct studies and publish on these issues by following the developments in the field of economic, financial, technical and banking at home and abroad,

24. It can also carry out all kinds of money and capital market activities permitted within the framework of legal rules and regulations of the Capital Markets Board, as an agency of the institutions authorized to do these works,

25. Within the framework of the Banking Law and the current legislation, providing financing to public and private sector institutions, project finance, company mergers and acquisitions, company restructuring, privatization, public offering, security issuance, equity, share and stock evaluations and transfers, feasibility studies and can provide brokerage and consultancy services on sector research and mutual trade,

26. It can carry out national and international banking transactions that the legislation authorizes or will make the banks authorized from now on,

27. All transactions allowed within the framework of banking and capital markets legislation as well as all other legislation applicable to banks, including future amendments to the provisions of the said legislation, and provided that necessary permits have been obtained within the framework of the relevant legislation.

VI. Explanation of the differences between the Communiqué on the Preparation of Consolidated Financial Statements of Banks and the consolidation transactions made in accordance with Turkish Accounting Standards, and the companies that are fully consolidated or proportionately consolidated, deducted from equity or not included in these three methods

Nurol Varlık Kiralama A.Ş., a subsidiary of the Bank, and Nurol Portföy Yönetim A.Ş. and Ortak Varlık Yönetim A.Ş. covered by full consolidation.

VII. Existing or potential, actual or legal obstacles on immediate equity transfer between the main partnership bank and its subsidiaries or repayment of the debt

None.

SECTION TWO

CONSOLIDATED FINANCIAL STATEMENTS

- I. Consolidated Statement of Balance Sheet (Financial Position)
- II. Consolidated Off-Balance Sheet and Commitments
- III. Consolidated Statement of Profit or Loss
- IV. Consolidated Statement of Profit or Loss and Other Comprehensive Income
- V. Consolidated Statement of Changes in Shareholders' Equity
- VI. Consolidated Statement of Cash Flow
- VII. Consolidated Profit Distribution

NUROL YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF BALANCE SHEET (FINANCIAL POSITION)
AS OF 31 DECEMBER 2023

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

ASSETS	Section 5 Note 1	Audited Current Period 31 December 2023			Audited Prior Period 31 December 2022		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		8,972,297	5,505,629	14,477,926	6,445,781	6,328,270	12,774,051
1.1 Cash and cash equivalents	I-1	4,309,468	2,519,401	6,828,869	1,068,089	4,370,764	5,438,853
1.1.1 Cash and balances at Central Bank	I-1	129,105	1,964,664	2,093,769	564,033	1,874,246	2,438,279
1.1.2 Banks	I-3	1,662,462	554,737	2,217,199	206,145	2,496,518	2,702,663
1.1.3 Money market placements		2,520,406	-	2,520,406	300,161	-	300,161
1.1.4 Expected credit losses (-)		2,505	-	2,505	2,250	-	2,250
1.2 Financial assets at fair value through profit or loss	I-2	1,476,236	80,891	1,557,127	909,068	-	909,068
1.2.1 Government securities		-	-	-	-	-	-
1.2.2 Equity instruments		1,240,993	-	1,240,993	827,976	-	827,976
1.2.3 Other financial assets		235,243	80,891	316,134	81,092	-	81,092
1.3 Financial assets at fair value through other comprehensive income	I-5	3,186,593	2,843,282	6,029,875	4,468,563	1,896,428	6,364,991
1.3.1 Government securities		321,655	850,294	1,171,949	901,207	284,363	1,185,570
1.3.2 Equity instruments		55,873	-	55,873	17,914	-	17,914
1.3.3 Other financial assets		2,809,065	1,992,988	4,802,053	3,549,442	1,612,065	5,161,507
1.4 Derivative financial assets	I-2	-	62,055	62,055	61	61,078	61,139
1.4.1 Derivative financial assets measured at fair value through profit or loss		-	62,055	62,055	61	61,078	61,139
1.4.2 Derivative financial assets measured at fair value through other comprehensive income		-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)		8,332,687	4,913,797	13,246,484	2,818,374	911,408	3,729,782
2.1 Loans	I-6	8,274,190	4,913,797	13,187,987	2,358,967	911,408	3,270,375
2.2 Receivables from leasing transactions	I-11	160,526	-	160,526	480,469	-	480,469
2.3 Factoring receivables	I-12	-	-	-	-	-	-
2.4 Other financial assets measured at amortised cost	I-7	-	-	-	-	-	-
2.4.1 Government securities		-	-	-	-	-	-
2.4.2 Other financial assets		-	-	-	-	-	-
2.5 Expected credit losses (-)		102,029	-	102,029	21,062	-	21,062
III. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	I-18	-	-	-	271,260	-	271,260
3.1 Assets held for sale		-	-	-	271,260	-	271,260
3.2 Assets from discontinued operations		-	-	-	-	-	-
IV. INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES		-	-	-	-	-	-
4.1 Investments in associates (Net)	I-8	-	-	-	-	-	-
4.1.1 Associates consolidated by using equity method		-	-	-	-	-	-
4.1.2 Unconsolidated associates		-	-	-	-	-	-
4.2 Investments in subsidiaries (Net)	I-9	-	-	-	-	-	-
4.2.1 Unconsolidated financial subsidiaries		-	-	-	-	-	-
4.2.2 Unconsolidated non-financial subsidiaries		-	-	-	-	-	-
4.3 Jointly Controlled Partnerships (Joint Ventures) (Net)	I-10	-	-	-	-	-	-
4.3.1 Joint ventures consolidated by using equity method		-	-	-	-	-	-
4.3.2 Unconsolidated joint ventures		-	-	-	-	-	-
V. TANGIBLE ASSETS (Net)	I-14	125,770	-	125,770	20,104	-	20,104
VI. INTANGIBLE ASSETS (Net)	I-15	72,205	-	72,205	29,805	-	29,805
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		72,205	-	72,205	29,805	-	29,805
VII. INVESTMENT PROPERTIES (Net)	I-16	90,325	-	90,325	47,470	-	47,470
VIII. CURRENT TAX ASSETS		-	-	-	-	-	-
IX. DEFERRED TAX ASSETS	I-17	141,390	-	141,390	-	-	-
X. OTHER ASSETS (Net)	I-19	60,823	2,723,409	2,784,232	39,527	542,342	581,869
TOTAL ASSETS	I-16	17,795,497	13,142,835	30,938,332	9,672,321	7,782,020	17,454,341

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

NUROL YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF BALANCE SHEET (FINANCIAL POSITION)
AS OF 31 DECEMBER 2023

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

LIABILITIES	Section 5 Note II	Audited Current Period 31 December 2023			Audited Prior Period 31 December 2022		
		TL	FC	Total	TL	FC	Total
I. DEPOSITS	II-1	-	-	-	-	-	-
II. FUNDS BORROWED	II-3	172,931	1,706,099	1,879,030	902,199	565,011	1,467,210
III. MONEY MARKET FUNDS	II-5	2,811,387	1,623,164	4,434,551	572,458	1,796,476	2,368,934
IV. SECURITIES ISSUED (Net)	II-6	2,790,998	-	2,790,998	2,843,300	-	2,843,300
4.1 Bills		2,012,466	-	2,012,466	2,353,372	-	2,353,372
4.2 Asset backed securities		-	-	-	-	-	-
4.3 Bonds		778,532	-	778,532	489,928	-	489,928
V. FUNDS	II-4	1,063,075	1,613,721	2,676,796	1,224,932	4,102,187	5,327,119
5.1 Borrower funds		401,943	8,540	410,483	33,711	10,743	44,454
5.2 Other		661,132	1,605,181	2,266,313	1,191,221	4,091,444	5,282,665
VI. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII. DERIVATIVE FINANCIAL LIABILITIES		-	202,170	202,170	-	27,773	27,773
7.1 Derivative financial assets measured at fair value through profit or loss	II-2	-	202,170	202,170	-	27,773	27,773
7.2 Derivative financial assets measured at fair value through other comprehensive income	II-9	-	-	-	-	-	-
VIII. FACTORING PAYABLES		-	-	-	-	-	-
IX. LEASE PAYABLES (Net)	II-8	64,775	-	64,775	11,109	-	11,109
X. PROVISIONS	II-10	496,897	166,145	663,042	42,160	68,134	110,294
10.1 Restructuring Reserves		-	-	-	-	-	-
10.2 Reserves for employee benefits		61,107	-	61,107	30,302	-	30,302
10.3 Insurance technical reserves (Net)		-	-	-	-	-	-
10.4 Other provisions		435,790	166,145	601,935	11,858	68,134	79,992
XI. CURRENT TAX LIABILITIES	II-11	266,712	-	266,712	170,009	-	170,009
XII. DEFERRED TAX LIABILITIES		-	-	-	33,384	-	33,384
XIII. LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	II-12	-	-	-	-	-	-
13.1 Assets held for sale		-	-	-	-	-	-
13.2 Assets from discontinued operations		-	-	-	-	-	-
XIV. SUBORDINATED DEBTS	II-13	-	-	-	-	93,785	93,785
14.1 Borrowings		-	-	-	-	93,785	93,785
14.2 Other debt instruments		-	-	-	-	-	-
XV. OTHER LIABILITIES	II-7	194,093	12,705,833	12,899,926	68,115	2,602,624	2,670,739
XVI. SHAREHOLDERS' EQUITY		4,967,349	92,983	5,060,332	2,318,478	12,207	2,330,685
16.1 Paid-in capital	II-14	1,800,000	-	1,800,000	750,000	-	750,000
16.2 Capital reserves		-	-	-	-	-	-
16.2.1 Share Premiums	II-15	-	-	-	-	-	-
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Other capital reserves		-	-	-	-	-	-
16.3 Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss		3,088	-	3,088	3,088	-	3,088
16.4 Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss	II-16	(124,869)	92,983	(31,886)	48,313	12,207	60,520
16.5 Profit reserves		295,300	-	295,300	56,797	-	56,797
16.5.1 Legal reserves		99,621	-	99,621	27,670	-	27,670
16.5.2 Statutory reserves		-	-	-	-	-	-
16.5.3 Extraordinary reserves		18,679	-	18,679	2,127	-	2,127
16.5.4 Other profit reserves		177,000	-	177,000	27,000	-	27,000
16.6 Profit or loss		2,993,830	-	2,993,830	1,460,280	-	1,460,280
16.6.1 Prior years' profits or losses		17,968	-	17,968	1,948	-	1,948
16.6.2 Current period net profit or loss		2,975,862	-	2,975,862	1,458,332	-	1,458,332
16.7 Minority interest	II-17	-	-	-	-	-	-
TOTAL LIABILITIES		12,828,217	18,110,115	30,938,332	8,186,144	9,268,197	17,454,341

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

CONVENIENCE TRANSLATION OF THE AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH

NUROL YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF OFF BALANCE SHEET AND COMMITMENTS
AS OF 31 DECEMBER 2023

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

	Section 5 Note III	Audited Current Period 31 December 2023			Audited Prior Period 31 December 2022		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)		8,078,203	30,445,009	38,523,212	3,296,679	8,136,132	11,432,811
I. GUARANTEES AND WARRANTIES	III-2	2,982,857	170,393	3,153,250	1,773,578	111,193	1,884,771
1.1 Letters of Guarantee	III-1	2,982,857	158,356	3,141,213	1,773,578	101,569	1,875,147
1.1.1 Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2 Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3 Other Letters of Guarantee		2,982,857	158,356	3,141,213	1,773,578	101,569	1,875,147
1.2 Bank Acceptances		-	-	-	-	-	-
1.2.1 Import Letter of Acceptance		-	-	-	-	-	-
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credit		-	12,037	12,037	-	9,624	9,624
1.3.1 Documentary Letters of Credit		-	12,037	12,037	-	9,624	9,624
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 Turkey		-	-	-	-	-	-
1.5.2 Other Endorsements		-	-	-	-	-	-
1.6 Securities Issue Purchase Guarantees		-	-	-	-	-	-
1.7 Factoring Guarantees		-	-	-	-	-	-
1.8 Other Guarantees		-	-	-	-	-	-
1.9 Other Collaterals		-	-	-	-	-	-
II. COMMITMENTS		65	881,879	881,944	8,180	216,416	224,596
2.1 Irrevocable Commitments		10	881,879	881,889	8,180	216,416	224,596
2.1.1 Asset Purchase and Sales Commitments		-	881,879	881,879	8,170	216,416	224,586
2.1.2 Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3 Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4 Commitments for Loan Limits		10	-	10	10	-	10
2.1.5 Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6 Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7 Commitments for Cheques		-	-	-	-	-	-
2.1.8 Tax and Fund Liabilities from Export Commitments		-	-	-	-	-	-
2.1.9 Commitments for Credit Card Limits		-	-	-	-	-	-
2.1.10 Promotion Commitments for Credit Cards and Banking Services		-	-	-	-	-	-
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		-	-	-	-	-	-
2.2 Revocable Commitments		55	-	55	-	-	-
2.2.1 Revocable Commitments for Loan Limits		55	-	55	-	-	-
2.2.2 Other Revocable Commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS		5,095,281	29,392,737	34,488,018	1,514,921	7,808,523	9,323,444
3.1 Hedging Derivative Financial Instruments		-	-	-	-	-	-
3.1.1 Transactions for Fair Value Hedge		-	-	-	-	-	-
3.1.2 Transactions for Cash Flow Hedge		-	-	-	-	-	-
3.1.3 Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2 Trading Derivative Financial Instruments		5,095,281	29,392,737	34,488,018	1,514,921	7,808,523	9,323,444
3.2.1 Forward Foreign Currency Buy/Sell Transactions		-	-	-	-	-	-
3.2.1.1 Forward Foreign Currency Transactions-Buy		-	-	-	-	-	-
3.2.1.2 Forward Foreign Currency Transactions-Sell		-	-	-	-	-	-
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates		5,095,281	29,392,737	34,488,018	1,514,921	7,567,749	9,082,670
3.2.2.1 Foreign Currency Swap-Buy		-	16,040,081	16,040,081	-	3,804,542	3,804,542
3.2.2.2 Foreign Currency Swap-Sell		5,095,281	11,229,002	16,324,283	1,514,921	2,295,230	3,810,151
3.2.2.3 Interest Rate Swap-Buy		-	1,047,719	1,047,719	-	725,762	725,762
3.2.2.4 Interest Rate Swap-Sell		-	1,075,935	1,075,935	-	742,215	742,215
3.2.3 Foreign Currency, Interest rate and Securities Options		-	-	-	-	240,774	240,774
3.2.3.1 Foreign Currency Options-Buy		-	-	-	-	119,609	119,609
3.2.3.2 Foreign Currency Options-Sell		-	-	-	-	121,165	121,165
3.2.3.3 Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4 Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5 Securities Options-Buy		-	-	-	-	-	-
3.2.3.6 Securities Options-Sell		-	-	-	-	-	-
3.2.4 Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1 Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2 Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5 Interest Rate Futures		-	-	-	-	-	-
3.2.5.1 Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2 Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6 Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		28,950,251	10,851,948	39,802,199	13,446,454	5,418,859	18,865,313
IV. ITEMS HELD IN CUSTODY		5,019,755	6,830,611	11,850,366	5,231,937	3,426,934	8,658,871
4.1 Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2 Investment Securities Held in Custody		4,831,818	6,786,454	11,618,272	5,201,854	3,398,887	8,600,741
4.3 Cheques Received for Collection		187,937	-	187,937	30,083	-	30,083
4.4 Commercial Notes Received for Collection		-	44,157	44,157	-	28,047	28,047
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items Under Custody		-	-	-	-	-	-
4.8 Custodians		-	-	-	-	-	-
V. PLEDGES RECEIVED		23,930,496	4,021,337	27,951,833	8,214,517	1,991,925	10,206,442
5.1 Marketable Securities		105,423	1,471,910	1,577,333	105,423	934,915	1,040,338
5.2 Guarantee Notes		4,218,930	244,955	4,463,885	2,024,658	155,589	2,180,247
5.3 Commodity		14,072,279	58,876	14,131,155	1,995,042	154,261	2,149,303
5.4 Warranty		-	-	-	-	-	-
5.5 Immovable		2,778,325	1,832,421	4,610,746	1,224,971	494,301	1,719,272
5.6 Other Pledged Items		2,755,539	413,175	3,168,714	2,864,423	252,859	3,117,282
5.7 Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		37,028,454	41,296,957	78,325,411	16,743,133	13,554,991	30,298,124

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

NUROL YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AS OF 31 DECEMBER 2023

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

	Section 5 Note IV	Audited Current Period (01.01.2023- 31.12.2023)	Audited Prior Period (01.01.2022- 31.12.2022)
		Total	Total
I. INTEREST INCOME	IV-1	5,612,780	2,075,660
1.1 Interest Income on Loans		1,933,361	897,347
1.2 Interest Income on Reserve Requirements		49	2,293
1.3 Interest Income on Banks		1,465,280	14,887
1.4 Interest Income on Money Market Transactions		91,547	6,145
1.5 Interest Income on Securities Portfolio		1,714,055	934,757
1.5.1 Financial Assets Measured at Fair Value Through Profit and Loss		-	-
1.5.2 Financial Assets Measured at Fair Value Through Other Comprehensive Income		1,714,055	934,757
1.5.3 Financial Assets at Measured by Amortized Cost		-	-
1.6 Financial Lease income		200,353	85,431
1.7 Other Interest Income		208,135	134,800
II. INTEREST EXPENSES	IV-2	1,743,802	848,498
2.1 Interests on Deposits		-	-
2.2 Interest on Funds Borrowed		524,694	291,739
2.3 Interests on Money Market Transactions		407,888	89,731
2.4 Interest on Securities Issued		466,303	333,832
2.5 Lease Interest Expenses		6,382	2,588
2.6 Other Interest Expenses		338,535	130,608
III. NET INTEREST INCOME/EXPENSE (I - II)		3,868,978	1,227,162
IV. NET FEE AND COMMISSION INCOME/EXPENSE		761,376	256,063
4.1 Fees and Commissions Received		1,106,520	369,238
4.1.1 From Non-Cash Loans		52,707	32,967
4.1.2 Other		1,053,813	336,271
4.2 Fees and Commissions Given		345,144	113,175
4.2.1 To Non-Cash Loans		8,766	5,450
4.2.2 Other		336,378	107,725
V. DIVIDEND INCOME	IV-3	52,570	428
VI. TRADING PROFIT/LOSS (Net)	IV-4	(16,063)	588,598
6.1 Trading Profit/(Loss) on Securities		300,650	529,015
6.2 Profit/Loss from Derivative Financial Transactions		(1,344,391)	(310,762)
6.3 Profit/Loss on Foreign Exchange Transactions		1,027,678	370,345
VII. OTHER OPERATING INCOME	IV-5	801,714	156,280
VIII. GROSS OPERATING INCOME (III+IV+V+VI+VII+VIII)		5,468,575	2,228,531
IX. EXPECTED CREDIT LOSSES (-)	IV-6	128,450	98,241
X. OTHER PROVISION EXPENSES	IV-6	549,114	44,900
XI. OTHER OPERATING EXPENSES	IV-7	687,541	168,179
XII. PERSONNEL EXPENSES		227,763	73,207
XIII. NET OPERATING PROFIT/LOSS (IX-X-XI)		3,875,707	1,844,004
XIV. INCOME RESULTED FROM MERGERS		-	-
XV. INCOME/LOSS FROM INVESTMENTS UNDER EQUITY		-	-
XVI. GAIN/LOSS ON NET MONETARY POSITION		-	-
XVII. PROFIT/LOSS FROM CONTINUED OPERATIONS BEFORE TAX (XII+...+XV)	IV-8	3,875,707	1,844,004
XVIII. TAX PROVISION FOR CONTINUED OPERATIONS (±)	IV-9	(899,845)	(385,672)
18.1 Provision for Current Tax		(1,040,938)	(381,635)
18.2 Deferred Tax Expense Effect		141,093	(4,037)
18.3 Deferred Tax Income Effect		-	-
XIX. CONTINUING OPERATIONS PERIOD NET PROFIT/LOSS (XVI±XVII)	IV-10	2,975,862	1,458,332
XX. INCOME FROM DISCONTINUED OPERATIONS		-	-
20.1 Income from Assets Held for Sale		-	-
20.2 Income from Sales of Associates, Subsidiaries and Joint Ventures		-	-
20.3 Other Discontinued Operating Income		-	-
XXI. EXPENSES FROM DISCONTINUED OPERATIONS		-	-
21.1 Expenses on Assets Held for Sale		-	-
21.2 Expenses on Sales of Associates, Subsidiaries and Joint Ventures		-	-
21.3 Other Discontinued Operating Expenses		-	-
XXII. PROFIT/LOSS ON DISCONTINUED OPERATIONS BEFORE TAX (XIX-XX)	IV-8	-	-
XXIII. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	IV-9	-	-
23.1 Provision for Current Tax		-	-
23.2 Deferred Tax Expense Effect		-	-
23.3 Deferred Tax Income Effect		-	-
XXIV. DISCONTINUED OPERATIONS PERIOD NET PROFIT/LOSS (XXI±XXII)		-	-
XXV. NET PROFIT/LOSS FOR THE PERIOD (XVIII+XXIII)	IV-11	2,975,862	1,458,332
Earnings/Loss Per Share		2.04937	2.06092

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

CONVENIENCE TRANSLATION OF THE AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH
NUROL YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
AS OF 31 DECEMBER 2023

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

	Audited Current Period 31 December 2023	Audited Prior Period 31 December 2022
I. PERIOD PROFIT/LOSS	2,975,862	1,458,332
II. OTHER COMPREHENSIVE INCOME	(92,406)	58,387
2.1 Not to be reclassified to Profit or Loss	-	(1,029)
2.1.1 Gains (Losses) on Revaluation of Property, Plant and Equipment	-	-
2.1.2 Gains (losses) on revaluation of Intangible Assets	-	-
2.1.3 Gains (losses) on remeasurements of defined benefit plans	-	-
2.1.4 Other Components of Other Comprehensive Income That Will Not Be Reclassified to Profit Or Loss	-	-
2.1.5 Taxes Relating To Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss	-	(1,029)
Other Comprehensive Income That Will Be Reclassified to Profit or Loss	(92,406)	59,416
2.2.1 Exchange Differences on Translation	-	-
2.2.2 Valuation and/or Reclassification Profit or Loss from financial assets at fair value through other comprehensive income	(127,008)	76,840
2.2.3 Income (Loss) Related with Cash Flow Hedges	-	-
2.2.4 Income (Loss) Related with Hedges of Net Investments in Foreign Operations	-	-
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	34,602	(17,424)
III. TOTAL COMPREHENSIVE INCOME (I+II)	2,883,456	1,516,719

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

CONVENIENCE TRANSLATION OF THE AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH
NUROL YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOW AS OF 31 DECEMBER 2023
(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

	Section 5 Note VI	Audited Current Period 31 December 2023	Audited Prior Period 31 December 2022
A. CASH FLOWS FROM BANKING ACTIVITIES			
1.1	Operating Profit Before Changes in Assets and Liabilities of Banking Activity	3,361,367	1,395,498
1.1.1	Interests Received	5,711,069	1,680,748
1.1.2	Interests Paid	(1,591,964)	(738,055)
1.1.3	Dividends Received	51,936	-
1.1.4	Fees and Commissions Received	1,106,520	369,238
1.1.5	Other Earnings	645,171	698,749
1.1.6	Collections from Non-Performing Receivables Accounted as Loss	65,534	22,899
1.1.7	Cash Payments to Personnel and Service Providers	(974,432)	(269,604)
1.1.8	Taxes Paid	(1,199,025)	(274,796)
1.1.9	Other	(453,442)	(93,681)
1.2	Change in Assets and Liabilities Subject to Banking Activities	(3,984,168)	4,470,129
1.2.1	Net (Increase) Decrease in Financial Assets at Fair Value through Profit or Loss	(670,399)	(866,354)
1.2.2	Net (Increase) Decrease in Banks Account	-	-
1.2.3	Net (Increase) Decrease in Loans	(9,505,947)	(360,961)
1.2.4	Net (Increase) Decrease in Other Assets	(1,880,904)	(1,067,624)
1.2.5	Net Increase (Decrease) in Banks' Deposits	-	-
1.2.6	Net Increase (Decrease) in Other Deposits	-	-
1.2.7	Net Increase (Decrease) in financial liabilities at Fair Value Through Profit or Loss	-	-
1.2.8	Net Increase (Decrease) in Loans Received	(858,960)	7,768,276
1.2.9	Net Increase (Decrease) in Overdue Payables	-	-
1.2.10	Net Increase (Decrease) in Other Payables	8,932,042	(1,003,208)
I.	Net Cash Flow from Banking Activities	(622,801)	5,865,627
B. CASH FLOWS FROM INVESTMENT ACTIVITIES			
II.	Net Cash Flow from Investment Activities	770,188	(5,651,394)
2.1	Acquired Affiliates, Subsidiaries and Joint Ventures (Joint Partnerships)	-	-
2.2	Divorced Affiliates, Subsidiaries and Joint Ventures (Joint Partnerships)	-	-
2.3	Securities and Real Estate Purchased	804,636	(6,311)
2.4	Securities and Real Estate Dispossessed	-	27,250
2.5	Financial Assets at Fair Value Through Other Comprehensive Income	(33,306,994)	(40,597,638)
2.6	Disposal Financial Assets at Fair Value Through Other Comprehensive Income	33,336,008	34,950,202
2.7	Financial Assets Purchased at Amortized Cost	-	-
2.8	Financial Assets Measured at Amortized Cost Sold	-	-
2.9	Other	(63,462)	(24,897)
C. CASH FLOWS FROM FINANCE ACTIVITIES			
III.	Net Cash from Financing Activities	(280,646)	1,255,504
3.1	Cash from Loans and Issued Securities	13,202,616	13,969,907
3.2	Cash Outflow from Loans and Securities Issued	(13,330,186)	(12,707,812)
3.3	Issued Capital Instruments	-	-
3.4	Dividend Payments	(150,000)	-
3.5	Rental Payments	(3,076)	(6,591)
3.6	Other	-	-
IV.	Effect of Foreign Currency Translation Differences on Cash and Cash Equivalents	1,889,637	653,694
V.	Net Increase in Cash and Cash Equivalents I+II+III+IV	1,756,378	2,123,431
VI.	Cash and Cash Equivalents at the Beginning of the Period	3,568,804	1,445,373
VII.	Cash and Cash Equivalents at the End of the Period V+VI	5,325,182	3,568,804

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

**CONVENIENCE TRANSLATION OF THE AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH
NUROL YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT DISTRIBUTION
AS OF 31 DECEMBER 2023**

(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

	Audited Current Period 31.12.2023	Audited Prior Period 31.12.2022
I. PERIOD PROFIT DISTRIBUTION		
1.1 PROFIT FOR THE PERIOD	3,875,707	1,819,150
1.2 TAX PAYABLE AND LEGAL OBLIGATIONS	(899,845)	(380,647)
1.2.1 Corporate Tax (Income Tax)	(1,040,938)	(381,254)
1.2.2 Income Tax Deduction	141,093	607
1.2.3 Other Taxes and Legal Obligations	-	-
A.NET PROFIT FOR THE PERIOD (1.1-1.2)	2,975,862	1,438,503
1.3 PRIOR PERIOD LOSS (Effect of TFRS 9)	-	-
1.4 FIRST CONTEXTURE LEGAL RESERVES	-	-
1.5 MANDATORY LEGAL FUNDS TO LEAD AND SAVE IN BANK (*)	-	-
B. DISTRIBUTABLE NET PROFIT FOR THE PERIOD [(A-(1.3+1.4+1.5)]	2,975,862	1,438,503
1.6 FIRST DIVIDEND TO PARTNERS	-	150,000
1.6.1 To Shareholders	-	150,000
1.6.2 To Owners of Preferred Shares	-	-
1.6.3 Joining Usufruct Certificates	-	-
1.6.4 To Profit Participated Bonds	-	-
1.6.5 Profit and Loss Sharing Certificate Holders	-	-
1.7 DIVIDENDS TO STAFF	-	-
1.8 DIVIDEND TO THE BOARD OF DIRECTORS	-	-
1.9 SECOND DIVIDEND TO PARTNERS	-	-
1.9.1 To Shareholders	-	-
1.9.2 To Owners of Preferred Shares	-	-
1.9.3 Joining Usufruct Certificates	-	-
1.9.4 To Profit Participated Bonds	-	-
1.9.5 Profit and Loss Sharing Certificate Holders	-	-
1.10 SECOND CONTEXTURE LEGAL RESERVES	-	-
1.11 STATUS RESERVES	-	-
1.12 EXTRAORDINARY RESERVES (**)	-	1,288,503
1.13 OTHER BACKUPS	-	-
1.14 SPECIAL FUNDS	-	-
II. DISTRIBUTION FROM RESERVES		
2.1 DISTRIBUTED RESERVES	-	-
2.2 SECOND CONTEXTURE LEGAL RESERVES	-	-
2.3 SHARE TO PARTNERS	-	-
2.3.1 To Shareholders	-	-
2.3.2 To Owners of Preferred Shares	-	-
2.3.3 Joining Usufruct Certificates	-	-
2.3.4 To Profit Participated Bonds	-	-
2.3.5 Profit and Loss Sharing Certificate Holders	-	-
2.4 SHARE TO STAFF	-	-
2.5 SHARE TO THE BOARD OF DIRECTORS	-	-
III. PROFIT PER SHARE		
3.1 TO SHAREHOLDERS	2.04937	2.03448
3.2 TO SHAREHOLDERS (%)	204.94	203.45
3.3 TO OWNERS OF PRIVILEGED SHARES	-	-
3.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV. DIVIDEND PER SHARE		
4.1 TO SHAREHOLDERS	-	-
4.2 TO SHAREHOLDERS (%)	-	-
4.3 TO OWNERS OF PRIVILEGED SHARES	-	-
4.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(*) The authorized body of the Bank regarding the distribution of profit for the current period is the General Assembly. As of the issuance date of these financial statements, the Bank's annual Ordinary General Assembly meeting has not been held yet.

(**) Information on profit distribution at the Bank's Ordinary General Assembly meeting dated March 28, 2023 is disclosed in Note XXIII of Section Three.

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

NUROL YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023
(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

SECTION THREE
EXPLANATIONS ON ACCOUNTING POLICIES

I. BASIS OF PRESENTATION

a. The consolidated financial statements are prepared in accordance with the "Regulation on the Principles and Procedures Regarding Banks' Accounting Applications and Safeguarding of Documents:

The consolidated financial statements are prepared within the scope of the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" related with Banking Act numbered 5411 published in the Official Gazette no.26333 dated 1 November 2006 and in accordance with the regulations, communiqués, interpretations and legislations related to accounting and financial reporting principles published by the Banking Regulation and Supervision Agency ("BRSA"), and in case where a specific regulation is not made by BRSA, "Turkish Accounting Standards" ("TAS") and "Turkish Financial Reporting Standards" ("TFRS") and related appendices and interpretations put into effect by Public Oversight Accounting and Auditing Standards Authority ("POA"); it has been prepared in accordance with the amendments dated 1 February 2019 of the "Communiqué on Financial Statements to be Announced to the Public by Banks and Related Disclosures and Footnotes" published in the Official Gazette dated 28 June 2012 and numbered 28337 to the "BRSA Accounting and Financial Reporting Legislation".

The format and content of the publicly announced consolidated financial statements and notes to these statements have been prepared in accordance with the "Communiqué on Publicly Announced Financial Statements, Explanations and Notes to These Financial Statements" and "Communiqué On Disclosures About Risk Management To Be Announced To Public By Banks" and amendments to this Communiqué. The Bank maintains its books in Turkish Lira in accordance with the Banking Act, Turkish Commercial Code and Turkish Tax Legislation.

The consolidated financial statements have been prepared in TL, under the historical cost convention except for the financial assets and liabilities carried at fair value.

The amounts in the financial statements and the related explanations and footnotes are expressed in thousands of Turkish Lira unless otherwise stated. Amounts expressed in foreign currency are indicated with their full amounts.

b. Accounting policies and valuation principles used in the preparation of the consolidated financial statements:

The accounting policies and valuation principles applied in the preparation of consolidated financial statements, are determined and applied in accordance with regulations, communiqués, explanations and circulars on accounting and financial reporting principles published by the BRSA. Aforementioned accounting policies and valuation principles for the current period are explained with II and XXIII notes.

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

The London Interbank Offered Rate ("LIBOR") is the most widely used benchmark interest rate globally for derivatives, bonds, loans, and other variable-rate instruments. However, regulatory authorities continue the transition from LIBOR and similar benchmark interest rates to alternative risk-free or very low-risk overnight rates for USD LIBOR-based contracts. This transition will affect existing contracts extending beyond the cessation date and financial instruments tied to reference interest rates (including LIBOR), such as loans, derivatives, variable-rate bonds, and other similar financial contracts. In Turkey, the Turkish Lira Overnight Reference Interest Rate ("TLREF") has been established to meet the need for a Turkish lira short-term reference interest rate that can be used as a variable interest benchmark, underlying asset, or comparison metric in financial derivative products, debt instruments, and various financial contracts. The bank has completed necessary preparations as of 2023. Regarding current transactions, there is no significant impact on the Bank's finances. Infrastructure work will continue as needed for future developments

NUROL YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023
(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

I. BASIS OF PRESENTATION (Continued)

2. Strategy for use of financial instruments

The Bank concentrates its activities on corporate banking and investment banking. The risks that the Bank may take in the financial markets are determined by the decisions of the Board of Directors and the Assets and Liabilities Committee (“ALCO”). With the decision of the Board of Directors, the position limits that the Treasury and Financial Institutions Department can carry are limited. Intraday limit, overnight carrying limit and stop loss limits are determined on the basis of authorization and their controls are carried out by the Internal Control Department. At the weekly ALCO meetings, the markets, the bank’s asset-liability structure and the risks being carried are discussed in detail and the strategy is determined. According to the standard method, the exchange rate risk is calculated on a weekly basis, and attention is paid to the balance of the long and short positions. In order to hedge currency risk, mainly USD and Euro positions are kept in balance by following the changing market conditions. The Bank tries to keep its foreign currency position in balance and not to take cross currency risk, taking into account the economic problems experienced in the past years against the exchange rate risk.

3. Explanations of foreign currency transactions

Foreign exchange gains and losses arising from foreign currency transactions were recorded in the period when the transaction was made. At the end of the periods, foreign currency asset and liability balances are translated into Turkish Lira with the Bank’s counter foreign exchange purchase rates at the end of the period and other than exchange differences arising from the securities representing the share in the capital in the securities portfolio whose fair value difference is reflected in other comprehensive income, exchange rate differences are recorded as foreign exchange gain or loss. As of 31 December 2023, the USD exchange rate used in the conversion of foreign currency transactions into Turkish currency and their reflection in the financial statements is 29.4382 TL and the EURO exchange rate is 32.5739 TL.

II. PRESENTATION OF INFORMATION ON CONSOLIDATED SUBSIDIARIES AND JOINT VENTURES

The accompanying consolidated financial statements have been prepared in accordance with TFRS 10 “Turkish Financial Reporting Standard on Consolidated Financial Statements” and BRSA’s “Communiqué on the Preparation of Consolidated Financial Statements of Banks” published in the Official Gazette No. 26340 on 8 November 2006.

The titles of the companies within the scope of consolidation, the places where their headquarters are located, their fields of activity and the share ratios of the Group are as follows

	Consolidation method	Place of Establishment	Subject of activity	Effective Share of the Group (%)	
				31 December 2023	31 December 2022
Nurol Varlık Kiralama Anonim Şirketi	Full Consolidation	Turkey	Asset Lease Portfolio	100.00	100.00
Nurol Portföy Yönetim Anonim Şirketi	Full Consolidation	Turkey	Management	100.00	100.00
Ortak Varlık Yönetim Anonim Şirketi	Full Consolidation	Turkey	Asset Management	100.00	100.00

The Third Nurol Venture Capital Fund, which the Group controls as majority participation in accordance with the method, procedures and principles specified in the “Turkish Financial Reporting Standard on Consolidated Financial Statements” (“TFRS 10”), has been accounted for in accordance with the full consolidation method.

The financial statements of the subsidiaries that are prepared in accordance with the principles and rules regarding the presentation of financial statements and reports determined in the Turkish Commercial Code, the Financial Leasing Law and/or the communiqués of the Capital Markets Board (“CMB”), have been revised in line with the accounting and financial reporting principles of Banking Regulation and Supervision Agency. (“BRSA”), In the absence of a special regulation by the BRSA, the Turkish Accounting Standards put into effect by the Public Oversight, Accounting and Auditing Standards Authority (“KGK”) (“TAS”) and Turkish Financial Reporting Standards (“TFRS”) and their annexes and comments (all “Turkish Accounting Standards” or “TAS”) are taken into consideration for compliance.

The financial statements of the subsidiary have been prepared as of 31 December 2023.

NUROL YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
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(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

II. PRESENTATION OF INFORMATION ON CONSOLIDATED SUBSIDIARIES AND JOINT VENTURES (Continued)

a. Subsidiaries

Subsidiaries are those whose capital or management is directly or indirectly controlled by the Parent Bank.

The control has the power over the investment made by the Parent Bank with a legal entity, is exposed to variable returns due to its relationship with the investee, or has rights to these returns, and has the ability to use its power over the investee to affect the amount of returns to be obtained. Has been accepted as.

Subsidiaries are consolidated using the full consolidation method on the basis of their operating results, assets and equity sizes. Subsidiaries are included in the scope of consolidation from the date on which control over their operations is transferred to the Group. The accounting policies used in the financial statements of the subsidiary included in the consolidated financial statements are not different from the accounting policies of the Parent Bank.

According to the full consolidation method, 100% of the assets, liabilities, income, expense and off-balance sheet items of the subsidiaries are combined with the Parent Bank's assets, liabilities, income, expense and off-balance sheet items. The book value of the Group's investment in the subsidiary and the Group's portion of the subsidiary's capital are offset. The balances arising from the transactions between the partnerships within the scope of consolidation and unrealized profits and losses are set off mutually.

III. EXPLANATIONS ON FORWARD TRANSACTIONS, OPTIONS AND DERIVATIVE INSTRUMENTS

The bank's trading derivative products (such as forward foreign exchange contracts, swap transactions) are classified, measured, and accounted for in accordance with "IFRS 9" provisions. Obligations and receivables arising from derivative transactions are recorded in contingent accounts based on contract amounts. Derivative transactions are valued at fair value, and based on whether the fair value is positive or negative, they are presented in the balance sheet under Derivative Financial Assets or Derivative Financial Liabilities accounts. Differences in fair value resulting from valuation are reflected in the income statement.

IV. EXPLANATIONS ON INTEREST INCOME AND EXPENSE

Interest is recorded according to the effective interest rate method (rate equalizing future cash flows of financial assets or liabilities to net present value) defined in the IFRS 9 "Financial Instruments" standard by applying the effective interest rate to the gross carrying amount of a financial asset except for: purchased or originated credit-impaired financial assets or financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets.

If a financial asset is credit-impaired and classified as non-performing loans, effective interest is applied to the amortized cost of the asset in subsequent reporting periods for such financial assets. The said interest income calculation is made on the basis of each contract for all financial assets subject to impairment calculation. In the expected credit loss models, the effective interest rate is applied when calculating the loss-to-default rate, and the expected credit loss calculation includes this interest amount.

For this reason, a classification is made between the "Expected Loss Provisions Expenses" account and the "Interests Received from Loans" account in the income statement for the related amount calculated. If the credit risk of the financial instrument improves such that the financial asset is no longer credit-impaired and this improvement can be objectively attributed to a later event (such as an increase in the borrower's credit rating), interest income for subsequent reporting periods is calculated by applying the effective interest rate to the gross book value. Interest income and expenses are recorded at their fair values and are accounted for on an accrual basis using the effective interest method (the rate that equates the future cash flows of the financial asset or liability to its current net book value) considering the current principal amount.

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(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

V. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSE

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 Contracts with Customers. Except for certain fees related with certain banking transactions and recognized when the related service is given, fees and commissions received or paid, and other fees and commissions paid to financial institutions are accounted under accrual basis of accounting throughout the service period. Income from asset purchases to a third party or by natural or legal persons contracts are recognized in the period they occur.

VI. EXPLANATIONS ON FINANCIAL ASSETS

Recognition of financial instruments for the first time

A financial asset or a financial liability is recognized in the statement of financial position only when it becomes a party to the contractual provisions of the financial instrument. Regular way purchases or sales of financial instruments are recognized or derecognised using one of the accounting methods on the transaction date or delivery date. Purchases and sales of securities are accounted on the settlement date.

Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on the contractual terms and the relevant business model. Apart from measured at fair value through profit or loss, transaction cost related to acquisition or issuance of initial measurement of financial assets and liabilities are added to or deducted from their fair value.

Classification of financial instruments

The category in which financial instruments are classified at initial recognition depends on the relevant business model used for management and the characteristics of the contractual cash flows

Business model assessment

In accordance with TFRS 9, the business model is determined at a level that shows how groups of financial assets are managed together to achieve a specific management objective. The business model is not dependent on management's intentions for an individual financial instrument, so the requirement is not an instrument-based classification approach, but rather an aggregate assessment of financial assets.

The aforementioned business models consist of three categories. These categories are listed below:

• **Business Model Aimed at Retaining Financial Assets to Collect Contractual Cash Flows:**

It is the business model in which financial assets are held for the purpose of collecting contractual cash flows that will occur throughout their lives. Financial assets held under this business model are measured at amortized cost if the contractual terms of the financial asset pass the cash flow test, which includes only the principal and interest payments on the principal balance at specified dates.

• **Business Model Aimed at Collecting and Selling Contractual Cash Flows of Financial Assets:**

It is the business model in which financial assets are held for both the collection of contractual cash flows and the sale of financial assets. Financial assets held under this business model are accounted for at fair value through other comprehensive income if the contractual terms of the financial asset pass the cash flow test, which includes only the principal and interest payments on the principal balance at specified dates.

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(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

VII. EXPLANATIONS ON FINANCIAL ASSETS (Continued)

• **Other Business Models:**

Business models in which financial assets are not held to collect contractual cash flows or to collect contractual cash flows and sell financial assets and are measured at fair value through profit or loss.

Contractual cash flows that include only principal and interest payments on the principal balance

In accordance with TFRS 9, if a financial asset is held under a business model that aims to collect contractual cash flows or a business model that aims to collect contractual cash flows and sell Financial assets, that Financial asset is classified on the basis of the characteristics of the contractual cash flows. . In a basic lending agreement, the time value of money and the cost of credit risk are often the most important elements of interest. Judgment is used to assess whether that element simply pays for the passage of time, taking into account relevant factors such as the currency in which the financial asset is expressed and the period in which the interest rate applies. Where the terms of the contract begin to expose it to risks or the volatility of cash flows that are inconsistent with a underlying lending agreement, the financial asset is measured at fair value through profit or loss.

Measurement categories of financial assets and liabilities

The Bank has classified its financial assets on the basis of the business model used for the management of these assets. In this context, financial assets are as follows on the basis of three main classes:

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

Financial assets measured at fair value through profit or loss:

"Financial Assets measured at Fair Value Through Profit/Loss" are financial assets other than the ones that are managed with business model that aims to hold to collect contractual cash flows or business model that aims to collect both the contractual cash flows and cash flows arising from the sale of the assets; and if the contractual terms of the financial asset do not lead to cash flows representing solely payments of principal and interest at certain date; that are either acquired for generating a profit from short term fluctuations in prices or are financial assets included in a portfolio aiming to short-term profit making. Financial assets measured at the fair value through profit or loss are initially recognized at fair value and remeasured at their fair value after recognition. All gains and losses arising from these valuations are reflected in the income statement. In accordance with the Uniform Chart of Accounts (THP) explanations, the positive difference between the acquisition cost and the discounted value of the financial asset is calculated in "Interest Income". if the fair value is below the discounted value, the negative difference between the discounted value and the fair value is recorded in the "Capital Market Transactions Losses" account. In case the financial asset is disposed of before maturity, the resulting gains or losses are accounted for on the same basis. As of 31 December 2023, its value is TL 1,588,075 and is classified under "Financial Assets at Fair Value Through Profit and Loss" in the financial statements (31 December 2022: TL 897,309).

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VI. EXPLANATIONS ON FINANCIAL ASSETS (Continued)

Financial Assets measured at Fair Value Through Other Comprehensive Income:

"Financial Assets measured at Fair Value Through Other Comprehensive Income" are financial assets which are managed with business model that aims to hold to collect contractual cash flows and aims to hold to sell; and if the contractual terms of the financial assets lead to cash flows representing solely payments of principal and interest at certain dates. Financial assets measured at fair value through other comprehensive income are recognized by adding transaction cost to acquisition cost which reflects the fair value of the financial asset. After initial recognition, financial assets at fair value through other comprehensive income are remeasured at fair value. Interest income calculated with effective interest rate method arising from financial assets at fair value through other comprehensive income and dividend income from equity securities are recorded to income statement. "Unrealized gains and losses" arising from the difference between the amortized cost and the fair value of financial assets at fair value through other comprehensive income are not reflected in the income statement of the period until the acquisition of the asset, sale of the asset, the disposal of the asset, and impairment of the asset and they are accounted under the "Accumulated other comprehensive income or expense to be reclassified through profit or loss" under shareholders' equity. Equity securities, which are classified as financial assets at fair value through other comprehensive income, that have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value. Equity securities that do not have a quoted market price in an active market and whose fair values cannot be reliably measured are carried at cost, less provision for impairment.

During initial recognition an entity can make an irrevocable choice as to record the changes of the fair value of investment in an equity instrument that is not held for trading purposes in the other comprehensive income. In the case of this preference, the dividend from the investment is recognized in the financial statements as profit or loss.

Financial Assets Measured at Amortized Cost:

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are classified as financial assets measured at amortized cost. Financial assets measured at amortized cost are initially recognized at acquisition cost including the transaction costs which reflect the fair value of those instruments and subsequently recognized at amortized cost by using effective interest rate (internal rate of return) method. Interest income obtained from financial assets measured at amortized cost is accounted in the income statement.

Loans:

Loans are financial assets that have fixed or determinable payment terms and are not quoted in an active market. Loans are initially recognized at acquisition cost plus transaction costs presenting their fair value and subsequently measured at amortized cost using the effective interest rate (internal rate of return) method.

The Bank has carried out the test of whether the "Contractual Cash Flows Are Composed of Interest and Principal Only" and the related portfolios are measured with their amortized values.

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VII. EXPLANATIONS ON EXPECTED CREDIT LOSS

The Bank allocates allowance for expected loss on financial assets measured at amortized cost and financial assets measured at fair value through other comprehensive income. As of 1 January 2018, the Bank started to recognize provisions for impairment in accordance with TFRS 9 requirements according to the "Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside" published in the Official Gazette dated 22 June 2016 numbered 29750. In this framework, as of 31 December 2017, method of provisions for impairment as set out in accordance with the related legislation of BRSA is changed by applying the expected credit loss model under TFRS 9.

The expected credit loss estimates are required to be unbiased, probability-weighted and include supportable information about past events, current conditions, and forecasts of future economic conditions. These financial assets are divided into three categories depending on the gradual increase in credit risk observed since their initial recognition:

Stage 1:

For the financial assets at initial recognition or for those which do not have a significant increase in credit risk since initial recognition. Allowance for credit risk is recorded in the amount of 12-month expected credit losses. The 12-month expected credit loss is calculated based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to an estimated default amount and multiplied by the expected loss on default, discounted to date at the original effective interest rate of the loan.

Stage 2:

In the event of a significant increase in credit risk since initial recognition, the financial asset is transferred to Stage 2. Allowance for credit risk is determined on the basis of the instrument's lifetime expected credit losses. The calculation method is similar to that described in the paragraph above, except that the probability of default and loss-on-default rates are estimated over the life of the instrument.

Stage 3:

As of the reporting date, impaired financial assets are classified as Stage 3. The probability of default is taken into account as 100% in the calculation of the provision for impairment and the financial asset. The provision is calculated based on lifetime expected credit losses. In determining the impairment, the Bank takes into account the following criteria:

- Customers with more than 90 days of delay and legal proceedings have been initiated
- Not meeting the requirements for Stage 1 and Stage 2
- Temporarily, the practice of classifying the uncollectible receivables up to 180 days in the Second Group has occurred.
- For customers who do not want to be delayed in their due installments in structured installment receivables, the practice of postponing their installments within the scope of these granted periods has started, without breaking their existing restructuring agreements.
- In the completion of the Garame banks protocols, the time-consuming operations were extended by mutual agreement.

Finally, it has been concluded that the provisions to be made for such receivables will continue according to the risk models used by the banks in calculating the expected credit losses under TFRS 9.

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VII. EXPLANATIONS ON EXPECTED CREDIT LOSS (Continued)

Calculation of expected credit losses

The Bank measures expected credit losses with reasonable, objective and supportable information that can be obtained without undue cost or effort as of the reporting date, weighted according to probabilities determined by considering possible outcomes, including estimates of the time value of money, past events, current conditions and future economic conditions. Calculation of expected credit losses consists of three main parameters: Probability of Default, Loss AT Default , Amount of Default . The PD and LGD parameters used in the expected credit loss calculation are calculated as instant PD, including both current and expected cycle changes.

Probability of Default

The default probability represents the probability that the debtor will default in a given time period. The 12-month default probability calculates the default probability in the next 12 months, and the lifetime expected default probability calculates the probability that will occur during the remaining life of the debtor. In modeling, different default probabilities are used for products with country risk.

In order to measure risk, internal rating systems, credit ratings given by external rating institutions, payment performances of customers, and risk center credit ratings for commercial customers are used at certain levels.

Default probabilities published on the basis of historical data published by international rating agencies are taken as basis. Country default probabilities published by international rating agencies are also used for assets whose counterparty is a country. The default probabilities are cumulative for the next ten years, and the interim periods are also calculated by intrapolating.

In addition, the probability of default calculation is updated by taking into account historical data, current conditions and forward-looking macroeconomic expectations.

Loss in Default

It represents the economic loss that will be incurred in the event of the debtor's default. Loss in case of default is calculated over expected collections from collateral and other loan cash flows, taking into account the time value of money.

Collaterals are taken into account at certain rates in the calculation of loss in case of default. The rates of consideration are determined based on the rates specified in the “Regulation on the Procedures and Principles for Determining the Qualifications of Loans and Other Receivables by Banks and Provisions to be Set aside for These”.

Default Amount

It is the expected economic receivable amount at the time of default. The expected default amount is calculated by discounting the expected principal and interest repayments and income accruals using the effective interest method. Loan conversion rates are used for non-cash loans in calculating the default amount.

Considering Macroeconomic Factors

The default probabilities are updated based on the 5-year Turkey credit risk (CDS spread), which has a high correlation with key macroeconomic factors such as unemployment, growth, inflation, and interest rates. During this update process, both the average and end-of-period values of the 5-year Turkey CDS spread are considered, weighted according to specific ratios. This approach, preferred for the 2023 calculations, will be revisited in subsequent reporting periods, taking into account portfolio dynamics and future expectations.

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VII. EXPLANATIONS ON EXPECTED CREDIT LOSS (Continued)

Calculating the Expected Loss Period

In determining the lifetime expected loss, the period that the Bank will be exposed to credit risk is calculated by taking into account the maturity extensions and repayment options. The term in financial guarantees and other irrevocable commitments represents the loan term that the Bank is obliged to fulfill. By looking at the historical data for the indefinite letters of guarantee, the possible periods that the bank may be exposed to risk are calculated.

Significant increase in credit risk

Due to the significant increase in the credit risk, the Bank makes quantitative and qualitative evaluations in determining the financial assets to be classified as Stage 2 (Significant Increase in Credit Risk).

Quantitative assessments compare the relative change between the probability of default (PD) measured at the transaction date and the PD measured at the report date. In case of a significant deterioration in the PD value, as a result of the evaluations made by considering other factors, it is evaluated that there is a significant increase in the credit risk and the financial asset is classified as Stage 2.

Within the scope of qualitative assessments, if any of the following conditions are met, the related financial asset is classified as Stage 2.

- Receivables overdue more than 30 days at the reporting date
- Receivables evaluated within the scope of restructuring due to insolvency

VIII. EXPLANATIONS ON OFFSETTING OF FINANCIAL ASSETS AND LIABILITIES

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.

IX. DERECOGNATION OF FINANCIAL INSTRUMENTS

a) Derecognition of financial assets due to changes in contract conditions

Restructuring or changing the contractual cash flows of a financial instrument in accordance with TFRS 9 may result in derecognition of the existing financial asset. When a change in a financial asset results in derecognition of the existing financial asset and subsequent recognition of the modified financial asset, the modified financial asset is considered as a "new" financial asset for the purposes of TFRS 9. When evaluating the new contractual terms characteristics of the financial asset, the contractual cash flows including the currency change, conversion to stock, counterparty change and only the principal and interest payments on the principal balance are evaluated. If the contractual cash flows of a financial asset have been changed or otherwise restructured and such modification or restructuring does not result in derecognition of the financial asset, the gross carrying amount of the financial asset is recalculated and the restructuring gain or loss is recognized in profit or loss. In cases where all the risks and rewards of ownership of the asset are not transferred to another party and control of the asset is retained, the remaining interest in the asset and the liabilities arising from and due to this asset continue to be recognized. If all the risks and rewards of ownership of a transferred asset are retained, the transferred asset continues to be recognized and a financial liability is recognized in exchange for the consideration received.

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IX. DERECOGNATION OF FINANCIAL INSTRUMENTS (Continued)

b) Derecognition of financial assets without change in contract terms

The asset is derecognised when the contractual rights to the cash flows of the financial asset expire or the related financial asset and all the risks and rewards of ownership of that asset are transferred to another party. The difference between the carrying amount and the amount obtained as a result of the complete derecognition of a financial asset, other than equity instruments at fair value through other comprehensive income, and the total amount of any accumulated gain or loss recognized directly in equity is recognized in profit or loss.

c) Derecognition of financial liabilities

A financial liability (or part of a financial liability) is removed from the statement of financial position only when the obligation ceases to exist, that is, when the contractual obligation is fulfilled, canceled or expired.

X. EXPLANATION ON SALES AND REPURCHASE AGREEMENTS AND SACURITIES LENDING TRANSACTIONS

Securities subject to repurchase agreements ("Repo") are classified as "Financial assets measured 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 shown under "Money Market Funds" in balance sheet and the difference between the sale and repurchase price is accrued over the life of repurchase agreements using the effective interest method.

Funds given against securities purchased under agreements ("Reverse repo") to resell are accounted under "Receivables from Reverse Repurchase Agreements" 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".

XI. EXPLANATION ON ASSETS HELD FOR RESALE AND FIXED ASSETS FROM DISCONTINUED OPERATIONS AND LIABILITIES RELATED WITH THESE ASSETS

According to TFRS 5 ("Non Current Assets Held for Sale and Discontinued Operations") which satisfy to be classified as held for sale are measured by the lower of carrying value and fair value less costs to sell and these assets are not amortized; and are separately presented in the financial statements.

For an asset (or else the group of assets) to be classified as held for sale; the asset should be ready for immediate sale in frequently seen and accustomed terms and the probability of sale should be high. For the probability of sale to be high, appropriate level of management should have made a plan for the sale of the asset (or else the group of assets) and a program should have been initiated in order to determine buyers as well as complete the plan. Also the asset (or else the group of assets) shall be actively marketed in conformity with its fair value. On the other hand, the sale is expected to be journalized as a completed sale within one year after the classification date; and the necessary transactions and procedures to complete the plan should demonstrate the fact that the possibility of making significant changes or cancelling the plan is low. Certain events and conditions may extend the duration of completion of sale to more than one year. If such delay arises from any events and conditions beyond the control of the entity and if there is sufficient evidence that the entity has an ongoing disposal plan for these assets, such assets (or else group of assets) are continued to be classified as assets held for sale (or else group of assets). A discontinued operation is a division of a bank that is either disposed or held for sale. Results of discontinued operations are included in the income statement separately. A discontinued operation is a part of a bank classified as held for sale or held for sale. The results of discontinued operations are presented separately in statement of profit or loss.

If the carrying amount of a non-current asset is to be recovered through a sale transaction rather than from continuing use and is expected to be recognized as a completed sale within one year from the date of classification, the Bank classifies the asset as held for sale.

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XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS

The Bank's intangible assets consist of software programs and incorporeal rights. Intangible assets are recorded at cost in accordance with the "Intangible Assets Recognition Standard" ("TAS 38").

Intangible assets are carried at historical costs after the deduction of accumulated amortization and the provision for value decreases, if any. Intangibles are amortised over their estimated useful lives using the straight-line method.

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT

Subsequently, property and equipment are carried at cost less accumulated depreciation and provision for value decrease, if any.

Expenditures for the regular repair and maintenance of property and equipment are recognised as expense. There are no pledges, mortgages or any similar encumbrances on tangible assets.

The estimated useful life periods used in the depreciation of property, plant and equipment are as follows:

Tangible Assets	Estimated useful life (Year)
Transport vehicles	5-7
Other Tangible Assets	5-15

XIV. EXPLANATIONS ON INVESTMENT PROPERTIES

Land and buildings that are held for rental or appreciation, or both, rather than for use in the production of goods and services or for administrative purposes or for sale in the ordinary course of business, are classified as investment property. The Bank monitors its investment properties using the fair value method within the scope of "TAS 40 Investment Properties" standard, and changes in fair value are recognized in profit or loss in the period they occur.

XV. EXPLANATIONS ON LEASING TRANSACTIONS

Assets acquired under finance lease agreements are capitalised at the inception of the lease at the "lower of the fair value of the leased asset or the present value of the amount of cash consideration given for the leased asset". Leased assets are included in the property and equipment and depreciation is charged on a straight-line basis over the useful life of these assets. If there is any diminution in value of the leased asset, a "Provision for value decrease" is recognised. Liabilities arising from the leasing transactions are included in "Financial Lease Payables" on the balance sheet. Interest and foreign exchange expenses regarding lease transactions are charged to the income statement.

The Bank has started to apply the TFRS 16 Leases (TFRS 16) standard published by the Public Oversight Authority ("KGGK") in the Official Gazette dated 16 April 2018 and numbered 29826 in its financial statements, as of 1 January 2019. Within the scope of TFRS 16, the bank considers operational leasing activities on the actual beginning date of the transaction and measures the lease liability at the present value of the lease payments that were not paid at that date (lease liability) and depreciate the related right-of-use asset over the lease term as of the same date. Lease payments are discounted using that rate if the implied interest rate on the lease can be easily determined. The Bank, as the lessee, uses the Bank's own alternative borrowing interest rate if this rate cannot be easily determined. As the lessee, the Bank records the interest expense on the lease liability and the depreciation expense of the right-of-use asset, separately

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XIV. EXPLANATIONS ON LEASING TRANSACTIONS (Continued)

TFRS 16 standard eliminates the dual accounting model, which is the current practice for lessees, in which financial leasing transactions are shown on the balance sheet and operational leasing transactions are shown off-balance sheet. Instead, a balance sheet-based singular accounting model is introduced, similar to the current leasing accounting. Accounting for lessors remains substantially similar to current practices. The Bank has started to apply TFRS 16 Leases standard as of 1 January 2019. Due to the Bank's implementation of TFRS 16, the net amount of useful assets classified under tangible fixed assets is TL 62,281 as of 31 December 2023 (31 December 2022: TL 8,896), while the lease liability is TL 64,775 (December 31, 2022: TL 11,109).

XVI. EXPLANATIONS ON PROVISION AND CONTINGENT COMMITMENTS

Provisions and contingent liabilities are accounted in accordance with the “Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets” (TAS 37).

Provisions are recognised 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. The provision for contingent liabilities arising from past events should be recognised in the same period of occurrence in accordance with the “Matching principle”.

When the amount of the obligation cannot be estimated and there is no possibility of an outflow of resources from the Bank, it is considered that a “Contingent” liability exists and it is disclosed in the related notes to the financial statements

XVII. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS

Obligations related to employee termination and vacation rights are accounted for in accordance with “Turkish Accounting Standard for Employee Rights” (“TAS 19”) and are classified under “Reserve for Employee Rights” 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 the reasons specified in the Turkish Labour Law. The reserve for employment termination benefits represents the present value of the estimated total reserve for the future probable obligation of the Bank arising from this liability. The main estimates used in the calculation of the provision for severance pay are as follows :

	31 December 2023	31 December 2022
Interest Rate	27.65	22.44
Inflation Rate	23.90	20.55

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XVIII. EXPLANATIONS ON TAXATION

Corporate Tax

As per the Article 26 of the Law No. 7394 on the "Law on Evaluation of Immovable Property Owned by the Treasury and Amendment to the Value Added Tax Law" and as per added first sentence to the temporary Article 13 of the Law No. 5520 on the "Corporate Tax Law" published in the Official Gazette No. 31810 dated 15 April 2022, the corporate tax rate is 25% for the corporate earnings. Furthermore, the aforementioned provision of the law has come into effect to be applied to the corporate profits of institutions for the 2023 tax assessment period. Taxes paid in advance are tracked under "Current Tax Liability" or "Current Tax Asset" accounts to be offset against the corporate income tax obligation for the relevant year. The corporate income tax rate is applied to the net corporate income, which is determined by adding back non-deductible expenses as per tax laws and subtracting exemptions and deductions specified in tax laws. Corporate income tax is declared by the twenty-fifth day of the fourth month following the end of the relevant year and is paid by the end of the month.

The withholding tax rate applied to dividend payments made to non-resident institutions in Turkey is 10%. If there remains any amount of provisional tax paid despite offsetting, this amount can either be refunded in cash or offset. According to Law No. 7456 published in the Official Gazette dated July 15, 2023, the corporate tax rate for banks has been set at 30%. For banks, the rate of 30% is used instead of 25% in calculating the 3rd provisional tax and deferred tax amounts as of December 31, 2023.

In accordance with Article 298 of the Tax Procedure Law, it has been stipulated that if the increase in the producer price index exceeds 100% in the last 3 accounting periods including the current period, and more than 10% in the current accounting period, the financial statements will be subject to inflation adjustment, and as of December 31, 2022, these conditions have been met. However, with Law No. 7352 published in the Official Gazette dated January 29, 2022, which made amendments to the Tax Procedure Law and the Corporate Tax Law, temporary Article 33 was added to Article 213 of the Tax Procedure Law, and it was stated that regardless of whether the conditions for inflation adjustment under Article 298 are met or not, financial statements will not be subject to inflation adjustment for the accounting periods of 2021 and 2022 (as well as for those with their own special accounting period ending in 2022 and 2023) including temporary tax periods, and for the 2023 accounting period temporary tax periods. It was also legislated that the financial statements as of December 31, 2023, will be subject to inflation adjustment regardless of whether the conditions for inflation adjustment have been met or not, and any profit/loss differences arising from the inflation adjustment will be shown in the profit/loss account of previous years. According to Article 17 of Law No. 7491 published in the Official Newspaper dated December 28, 2023, Banks, companies within the scope of the Financial Leasing, Factoring, Financing, and Savings Financing Companies Law numbered 6361 dated November 21, 2012, payment and electronic money institutions, authorized currency institutions, asset management companies, capital market institutions, insurance and reinsurance companies, and pension companies have been legislated that profit/loss differences arising from inflation adjustment for the accounting periods of 2024 and 2025, including temporary tax periods, will not be taken into account in determining the income. The President is authorized to extend the periods determined within the scope of this paragraph, including temporary tax periods, for a period of one accounting period.

According to the Corporate Tax Law, financial losses shown on the declaration can be carried forward to offset against future corporate tax base up to 5 years. Declarations and related accounting records can be examined by the tax office within five years.

As of 31 December 2023, the Bank does not have any deferred investment allowance that it foresees to benefit from in the future.

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XVIII. EXPLANATIONS ON TAXATION (Continued)

Deferred Taxes

Deferred tax liability or asset is determined by calculating the tax effects of the "temporary differences" between the values of assets and liabilities shown in the financial statements and the amounts taken into account in the calculation of the legal tax base, in accordance with the "Turkish Accounting Standard for Income Taxes" ("TAS 12"), according to the balance sheet method. According to the tax legislation, differences that do not affect the financial or commercial profit of the assets or liabilities at the acquisition date are excluded from this calculation.

Deferred tax income or expense is recognized in the income statement under the "Deferred Tax Provision" item.

Deferred taxes related to assets directly associated with equity are associated with equity account group and netted off with related accounts in this group.

Carrying value of deferred tax asset is reviewed as of each balance sheet date. Carrying value of deferred tax asset is decreased to the extent that it is no longer probable that sufficient taxable profit will be available to allow some or all of the deferred tax asset to be recovered.

Deferred tax is calculated over the tax rates valid in the period when assets are created or liabilities are fulfilled and recorded as expense or income in the income statement. However, if the deferred tax relates to assets directly associated with equity in the same or a different period, it is directly associated with the equity account group.

The Bank calculates deferred tax on the general provisions of the 1st and 2nd Stage loans.

The current tax amounts payable are netted as they are related to the prepaid tax amounts. Deferred tax receivables and liabilities are also netted off.

Transfer Pricing

Transfer pricing is regulated through article 13 of Corporate Tax Law titled "Transfer Pricing through camouflage of earnings". Detailed information for the practice regarding the subject is found in the "General Communiqué Regarding Camouflage of Earnings Through Transfer Pricing".

According to the aforementioned regulations, in the case of making purchase or sales of goods or services with relevant persons/corporations at a price that is determined against "arm's length principle", the gain is considered to be distributed implicitly through transfer pricing and such distribution of gains is not subject to deductions in corporate tax base.

XIX. ADDITIONAL EXPLANATIONS ON BORROWINGS

In the case of assets that require significant time to be ready for use or sale, borrowing costs directly attributable to their acquisition, construction or production are included in the cost of the asset until it is ready for use or sale. Financial investment income obtained by temporarily investing the unspent portion of the investment loan in financial investments is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recorded in the income statement in the period in which they are incurred.

In the current period, the Bank has started to provide resources to qualified investors by issuing bonds. These transactions are recorded at the purchase cost at the transaction date and are valued at their discounted prices.

The bank has not issued convertible bonds.

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XX. EXPLANATIONS ON ISSUANCE OF SHARES CERTIFICATES

The Bank has not issued any share certificates.

XXI. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES

Avalized drafts and acceptances shown as liabilities against assets are included in the “Off-balance sheet commitments”. As of the balance sheet dates, there are no bills and acceptances shown as liabilities against assets.

XXII. EXPLANATIONS ON GOVERNMENT INCENTIVES

None.

XXIII. EXPLANATIONS ON REPORTING ACCORDING TO SEGMENTATION

Information on the Bank's organizational and internal reporting structure and the fields of activity determined in accordance with the provisions of the “Turkish Accounting Standard for Operating Segments” – (“TFRS 8”) are presented in Note XII of Section Four.

XXIV. EXPLANATIONS ON PROFIT RESERVES AND PROFIT DISTRIBUTION

Pursuant to the resolution taken at the 2023 Ordinary General Assembly held on March 28, 2023, the paid-in capital of the Bank was increased to TL 1,800,000 by receiving TL 1,050,000 from internal resources. The Ordinary General Assembly decision regarding the capital increase was announced in the Turkish Trade Registry Gazette dated 5 April 2023 and numbered 10845.

2023 profit distribution table:

Net profit for 2023	1,438,503
Total profit subject to distribution	1,438,503
A – 1.Order General Legal Reserves (TTK 519/A) %5	71,895
B – Extraordinary Reserves	1,366,002
Classified to Total Profit Reserves	1,437,897
C – Capital Increase from Internal Resources	1,050,000
Classified to Total Paid-in Capital	1,050,000

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SECTION FOUR

**INFORMATION RELATED TO CONSOLIDATED FINANCIAL POSITION AND
RISK MANAGEMENT**

I. Information about consolidated shareholders' equity items

The calculation of equity and capital adequacy standard ratios is conducted in accordance with the provisions of the "Regulation on the Measurement and Evaluation of Banks' Capital Adequacy," "Communiqué on Credit Risk Mitigation Techniques," "Communiqué on the Calculation of Risk Weighted Amounts for Securitization," and "Regulation on Banks' Equity" provisions. The bank's capital adequacy standard ratio is 20.99% (19.29% as of December 31, 2022).

Information on shareholders' equity:	Current Period 31 December 2023	Prior Period 31 December 2022
Common Equity Tier 1 Capital		
Directly issued qualifying common share capital plus related stock surplus	1,800,000	750,000
Share premium	-	-
Legal reserves	295,300	56,797
Projected gains to shareholders' equity of the accounting standards in Turkey	100,736	63,608
Profit	2,993,830	1,460,280
Net current period profit	2,975,862	1,458,332
Prior period profit	17,968	1,948
Free shares from investments and associates, subsidiaries and joint ventures that is not recognised in profit	-	-
Common Equity Tier 1 capital before regulatory adjustments	5,189,866	2,330,685
Common Equity Tier 1 capital: regulatory adjustments		
Prudential valuation adjustments	-	-
Sum of current year net loss and prior period's loss that is not covered with reserves and losses on shareholders' equity of the accounting standards in Turkey	129,534	-
Development cost of operating lease	16,090	2,276
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	72,205	29,805
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Cash-flow hedge reserve	-	-
Gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Securitisation 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 (if not already netted off paid-in capital on reported balance sheet)	-	-
Reciprocal cross-holdings in common equity	-	-
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)	-	-
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)	-	-
Amount exceeding the 15% threshold	-	-
of which: significant investments in the common stock of financials	-	-
of which: mortgage servicing rights	-	-
of which: deferred tax assets arising from temporary differences	-	-
National specific regulatory adjustments	-	-
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	217,829	32,081
The positive difference between the expected loan loss provisions under TFRS 9 and the total provision amount calculated before the application of TFRS 9	-	-
Common Equity Tier 1 capital (CET 1)	4,972,037	2,298,604

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I. Information about consolidated shareholders' equity items (Continued)

	Current Year 31 December 2023	Prior Year 31 December 2022
Additional Tier 1 capital: instruments		
Directly issued qualifying Additional Tier 1 instruments plus related stock surplus of which: classified as equity under applicable accounting standards	-	-
Directly issued qualifying Additional Tier 1 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards	-	-
Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1) of which: instruments issued by subsidiaries subject to phase out	-	-
Additional Tier 1 capital before regulatory adjustments	-	-
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	-	-
The process of transition will continue to reduce from Tier 1 Capital		
Goodwill or other intangibles and deferred tax liabilities of which the regulation concerning transitional Article 2 of subsection of core capital not reduced from (-)	-	-
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	-	-
Additional Tier 1 capital (AT1)	-	-
Tier 1 capital (T1 = CET1 + AT1)	4,972,037	2,298,604
Tier 2 capital: instruments and provisions	26,259	99,535
Directly issued qualifying Tier 2 instruments plus related stock surplus	-	74,794
Directly issued qualifying Tier 2 instruments plus related stock surplus	-	-
Provisions	26,259	24,741
Tier 2 capital before regulatory adjustments	26,259	99,535
Tier 2 capital: regulatory adjustments		
Investments in own Tier 2 instruments (-)	-	-
Reciprocal cross-holdings in Tier 2 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 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 (-)	-	-
Total regulatory adjustments to Tier 2 capital	-	-
Tier 2 capital (T2)	26,259	99,535
Total capital (TC = T1 + T2)	4,998,296	2,398,139
Total risk weighted assets		
Loans extended being non-compliant with articles 50 and 51 of the Law	-	-
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(-)	-	-
National specific regulatory adjustments	-	-
The process of transition will continue to reduce from Common Equity Tier 1 capital and		
Additional Tier 1 capital		
of which: The sum of partnership share on banks and financial institutions (domestic and abroad), with shareholding of less than 10%	-	-
of which: Partnership share on banks and financial institutions (domestic and abroad) that are not consolidated, with a shareholding of 10% and above	-	-
of which: Partnership share on banks and financial institutions (domestic and abroad) that are not consolidated, with a shareholding of 10% and above	-	-

NUROL YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023
(Amounts are expressed in thousands of Turkish Lira (“TL”) unless otherwise stated.)

I. Information about consolidated shareholders' equity items (Continued)

	Current Period 31 December 2023	Prior Period 31 December 2022
Shareholders' Equity		
Total shareholders' equity	4,998,296	2,398,139
Total risk weighted items	23,815,651	12,434,555
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	%20.88	%18.49
Tier 1 Capital Adequacy Ratio (%)	%20.88	%18.49
Capital Adequacy Standard Ratio (%)	%20.99	%19.29
BUFFERS		
Total additional core capital requirement ratio (a+b+c)	%2.65	%2.50
a) a) Capital conservation buffer requirement (%)	%2.50	%2.50
b) b) Bank specific countercyclical buffer requirement (%)	%0.15	-
Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets) (%)	-	-
Amounts below the thresholds for deduction (before risk weighting)	-	-
Non-significant investments in the capital of other financials	-	-
Significant investments in the common stock of financials	-	-
Mortgage servicing rights (net of related tax liability)	-	-
Deferred tax assets arising from temporary differences (net of related tax liability)	-	-
Applicable caps on the inclusion of provisions in Tier 2	-	-
Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	297,696	155,432
Cap on inclusion of provisions in Tier 2 under standardised approach	274,202	147,091
Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-	-
Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-	-
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)	-	-
Current cap on common equity T1 capital instruments subject to phase out arrangements	-	-
Amount excluded from common equity T1 capital due to cap (excess over cap after redemptions and maturities)	-	-
Current cap on additional T1 capital instruments subject to phase out arrangements	-	-
Amount excluded from additional T1 capital due to cap (excess over cap after redemptions and maturities)	-	-

(*) In accordance with the permission granted by the Banking Regulation and Supervision Agency (BDDK), the bank's foreign currency borrowing instrument was repaid on September 20, 2023, and therefore was not included in the calculation of the bank's regulatory capital contribution (As of December 31, 2022, the bank had a foreign currency borrowing instrument totaling 93,492 TL).

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I. Information about consolidated shareholders' equity items (Continued)

Information about instruments that will be included in total capital calculation

On December 27, 2016, a loan of 5,000 USD, with a variable interest rate of 6.65%, a term of 10 years, and payments of interest every three months, was obtained from World Business Capital. In accordance with the permission granted by the Banking Regulation and Supervision Agency (BDDK) in its letter dated September 20, 2023, numbered E-20008792-101.02.01-95556, the early redemption option stated in the contract was exercised, and the balance of the quasi-capital loan has been settled.

Explanations on temporary article 5 of the Regulation on Banks' Equity:

EQUITY ELEMENTS	T
Core Capital	4,972,037
Common Equity Tier 1 capital	4,972,037
Non-Transition Core Capital	4,972,037
Main Capital	4,972,037
Non-Transition Tier Capital	4,998,296
Equity	4,998,296
Equity without Transition Process	
TOTAL RISK WEIGHTED AMOUNTS	
Total Risk Weighted Amounts	23,815,651
CAPITAL ADEQUACY RATIOS	
Core Capital Adequacy Ratio (%)	20.88%
Core Capital Adequacy Ratio without Transition Process (%)	20.88%
Tier 1 Capital Adequacy Ratio (%)	20.88%
Tier 1 Capital Adequacy Ratio without Transition Process (%)	20.88%
Capital Adequacy Ratio (%)	20.99%
Capital Adequacy Ratio without Transition Process (%)	20.99%
LEVERAGE RATIO	
Leverage Ratio Total Risk Amount	33,339,678
Leverage Ratio (%)	13.74%
Unenforced Leverage Ratio (%)	13.74%

Explanations on reconciliation of equity items and balance sheet amounts:

There are differences between the amounts in the information table regarding equity items and the amounts in the balance sheet. In this context; Up to 1.25% of the amount subject to credit risk of the first and second part amounts of the expected loss provisions item is considered as supplementary capital and the valuation adjustments calculated in accordance with the first paragraph of the ninth clause of the Bank's Equity Regulation are taken into account in the information table on equity items.

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II. Explanations on consolidated credit risk

In terms of credit risk, whether the debtor or group of debtors or geographical regions and sectors are subject to a risk limitation, the segmentation structure on which the risk limits are based and the intervals at which they are determined,

In terms of credit risk, the debtor or group of debtors is subject to risk limitation. The segmentation structure on which the risk limits are based is made by the Bank on the basis of the debtor or group of debtors and sectors at each disbursement. A geographical limitation is not applied.

Whether the risk limits and distributions are determined for daily transactions, whether the risk concentration related to off-balance sheet risks is monitored daily on the basis of customers and banks' treasury department officials,

Risk limits and distributions regarding daily transactions are determined in the Bank's procedures regarding loans. This monitoring can be done on a daily basis. The risk concentration of the Bank regarding on- and off-balance sheet risks is monitored and evaluated monthly at the Credit Committee and Asset-Liability Committee meetings.

The credit risk of the Bank in treasury transactions is kept under control with defined limits. Limits defined for trading parties are managed on the basis of transaction type and maturity.

Derivative transactions that create off-balance sheet risk are carried out by the Treasury Department within the authorization of the Board of Directors, and risk concentration is taken into account by the Risk Management Department.

Whether the credit worthiness of the debtors of loans and other receivables is monitored regularly in accordance with the relevant legislation, whether the account status documents received for the loans extended have been audited as stipulated in the relevant legislation, if not, the reasons for this, whether the credit limits have been changed, whether the loans and other receivables have collateral.

The credit worthiness of the borrowers is re-examined for each limit increase or loan extension request, and as a result of the examination, it is decided to increase the current limit, to keep it in the same or with additional guarantees, or to liquidate the risk immediately by blocking the existing limits.

On the other hand, during the evaluation of both the companies that have been offered for the first time for loan allocation and the requests for increasing the current limit or making use from the current limit, attention is paid to the fact that the current balance sheet and income statements of the Bank are audited as stipulated in the legislation.

Whether the Bank has control limits over the positions held in terms of forward and option contracts and other similar contracts, whether the credit risk undertaken for such instruments is managed together with the potential risks arising from market movements.

The credit risk of futures and options contracts is managed by the Treasury Department, and the potential risks of these transactions arising from market movements are also taken into account by the Risk Management Department.

Whether the Bank has chosen to reduce the total risk by terminating futures, options and similar contracts in a short time, when it is exposed to significant credit risk, by exercising rights, fulfilling obligations or selling them.

No situation has been encountered that will result in the fulfillment or sale of performances by being exposed to the credit risk of futures and options contracts.

Whether indemnified non-cash loans are subject to the same risk weight as non-performing loans

Indemnified non-cash loans are subject to the same risk weight as non-paid loans, and are classified according to their collateral and placed in follow-up accounts.

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II. Explanations on consolidated credit risk (Continued)

Whether the loans renewed or rescheduled are included in a new rating group or weight within the framework of risk management systems by banks, other than the monitoring method determined by the relevant legislation, whether new measures have been taken regarding these methods, whether long-term commitments are compared to short-term commitments within the framework of risk management systems by banks. Whether risk segregation is made by accepting that it is exposed to more credit risk,

For loans that are renewed and rescheduled, risk separation is not applied, except for the monitoring method determined by the relevant legislation.

Evaluation of whether the banking activities and lending transactions carried out by banks abroad are carried out with a small number of countries or financial institutions, whether this poses a significant risk when the economic conditions of the relevant country are taken into account.

The Bank does not have any banking activities carried out abroad.

Whether there is a significant credit risk concentration when evaluated together with the financial activities of other financial institutions as an active participant in the international banking market.

The bank is not an active participant in the international banking market.

Bank's

a) The share of receivables from the top 100 cash loan customers in the total cash loan portfolio

As of the balance sheet date, the bank has a total of 50 cash loan customers. As of the balance sheet date, the receivable from the bank's top 100 cash loan customers constitutes 100% of the total cash loan portfolio (as of December 31, 2022: 100%).

b) The share of receivables from the top 100 non-cash loan customers in the total non-cash loan portfolio

As of the balance sheet date, the Bank has 99 non-cash loan customers. As of the balance sheet date, the Bank's top 100 non-cash loan receivables constitute 100% of the total non-cash loans (31 December 2022: 100%).

c) The share of cash and non-cash receivables from the top 100 loan customers in total on-balance sheet and off-balance sheet assets

As of the balance sheet date, the total amount of cash and non-cash receivables from the bank's top 100 loan customers represents 99.97% of the total balance sheet assets and non-cash loans (as of December 31, 2022: 100%).

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II. Explanations on consolidated credit risk (Continued)

General provision amount for the credit risk undertaken by the bank

The expected loss provision for the credit risk undertaken by the bank is TRY 144,164 (31 December 2022: TRY 24,740).

Risk Classes	Current Period Risk Amount (*)	Average Risk Amount (**)	Prior Period Risk Amount (*)	Average Risk Amount (**)
Contingent and non-contingent receivables from central governments or central banks	3,182,371	2,686,347	3,647,808	1,758,447
Contingent and Non-Contingent Receivables from Regional or Local Governments	-	-	-	-
Contingent and Non-Contingent Receivables from Administrative Units and Non-Commercial Enterprises	1,339	217	-	-
Contingent and Non-Contingent Receivables from Multilateral Development Banks	-	-	-	-
Contingent and Non-Contingent Receivables from International Organizations	-	-	-	-
Contingent and non-contingent receivables from banks and intermediary institutions	7,470,292	10,236,157	5,956,691	3,908,818
Contingent and uncontingent corporate receivables	16,676,943	9,838,992	5,115,974	5,692,859
Contingent and uncontingent retail receivables	-	32,301	41,300	281,219
Receivables secured by contingent and non-contingent real estate mortgages	-	11,116	57,286	67,466
Overdue receivables	987,649	526,683	288,494	281,772
Receivables determined as high risk by the Board	6,596	1,063	-	-
Mortgage Backed Securities	-	-	-	-
Securitization Positions	-	-	-	-
Short-Term Receivables from Banks and Intermediary Institutions and Short-Term Corporate Receivables	-	-	-	-
Investments in the Qualification of Collective Investment Institutions	287,061	129,182	-	-
Equity investments	1296,866	108,839	-	-
Other receivables	758,855	2,168,602	1,646,121	764,487
Total	30,667,972	25,739,499	16,753,674	12,755,068

(*) Risk amounts are given before credit risk mitigation and after credit conversion ratio.

(**) The average risk amount has been determined by taking the arithmetic average of the values in the monthly reports prepared from the date of publication of the Regulation on the Measurement and Evaluation of Banks' Capital Adequacy until the end of the relevant period.

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II. Explanations on consolidated credit risk (Continued)

Profile of Significant Risks in Key Regions:

Current Period (*)	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	Total
Domestic	3,182,371	-	1,339	-	-	7,126,608	14,815,901	-	-	987,649	6,596	-	-	-	287,061	1,296,866	758,855	28,463,246
European Union Countries	-	-	-	-	-	61,022	173,028	-	-	-	-	-	-	-	-	-	-	234,050
OECD Countries (**)	-	-	-	-	-	161,109	880,096	-	-	-	-	-	-	-	-	-	-	1,041,205
Coastal Banking Regions	-	-	-	-	-	-	771,774	-	-	-	-	-	-	-	-	-	-	771,774
USA, Canada	-	-	-	-	-	118,748	17,962	-	-	-	-	-	-	-	-	-	-	136,710
Other Countries	-	-	-	-	-	2,805	18,182	-	-	-	-	-	-	-	-	-	-	20,987
Affiliates, Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Assets/Liabilities(***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	3,182,371	-	1,339	-	-	7,470,292	16,676,943	-	-	987,649	6,596	-	-	-	287,061	1,296,866	758,855	30,667,972

(*) Risk amounts are given before credit risk mitigation and after credit conversion ratio.

(**) OECD countries excluding EU countries, USA and Canada.

(***) Assets and liabilities that cannot be allocated to segments on a consistent basis.

- 1- Contingent And Non-Contingent Receivables From Central Governments Or Central Banks
- 2- Contingent and Non-Contingent Receivables from Regional or Local Governments
- 3- Contingent and Non-Contingent Receivables from Administrative Units and Non-Commercial Enterprises
- 4- Contingent and Non-Contingent Receivables from Multilateral Development Banks
- 5- Contingent and Non-Contingent Receivables from International Organizations
- 6- Contingent And Non-Contingent Receivables From Banks And Intermediary Institutions
- 7- Contingent and Non-Contingent Corporate Receivables
- 8- Contingent and Non-Contingent Retail Receivables
- 9- Receivables Collateralized by Contingent and Non-Contingent Real Estate Mortgages
- 10-Overdue Receivables
- 11- Receivables Determined as High Risk by the Board
- 12- Mortgage Covered Securities
- 13- Securitization Positions
- 14- Short-Term Receivables from Banks and Intermediary Institutions and Short-Term Corporate Receivables
- 15- Investments in the Qualification of Collective Investment Institutions
- 16-Equity Investments
- 17- Other Receivables

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II. Explanations on consolidated credit risk (Continued)

Profile of Significant Risks in Key Regions (Continued) :

Prior Period (*)	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	Total
Domestic	3,647,808	-	-	-	-	2,695,295	4,228,676	41,300	57,286	288,494	-	-	-	-	-	-	1,646,121	12,604,980
European Union Countries	-	-	-	-	-	1,915,209	20,928	-	-	-	-	-	-	-	-	-	-	1,936,137
OECD Countries (**)	-	-	-	-	-	3,567	-	-	-	-	-	-	-	-	-	-	-	3,567
Coastal Banking Regions	-	-	-	-	-	569,285	28,085	-	-	-	-	-	-	-	-	-	-	597,370
USA, Canada	-	-	-	-	-	722,320	838,285	-	-	-	-	-	-	-	-	-	-	1,560,605
Other Countries	-	-	-	-	-	51,015	-	-	-	-	-	-	-	-	-	-	-	51,015
Affiliates, Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Assets/Liabilities(***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	3,647,808	-	-	-	-	5,956,691	5,115,974	41,300	57,286	288,494	-	-	-	-	-	-	1,646,121	16,753,674

(*) Risk amounts are given before credit risk mitigation and after credit conversion ratio.

(**) OECD countries excluding EU countries, USA and Canada.

(***) Assets and liabilities that cannot be allocated to segments on a consistent basis.

- 1- Contingent And Non-Contingent Receivables From Central Governments Or Central Banks
- 2- Contingent and Non-Contingent Receivables from Regional or Local Governments
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- 4- Contingent and Non-Contingent Receivables from Multilateral Development Banks
- 5- Contingent and Non-Contingent Receivables from International Organizations
- 6- Contingent And Non-Contingent Receivables From Banks And Intermediary Institutions
- 7- Contingent and Non-Contingent Corporate Receivables
- 8- Contingent and Non-Contingent Retail Receivables
- 9- Receivables Collateralized by Contingent and Non-Contingent Real Estate Mortgages
- 10-Overdue Receivables
- 11- Receivables Determined as High Risk by the Board
- 12- Mortgage Covered Securities
- 13- Securitization Positions
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II. Explanations on consolidated credit risk (Continued)

Risk Profile by Sectors or Counterparty

Current Period

Industries/Opposing Parties	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	TC	FC	Total(*)
Agriculture	-	-	-	-	-	-	699,300	-	-	-	-	-	-	-	-	-	-	92,578	606,752	699,330
Agriculture and Livestock	-	-	-	-	-	-	699,330	-	-	-	-	-	-	-	-	-	-	92,578	606,752	699,330
Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fishery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Industry	-	-	-	-	-	-	201,128	-	-	-	-	-	-	-	-	-	-	10,586	190,542	201,128
Mining and Quarrying	-	-	-	-	-	-	285	-	-	-	-	-	-	-	-	-	-	165	120	285
Manufacturing Industry	-	-	-	-	-	-	188,312	-	-	-	-	-	-	-	-	-	-	9,171	190,141	199,312
Electricity, Gas and Water	-	-	-	-	-	-	1,531	-	-	-	-	-	-	-	-	-	-	1,250	281	1,531
Building	-	-	-	-	-	-	3,824,331	-	-	-	6,501	-	-	-	-	-	-	2,823,249	1,007,583	3,380,832
Services	3,182,371	-	-	-	-	7,470,282	9,906,228	-	-	-	95	-	-	-	287,061	7,656	758,855	15,290,181	6,322,377	21,612,558
Wholesale and Retail Trade	-	-	-	-	-	-	1,935,235	-	-	-	57	-	-	-	-	-	-	1,396,341	538,951	1,935,292
Hotel and Restaurant Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transport and Communication	-	-	-	-	-	-	209,586	-	-	-	38	-	-	-	-	-	-	193,925	15,699	209,624
Financial Institutions	3,182,371	-	-	-	-	7,470,282	4,200,418	-	-	-	-	-	-	-	287,061	7,656	758,855	10,594,610	5,312,043	15,906,653
Real Estate and Rental Services	-	-	-	-	-	-	3,560,989	-	-	-	-	-	-	-	-	-	-	3,105,305	455,684	3,560,989
Self Employed Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Education Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	1,339	-	-	-	2,045,926	-	-	-	987,649	-	-	-	-	1,289,210	-	2,620,475	1,703,649	4,324,124
Total	3,182,371	-	1,339	-	-	7,470,282	16,676,943	-	-	987,649	6,596	-	-	-	287,061	1,296,866	758,855	20,837,069	9,830,903	30,667,972

(*) Risk amounts are given before credit risk mitigation and after credit conversion ratio.

- 1- Contingent And Non-Contingent Receivables From Central Governments Or Central Banks
- 2- Contingent and Non-Contingent Receivables from Regional or Local Governments
- 3- Contingent and Non-Contingent Receivables from Administrative Units and Non-Commercial Enterprises
- 4- Contingent and Non-Contingent Receivables from Multilateral Development Banks
- 5- Contingent and Non-Contingent Receivables from International Organizations
- 6- Contingent And Non-Contingent Receivables From Banks And Intermediary Institutions
- 7- Contingent and Non-Contingent Corporate Receivables
- 8- Contingent and Non-Contingent Retail Receivables
- 9- Receivables Collateralized by Contingent and Non-Contingent Real Estate Mortgages
- 10-Overdue Receivables
- 11- Receivables Determined as High Risk by the Board
- 12- Mortgage Covered Securities
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- 14- Short-Term Receivables from Banks and Intermediary Institutions and Short-Term Corporate Receivables
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II. Explanations on consolidated credit risk (Continued)

Risk Profile by Sectors or Counterparty

Prior Period

Industries/Opposing Parties	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	TC	FC	Total(*)
Agriculture	-	-	-	-	-	-	406,877	-	-	-	-	-	-	-	-	-	-	73,652	333,225	406,877
Agriculture and Livestock	-	-	-	-	-	-	406,877	-	-	-	-	-	-	-	-	-	-	73,652	333,225	406,877
Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fishery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Industry	-	-	-	-	-	-	245,631	-	28,000	-	-	-	-	-	-	-	-	150,033	123,598	273,631
Mining and Quarrying	-	-	-	-	-	-	175	-	-	-	-	-	-	-	-	-	-	-	-	175
Manufacturing Industry	-	-	-	-	-	-	177,492	-	28,000	-	-	-	-	-	-	-	-	148,746	56,746	205,492
Electricity, Gas and Water	-	-	-	-	-	-	67,964	-	-	-	-	-	-	-	-	-	-	1,112	66,852	67,964
Building	-	-	-	-	-	-	1,371,609	-	-	-	-	-	-	-	-	-	-	1,354,367	17,242	1,371,609
Services	3,647,808	-	-	-	-	5,956,691	3,045,025	-	29,286	-	-	-	-	-	-	-	-	9,451,483	3,227,327	12,678,810
Wholesale and Retail Trade	-	-	-	-	-	-	219,521	-	-	-	-	-	-	-	-	-	-	204,031	15,490	219,521
Hotel and Restaurant Services	-	-	-	-	-	-	15,335	-	-	-	-	-	-	-	-	-	-	15,333	2	15,335
Transport and Communication	-	-	-	-	-	-	7,472	-	-	-	-	-	-	-	-	-	-	5,294	2,178	7,472
Financial Institutions	3,647,808	-	-	-	-	5,956,691	996,200	-	29,286	-	-	-	-	-	-	-	-	7,429,423	3,200,562	10,629,985
Real Estate and Rental Services	-	-	-	-	-	-	1,806,497	-	-	-	-	-	-	-	-	-	-	1,797,402	9,095	1,806,497
Self-Employed Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Education Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	46,832	41,300	-	288,494	-	-	-	-	-	-	-	1,646,121	1,983,833	38,914
Total	3,647,808	-	-	-	-	5,956,691	5,115,974	41,300	57,286	288,494	-	-	-	-	-	-	-	1,646,121	13,013,368	3,740,306

(*) Risk amounts are given before credit risk mitigation and after credit conversion ratio.

- 1- Contingent And Non-Contingent Receivables From Central Governments Or Central Banks
- 2- Contingent and Non-Contingent Receivables from Regional or Local Governments
- 3- Contingent and Non-Contingent Receivables from Administrative Units and Non-Commercial Enterprises
- 4- Contingent and Non-Contingent Receivables from Multilateral Development Banks
- 5- Contingent and Non-Contingent Receivables from International Organizations
- 6- Contingent And Non-Contingent Receivables From Banks And Intermediary Institutions
- 7- Contingent and Non-Contingent Corporate Receivables
- 8- Contingent and Non-Contingent Retail Receivables
- 9- Receivables Collateralized by Contingent and Non-Contingent Real Estate Mortgages
- 10-Overdue Receivables
- 11- Receivables Determined as High Risk by the Board
- 12- Mortgage Covered Securities
- 13- Securitization Positions
- 14- Short-Term Receivables from Banks and Intermediary Institutions and Short-Term Corporate Receivables
- 15- Investments in the Qualification of Collective Investment Institutions
- 16-Equity Investments
- 17- Other Receivables

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II. Explanations on consolidated credit risk (Continued)

Information on the distribution of risks with a maturity element according to their maturity

Risk Classes (*) - Current period	Time to Maturity				
	1 Month	1 -3 Month	3 -6 Month	6-12 Month	1 Year and Above
Contingent and non-contingent receivables from central governments or central banks	962,510	12,483	50,635	38,567	869,827
Contingent and non-contingent receivables from regional or local governments	-	-	-	-	-
Contingent and non-contingent receivables from Administrative Units and non-commercial enterprises	1,140	199	-	-	-
Contingent and non-contingent receivables from multilateral development banks	-	-	-	-	-
Contingent and non-contingent receivables from international organizations	-	-	-	-	-
Contingent and non-contingent receivables from banks and brokerage houses	4,259,080	74,069	66,870	565,453	370,580
Contingent and uncontingent other corporate receivables	4,972,855	736,362	799,891	778,611	8,938,622
Contingent and non-contingent SME corporate receivables	-	-	-	-	-
Contingent and uncontingent corporate receivables	-	-	-	-	-
Contingent and uncontingent retail receivables	-	-	-	-	-
Receivables secured by contingent and non-contingent real estate mortgages	-	-	-	-	-
Overdue receivables	-	-	-	-	987,649
Receivables determined as high risk by the Board	-	-	131	2,267	1,449
Mortgage-backed securities	-	-	-	-	-
Securitization Positions	-	-	-	-	-
Short-term receivables from banks and intermediary institutions and short-term corporate receivables	-	-	-	-	-
Investments as a Collective Investment Institution	-	-	-	-	-
Stock Investments	-	-	-	-	-
Other receivables	-	-	-	-	-
Grand Total	10,195,585	823,113	917,527	1,384,898	11,168,127

(*) Risk amounts are given before credit risk mitigation and after credit conversion ratio.

Risk Classes (*) - Prior period	Time to Maturity				
	1 Month	1 -3 Month	3 -6 Month	6-12 Month	1 Year and Above
Contingent and non-contingent receivables from central governments or central banks	2,589,917	400,427	-	171,262	486,202
Contingent and non-contingent receivables from regional or local governments	-	-	-	-	-
Contingent and non-contingent receivables from Administrative Units and non-commercial enterprises	-	-	-	-	-
Contingent and non-contingent receivables from multilateral development banks	-	-	-	-	-
Contingent and non-contingent receivables from international organizations	-	-	-	-	-
Contingent and non-contingent receivables from banks and brokerage houses	2,729,796	1,271,034	1,069,605	135,498	750,758
Contingent and uncontingent other corporate receivables	388,874	227,157	604,523	642,886	3,252,534
Contingent and non-contingent SME corporate receivables	-	-	-	-	-
Contingent and uncontingent corporate receivables	30,050	11,122	121	7	-
Contingent and uncontingent retail receivables	-	-	-	-	-
Receivables secured by contingent and non-contingent real estate mortgages	-	-	-	28,000	29,286
Overdue receivables	-	-	-	-	288,494
Receivables determined as high risk by the Board	-	-	-	-	-
Mortgage-backed securities	-	-	-	-	-
Securitization Positions	-	-	-	-	-
Short-term receivables from banks and intermediary institutions and short-term corporate receivables	-	-	-	-	-
Investments as a Collective Investment Institution	-	-	-	-	-
Stock Investments	-	-	-	-	-
Other receivables	-	-	-	-	-
Grand Total	5,738,637	1,909,740	1,674,249	977,653	4,807,274

(*) Risk amounts are given before credit risk mitigation and after credit conversion ratio

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II. Explanations on consolidated credit risk (Continued)

Risk amounts according to risk weight

Current Period										Deducted from Equities
Risk Weights	%0	%10	%20	%50	%75	%100	%150	%200	%250	
Amount Before Credit Risk										
Mitigation	3,485,003	-	6,572,022	3,790,414	-	13,104,700	988,519	2,727,314	-	217,829
Amount After Credit Risk										
Mitigation	4,406,546	-	7,067,928	3,790,414	-	11,687,251	988,519	2,727,314	-	217,829

Prior Period										Deducted from Equities
Risk Weights	%0	%10	%20	%50	%75	%100	%150	%200	%250	
Amount Before Credit Risk										
Mitigation	3,147,059	-	1,004,311	2,460,158	13,362	4,268,348	-	1,456,374	-	32,081
Amount After Credit Risk										
Mitigation	3,147,059	-	1,004,311	2,460,158	13,362	1,166,933	-	1,456,374	-	32,081

Miscellaneous information by key industries or counterparty type

In accordance with TFRS 9;

Loans in Tier 3 (Default or Non-Performing Credit); Impaired loans that do not meet the requirements for Stage 1 and Stage 2 as of the end of the reporting period, have a delay of more than 90 days and for which legal proceedings have been initiated, are classified as Stage 3. The probability of default is taken into account as 100% in the calculation of the provision for impairment, and the provision (Special provision) is calculated according to the expected credit loss over the life of the loan.

Loans in Tier 2 (Monitoring); These are loans that have a significant increase in credit risk as of the end of the reporting period, compared to the date they were first included in the financial statements. Credit risk impairment provision is determined according to the expected credit loss over the life-long default risk of the related financial asset.

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II. Explanations on consolidated credit risk (Continued)

Miscellaneous information by key industries or counterparty type (Continued)

Current Period	Loans (*)			Provisions	
	Depreciated (tfrs 9)		Non-Performing (Provision Regulation)	Expected Provisions for Credit Losses (TFRS 9)	Provisions (Provision Regulation)
	Significant Increase in Credit Risk (Second Phase)	Default (third stage)			
1. Agriculture	-	-	-	-	-
1.1. Agriculture and Livestock	-	-	-	-	-
1.2. Forestry	-	-	-	-	-
1.3. Fishery	-	-	-	-	-
2. Industry	-	-	-	-	-
2.1. Mining and Quarrying	-	-	-	-	-
2.2. Manufacturing Industry	-	-	-	-	-
2.3. Electricity, Gas and Water	-	-	-	-	-
3. Building	-	-	-	-	-
4. Services	74,058	-	-	13,388	-
4.1. Wholesale and Retail Trade	-	-	-	-	-
4.2. Hotel and Restaurant Services	-	-	-	-	-
4.3. Transport and Communication	-	-	-	-	-
4.4. Financial Institutions	74,058	-	-	13,388	-
4.5. Real Estate and Rental Services	-	-	-	-	-
4.6. Self Employed Services	-	-	-	-	-
4.7. Education Services	-	-	-	-	-
4.8. Health and Social Services	-	-	-	-	-
5. Other	-	1,069,850	82,201	-	-
6. Total	74,058	1,069,850	82,201	13,388	-

(*) Distribution of cash loans is given.

Prior Period	Loans (*)			Provisions	
	Depreciated (tfrs 9)		Non-Performing (Provision Regulation)	Expected Provisions for Credit Losses (TFRS 9)	Provisions (Provision Regulation)
	Significant Increase in Credit Risk (Second Phase)	Default (third stage)			
1. Agriculture	-	-	-	-	-
1.1. Agriculture and Livestock	-	-	-	-	-
1.2. Forestry	-	-	-	-	-
1.3. Fishery	-	-	-	-	-
2. Industry	-	-	-	-	-
2.1. Mining and Quarrying	-	-	-	-	-
2.2. Manufacturing Industry	-	-	-	-	-
2.3. Electricity, Gas and Water	-	-	-	-	-
3. Building	-	-	-	-	-
4. Services	42,171	-	-	13,984	-
4.1. Wholesale and Retail Trade	-	-	-	-	-
4.2. Hotel and Restaurant Services	-	-	-	-	-
4.3. Transport and Communication	-	-	-	-	-
4.4. Financial Institutions	42,171	-	-	13,984	-
4.5. Real Estate and Rental Services	-	-	-	-	-
4.6. Self Employed Services	-	-	-	-	-
4.7. Education Services	-	-	-	-	-
4.8. Health and Social Services	-	-	-	-	-
5. Other	-	291,263	2,769	-	-
6. Total	42,171	291,263	2,769	13,984	-

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II. Explanations on consolidated credit risk (Continued)

Information on value adjustments and loan provisions change

Current Period	Opening Balance	Provisions reserved during the period	Provision Cancellations	Other Adjustments	Closing Balance
1. Third Stage Provisions	2,769	112,972	(33,540)	-	82,201
2. First and Second Stage Provisions	18,293	13,827	(12,292)	-	19,828

Prior Period	Opening Balance	Provisions reserved during the period	Provision Cancellations	Other Adjustments	Closing Balance
1. Third Stage Provisions	119,838	63,051	(180,120)	-	2,769
2. First and Second Stage Provisions	40,374	24,576	(46,657)	-	18,293

Risks included in the calculation of the circular capital buffer

Not available.

III. Explanations on consolidated currency risk

The difference between the Bank's foreign currency and foreign currency indexed assets and foreign currency liabilities is defined as the "FX net general position" and constitutes the basis for exchange rate risk.

Currency risk that the Bank is exposed to, estimating the effects of this situation, limits determined by the Bank's Board of Directors for the positions monitored Daily.

The Standard Method used in legal reporting and the Value at Risk Method are used to measure the currency risk that the Bank is exposed to.

While calculating the capital requirement for currency risk, all foreign currency assets, liabilities and forward foreign currency transactions of the Bank are taken into consideration. Net short and long positions of each foreign currency are calculated in terms of Turkish Lira equivalents. The position with the largest absolute value is determined as the base amount for the capital requirement. Capital liability is calculated over this amount.

The currency risk position of the Bank is evaluated at the Board of Directors meetings held every two months.

The extent of hedging foreign currency debt instruments and net foreign currency investments with derivatives for hedging purposes, if material

As of 31 December 2023, the Bank has no derivative instruments classified for hedging purposes.

Foreign currency risk management policy

The risk policy is based on transactions within the limits and it is essential to keep the foreign currency position in balance.

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III. Explanations on consolidated currency risk (Continued)

There is a FX risk management policy for taking positions within the upper and lower limits determined in the light of both national legislation and international practices and within the scope of the current equity profile, and there is no speculative position.

The balance sheet date of the Bank and the current foreign exchange buying rates announced to the public in the last five working days backwards from this date are given in the table below:

		USD	EUR
Foreign exchange rates as of 31 December 2023	31.12.2023	29,4382	32,5739
Before the balance sheet date;			
1. Bid rate	29.12.2023	29,4382	32,5739
2. Bid rate	28.12.2023	29,3973	32,6937
3. Bid rate	27.12.2023	29,3374	32,4186
4. Bid rate	26.12.2023	29,2647	32,2421
5. Bid rate	25.12.2023	29,2108	32,1766
		USD	EUR
Arithmetic average – 30 days		29,0552	31,7410

Information on the Bank's currency risk:

The table below shows the Bank's FX net general position on the basis of major currencies. In accordance with the Uniform Chart of Accounts, foreign currency indexed assets are shown in Turkish Lira, not in foreign currency. Foreign currency indexed assets are taken into account as a foreign currency item in the calculation of the foreign currency net general position.

In accordance with the provisions of the "Regulation on Calculation and Application of Foreign Currency Net General Position/Equity Standard Ratio by Banks on Consolidated and Unconsolidated Basis", Financial Assets, Derivative Financial Assets, Deferred Tax Assets, Expected Loss Provisions and Prepaid Expenses, Deferred Tax Liabilities, Derivative Financial Liabilities and Equity in liabilities are not taken into account in the calculation of currency risk. Therefore, there are differences between the total foreign currency assets and liabilities shown in the table below and those seen in the balance sheet. The table below shows the real foreign currency position of the Bank in financial and economic terms:

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III. Explanations on consolidated currency risk (Continued)

Current Period	EUR	US Dollar	Other	Total
Assets				
Cash and Cash Equivalents (Cash in vault, effectiveness, money in transfer and cheques purchased) and Balances with the Central Bank of Turkey	836,368	1,125,727	2,569	1,964,664
Due from Banks	124,227	311,001	119,509	554,737
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-
Money Market Placements	1,744	79,147	-	80,891
Financial assets at fair value through other comprehensive income	1,188,661	1,654,621	-	2,843,282
Loans	2,786,259	2,127,538	-	4,913,797
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-
Financial assets at fair value through profit or loss	-	-	-	-
Derivative Financial Assets	-	-	-	-
Property and Equipment	-	-	-	-
Intangible Assets	-	-	-	-
Other Assets	847,056	1,876,353	-	2,723,409
Total Assets	5,784,315	7,174,387	122,078	13,080,780
Liabilities				
Bank Deposits	-	-	-	-
Foreign Currency Deposits	-	-	-	-
Funds From Interbank Money Market	447,380	876,697	299,087	1,623,164
Funds Borrowed From Other Financial Institutions	224,606	1,481,493	-	1,706,099
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables ⁽³⁾	10,408,930	2,214,862	82,041	12,705,833
Derivative Financial Liabilities ⁽⁴⁾	-	-	-	-
Other Liabilities ⁽²⁾	623,522	1,051,920	104,424	1,779,866
Total Liabilities	11,704,438	5,624,972	485,552	17,814,962
Net On-balance Sheet Position	(5,920,123)	1,549,415	(363,474)	(4,734,182)
	5,860,078	(1,472,451)	393,969	4,781,596
Net Off-balance Sheet Position	10,043,292	7,044,508	440,306	17,528,106
Derivative Financial Assets	4,183,214	8,516,959	46,337	12,746,510
Derivative Financial Liabilities	(60,045)	76,964	30,495	47,414
Non-Cash Loans	34,297	136,096	-	170,393
Prior Period				
Total Assets	2,228,648	4,605,168	887,126	7,720,942
Total Liabilities	3,013,986	5,215,535	998,696	9,228,217
Net On-balance Sheet Position	(785,338)	(610,367)	(111,570)	(1,507,275)
Net Off-balance Sheet Position	898,831	488,371	112,269	1,499,471
Derivative Financial Assets	2,316,494	2,333,442	112,269	4,762,205
Derivative Financial Liabilities	1,417,663	1,845,071	-	3,262,734
Net Pozisiton	113,493	(121,996)	699	(7,804)
Non-Cash Loans	24,299	86,894	-	111,193

(*) Derivative financial liabilities amounting to TL 202,170 and securities valuation difference amounting to TL (92,983) are not included in the currency risk table.

(**) Non-cash loans are not included in the total of "Net Off-Balance Account Position.

(***) Derivative financial assets amounting to TL 62,055 are not included in the currency risk table.

(****) The funds totaling 1,613,721 TL and provisions amounting to 166,145 TL are shown under the line item of other liabilities..

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III. Explanations on consolidated currency risk (Continued)

Currency risk sensitivity analysis

Assuming that TL depreciates by 10% against other currencies as of 31 December 2023 and all other variables remain the same, net foreign exchange gain / (loss) arising from foreign currency assets and liabilities The increase (decrease) is presented in the table below. The sensitivity analysis was also applied for the prior period according to the same principles

	Current Period		Prior Period	
	Income / (Expense)	Equity	Income / (Expense)	Equity
EUR	6,004	6,004	1,135	1,135
US Dollar	(2,866)	(2,866)	(1,220)	(1,220)
Other	(3,049)	(3,049)	70	70
Total, net	89	89	(15)	(15)

As of 31 December 2023 and 31 December 2022, the net exchange rate difference arising from foreign currency assets and liabilities, under the assumption that TL has appreciated by 10% against other currencies and all other variables remain the same, is the increase in value shown in the table above / (decrease) would have the same amount of effect, but in the opposite direction.

IV. Explanations on consolidated interest rate risk

Interest rate risk refers to the possibility of loss that the Bank may be exposed to depending on the position of the Bank due to the movements in interest rates and is managed by the Treasury department. Interest rate sensitivity of assets, liabilities and off-balance sheet items are measured using the standard method. The first step in calculations regarding interest rate risk is to place the instruments subject to interest rate risk in the appropriate one of the 6 maturity brackets, taking into account the remaining maturity or the time left to repricing. In the second stage, instruments in various maturity brackets are weighted with risk weights for adjustments to reflect the volatility of the interest rate corresponding to their maturity structure.

Protection from the effects of fluctuations in interest rates is the first priority of the Bank's risk management. All kinds of analyzes made within this framework are presented to the senior management by the risk management..

Bank management monitors the interest rates in the market on a daily basis and determines the interest rates of the Bank when necessary.

It is not expected to experience a significant interest rate risk as the bank does not allow or limit maturity mismatches.

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IV. Explanations on consolidated currency risk (Continued)

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

	Up to 1 Month	1-3 Month	3-12 Month	1-5 Year	5 Year and over	No Interest Bearing (*)	Total
Current Period							
Assets							
Cash and Cash Equivalents (Cash in vault, effectiveness, money in transfer and cheques purchased) and Balances with the CB of Turkey	124,349	-	-	-	-	1,968,890	2,093,239
Due from Banks	1,659,800	-	-	-	-	556,186	2,215,986
Financial Assets at Fair Value Through Profit/Loss(7)	59,805	2,195	55	-	-	1,557,127	1,619,182
Money Market Placements	2,519,645	-	-	-	-	-	2,519,645
Financial assets at fair value through other comprehensive income	646,423	3,095,327	2,232,252	-	-	55,873	6,029,875
Loans	3,573,659	849,654	3,290,518	4,545,004	-	987,649	13,246,484
Financial assets measured at amortised cost	-	-	-	-	-	-	-
Other Asstest(*)	-	-	-	-	-	3,213,921	3,213,921
Total Asstest	8,583,681	3,947,176	5,522,825	4,545,004	-	8,339,646	30,938,332
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Funds From Interbank Money Market	1,700,957	632,616	2,100,978	-	-	-	4,434,551
Miscellaneous Payables(5)	8,066,533	1,032,786	2,990,245	-	-	810,362	12,899,926
Marketable Securities Issued	694,962	1,473,749	526,175	96,112	-	-	2,790,998
Funds Borrowed From Other Financial Institutions (***)	1,204,841	374,524	299,665	-	-	-	1,879,030
Other Liabilities (**)	414,014	61,832	165,989	1,327	-	8,290,665	8,933,827
Total Liabilities	12,081,307	3,575,507	6,083,052	97,439	-	9,101,027	30,938,332
Balance Sheet Long Position	-	371,669	-	4,447,565	-	-	4,819,234
Balance Sheet Short Position	(3,497,626)	-	(560,227)	-	-	(761,381)	(4,819,234)
Off-balance Sheet Long Position	-	-	-	-	-	-	-
Off-balance Sheet Short Position	-	-	-	-	-	-	-
Total Position	(3,497,626)	371,669	(560,227)	4,447,565	-	(761,381)	-

(*) As of December 31, 2023, the balance sheet includes tangible fixed assets totaling 125,770 TL, intangible fixed assets amounting to 72,205 TL, investment properties valued at 90,325 TL, deferred tax assets of 141,390 TL, and other assets totaling 2,784,232 TL. These figures are presented net of expected loss provisions..

(**) As of December 31, 2023, the balance sheet presents the following amounts under the line item of other liabilities: 410,483 TL in borrowing funds, 2,266,313 TL in other funds, 202,170 TL in derivative financial liabilities, 64,775 TL in lease liabilities, 663,042 TL in provisions, 266,712 TL in current tax liabilities, and 5,060,332 TL in equity..

(***) The amount of 62,055 TL related to derivative financial assets is reflected in the line item of financial assets carried at fair value through other comprehensive income, representing the fair value difference..

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IV. Explanations on consolidated interest rate risk (Continued)

"Interest sensitivity of assets, liabilities and off-balance sheet items (As to repricing periods)":

	Up to 1 Month	1-3 Month	3-12 Month	1-5 Year	5 Year and over	No Interest Bearing (*)	Total
Prior Period							
Assets							
Cash and Cash Equivalents (Cash in vault, effectiveness, money in transfer and cheques purchased) and Balances with the CB of Turkey (***)	563,603	-	-	-	-	1,873,555	2,437,158
Due from Banks(***)	200,783	-	-	-	-	2,500,864	2,701,647
Financial Assets at Fair Value Through Profit/Loss	11,451	40,736	8,952	-	-	909,068	970,207
Money Market Placements	300,048	-	-	-	-	-	300,048
Financial assets at fair value through other comprehensive income (***)	431,669	3,358,127	2,554,053	3,228	-	17,914	6,364,991
Loans(***)	1,247,955	229,696	1,424,583	539,054	-	288,494	3,729,782
Financial assets measured at amortised cost	-	-	-	-	-	-	-
Other Assets(*)	-	-	-	-	-	950,508	950,508
Total Assets	2,755,509	3,628,559	3,987,588	542,282	-	6,540,403	17,454,341
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Funds From Interbank Money Market	2,111,307	249,665	7,962	-	-	-	2,368,934
Miscellaneous Payables	1,126,518	266,806	88,476	-	-	1,188,939	2,670,739
Marketable Securities Issued (***)	456,802	1,608,342	460,372	317,784	-	-	2,843,300
Funds Borrowed From Other Financial Institutions (***)	1,067,098	190,589	209,523	93,785	-	-	1,560,995
Other Liabilities (**)	431,576	2,678	332,250	375,208	-	6,868,661	8,010,373
Total Liabilities	5,193,301	2,318,080	1,098,583	786,777	-	8,057,600	17,454,341
Balance Sheet Long Position	-	1,310,479	2,889,005	-	-	-	4,199,484
Balance Sheet Short Position	(2,437,792)	-	-	(244,495)	-	(1,517,197)	(4,199,484)
Off-balance Sheet Long Position	-	-	-	-	-	-	-
Off-balance Sheet Short Position	-	-	-	-	-	-	-
Total Position	(2,437,792)	1,310,479	2,889,005	(244,495)	-	(1,517,197)	-

(*) As of December 31, 2022, the balance sheet includes tangible fixed assets totaling 20,104 TL, intangible fixed assets amounting to 29,805 TL, investment properties valued at 47,470 TL, assets held for sale related to discontinued operations totaling 271,260 TL, and other assets totaling 581,869 TL. These figures are presented net of expected loss provisions.

(**) As of December 31, 2022, the balance sheet displays the following amounts under the line item of other liabilities: 44,454 TL in borrowing funds, 5,327,119 TL in other funds, 27,773 TL in derivative financial liabilities, 11,109 TL in lease liabilities, 110,294 TL in provisions, 170,009 TL in current tax liabilities, 33,384 TL in deferred tax liabilities, and 2,330,685 TL in equity..

(***) Subordinated borrowings amounting to TL 93,785 are shown in the funds obtained from other financial institutions.

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IV. Explanations on consolidated interest rate risk (Continued)

Average interest rates for monetary financial instruments

The average interest rates in the tables below are calculated by weighting the simple interest rates applied to different maturity brackets with the principal amounts corresponding to the relevant maturity brackets.

Current Period	EUR %	US Dollar %	Other %	TRY %
Assets				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the CBRT	-	-	-	-
Due From Banks	3.27	4.99	-	33.59
Financial Assets at Fair Value Through Profit/Loss	-	-	-	-
Interbank Money Market Placements	-	-	-	8.74
Financial assets at fair value through other comprehensive income	-	9.10	-	34.67
Loans	11.20	14.36	-	26.53
Financial assets measured at amortised cost	-	9.10	-	31.33
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Funds From Interbank Money Market	0.21	0.28	0.01	14.69
Borrowing Funds	7.12	9.02	0.75	33.07
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	29.04
Funds Borrowed From Other Financial Institutions	2.85	4.83	-	21.55

Prior Period	EUR %	US Dollar %	Other %	TRY %
Assets				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the CBRT	-	-	-	-
Due From Banks	0.01	0.95	-	11.65
Financial Assets at Fair Value Through Profit/Loss	-	-	-	-
Interbank Money Market Placements	-	-	-	12.66
Financial assets at fair value through other comprehensive income	8.97	8.24	-	33.63
Loans	8.67	9.41	-	26.12
Financial assets measured at amortised cost	-	-	-	-
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	-	-	-	-
Funds From Interbank Money Market	1.28	0.40	-	17.57
Borrowing Funds	7.00	8.46	-	18.46
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	22.01
Funds Borrowed From Other Financial Institutions	3.19	2.38	-	14.72

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V. Explanations on consolidated interest rate risk (Continued)

Interest Rate Risk Arising from Banking Accounts

Within the scope of the "Regulation on the Measurement and Evaluation of Interest Rate Risk Arising from Banking Accounts with the Standard Shock Method" published by the BRSA on August 23, 2011, the Bank differentiates the interest-sensitive on-balance sheet and off-balance sheet positions in terms of cash flows and by applying positive and negative shocks, It analyzes its interest rate sensitivity on a monthly basis and reports it to the Bank's senior management.

Current Period	Shocks Applied (+/- basis points)	Gains/Losses	Gains/Equity- Losses/Equity(%)
TRY	500	(302,325)	%(5.88)
TRY	(400)	271,941	%5.29
US Dollar	200	(146,655)	%(2.85)
US Dollar	(200)	166,941	%3.25
EUR	200	(63,528)	%(1.24)
EUR	(200)	67,265	%1.31
TOTAL (for negative shocks)		506,147	%9.84
TOTAL (for positive shocks)		(512,508)	%(9.97)

Prior Period	Shocks Applied (+/- basis points)	Gains/Losses	Gains/Equity Losses/Equity(%)
TRY	500	(254,510)	%(10.70)
TRY	(400)	229,859	%9.67
US Dollar	200	(35,962)	%(1.51)
US Dollar	(200)	43,321	%1.82
EUR	200	(63,420)	%(2.67)
EUR	(200)	68,392	%2.88
TOTAL (for negative shocks)		341,572	%14.37
TOTAL (for positive shocks)		(353,892)	%(14.88)

V. Explanations on consolidated equity position risk

Shares in the Bank's portfolio are classified as financial assets at fair value through other comprehensive income. The stocks in the portfolio are traded in Borsa Istanbul A.Ş. and their current values are obtained daily. The weighted average cost method is used to determine the cost of stocks. "Accumulated Other Comprehensive Income or Expenses to be Reclassified in Profit or Loss", whose fair value differences are among equity items of equities classified as financial assets at fair value through other comprehensive income are recorded. In the event of the disposal of stocks classified as financial assets at fair value through other comprehensive income, the value created in the equity accounts as a result of the fair value application is reflected in the income statement.

Stock Investments	Comparing		
	Balance sheet value	Fair Value	Balance sheet value
1. Stock investment group A	-	-	-
Traded on the stock exchange	-	-	-
2. Stock investment group B	-	-	-
Traded on the stock exchange	-	-	-
3. Stock investment group C	-	-	-
Traded on the stock exchange	-	-	-
4. Equity Investment Group Other	-	-	-

Portfolio	Gain/loss realized during the period	Revaluation Value Increases		Unrealized Gains and Losses		Contribution Included in Capital
		Total	Included in the main capital	Total	Included in the main capital	
1. Private equity investments	-	-	-	-	-	-
2. Stocks traded on the stock exchange	-	-	-	-	-	-
3. Other Stocks	-	-	-	4,117	-	-
4. Total	-	-	-	4,117	-	-

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VI. EXPLANATIONS ON CONSOLIDATED LIQUIDITY RISK and LIQUIDITY COVERAGE RATIO

Liquidity risk is the risk that the bank will not be able to fulfill its payment obligations in a timely manner due to the instability in the cash flow of the bank, as a result of not having enough cash or cash inflows to meet the cash outflows fully and on time. This situation arises if the persons/organizations providing funds to the bank suddenly withdraw funds beyond the expected, and the bank cannot meet these outflows through cash resources and borrowing opportunities through securities to be given as collateral.

Liquidity risk is defined as the risk of not fulfilling its payment obligations in a timely manner, as a result of the imbalance in the cash flow, due to the lack of cash or cash inflows at the level and quality to meet the cash outflows fully and on time.

Against the liquidity problems that may occur due to the fluctuations in the financial markets as a result of the COVID-19 epidemic, the Bank updated the Liquidity Emergency Action Plan and prepared a Liquidity Action Plan to further increase its current liquidity. With this plan, the Bank designed separate measures for both asset and liability items and promptly started the necessary work for the implementation of these measures.

Liquidity risk related to the market:

It refers to the possibility of loss if the Bank cannot enter the market properly, close its positions at an affordable price, in sufficient amounts and quickly, or cannot exit positions due to the shallow market structure in some products and barriers and divisions in the markets.

Liquidity risk related to funding:

It represents the possibility of not being able to fulfill its funding obligation at a reasonable cost due to the irregularities in cash inflows and outflows and maturity-related cash flow mismatches.

The Bank's liquidity management is the responsibility of the Treasury Department. In this section, the Bank's short-term and long-term cash flow is monitored and compliance with the relevant legal ratios is ensured. In order to manage liquidity risk effectively, Bank and market data are regularly monitored, and necessary analyzes such as borrower funds concentration and maturity structure, market borrowing volumes, and idle FX liquidity are made. In order not to miss the sudden changes in the balance sheet of the Bank, the liquidity ratio simulations are made by the Financial Control Department and reported to the Senior Management. When an emergency liquidity situation arises, actions are taken within the framework of the procedures determined in the "Liquidity Contingency Plan" and when necessary, in the "Emergency Plan". The Bank's liquidity and funding policy is to have liquidity reserves and funding opportunities to fulfill its obligations even in stress situations arising from market or Bank-specific conditions.

With its strong capital structure and diversified domestic and international borrowing resources, the Bank has the ability to provide additional liquidity with quality liquid securities in its portfolio and ready-to-use limits at the CBRT and other money markets.

ALCO takes decisions regarding the use of alternative funding sources, pricing of funds provided and loans extended, and other daily liquidity management. The Treasury and Financial Institutions Department ensures that the Bank can fulfill its short, medium and long-term liquidity obligations through the transactions it carries out to evaluate the fund surplus on the basis of foreign currency types and maturities or to close the fund deficit, in line with ALCO decisions. Compliance checks for cash flow carried out by the Treasury Department and simulations carried out by the Financial Control Department constitute the primary protection stage for liquidity risk.

The analyzes made by using cash flow and gap analysis in the liquidity risk calculation of the Bank are reported to the Senior Management and Audit Committee by the Risk Management Department. Stress tests and scenario analyzes regarding liquidity are performed monthly by the Risk Management Department. In cases where stress tests and scenario analyzes indicate a significant change in the liquidity ratio, the Treasury and Financial Institutions Department takes care of it quickly. Liquidity ratios are controlled by the Internal Control Department on a weekly basis using the re-realization method and reported with a weekly internal control report. These activities constitute the secondary protection stage for the liquidity risk.

The management of liquidity risk is shared by the Audit Committee, ALCO, Treasury and Financial Institutions Department, Internal Control Department and Risk Management Department. The Audit Committee determines the liquidity management policies and the level of liquidity risk in line with the Bank's risk appetite and monitors whether the liquidity risk is managed within the framework of the determined policies and within the determined limits.

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VI. EXPLANATIONS ON CONSOLIDATED LIQUIDITY RISK and LIQUIDITY COVERAGE RATIO
(Continued)

The Risk Management Department measures and monitors the liquidity risk through the reports it prepares and the analyzes it performs, and informs the senior management. Liquidity risk reporting consists of periodic reports prepared to be discussed at the Audit Committee and ALCO meetings, stress tests, scenario analyzes, risk limits compliance reports and legal liquidity reports.

All activities of the Bank are periodically audited by the Internal Audit Department within the scope of the annual business plan. Within the scope of each audit, control points in the Bank's processes are tested and it is examined whether primary and secondary controls are carried out by the units involved in the processes. In this context, compliance with the legislation, effectiveness and adequacy of the first and second protection stages for each risk type determined as important by the Bank is audited.

Regulations regarding the calculation of the Bank's liquidity coverage ratio and liquidity adequacy are aimed at ensuring compliance with the legal liquidity ratio as risk appetite. Pursuant to the Regulation on Banks' Liquidity Coverage Ratio Calculation, the minimum limits for total and foreign currency liquidity coverage ratios are determined as 100% and 80%, respectively. With the decision of the Banking Regulation and Supervision Agency, it has been decided to apply the consolidated and unconsolidated total and foreign currency liquidity coverage ratios as zero percent for development and investment banks until the Board determines otherwise.

<i>Current Period</i>	Total amount which is not applied consideration rate (*)		Total amount which is applied consideration rate (*)	
	LC+FC	FC	LC+FC	FC
High-quality Liquidity Assets (HLA)			1,765,862	1,544,605
1 High-quality Liquidity Assets	2,834,998	3,056,256	1,765,862	1,544,605
Cash Outflows	19,498,711	12,945,977	14,438,986	11,554,886
2 Real person assets and retail assets	-	-	-	-
3 Stable assets	-	-	-	-
4 Lower Stable assets	-	-	-	-
5 Out of junior debts from real person assets and retail assets	6,402,580	3,054,334	4,657,381	2,382,083
6 Operational assets	-	-	-	-
7 Non-Operational assets	-	-	-	-
8 Other Junior debt	6,402,580	3,054,334	4,657,381	2,382,083
9 Secured Debts	-	-	-	-
10 Other Cash Outflows	9,115,874	9,093,191	9,115,874	9,093,191
11 Derivative liabilities and margin liabilities	9,115,874	9,093,191	9,115,874	9,093,191
12 Debts from Structured financial instruments	-	-	-	-
13 Payment commitments for debts to financial markets and other off-balance sheet liabilities	-	-	-	-
14 Revocable off-balance sheet other liabilities and other contractual liabilities notwithstanding to any conditions	-	-	-	-
15 Other irrevocable or conditionally revocable off-balance sheet liabilities	3,980,257	798,452	665,731	79,612
16 TOTAL CASH OUTFLOWS	15,136,932	7,949,679	14,438,986	11,554,886
CASH INFLOWS	15,136,932	7,949,679	14,724,173	7,576,768
17 Secured Receivables	-	-	-	-
18 Unsecured Receivables	5,978,388	1,487,851	5,565,630	1,114,940
19 Other Cash Inflows	9,158,544	6,461,828	9,158,543	6,461,828
20 TOTAL CASH INFLOWS	15,136,932	7,949,679	14,724,173	7,576,768
21 TOTAL HLA STOCK			1,765,862	1,544,605
22 TOTAL NET CASH OUTFLOWS			3,609,747	3,978,118
23 LIQUIDITY COVERAGE RATION (%)			48.92	18.33

(*) The average calculated for the last three months of the liquidity coverage ratio calculated by taking the monthly simple arithmetic average

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VI. EXPLANATIONS ON CONSOLIDATED LIQUIDITY RISK and LIQUIDITY COVERAGE RATIO
(Continued)

	<i>Prior Period</i>	Total amount which is not applied consideration rate (*)		Total amount which is applied consideration rate (*)	
		LC+FC	FC	LC+FC	FC
	High-quality Liquidity Assets (HLA)			1,952,726	977,034
1	High-quality Liquidity Assets	2,088,865	1,896,784	1,952,726	977,034
	Cash Outflows	10,644,173	6,274,156	7,235,111	5,063,243
2	Real person assets and retail assets	-	-	-	-
3	Stable assets	-	-	-	-
4	Lower Stable assets	-	-	-	-
5	Out of junior debts from real person assets and retail assets	4,262,572	1,549,884	2,607,769	863,687
6	Operational assets	-	-	-	-
7	Non –operating assets	-	-	-	-
8	Other Junior debt	4,262,572	1,549,884	2,607,769	863,687
9	Secured Debts				
10	Other Cash Outflows	4,208,030	4,141,218	4,208,030	4,141,218
11	Derivative liabilities and margin liabilities	4,208,030	4,141,218	4,208,030	4,141,218
12	Debts from Structured financial instruments	-	-	-	-
13	Payment commitments for debts to financial markets and other off-balance sheet liabilities	-	-	-	-
14	Revocable off-balance sheet other liabilities and other contractual liabilities notwithstanding to any conditions	-	-	-	-
15	Other irrevocable or conditionally revocable off-balance sheet liabilities	2,173,571	583,054	419,312	58,338
16	TOTAL CASH OUTFLOWS			7,235,111	5,063,243
	CASH INFLOWS	5,532,127	3,700,212	5,231,901	3,425,638
17	Secured receivables	-	-	-	-
18	Unsecured receivables	1,304,690	549,149	1,004,465	274,575
19	Other cash inflows	4,227,437	3,151,063	4,227,436	3,151,063
20	TOTAL CASH INFLOWS	5,532,127	3,700,212	5,231,901	3,425,638
				Upper limit applied amount	
21	TOTAL HLA STOCK			1,952,726	977,034
22	TOTAL NET CASH OUTFLOWS			2,003,209	1,637,606
23	LIQUIDITY COVERAGE RATION (%)			97.48	59.66

(*) Simple arithmetic mean of last three month consolidated liquidity ratios for the last three months including the reporting period are accounted in the table above

The maximum and minimum liquidity coverage ratio for 1 January 2023 – 31 December 2023 are presented

	Maximum	Date	Minumum	Date
LC+FC	64.96	31.12.2023	42.09	30.11.2023
FC	58.00	31.12.2023	30.00	30.11.2023

The maximum and minimum liquidity coverage ratio for 1 January 2022 – 31 December 2022 are presented

	Maximum	Date	Minumum	Date
LC+FC	111.50	31.12.2022	79.02	31.10.2022
FC	82.69	31.10.2022	48.63	31.12.2022

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VI. EXPLANATIONS ON CONSOLIDATED LIQUIDITY RISK and LIQUIDITY COVERAGE RATIO
(Continued)

Breakdown of assets and liabilities according to their outstanding maturities

Current Period	Demand	Up to 1 Month	1-3 Month	3-12 Month	1-5 Year	5 year and over	Unclassified	Total
Assets								
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the CBRT	1,968,890	124,349	-	-	-	-	-	2,093,239
Due From Banks (****)	556,186	1,659,800	-	-	-	-	-	2,215,986
Financial Assets at Fair Value Through Profit/Loss	-	59,805	2,195	55	-	-	1,557,127	1,619,182
Interbank Money Market Placements (****)	-	2,519,645	-	-	-	-	-	2,519,645
Financial assets at fair value through other comprehensive income (****)	-	-	176,377	225,871	4,656,299	915,455	55,873	6,029,875
Loans (****)	-	3,573,640	849,654	3,290,537	4,545,004	-	987,649	13,246,484
Financial assets measured at amortized cost	-	-	-	-	-	-	-	-
Other Assets (*) (****)	-	-	-	-	-	-	3,213,921	3,213,921
Total Assets	2,525,076	7,937,239	1,028,226	3,516,463	9,201,303	915,455	5,814,570	30,938,332
Liabilities								
Bank Deposits	-	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions (****)	-	1,204,841	374,524	299,665	-	-	-	1,879,030
Funds Borrowed From Money Markets	-	1,700,957	632,616	2,100,978	-	-	-	4,434,551
Marketable Securities Issued (****)	-	694,962	1,473,749	526,175	96,112	-	-	2,790,998
Miscellaneous Payables	810,362	8,066,533	1,032,786	2,990,245	-	-	-	12,899,926
Other Liabilities (**)	2,961,373	414,014	61,833	165,989	1,327	-	5,329,291	8,933,827
Total Liabilities	3,771,735	12,081,307	3,575,508	6,083,052	97,439	-	5,329,291	30,938,332
Liquidity Gap	(1,246,659)	(4,144,068)	(2,547,282)	(2,566,589)	9,103,864	915,455	485,279	-
Net Off-Balance Sheet Liquidity Gap	-	(76,853)	(123,236)	(113,592)	-	-	-	(313,681)
Financial Derivative Assets	-	12,033,214	2,504,632	2,990,262	-	-	-	17,528,108
Financial Derivative Liabilities	-	12,110,067	2,627,868	3,103,854	-	-	-	17,841,789
Non-cash Loans	-	15298	786	576,626	2,029	2,558,511	-	3,153,250
Prior Period								
Total Assets	4,374,419	2,415,192	1,863,960	2,693,905	3,375,012	565,869	2,165,984	17,454,341
Total Liabilities	5,518,951	5,193,301	2,318,080	1,098,583	786,777	-	2,538,649	17,454,341
Liquidity Gap	(1,144,532)	(2,778,109)	(454,120)	1,595,322	2,588,235	565,869	(372,665)	-
Net Off-Balance Sheet Liquidity Gap	-	(17,990)	127	(5,787)	-	-	-	(23,650)
Financial Derivative Assets	-	3,198,174	1,307,194	256,822	-	-	-	4,762,190
Financial Derivative Liabilities	-	3,216,164	1,307,067	262,609	-	-	-	4,785,840
Non-cash Loans	-	-	-	326,392	165,460	1,392,919	-	1,884,771

(*) The balance sheet as of the date of December 31, 2023, includes the following assets: tangible fixed assets amounting to 125,770 TL, intangible fixed assets totaling 72,205 TL, investment properties valued at 99,325 TL, deferred tax assets of 141,390 TL, and other assets totaling 2,784,232 TL.

(**) The balance sheet as of December 31, 2023, reflects the following items under the line item of other liabilities: restructuring funds totaling 410,483 TL, other funds amounting to 2,266,313 TL, equity of 5,060,332 TL, current tax liabilities of 266,712 TL, provisions totaling 663,042 TL, financial lease obligations of 64,775 TL, and derivative financial liabilities valued at 202,170 TL.

(***) Expected loss provisions are deducted.

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VI. EXPLANATIONS ON CONSOLIDATED LIQUIDTY RISK and LIQUIDITY COVERAGE RATIO
(Continued)

Representation of financial liabilities by remaining contractual maturities

Current period	Up to 1 Month	1-3 Month	3-12 Month	1-5 Year	5 year and over	Total
Liabilities						
Banks deposit	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-
Funds from other financial institutions	1,202,937	374,573	301,968	-	-	1,879,478
Debts to money markets	1,697,973	638,792	2,121,734	-	-	4,458,499
Total	2,900,910	1,013,365	2,423,702	-	-	6,337,977

Prior Period	Up to 1 Month	1-3 Month	3-12 Month	1-5 Year	5 year and over	Total
Liabilities						
Banks deposit	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-
Funds from other financial institutions	1,062,099	308,196	190,981	-	-	1,561,276
Debts to money markets	2,115,691	251,713	8,122	-	-	2,375,526
Total	3,177,790	559,909	199,103	-	-	3,936,802

The table below shows the distribution of the Bank's derivative financial assets and liabilities according to their remaining maturities.

Current Period	Up to 1 Month	1-3 Month	3-12 Month	1-5 Year	5 year and over	Total
Purchase of forward contracts	-	-	-	-	-	-
Selling forward contracts	-	-	-	-	-	-
Buying swap contracts	12,033,207	2,504,633	2,990,266	-	-	17,528,106
Selling swap contracts	(12,110,074)	(2,627,866)	(3,103,851)	-	-	(17,841,791)
Buying futures transactions	-	-	-	-	-	-
Selling futures transactions	-	-	-	-	-	-
Options buy	-	-	-	-	-	-
Options sell	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	(76,867)	(123,233)	(113,585)	-	-	(313,685)

Prior Period	Up to 1 Month	1-3 Month	3-12 Month	1-5 Year	5 year And over	Total
Purchase of forward contracts	-	-	-	-	-	-
Selling forward contracts	-	-	-	-	-	-
Buying swap contracts	3,078,560	1,307,191	256,820	-	-	4,642,571
Selling swap contracts	(3,095,007)	(1,307,068)	(262,610)	-	-	(4,664,685)
Buying futures transactions	-	-	-	-	-	-
Selling futures transactions	-	-	-	-	-	-
Options buy	119,609	-	-	-	-	119,609
Options sell	(121,165)	-	-	-	-	(121,165)
Other	-	-	-	-	-	-
Total	(18,003)	123	(5,790)	-	-	(23,670)

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VII. EXPLANATIONS ON CONSOLIDATED LEVERAGE RATIO

a) Information on the issues that cause a difference between the current period and the previous period consolidated leverage ratio:

The table regarding the leverage ratio calculated in accordance with the "Regulation on the Measurement and Evaluation of the Leverage Level of Banks" published in the Official Gazette dated 5 November 2013 and numbered 28812 of the Group is given below.

b) Summary comparison table of total asset amount and total risk amount in the consolidated financial statements prepared in accordance with TAS

		Current Period (**)	Prior Period (**)
1	Total amount of assets included in the consolidated financial statements prepared in accordance with TAS (*)	29,636,763	17,005,330
2	The difference between the total amount of assets in the consolidated financial statements prepared in accordance with TAS and the amount of assets in the consolidated financial statements prepared within the scope of the Communiqué on Preparation of Consolidated Financial Statements of Banks	-	-
3	Differences between the amounts of derivative loan instruments and loan derivatives included in the consolidated statements within the scope of the Communiqué on Preparation of Consolidated Financial Statements of Banks and their risk amounts	201,872	50,228
4	The difference between the amounts in the consolidated financial statements prepared within the scope of the Communiqué on the Preparation of Consolidated Financial Statements of the Banks and the risk amounts of the securities or commodity secured financing transactions.	-	-
5	Difference between the amounts of off-balance sheet transactions in the consolidated financial statements prepared within the scope of the Communiqué on Preparation of Consolidated Financial Statements of Banks and their risk amounts	3,582,770	2,589,206
6	The other difference between the amounts in the consolidated financial statements prepared within the scope of the Communiqué on the Preparation of the Consolidated Financial Statements of the Banks and the risk amounts	(81,727)	(27,885)
7	Total Risk Amount(1)	33,339,678	19,616,879

(*) Consolidated financial statements prepared in accordance with the sixth paragraph of Article 5 of the Communiqué on the Preparation of Consolidated Financial Statements of Banks

(**) The amounts in the table show the last three-month averages of the relevant period.

c) Leverage ratio public disclosure template:

Asset On The Balance Sheet	Current Period 31 December 2023 (*)	Prior Period 31 December 2022 (*)
Assets on the balance sheet (excluding derivative financial instruments and loan derivatives, including collaterals)	29,560,056	29,628,402
2 (Assets deducted from core capital)	(81,727)	(78,140)
3 Total risk amount for assets on the balance sheet	29,478,329	29,550,262
Derivative Financial Instruments and Loan Derivatives		
4 Renewal cost of derivative financial instruments and loan derivatives	76,707	76,707
5 Potential credit risk amount of derivative financial instruments and loan derivatives	201,872	201,872
6 Total risk amount of derivative financial instruments and loan derivatives	278,579	278,579
Financing Transactions With Securities Or Goods Warranties		
7 Risk amount of financial transactions with securities or goods warranties (excluding those in the balance sheet)	-	-
8 Risk amount arising from intermediated transactions	-	-
9 Total risk amount of financing transactions with securities or goods warranties	-	-
Off-the-Balance Sheet Transactions		
10 Gross nominal amount of the off-the-balance sheet transactions	3,582,770	3,582,770
11 Adjustment amount arising from multiplying by the credit conversion rate	-	-
12 Total risk amount for off-the-balance sheet transactions	3,582,770	3,582,770
Capital and Total Risk		
13 Core capital	4,579,864	4,494,215
14 Total risk amount	33,339,678	33,411,611
Leverage Ratio		
15 Leverage ratio	13.74	13.45

(*) Arithmetic average of last three months including reporting period.

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VIII. Explanations on presentation of consolidated financial assets and liabilities at fair value.

	Book Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Financial Assets	28,577,904	15,130,142	27,817,402	14,878,081
Derivative Financial Assets at Fair Value				
Through Profit and Loss	1,619,182	970,207	1,619,182	970,207
Banks	2,217,199	2,702,663	2,221,742	2,702,663
Financial Assets at Fair Value Through Other				
Comprehensive Income	6,029,875	6,364,991	6,029,875	6,364,991
Credits Given	13,246,484	3,729,782	12,472,547	3,477,757
Receivables from Rental Transactions	160,526	480,469	160,526	480,469
Factoring Receivables	-	-	-	-
Money Market Claims	2,520,406	300,161	2,529,334	300,161
Other Assets	2,784,232	581,869	2,784,196	581,833
Financial Liabilities	24,681,301	14,677,302	24,714,728	14,799,688
Funds from Other Organizations	4,555,826	6,794,329	4,556,274	6,888,395
Issued Securities	2,790,998	2,843,300	2,783,563	2,865,028
Payables to the Money Market	4,434,551	2,368,934	4,474,965	2,375,526
Miscellaneous Payables	12,899,926	2,670,739	12,899,926	2,670,739

The estimated fair value of loans is calculated by finding the cash flows discounted using current market interest rates for fixed rate loans. Since fixed rate loans mainly consist of short-term loans, it is assumed that their book value is close to their fair value. The carrying value of floating rate loans represents their fair value. Since the maturities of other financial assets are short, it is anticipated that their estimated fair values do not differ significantly from their book values.

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VIII. Explanations on presentation of consolidated financial assets and liabilities at fair value (Continued)
Classification of fair value measurement

Valuation methods of financial instruments valued at fair value are given in the table below.

Valuation methods according to levels are defined as follows:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: Data other than recorded prices in Level 1 that are directly (through prices) or indirectly (derived from prices) observable data in terms of assets or liabilities;

Level 3: Data on assets or liabilities that are not based on observable market data (non-observable data).

Current Period	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial Assets at Fair Value Through Other Comprehensive Income	4,679,003	1,294,999	55,873	6,029,875
Financial Assets at Fair Value Through Profit/Loss	316,134	-	1,240,993	1,557,127
Derivative Financial Assets Held for Trading	-	62,055	-	62,055
Financial Liabilities				
Derivative Financial Liabilities Held for Trading	-	(202,170)	-	(202,170)
Prior Period	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial Assets at Fair Value Through Other Comprehensive Income	5,152,790	1,185,827	17,914	6,356,531
Financial Assets at Fair Value Through Profit/Loss	81,092	-	827,976	909,068
Derivative Financial Assets Held for Trading	-	61,139	-	61,139
Financial Liabilities				
Derivative Financial Liabilities Held for Trading	-	(27,773)	-	(27,773)

The real estate assets amounting to 90,325 TL under the Investment Properties line item have been reflected in the financial statements at their fair value due to their non-trading nature in an active market. However, these real estate assets are not explicitly shown in the financial statements.

IX. Consolidated transactions on behalf of others, disclosures on fiduciary transactions

As of the balance sheet dates, there are no transactions made by the Bank on behalf and account of others or transactions based on faith.

X. Explanations on the consolidated risk management

The footnotes and related disclosures prepared in accordance with the 'Regulation on Disclosures to be Made to the Public Regarding Risk Management by Banks', published in the Official Gazette numbered 29511 on October 23, 2015, and entered into force as of March 31, 2016, are provided in this section. Due to the standard approach used in the calculation of the Bank's capital adequacy, the following tables, which are required to be provided quarterly according to the relevant regulation, have not been presented as of December 31, 2023.

a) General Explanations on Risk Management and Risk Weighted Amounts

GBA – The Bank's Risk Management Approach

a) Explanations on the Bank's risk management objectives and policies include the following;

How the business model determines and interacts with the bank's risk profile (for example, the key risks associated with the business model and how each of these risks are reflected in the disclosures) and how the bank's risk profile interacts with the risk appetite approved by the board.

The risks that the Bank is exposed to and may be exposed to due to its activities are determined as a result of the evaluation of the current risk level on the basis of each risk type and the risks that may arise from the strategy and economic expectations, together with the senior management, as part of the capital valuation process, and are approved by the Board of Directors and announced within the Bank.

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X. Explanations on the consolidated risk management (Continued)

b) Risk management structure: responsibilities allocated in the bank (for example, oversight and delegation of authority; separation of responsibilities by risk type, business unit, etc.); relationships between structures included in risk management processes (e.g. board of directors, senior management, separate risk committee, risk management). management unit, legal compliance, internal audit function)

The Bank's risk management principles are listed in the Risk Management Implementation Procedure:

To identify, analyze, measure, monitor and report all risks compatible with the Bank's activities within an independent organizational structure,

- To define and implement the risk appetite in a way that is consistent with the financial resources and to allocate the capital accordingly, taking into account the risk-return balance in accordance with the business lines,
- Maintaining financial strength by monitoring and controlling risks in order to limit the negative impact of possible adverse market conditions on capital and revenues,
- Ensuring that risks are well understood throughout the Bank, from the Board of Directors to the operational units, by creating risk transparency and risk awareness and establishing a risk culture throughout the Bank,
- To comply with international and local legal regulations,
- To protect the reputation of the Bank
-

Evaluation and Management of Risks: The following principles have been adopted in order to keep up to date, effectively implement and manage the policies determined for the assessment and management of the risks that the Bank is particularly faced with:

- a) The main risks that the Bank is exposed to and the risk policies and implementation procedures determined for these risks are regularly reviewed and approved by the Board of Directors.
- b) Criteria for significant risks (limit, concentration, amount, etc.) are determined and the level and management of risks are evaluated according to these criteria.
- c) The organizational structure of the Bank is established and periodically updated by the Board of Directors in accordance with relevant legal and international regulations to ensure effective risk management

To implement the risk policies, principles and application procedures approved by the Board of Directors, to provide timely and reliable reporting to the Board of Directors on the important risks faced by the Bank, to evaluate the internal control, internal audit and risk reports related to the units, and to evaluate the risks arising in these units. It is the responsibility of the Senior Management to correct the deficiencies or errors, to take the necessary measures and to participate in the process of determining the risk limits. The Board of Directors monitors the effectiveness of risk management systems through the Audit Committee, other relevant committees and the Senior Management, and takes decisions in the light of various risk reports and assessments made by the Audit Committee.

Effective risk management practices for credit risk, market risk, operational risk, liquidity risk, interest rate risk, counterparty risk, concentration risk, securitization risk, country and transfer risk, residual risk and other risks are under the responsibility of the Board of Directors.. In the management of risks, the Internal Control Department, Risk Management Department and Internal Audit Department work in coordination, independent of the units with executive activities. Although risk management activity is carried out by the Risk Management Department, all business lines monitor and manage the risks they take. Risks are evaluated in a structure that is in compliance with international and local regulations, Bank policies and procedures, is measured using methods accepted in international practices in accordance with the Bank's structure, activities and scale, is managed effectively and is constantly evolving. Effective risk management; It consists of the stages of evaluating, quantifying, monitoring and managing all risks on a consistent basis. All of the Bank's products and activities are evaluated within this framework, and an effective risk management is established by making a detailed assessment of the risks that may arise from new products or services.

c) Channels used for the dissemination and implementation of risk culture in the bank (for example, codes of conduct, manuals containing operational limits or procedures to be applied in exceeding risk thresholds, procedures for sharing and revealing risk issues between business units and risk units)

Controlling and reporting the position, counterparty, country and credit limits taken in financial markets determined by the Board of Directors, as part of the structure of risk appetite and limits, in line with the Bank's strategy, on the basis of each important risk type in the bank, with the risk limits control and excess procedure, and the procedures to be applied in case of exceedance are determined.

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X. Explanations on the consolidated risk management (Continued)

c) Channels used for the dissemination and implementation of risk culture in the bank (for example, codes of conduct, manuals containing operational limits or procedures to be applied in exceeding risk thresholds, procedures for sharing and revealing risk issues between business units and risk units) (Continued)

Maximum position limits and loss limits that the Treasury Department can take in financial markets have been determined by the Board of Directors with the risk limit and appetite document. These limits are monitored daily by the Risk Management Department, and the results are reported to the Audit Committee and Senior Management. The Risk Management Department performs limit controls on position risks taken in financial markets on the basis of transaction limits and cut-off limits, and reports the resulting cut-off level and position excesses to the Senior Management and Audit Committee on a daily basis.

The daily reports are:

- a) Counterparty and Country Limits Report,
- b) Trading Portfolio Control Report,
- c) Investment Portfolio Control Report,
- d) Foreign Exchange Transaction Limits Control Report.
- e) Customer Derivative Transactions Limit Control

If positions are taken in various products for trading purposes in financial markets, these products are also included in the reports and limit controls are reported daily.

The counterparty risk and country risk of the Bank in treasury transactions are kept under control with defined limits. The counterparty risk arising from transactions with other banks by the Treasury Department and country limits are determined by the Board of Directors on a bank basis. Counterparty and country limit risk monitoring regarding the transactions carried out by the Treasury and Financial Institutions Department is monitored daily by the Risk Management Department and reported to the Senior Management and the Audit Committee. In case of exceeding the limit; The Risk Management Department receives information from the Treasury Department and the Senior Management, and reports to the Treasury Department that the limit is exceeded, and action is taken to ensure that the positions are within the limit.

Risk Management Department processes monitoring and measurement of credit risk, performance of the loan portfolio by sector, country, risk class, size or collateral category, allocated limits and usages, and cases where limits are exceeded, evaluations of large risks and large amount of non-performing loans, non-performing loans and information on non-performing loans. Compliance with limits is controlled by the Risk Management Department.

The credit process is run for customer derivative transactions and the limits, usage conditions and risk controls that are entered into the system with the decision of the Board of Directors are periodically checked by the Risk Management Department and reported to the Audit Committee and the Senior Management. Since the banking system used by the Bank does not allow limit excess during the disbursement phase, there is no limit excess.

With the decision of the Treasury Department, the risk can be carried in a way that does not exceed the limit for the risk determined after the early warning limit is exceeded, risks carried to the counterparty and country risk and investment and trading portfolios. In case the risk is avoided, the decision to reduce the risk can be made by closing positions and similar actions.

In cases where a suitable transfer opportunity exists, the decision to transfer the risk can still be made under the authority of the Treasury Department.

Environmental and Social Risk Policy describes the Bank's approach to environmental and social issues, Nurol Group's in line with sustainable policy, strategy and ESG (Environmental, Social, Governance) commitments puts it.

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X. Explanations on the consolidated risk management (Continued)

d) Main elements and scope of risk measurement systems

The risk limits for controlling the current risk profile arising from the Bank's activities and in order not to exceed the risk appetite are determined by the Board of Directors with the approval of the Credit Committee after the recommendation of preliminary study performed by the Risk Management Department together with the relevant senior managers including the Risk Management Department manager and the Bank's General Manager. Compliance with the determined limits is controlled by the Risk Management Department. The determined limits are announced with an internal circular. Early warning limits have been set. If the early warning limits are exceeded, the relevant department is warned by the Risk Management Department with the information that the limits are approaching.

Risk limits are reviewed regularly and adjusted according to market conditions and changes in the Bank's strategy. Limit usages are monitored and reported to the Senior Management, Audit Committee and the relevant unit. Limit excesses are immediately reported to the Audit Committee, Senior Management and the relevant unit in order to take the necessary measures. Limit violations detected by the Risk Management Department and any rule incompatibility are reported to the Audit Committee and the relevant Senior Management.

In case of limit excess, the measures to be taken to reduce the position to within-limit values are determined by the relevant risk procedures.

Credit limit allocations are determined by the Board of Directors with the proposal of the Branch/Treasury Department, the approval of the Head Office, the evaluation and recommendation of the Credit Committee, within the framework of the provisions of the Banking Law and relevant legislation. Financial structures of the companies with credit risk are evaluated in periods determined by the framework of relevant regulation and legislation. Credit evaluation of the customers with outstanding risk is monitored and controlled throughout the process from the beginning of the transaction until all risk is closed. In the current period, expected loss provisions are calculated for credit risks in accordance with TFRS 9 rules. In Section 3, footnote 7 provides detailed information on the expected loss provision.

e) Explanations on risk reporting processes provided to the board of directors and senior management, especially the scope and main content of the reporting

Risk Management Report includes analysis of the Bank's asset-liability distribution, asset-liability maturity structure, interest sensitivity of asset-liability, liquidity gap, interest gap, short and long-term cash flows, various scenarios and analysis of capital adequacy.. The report based on these analysis is submitted to the Board of Directors and the Senior Management.

With the Market Risk report, various VaR (Value at Risk) Analyzes of the Bank's trading portfolio on a total and position basis, portfolio present value analyzes that may arise from parallel or non-parallel movements of the yield curve, Convexity for the securities followed in the portfolio trading accounts, and Duration Analysis, Stress Test and Scenario Analysis and Retrospective Test Results analyzes are performed. At the same time, market risks calculated using the standard method are reported to the Board of Directors and Senior Management.

Credit Risk reports, submitted to the Board of Directors and Senior Management, include information on limit usage and concentration on customer and group basis, sectoral distribution, country risk monitoring, risks by collateral categories, and non-performing loans . Operational Risk report includes evaluation of the amounts that cause or may incur losses for the Bank.

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X. Explanations on the consolidated risk management (Continued)

The Capital Adequacy Analysis Report includes the analysis of the risks affecting the Bank's capital adequacy on the basis of risk types, as well as the comparison of appetite and stress results, and is reported to the Board of Directors and Senior Management.

f) Explanations about stress testing (eg assets subject to stress testing, scenarios adapted and methodologies used, and use of stress testing in risk management)

A stress test program has been established in order to measure, monitor and manage risks arising from the Bank's activities and adverse developments specific to the Bank, to take possible actions, and to determine risk appetite and limits.

The stress test is processed at least once a year and in any case as of year-ends, to evaluate market risk, credit risk including counterparty credit risk, operational risk and liquidity risk, and interest rate risk arising from banking accounts, simultaneously. The process includes the capital adequacy analysis, with the scenarios determined in the light of the data determined by the Bank's Senior Management and compatible with the Bank's activities and the risks arising from these activities, and which may have a possible negative impact on the financial situation; .

Stress tests for market risk, counterparty credit risk and liquidity risk are carried out simultaneously at the end of the month via the excel system.

Within the framework of the stress test program, the difference between the internal capital adequacy level needed in the current situation and the capital requirement that will arise under stress conditions is analyzed.

g) Risk management, protection and mitigation strategies and processes arising from the Bank's business model and processes for monitoring the ongoing effectiveness of protections and mitigations

The valuation and consideration ratios and calculations of financial collaterals subject to credit risk mitigation are made taking into account the principles of "Communiqué on Credit Risk Mitigation Techniques" and "Regulation on Measurement and Evaluation of Capital Adequacy of Banks".

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X. Disclosures on consolidated risk management (Continued)

GB1 - General view to risk weighted amounts

	Risk weighted amounts		Minimum capital requirements	
	Current Period 31 December 2023	Prior Period 31 December 2022	Current Period 31 December 2023	Prior Period 31 December 2022
1 Credit risk (excluding counterparty credit risk) (CCR)	21,332,324	10,735,385	1,706,586	858,831
2 Of which standardised approach (SA)	21,332,324	10,735,385	1,706,586	858,831
3 Of which internal rating-based (IRB) approach	-	-	-	-
4 Counterparty credit risk	603,838	1,031,915	48,307	82,553
5 Of which standardised approach for counterparty credit risk (SA-CCR)	603,838	1,031,915	48,307	82,553
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	-	-	-	-
9 Equity investments in funds – mandate-based approach	-	-	-	-
10 Equity investments in funds – fallback 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	642,190	173,069	51,375	13,846
17 Of which standardised approach (SA)	642,190	173,069	51,375	13,846
18 Of which internal model approaches (IMM)	-	-	-	-
19 Operational risk	1,237,299	494,186	98,984	39,535
20 Of which Basic Indicator Approach	1,237,299	494,186	98,984	39,535
21 Of which Standardised Approach	-	-	-	-
22 Of which Advanced Measurement Approach	-	-	-	-
23 Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-	-
24 Floor adjustment	-	-	-	-
25 Total (1+4+7+8+9+10+11+12+16+19+23+24)	23,815,651	12,434,555	1,905,252	994,765

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X. Disclosures on consolidated risk management (Continued)

b) Links Between Financial Statements and Risk Amounts

B1- Differences and matching between the scope of accounting consolidation and legal consolidation:

	a	b	c	d	e	f
	Amount value in accordance with TAS within the scope of legal consolidation (*)	Valued amount of items in accordance with TAS				
Current Period		Subject to Credit Risk	Subject to Counterparty Credit Risk	Securitization Positions	Subject to Market Risk	Not Subject to Capital Liabilities or Deducted From Capital
Assets						
Cash Values and The Central Bank	2,093,239	2,093,239	-	-	-	-
Financial Assets Held For Trading	62,055	-	62,055	-	62,055	-
Financial Assets Classified as Fair Value Through Profit or Loss	1,557,127	1,557,127	-	-	-	-
Banks	2,215,985	2,215,985	-	-	-	-
Receivables From Money Markets	2,519,645	2,519,645	-	-	-	-
Financial Assets at Fair Value Through Other	6,029,875	5,900,341	-	-	-	129,534
Loans and Receivables	13,085,958	13,085,958	-	-	-	-
Factoring Receivables	-	-	-	-	-	-
Held-to-Maturity Investments (net)	-	-	-	-	-	-
Affiliates (net)	-	-	-	-	-	-
Subsidiaries (net)	-	-	-	-	-	-
Joint Ventures (net)	-	-	-	-	-	-
Receivables From Rental Transactions	160,526	160,526	-	-	-	-
Derivative Financial Assets For Hedging Purposes	-	-	-	-	-	-
Tangible Assets (net)	125,770	109,680	-	-	-	16,090
Intangible Assets (net)	72,205	-	-	-	-	72,205
Investment Realty (net)	90,325	90,325	-	-	-	-
Tax Asset	141,390	141,390	-	-	-	-
Assets held for sale and discontinued operations (net)	-	-	-	-	-	-
Other Assets	2,784,232	2,784,232	-	-	-	-
Total Assets	30,938,332	30,658,448	62,055	-	62,055	217,829
Liabilities						
Deposit	-	-	-	-	-	-
Derivative Financial Liabilities Held For Trading	202,170	-	-	-	202,170	-
Funds Borrowed	1,879,030	-	-	-	-	1,879,030
Debts to Money Markets	4,434,551	-	1,384,813	-	-	3,049,738
Issued securities	2,790,998	-	-	-	-	2,790,998
Funds	2,676,796	-	-	-	-	2,676,796
Miscellaneous Debts	-	-	-	-	-	-
Other Foreign Resources	12,899,926	-	-	-	-	12,899,926
Factoring Debts	-	-	-	-	-	-
Payables From Rental Transactions	64,775	-	-	-	-	64,775
Derivative financial liabilities for hedging purposes	-	-	-	-	-	-
Provisions	663,042	-	-	-	-	663,042
Tax Liabilities	266,712	-	-	-	-	266,712
Payables from held for sale and discontinued operations (net)	-	-	-	-	-	-
Subordinated Loans	-	-	-	-	-	-
Equity	5,060,332	-	-	-	-	5,060,332
Total Liabilities	30,938,332	-	1,384,813	-	202,170	29,351,349

(*) Expected loss provisions are deducted.

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X. Disclosures on consolidated risk management (Continued)

b) Links Between Financial Statements and Risk Amounts

B1- Differences and matching between the financial statement values of assets and liabilities and their values included in the capital adequacy calculation:

Prior Period	a	b	c	d	e	f
	Amount value in accordance with TAS within the scope of legal consolidation (*)	Subject to Credit Risk	Subject to Counterparty Credit Risk	Securitization Positions	Subject to Market Risk	Not Subject to Capital Liabilities or Deducted From Capital
Valued amount of items in accordance with TAS						
Assets						
Cash Values and The Central Bank	2,437,271	2,437,271	-	-	-	-
Financial Assets Held For Trading	61,139	-	61,139	-	61,139	-
Financial Assets Classified as Fair Value Through Profit or Loss	909,068	909,068	-	-	-	-
Banks	2,701,534	2,701,534	-	-	-	-
Receivables From Money Markets	300,048	300,048	-	-	-	-
Financial Assets at Fair Value Through Other	6,364,991	6,364,991	-	-	-	-
Loans and Receivables	3,249,313	3,249,313	-	-	-	-
Factoring Receivables	-	-	-	-	-	-
Held-to-Maturity Investments (net)	-	-	-	-	-	-
Affiliates (net)	-	-	-	-	-	-
Subsidiaries (net)	-	-	-	-	-	-
Joint Ventures (net)	-	-	-	-	-	-
Receivables From Rental Transactions	480,469	480,469	-	-	-	-
Derivative Financial Assets For Hedging Purposes	-	-	-	-	-	-
Tangible Assets (net)	20,104	17,828	-	-	-	2,276
Intangible Assets (net)	29,805	-	-	-	-	29,805
Investment Realty (net)	47,470	47,470	-	-	-	-
Tax Asset	-	-	-	-	-	-
Assets held for sale and discontinued operations (net)	271,260	271,260	-	-	-	-
Other Assets	581,869	581,869	-	-	-	-
Total Assets	17,454,341	17,361,121	61,139	-	61,139	32,081
Liabilities						
Deposit	-	-	-	-	-	-
Derivative Financial Liabilities Held For Trading	27,773	-	-	-	27,773	-
Funds Borrowed	1,467,210	-	-	-	-	1,467,210
Debts to Money Markets	2,368,934	-	2,169,095	-	-	199,839
Issued securities	2,843,300	-	-	-	-	2,843,300
Funds	5,327,119	-	-	-	-	5,327,119
Miscellaneous Debts	-	-	-	-	-	-
Other Foreign Resources	2,670,739	-	-	-	-	2,670,739
Factoring Debts	-	-	-	-	-	-
Payables From Rental Transactions	11,109	-	-	-	-	11,109
Derivative financial liabilities for hedging purposes	-	-	-	-	-	-
Provisions	110,294	-	-	-	-	110,294
Tax Liabilities	203,393	-	-	-	-	203,393
Payables from held for sale and discontinued operations (net)	-	-	-	-	-	-
Subordinated Loans	93,785	-	-	-	-	93,785
Equity	2,330,685	-	-	-	-	2,330,685
Total Liabilities	17,454,341	-	2,169,095	-	27,773	15,257,473

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X. Disclosures on consolidated risk management (Continued)

b) Links Between Financial Statements and Risk Amounts

B2- The main sources of the differences between the risk amounts and the amounts valued in accordance with TAS in the financial statements are:

	Current Period	Total	subject to credit risk	securitization positions	Subject to counterparty credit risk	subject to market risk
1	Valued amounts of assets within the scope of legal consolidation in accordance with TAS (as in template B1)	30,782,558	30,658,448	-	62,055	62,055
2	Valued amounts of liabilities within the scope of legal consolidation in accordance with TAS (as in template B1)	1,586,983	-	-	1,384,813	202,170
3	Total net amount within the scope of legal consolidation	29,195,575	30,658,448	-	(1,322,758)	(140,115)
4	Off-balance sheet amounts	3,153,250	1,917,423	-	3,276,641	-
5	Valuation differences	-	-	-	-	-
6	Differences due to different netting rules (other than those put in line 2)	782,305	-	-	-	782,305
7	Differences due to consideration of provisions	-	-	-	-	-
8	Differences arising from the practices of the Institution	(3,861,783)	(3,861,783)	-	-	-
9	Other	-	-	-	-	-
10	Risk amounts		28,714,088	-	1,953,883	642,190

	Prior Period	Total	subject to credit risk	securitization positions	Subject to counterparty credit risk	subject to market risk
1	Valued amounts of assets within the scope of legal consolidation in accordance with TAS (as in template B1)	17,483,399	17,361,121	-	61,139	61,139
2	Valued amounts of liabilities within the scope of legal consolidation in accordance with TAS (as in template B1)	2,196,868	-	-	2,169,095	27,773
3	Total net amount within the scope of legal consolidation	15,286,531	17,361,121	-	(2,107,956)	33,366
4	Off-balance sheet amounts	1,884,771	1,117,036	-	5,308,966	-
5	Valuation differences	-	-	-	-	-
6	Differences due to different netting rules (other than those put in line 2)	108,845	-	-	-	108,845
7	Differences due to consideration of provisions	-	-	-	-	-
8	Differences arising from the practices of the Institution	(4,097,518)	(1,928,423)	-	(2,169,095)	-
9	Other	-	-	-	-	-
10	Risk amounts		16,549,734	-	1,031,915	142,211

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X. Disclosures on consolidated risk management (Continued)

b) Links Between Financial Statements and Risk Amounts (Continued)

Explanations on the differences between the amounts valued in accordance with BA- TMS and risk amounts:

- i) None.
- ii) In line with the institution's practices, deferred tax asset is included in other assets while calculating the amount subject to credit risk, however it is shown under liabilities after being offset with Deferred Tax Liability in the financial statements. There is no significant difference between the amounts valued in accordance with TAS shown in B2 and the risk amounts, apart from the aforementioned issue.

iii) Explanation of evaluation methodologies for the use of Market Value and model value methodologies :

Market risk, in general, is the possibility of loss as a result of changes in the current market values of financial assets and positions in the bank's trading accounts. In this framework, it is mandatory to be shown on the balance sheet over the current market values by being valued at market prices (mark to market), and the bank's;

- securities such as mutual fund participation certificates, bills and bonds subject to trading,
- open foreign currency positions for each currency,
- Derivative contracts (forwards (time deposit), swaps) made for trading purposes, based on interest or sensitive to changes in current market values.

is subject to market risk. Classification of Trading Accounts is made in accordance with Annex-3 of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks.

It calculates the amount subject to Market Risk with the standard method within the framework of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks.

The amount exposed to the market risk that the bank is exposed to emerges as a result of the formation of the amounts related to the market risk within the scope of Basel 2 reporting set. Analysis details are as follows:

- Interest Rate Risk Analysis: General Market Risk Calculation (Standard Method-Maturity Approach) – Specific Risk Calculation (Standard Method)
- Currency Risk Analysis (Standard Method)

The market values of products traded in over-the-counter markets such as forward currency, currency swaps and interest rate swaps are calculated by discounting cash flows at market interest rates.

There are four main price variables that will affect the current market value of financial assets and positions held by banks:

- Market interest rates (bond, debenture and derivative prices)
- Exchange

The total risk of loss arising from price movements (interest, stock, currency and commodity risks) related to financial assets and positions is called "general market risk"

The independence of the price process is ensured by entering and managing the prices in the Bank's system by the Treasury Department. In addition, these pricing and valuation systems are also reviewed and validated by the Financial Control Unit. Details of these valuations and recognitions are strictly documented and followed by the Internal Control Unit.

Processes for valuation adjustments or differences. (Contains a description of the process and methodology for valuation of trading positions by type of financial instrument)

Only forward foreign currency transactions are included in the trading account, and the fair value of these transactions is found out by calculating the present value of the cash flows at maturity from the market interest rates.

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X. Disclosures on consolidated risk management (Continued)

c) Credit Risk Disclosures

A. General Information on Credit Risk

1) KRA – General qualitative information on credit risk

The bank describes its risk management objectives and policies for credit risk with a focus on:

a) How the bank's business model translates into components in its credit risk profile.

The Bank has marketing, allocation, monitoring and follow-up policies in line with the current loan volume, loans regulation, and procedures and detailed business processes established accordingly. In the strategy document, the Bank's objectives are given in general terms, and since rapid strategic decisions can be taken as an advantage of the Bank's scale, numerical targets are limitedly included in this document.

The evaluation and approval processes of the loans are managed in line with the policies and procedures related to the Loans Regulation. Loan offers are made in writing and are approved by the units involved in the procedures. In loan transactions, it is essential that customers are examined primarily in terms of reliability, fluidity and efficiency principles, and the repayment capacity of the customer is taken as a basis during the evaluation of loan requests. Credit limits are determined individually by the Credit Committee on the basis of each firm and group and approved by the Board of Directors. During the determination of the limits, the repayment capacity is evaluated by using the current financial data of the customer. In credit evaluations, meetings are held with customers when necessary and evaluations are made on the basis of up-to-date information. Pricing, collateral and similar decisions are taken on a customer basis for each loan. The bank has a standard internal rating system created on excel.

b) Criteria and approach used when determining credit risk policy and credit risk limits.

The Bank's strategy document is updated annually, and in line with this document, necessary updates in policies and procedures are made annually. The Bank has marketing, allocation, monitoring and follow-up policies in line with the current loan volume, loans regulation, and procedures and detailed business processes established accordingly. In the strategy document, the Bank's objectives are given in general terms, and since rapid strategic decisions can be taken as an advantage of the Bank's scale, numerical targets are limitedly included in this document.

All loans in the bank are approved by the Board of Directors. While marketing and allocation functions are subordinate to different Assistant General Managers, allocation and monitoring functions are subordinate to the same Assistant General Manager due to the scale of the Bank. Both allocation and marketing units are taken into account in evaluating the repayment performance of loans. There are no aggressive sales targets for the marketing teams.

c) The structure and organization of the credit risk management and control function.

The Bank's credit risk management begins at the limit allocation stage, taking into account the lending policy, and is carried out according to the lending and monitoring processes determined in accordance with the "Loans Regulation" and related procedures.

Credit limits are determined on the basis of amounts determined according to the needs of customers and suitable credit products, and are approved by the decision maker authorized to grant credit. For the early detection of potential problems in loan repayments, Loans Department (through its officials) monitors and reports information regarding the financial structures of customers and their relations with other financial institutions to identify possible potential problems or potentially problematic loans and other receivables, in order to keep them under constant control.

The measurement of credit risks and the determination of their effects on the Bank's capital adequacy are carried out by the Risk Management Department and reported to the Senior Management, Credit Committee and Audit Committee.

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X. Disclosures on consolidated risk management (Continued)

1) KRA – General qualitative information on credit risk (Continued)

d) Relationship among credit risk management, risk control, legal compliance and internal audit functions.

Regarding the loan transactions, customers are primarily examined in terms of reliability, fluidity and efficiency principles. Credit limits are determined on the basis of amounts determined according to the needs of customers and suitable credit products, and are approved by the decision maker authorized to grant credit. Credit risks and its development on the basis of customers and risk groups is periodically reported to the Credit Committee and the Board of Directors by the Credits Department, action decisions are taken when deemed necessary. These activities constitute the first stage of the three-stage protection mechanism.

The measurement of credit risks and the determination of their effects on the Bank's capital adequacy are carried out by the Risk Management Department and reported to the Senior Management, Credit Committee and Audit Committee. In case of exceeding the limit, the relevant issue is reported to the responsible managers and the Senior Management.

Controls regarding whether the required documents are provided by the units involved in the loan disbursement stage, compliance with loan conditions, reconciliation of physical documents with the system, correct realization of accounting and other systemic definitions are carried out daily by the Internal Control Department and reported to the Audit Committee on a weekly basis. The activities carried out by the Risk Management Department and the Internal Control Department regarding credit risk constitute the second protection stage.

All activities of the Bank are periodically audited by the Internal Audit Department within the scope of the annual business plan. Within the scope of each audit, control points in the Bank's processes are tested and it is examined whether primary and secondary controls are carried out by the units involved in the processes. In this context, compliance with the legislation, effectiveness and adequacy of the first and second protection stages of each risk type, determined by the Bank as important, is audited .

e) Scope and main content of reporting to senior management and board members regarding the credit risk management function and exposure to credit risk.

Credit Risk reports include information on limit usage and concentration on customer and group basis, sectoral distribution, country risk monitoring, risks by collateral categories, NPL and non-performing loans, and are reported to the Board of Directors and Senior Management.

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X. Explanations on consolidated risk management (Continued)

2) KR1 – Credit quality of assets:

		a	b	c	d
Current Period		The gross amount valued in accordance with TFRS 9 in the financial statements prepared according to legal consolidation		Provisions/ depreciation and impairment	Net value (a+b-c)
		Defaulted	Non-Defaulted		
1	Loans	1,069,850	12,278,663	102,029	13,246,484
2	Debt instruments	-	7,587,002	-	7,587,002
3	Off-balance sheet receivables	46,725	3,106,525	38,749	3,117,547
4	Total	1,116,575	22,972,190	137,732	23,951,033

		a	b	c	d
Prior Period		The gross amount valued in accordance with TFRS 9 in the financial statements prepared according to legal consolidation		Provisions/ depreciation and impairment	Net value (a+b-c)
		Defaulted	Non-Defaulted		
1	Loans	291,263	3,459,581	2,769	3,748,075
2	Debt instruments	-	7,274,059	-	7,274,059
3	Off-balance sheet receivables	4,342	1,880,429	3,330	1,881,441
4	Total	295,605	12,614,069	6,099	12,903,575

Loan receivables defined as Stage 3 (non-performing loans) according to the TFRS 9 Financial Instruments standard published by KGK in accordance with the "Regulation on the Procedures and Principles Regarding the Classification of Loans and Provisions to be Set aside for These", which entered into force as of January 1, 2018; Off-balance sheet receivables in Stage 3 are specified in section 3-a.

3) KR2 – Changes in the stock of defaulted receivables and debt instruments:

Current Period		
1	Amount of defaulted loans and debt instruments at the end of the previous reporting period	291,263
2	Loans and debt instruments in default since the last reporting period	778,587
3	Receivables that are not in default again	-
4	Amounts written off from assets	-
5	Other changes	-
6	Amount of defaulted loans and debt instruments at the end of the reporting period (1+2-3-4±5)	1,069,850

Prior Period		
1	Amount of defaulted loans and debt instruments at the end of the previous reporting period	281,150
2	Loans and debt instruments in default since the last reporting period	202,952
3	Receivables that are not in default again	-
4	Amounts written off from assets	192,839
5	Other changes	
6	Amount of defaulted loans and debt instruments at the end of the reporting period (1+2-3-4±5)	291,263

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X. Disclosures on consolidated risk management (Continued)

4) KR4: Additional disclosures on the credit quality of assets

Additional explanations regarding the current period;

- a) As of the reporting date, financial assets that are impaired according to the rules applied in accordance with TFRS 9 are classified as Stage 3 (frozen receivables). The probability of default is taken into account as 100% in the provision for impairment calculations and the provision (specific provision) is calculated according to the expected credit loss over the life of the financial asset. In determining the impairment, the Bank considers the following criteria:
- Delay of more than 90 days and legal proceedings have been initiated
 - Not meeting the requirements for Stage 1 and Stage 2.
- b) If there is a significant increase in the credit risk of the financial asset as of the reporting date, compared to the first recognition in the financial statements, the related financial asset is transferred to Stage 2 (close monitoring). Credit risk impairment provision is determined according to the expected credit loss over the default risk over the life of the related financial asset. In the debts of customers who have difficulty in paying their debts to the Bank or who are expected to have probable difficulties in payments by the Bank; It is aimed to overcome the customer's payment difficulties by providing concessions such as maturity extension, grace period or interest reduction. The receivables within the mentioned scope are defined as "restructured receivables". Restructured receivables are followed in Stage 2 (close monitoring).

Additional explanations about the prior period;

- a) Receivables that are overdue for more than 90 days are defined as "non-performing loans". Since provision is made for all non-performing receivables, there is not found difference between the definitions of "overdue receivables" and "provisioned".
- b) There is no part of the non-performing loans that are not considered as "provisions".
- c) When determining the amount of special provisions, minimum special reserve ratios are used within the framework of the "Regulation on the Procedures and Principles on Determination of the Qualifications of Loans and Other Receivables by Banks and Provisions to be Set aside for These".
- d) In the receivables of customers who have difficulty in paying their receivables to the Bank or who are expected by the Bank to have probable difficulties in payments; It is aimed to overcome the customer's payment difficulty by making changes such as maturity extension, grace period or interest reduction. The receivables within the mentioned scope are defined as "restructured receivables".

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X. Explanations on consolidated risk management (Continued)

1) KRB: Additional disclosures on the credit quality of assets

- e) Breakdown of loans according to geographical regions and the remaining maturity to the sector:
Breakdown of Credits by Geographical Regions:

Country	Current Period	Prior Period
Turkey	11,904,392	2,808,641
Europe Union Countries	180,393	18,512
USA, Canada	31,191	6,570
OECD Countries	-	-
Offshore Banking Districts	-	-
Other	2,161	145,389
Total	12,118,137	2,979,112

Breakdown of Credits by Sectors:

	Current Period	Prior Period
1. Agriculture	-	-
1.1. Agriculture and Livestock	-	-
1.2. Forestry	-	-
1.3. Fishery	-	-
2. Industry	1,172,064	668,027
2.1. Mining and Quarrying	326,037	-
2.2. Manufacturing Industry	664,722	573,629
2.3. Electricity, Gas and Water	181,305	94,398
3. Building	1,567,594	-
4. Services	9,144,375	2,208,563
4.1. Wholesale and Retail Trade	1,328,599	26,261
4.2. Hotel and Restaurant Services	19,426	30,667
4.3. Transport and Communication	201,032	-
4.4. Financial Institutions	4,159,366	945,772
4.5. Real Estate and Rental Services	3,435,952	1,205,863
4.6. Self Employed Services	-	-
4.7. Education Services	-	-
4.8. Health and Social Services	-	-
5. Other	234,104	102,522
6. Total	12,118,137	2,979,112

Breakdown of Loans by Remaining Maturities:

Current Period	On demand	Up to 1 Month	1-3 Month	3-12 Month	1-5 Year	5 years and over	Total
Loans and Receivables	-	3,355,294	528,648	1,609,180	6,625,015	-	12,118,137
Prior Period	On demand	Up to 1 Month	1-3 Month	3-12 Month	1-5 year	5 years and over	Total
Loans and Receivables	-	1,199,338	109,731	777,855	892,188	-	2,979,112

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X. Explanations on consolidated risk management (Continued)

f) Loan Amounts Provisioned and Written Off from Assets on the Basis of Geographical Regions

Current Period	Provision Reserved	Provision	Written Off
Turkey	1,069,849	(82,201)	-
Europe Union Countries	-	-	-
USA, Canada	-	-	-
OECD Countries	-	-	-
Offshore Banking Districts	-	-	-
Other	-	-	-
Total	1,069,849	(82,201)	-

(*)OECD countries other than EU countries, USA and Canada

Prior Period	Provision Reserved	Provision	Written Off
Turkey	291,263	2,769	192,839
Europe Union Countries	-	-	-
USA, Canada	-	-	-
OECD Countries	-	-	-
Offshore Banking Districts	-	-	-
Other	-	-	-
Total	291,263	2,769	192,839

(*)OECD countries other than EU countries, USA and Canada

Loan Amounts Provisioned and Written off from Assets on the Basis of Sector

Current Period	Provision Reserved	Provision	Written Off Amount
	Amount		
1. Agriculture	-	-	-
1.1. Agriculture and Livestock	-	-	-
1.2. Forestry	-	-	-
1.3. Fishery	-	-	-
2. Industry	-	-	-
2.1. Mining and Quarrying	-	-	-
2.2. Manufacturing Industry	-	-	-
2.3. Electricity, Gas and Water	-	-	-
3. Building	-	-	-
4. Services	-	-	-
4.1. Wholesale and Retail Trade	-	-	-
4.2. Hotel and Restaurant Services	-	-	-
4.3. Transport and Communication	-	-	-
4.4. Financial Institutions	-	-	-
4.5. Real Estate and Rental Services	-	-	-
4.6. Self Employed Services	-	-	-
4.7. Education Services	-	-	-
4.8. Health and Social Services	-	-	-
5. Other	1,069,849	(82,201)	-
6. Total	1,069,849	(82,201)	-

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X. Explanations on consolidated risk management (Continued)

Loan Amounts Provisioned and Written off from Assets on the Basis of Sector			
Prior Period	Provision Reserved Amount	Provision	Written Off Amount
1. Agriculture	-	-	-
1.1. Agriculture and Livestock	-	-	-
1.2. Forestry	-	-	-
1.3. Fishery	-	-	-
2. Industry	-	-	108,109
2.1. Mining and Quarrying	-	-	-
2.2. Manufacturing Industry	-	-	-
2.3. Electricity, Gas and Water	-	-	108,109
3. Building	-	-	52,316
4. Services	-	-	32,414
4.1. Wholesale and Retail Trade	-	-	-
4.2. Hotel and Restaurant Services	-	-	32,414
4.3. Transport and Communication	-	-	-
4.4. Financial Institutions	-	-	-
4.5. Real Estate and Rental Services	-	-	-
4.6. Self Employed Services	-	-	-
4.7. Education Services	-	-	-
4.8. Health and Social Services	-	-	-
5. Other	291,263	2,769	-
6. Total	291,263	2,769	192,839

g) Aging Analysis

Delay day	Current Period
0-30	12,044,079
31-60	74,058
61-90	-
90+	1,069,849
Total	13,187,986

Delay day	Prior Period
0-30	2,936,940
31-60	42,171
61-90	-
90+	291,263
Total	3,270,374

h) Breakdown of Restructured Receivables by Whether Provisions Have Been Made or Not

Current Period	Performing Loans	Close Monitoring Loans	Non Performing Loans
Provision Reserved	-	-	-
Provision not Reserved ^(*)	-	74,058	-
Total	-	74,058	-

(*) Expected loss provision is set for related loans.

Prior Period	Performing Loans	Close Monitoring Loans	Non Performing Loans
Provision Reserved	-	-	-
Provision not Reserved ^(*)	-	42,171	-
Total	-	42,171	-

(*) Expected loss provision is set for related loans.

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X. Disclosures on consolidated risk management (Continued)

B. Credit Risk Reduction

1) KRC: Qualitative requirements for credit risk mitigation techniques to be disclosed to the public.

Collateralization is used as the main risk mitigation method. Tangible and intangible assets that can be accepted as collateral and their consideration rates are defined in detail in the instructions. The value of the collateral is determined using independent valuation reports.

Legality and operational viability are prerequisites for the validity of guarantees. Legal teams should have performed adequate legal reviews and confirmed all collateral-related regulations and the validity of collateral prior to obtaining collateral. In addition, all contracts and other relevant documents must be received.

The collateral value should not be positively correlated with the creditworthiness of the borrower.

Monitoring the value of collateral is important for maintaining credit quality. The market value of the collateral is evaluated periodically and necessary measures are taken when there is a sign of significant deterioration in the market value of the collateral.

Insurance policies of the guarantees must be received.

The value of the collateral must meet the Debt-Collateral-Ratio determined by the Credit Decision Committee and/or the Board of Directors, by law or in the Bank's internal practices.

2) KR3 – Credit risk mitigation techniques – Overview:

	a	b	c	d	e	f	g
Current Period	Amount valued in accordance with TMS	Receivables protected by collateral	Secured portions of receivables protected by collateral	Receivables protected by financial guarantees	Secured portions of receivables protected by financial guarantees	Receivables protected by credit derivatives	Secured receivables protected by credit derivatives
1 Loans	13,206,301	40,183	16,468	-	-	-	-
2 Debt instruments	7,587,002	-	-	-	-	-	-
3 Total	20,793,303	40,183	16,468	-	-	-	-
4 Default	-	-	-	-	-	-	-

	a	b	c	d	e	f	g
Prior Period	Amount valued in accordance with TMS	Receivables protected by collateral	Secured portions of receivables protected by collateral	Receivables protected by financial guarantees	Secured portions of receivables protected by financial guarantees	Receivables protected by credit derivatives	Secured receivables protected by credit derivatives
1 Loans	3,648,798	99,277	-	-	-	-	-
2 Debt instruments	7,274,059	-	-	-	-	-	-
3 Total	10,922,857	99,277	-	-	-	-	-
4 Default	-	-	-	-	-	-	-

C. Credit Risk at the Point of Using the Standard Approach

1) KR3 – Qualitative explanations to be made about the rating grades used by banks when calculating the credit risk with the standard approach

Credit rating is not used when calculating the credit risk with the standard approach at the Bank.

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X. Disclosures on consolidated risk management (Continued)

2) KR4 – Standard Approach - Exposure to credit risk and credit risk mitigation effects:

Current Period		a		b		c		d		e		f	
		Credit conversion rate and credit amount before credit risk mitigation		Credit conversion rate and credit amount after credit risk mitigation		Risk weighted amount and risk weighted amount concentration							
	Risk classes	Balance sheet amount	Off balance sheet amount	Balance sheet amount	Off balance sheet amount	Risk Weighted amount	Risk-weighted amount density						
1	Receivables from central governments or central banks	3,137,888	44,484	3,137,888	44,484	-	%0						
2	Receivables from regional or local governments	-	-	-	-	-	%0						
3	Receivables from administrative units and non-commercial enterprises	883	457	883	457	762	%57						
4	Receivables from multilateral development banks	-	-	-	-	-	%0						
5	Receivables from international organizations	-	-	-	-	-	%0						
6	Receivables from banks and intermediary institutions	6,794,243	1,025,091	6,794,243	676,048	2,341,328	%31						
7	Corporate receivables	15,417,147	2,057,251	15,417,147	1,259,796	16,168,168	%97						
8	Retail receivables	-	-	-	-	-	%0						
9	Receivables secured by a residential real estate mortgage	-	-	-	-	-	%0						
10	Receivables secured by commercial real estate mortgage	-	-	-	-	-	%0						
11	Overdue receivables	987,649	-	987,649	-	1,481,473	%150						
12	Receivables with high risk determined by the Board	-	8,093	-	6,596	3,369	%51						
13	Mortgage-backed securities	-	-	-	-	-	%0						
14	Short-term receivables from banks and intermediary institutions and short-term corporate receivables	-	-	-	-	-	%0						
15	Investments as a collective investment institution	287,061	-	287,061	-	287,061	%100						
16	Other receivables	1,296,866	-	1,296,866	-	1,296,866	%115						
17	Stock investments	758,855	-	758,855	-	456,223	%60						
18	Total	28,680,592	3,135,376	28,680,592	1,987,381	22,035,250	%70						

Prior Period		a		b		c		d		e		f	
		Credit conversion rate and credit amount before credit risk mitigation		Credit conversion rate and credit amount after credit risk mitigation		Risk weighted amount and risk weighted amount concentration							
	Risk classes	Balance sheet amount	Off balance sheet amount	Balance sheet amount	Off balance sheet amount	Risk Weighted amount	Risk-weighted amount density						
1	Receivables from central governments or central banks	3,647,808	-	3,647,808	-	262,741	%7						
2	Receivables from regional or local governments	-	-	-	-	-	%0						
3	Receivables from administrative units and non-commercial enterprises	-	-	-	-	-	%0						
4	Receivables from multilateral development banks	-	-	-	-	-	%0						
5	Receivables from international organizations	-	-	-	-	-	%0						
6	Receivables from banks and intermediary institutions	5,208,748	1,161,986	5,026,654	747,943	2,142,496	%37						
7	Corporate receivables	5,574,857	676,837	4,749,797	369,093	4,446,784	%87						
8	Retail receivables	41,300	-	16,538	-	11,610	%70						
9	Receivables secured by a residential real estate mortgage	-	-	-	-	-	%0						
10	Receivables secured by commercial real estate mortgage	57,286	-	57,286	-	28,643	%50						
11	Overdue receivables	288,494	-	288,494	-	288,494	%100						
12	Receivables with high risk determined by the Board	-	-	-	-	-	%0						
13	Mortgage-backed securities	-	-	-	-	-	%0						
14	Short-term receivables from banks and intermediary institutions and short-term corporate receivables	-	-	-	-	-	%0						
15	Investments as a collective investment institution	-	-	-	-	-	%0						
16	Other receivables	1,646,121	-	1,646,121	-	1,644,000	%100						
17	Stock investments	-	-	-	-	-	%0						
18	Total	16,464,614	1,838,823	15,432,698	1,117,036	8,824,768	%53						

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X. Disclosures on consolidated risk management (Continued)

3) KR5 – Standard Approach: Receivables according to risk classes and risk weights:

	Current Period	a	b	c	d	e	f	g	h	i	j
	Risk classes/ weights	%0	%10	%20	Guaranteed by 50% Real Estate Mortgage	%75	%100	%150	%200	Others	Total risk amount (after KDO and KRA)
1	Receivables from central governments or central banks	3,182,371	-	-	-	-	-	-	-	-	3,182,371
2	Receivables from regional or local governments	-	-	-	-	-	-	-	-	-	-
3	Receivables from administrative units and non-commercial enterprises	578	-	-	-	-	761	-	-	-	1,339
4	Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-	-	-	-	-
6	Receivables from banks and intermediary institutions	58,000	-	4,558,867	2,850,169	-	2,806	450	-	-	7,470,292
7	Corporate receivables	862,965	-	2,509,061	933,753	-	9,643,467	383	2,727,314	-	16,676,943
8	Retail receivables	-	-	-	-	-	-	-	-	-	-
9	Receivables secured by a residential real estate mortgage	-	-	-	-	-	-	-	-	-	-
10	Receivables secured by commercial real estate mortgage	-	-	-	-	-	-	-	-	-	-
11	Overdue receivables	-	-	-	-	-	-	987,649	-	-	987,649
12	Receivables with high risk determined by the Board	-	-	-	6,491	-	67	37	-	-	6,596
13	Mortgage-backed securities	-	-	-	-	-	-	-	-	-	-
14	Short-term receivables from banks and intermediary institutions and short-term corporate receivables	-	-	-	-	-	-	-	-	-	-
15	Investments as a collective investment institution	-	-	-	-	-	287,061	-	-	-	287,061
16	Other receivables	-	-	-	-	-	1,296,866	-	-	-	1,296,866
17	Stock investments	302,632	-	-	-	-	456,223	-	-	-	758,855
18	Total	4,406,546	-	7,067,928	3,790,413	-	11,687,251	988,519	2,727,314	-	30,667,972

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X. Disclosures on consolidated risk management (Continued)

3) KR5 – Standard Approach: Receivables according to risk classes and risk weights

	Prior Period	a	b	c	d	e	f	g	h	i	j
	Risk classes/ weights	%0	%10	%20	Guaranteed by 50% Real Estate Mortgage	%75	%100	%150	%200	Others	Total risk amount (after KDO and KRA)
1	Receivables from central governments or central banks	3,144,938	-	300,161	-	-	202,709	-	-	-	3,647,808
2	Receivables from regional or local governments	-	-	-	-	-	-	-	-	-	-
3	Receivables from administrative units and non-commercial enterprises	-	-	-	-	-	-	-	-	-	-
4	Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-	-	-	-	-
6	Receivables from banks and intermediary institutions	-	-	704,150	2,399,696	-	2,852,845	-	-	-	5,774,597
7	Corporate receivables	-	-	-	-	-	2,356,953	-	1,456,374	-	5,118,890
8	Retail receivables	-	-	-	3,176	13,362	24,762	-	-	-	16,538
9	Receivables secured by a residential real estate mortgage	-	-	-	-	-	-	-	-	-	-
10	Receivables secured by commercial real estate mortgage	-	-	-	57,286	-	-	-	-	-	57,286
11	Overdue receivables	-	-	-	-	-	288,494	-	-	-	288,494
12	Receivables with high risk determined by the Board	-	-	-	-	-	-	-	-	-	-
13	Mortgage-backed securities	-	-	-	-	-	-	-	-	-	-
14	Short-term receivables from banks and intermediary institutions and short-term corporate receivables	-	-	-	-	-	-	-	-	-	-
15	Investments as a collective investment institution	-	-	-	-	-	-	-	-	-	-
16	Other receivables	-	-	-	-	-	-	-	-	-	-
17	Stock investments	2,121	-	-	-	-	1,644,000	-	-	-	1,646,121
18	Total	3,147,059	-	1,004,311	2,460,158	13,362	7,369,763	-	1,456,374	-	16,549,734

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X. Disclosures on consolidated risk management (Continued)

3) KR5 – Standard Approach: Receivables according to risk classes and risk weights (Continued)

D. Counterparty Credit Risk Disclosures

a) For Counterparty Credit Risk, Banks disclose the following information;

1) Risk management objectives and policies regarding KKR

Counterparty credit risk is managed through credit limit allocation. The fair valuation method is used in the calculation of counterparty credit risk. Country risk, credit risk and concentration risk policies are taken into consideration in counterparty limit allocations.

Determining the collaterals to be accepted in the allocation of the counterparty limit is under the authority of the Board of Directors, with the approval of the Credit Committee. Senior management; assesses the risks of the counterparty, country and sector, and takes action decisions when deemed necessary.

2) Operational limit allocation method determined within the scope of internal capital calculated for KKR and CCP risks

Limit allocations for counterparty credit risks within the scope of risk appetite and limits are determined together with the Bank's Senior Management, taking into account previous period limit risk realizations, stress test results and strategies, and are approved by the Board of Directors with the compliance of the Audit Committee

3) Policies for the determination of CCR including guarantee and other risk mitigations and CCP risk

Management of Derivative Financial Instruments subject to Counterparty Credit Risk; It starts with the Framework Agreement on Over-the-Counter Derivatives and the decision of the Board of Directors, which includes the details of the limit and guarantee given to the customer, and is monitored and managed on a transaction basis. Only Financial collaterals are used in the bank for counter party credit risk mitigation.

4) Rules Regarding to Reverse Tendency Risk

Reverse tendency risk refers to the situation when the probability of default by the counterparty is positively correlated with general market risk factors. Nurol Investment Bank monitors the impact of market risk factors such as interest and exchange rates on customer credit risk. Necessary actions are taken in line with the analysis made, especially during periods of sharp financial movements with increased volatility.

5) The amount of additional collateral that the bank has to give in case of a decrease in the credit rating

In case of a decrease in the credit rating, there is no amount of additional collateral that the bank has to give.

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X. Disclosures on consolidated risk management (Continued)

b) KKR1 – Evaluation of KKR according to measurement methods:

		a	b	c	d	e	f
Current Period		Renewal cost	Potential credit risk amount	EBPRT	Alpha used to calculate the legal risk amount	Risk amount after credit risk mitigation	Risk-weighted amounts
1	Standard approach - KKR (for derivatives)	26,940	43,019		1.4	69,959	12,269
2	Internal Model Method (for derivative financial instruments, repo transactions, securities or commodity lending or borrowing transactions, transactions with long clearing periods, and margin securities transactions)			-	-	-	-
3	Simple method for credit risk mitigation - (for repurchase transactions, securities or commodities lending or borrowing transactions, transactions with long clearing periods, and credit securities transactions)					1,883,924	591,569
4	Comprehensive method for credit risk mitigation – (for repurchase transactions, securities or commodities lending or borrowing transactions, long clearing transactions, and credit securities transactions)					-	-
5	Value-at-risk for repurchase transactions, securities and commodities lending or borrowing transactions, long clearing transactions, and credit securities transactions					-	-
6	Total						603,838

(*) It is prepared taking into account the capital requirement calculated for KDA.

		a	b	c	d	e	f
Prior Period		Renewal cost	Potential credit risk amount	EBPRT	Alpha used to calculate the legal risk amount	Risk amount after credit risk mitigation	Risk-weighted amounts
1	Standard approach - KKR (for derivatives)	61,139	12,295		1.4	73,434	73,434
2	Internal Model Method (for derivative financial instruments, repo transactions, securities or commodity lending or borrowing transactions, transactions with long clearing periods, and margin securities transactions)			-	-	-	-
3	Simple method for credit risk mitigation - (for repurchase transactions, securities or commodities lending or borrowing transactions, transactions with long clearing periods, and credit securities transactions)					958,481	958,481
4	Comprehensive method for credit risk mitigation – (for repurchase transactions, securities or commodities lending or borrowing transactions, long clearing transactions, and credit securities transactions)					-	-
5	Value-at-risk for repurchase transactions, securities and commodities lending or borrowing transactions, long clearing transactions, and credit securities transactions					-	-
6	Total						1,031,915

(*) It is prepared taking into account the capital requirement calculated for KDA.

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X. Disclosures on consolidated risk management (Continued)

c) KKR2 – Capital requirement for KDA:

Current Period		a	b
		Risk amount (after using credit risk mitigation techniques)	Risk-weighted amounts
	Total amount of portfolios subject to KDA capital requirement according to the advanced method	-	-
1	(i) Value-at-risk component (including 3*multiplier)		-
2	(ii) Stress value-at-risk (including 3*multiplier)		-
3	Total amount of portfolios subject to KDA capital requirement according to the standard method	12,269	2,699
4	Total amount subject to KDA capital requirement	12,269	2,699

Prior Period		a	b
		Risk amount (after using credit risk mitigation techniques)	Risk-weighted amounts
	Total amount of portfolios subject to KDA capital requirement according to the advanced method	-	-
1	(i) Value-at-risk component (including 3*multiplier)		-
2	(ii) Stress value-at-risk (including 3*multiplier)		-
3	Total amount of portfolios subject to KDA capital requirement according to the standard method	73,434	39,641
4	Total amount subject to KDA capital requirement	73,434	39,641

d)KKR3 – Standard approach – KKR by risk classes and risk weights:

Current Period	a	b	c	d	e	f	g	h	i
Risk classes/Risk weight	%0	%10	%20	%50	%75	%100	%150	Other	Total Credit Risk (*)
Receivables from central governments or central banks	44,484	-	-	-	-	-	-	-	44,484
Receivables from regional or local governments	-	-	-	-	-	-	-	-	-
Receivables from administrative units and non-commercial enterprises	578	-	-	-	-	762	-	-	1,339
Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-	-	-	-
Receivables from banks and intermediary institutions	58,000	-	17,172	-	-	-	-	-	75,172
Corporate receivables	861,283	-	464,952	-	-	506,652	-	-	1,832,887
Retail receivables	-	-	-	-	-	-	-	-	-
Receivables secured by a residential real estate mortgage	-	-	-	-	-	-	-	-	-
Overdue receivables	-	-	-	-	-	-	-	-	-
Receivables with high risk determined by the Board	-	-	-	-	-	-	-	-	-
Mortgage-backed securities	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks and intermediary institutions and short-term corporate receivables	-	-	-	-	-	-	-	-	-
Investments as a collective investment institution	-	-	-	-	-	-	-	-	-
Stock investments	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-
Other assets(**)	-	-	-	-	-	-	-	-	-
Total	964,345	-	482,124	-	-	507,414	-	-	1,953,882

(*) Total credit risk: The amount related to the capital adequacy calculation after applying the counterparty credit risk measurement techniques.

(**) Other assets: Includes amounts not included in counterparty credit risk reported in template KKR8.

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X. Disclosures on consolidated risk management (Continued)

Prior Period	a	b	c	d	e	f	g	h	i
Risk classes/Risk weight	%0	%10	%20	%50	%75	%100	%150	Other	Total credit risk (*)
Receivables from central governments or central banks	-	-	-	-	-	-	-	-	-
Receivables from regional or local governments	-	-	-	-	-	-	-	-	-
Receivables from administrative units and non-commercial enterprises	-	-	-	-	-	-	-	-	-
Receivables from multilateral development banks	-	-	-	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-	-	-	-
Receivables from banks and intermediary institutions	-	-	-	-	-	182,091	-	-	182,094
Corporate receivables	-	-	-	-	-	825,060	-	-	825,060
Retail receivables	-	-	-	-	-	24,761	-	-	24,761
Receivables secured by a residential real estate mortgage	-	-	-	-	-	-	-	-	-
Overdue receivables	-	-	-	-	-	-	-	-	-
Receivables with high risk determined by the Board	-	-	-	-	-	-	-	-	-
Mortgage-backed securities	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Short-term receivables from banks and intermediary institutions and short-term corporate receivables	-	-	-	-	-	-	-	-	-
Investments as a collective investment institution	-	-	-	-	-	-	-	-	-
Stock investments	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-
Other assets(**)	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	1,031,915	-	-	1,031,915

(*) Total credit risk: The amount related to the capital adequacy calculation after applying the counterparty credit risk measurement techniques.

(**) Other assets: Includes amounts not included in counterparty credit risk reported in template KKR8.

e) KKR4 – Counterparty credit risk based on risk class and PD:

Since the standard method is used in the calculation of capital adequacy, the relevant table could not be given.

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X. Disclosures on consolidated risk management (Continued)

f) KKR5 – Guarantees used for KKR:

	a	b	c	d	e	f
	Derivative financial instrument guarantees				Other action guarantees	
	Received guarantees		Given guarantees		Received guarantees	Given guarantees
Current Period	Seperated	Unseperated	Seperated	Unseperated		
Cash – local currency	-	-	-	320,872	-	-
Cash – foreign currency	-	12,010,545	-	1,063,941	-	-
Government bonds/bills - domestic	-	-	-	-	-	19,454
Government debenture/bills - other	-	-	-	-	-	-
Public institution debenture /bonds	-	-	-	-	-	-
Corporate debenture/bonds	-	-	-	-	-	1,864,470
Stock	-	-	-	-	-	-
Other guarantee	-	-	-	-	-	-
Total	-	12,010,545	-	1,384,813	-	1,883,924

	a	b	c	d	e	f
	Derivative financial instrument guarantees				Other action guarantees	
	Received guarantees		Given guarantees		Received guarantees	Given guarantees
Prior Period	Seperated	Unseperated	Seperated	Unseperated		
Cash – local currency	-	-	-	-	68,742	-
Cash – foreign currency	-	1,442,329	-	-	-	-
Government bonds/bills - domestic	-	-	-	-	-	-
Government debenture/bills - other	-	-	-	-	-	-
Public institution debenture /bonds	-	-	-	-	-	-
Corporate debenture/bonds	-	-	-	-	-	-
Stock	-	-	-	-	-	-
Other guarantee	-	-	-	-	-	-
Total	-	1,442,329	-	-	68,742	-

g) KKR6 – Credit derivatives:

Since the Bank does not have risks arising from credit derivatives purchased or sold, the relevant table could not be given.

h) KKR7 – RAT changes regarding KKR within the scope of the internal model method

Since the standard method is used in the calculation of capital adequacy, the relevant table is not given.

i) KKR8 – Risks to the CCP ("CCP"):

Since the Bank has no risks to the central counterparty, the relevant table is not given.

E. Securitization Disclosures

The Bank has no securitization transactions.

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X. Disclosures on consolidated risk management (Continued)

F. Qualitative information to be disclosed to the public regarding market risk

1) PRA – Qualitative information to be disclosed to the public regarding market risk:

Banks explain their risk management targets and policies for market risk as follows:

a) Bank's processes and strategies: Includes explanations to the bank's strategic objectives for trading activities, including the processes applied for the identification, measurement, monitoring and control of market risks, as well as processes for hedging and strategies/processes for monitoring the continuity of hedging effectiveness.

The processes applied for the identification, measurement, monitoring and control of market risks at the Bank are included in the market risk policy and procedures.

It is essential not to carry out speculative transactions for foreign exchange trading and derivative transactions at the Bank. In addition to legal limits, internal limits have been established in order to limit the market risk. Once a year before budget planning period, under the coordination of the Risk Management Department, together with the Bank's Senior Management, the market risk development calculated with the standard method periodically by the Risk Management Department, the market risk limits reviewed by taking into account the result of stress tests and ISEDES report, were reviewed in detail with the Risk Appetite document. The operation of the process, control and early warning limits are determined with the approval of the Board of Directors and announced within the Bank. Approval, updating, monitoring, exceeding and warning procedures of these limits are implemented and changed with the approval of the Board of Directors.

Risk limits are reviewed regularly and adjusted according to market conditions and changes in the Bank's strategy. Limit usages are monitored and reported to the Senior Management, Audit Committee and the relevant unit. Limit excesses are immediately reported to the Audit Committee, Senior Management and the relevant unit in order to take the necessary measures. Limit violations detected by the Risk Management Department and any rule incompatibility are reported to the Audit Committee and the relevant Senior Management.

b) Organization and structure of the market risk management function: refers to the definition of the market risk management structure established for the implementation of the bank's strategy and processes (mentioned in line a), and the definition of the communication mechanism and relationship between the different parties involved in market risk management.

The limits determined by the Risk Management Department within the Bank with the Risk Appetite and Limit Policy, which includes the management structure of market risk, are shared with the relevant business lines.

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X. Disclosures on consolidated risk management (Continued)

c) Structure and scope of risk reporting and/or measurement systems

The Bank measures market risk using the standard method. VaR measurements calculated using the market risk internal method, exchange rate risk and general market risk calculated with the standard method are regularly reported to the Senior Management and Audit Committee by the Risk Management Department.

Risk limits are regularly reviewed and adapted to market conditions according to changes in the Bank's strategy. Limit usages are monitored and reported to the Senior Management, Audit Committee and the relevant unit. Limit excesses are immediately reported to the Audit Committee, Senior Management and the relevant unit in order to take the necessary measures. Limit violations detected by the Risk Management Department and any rule incompatibility are reported to the Audit Committee and the relevant Senior Management.

Stress tests and scenario analyzes for market risk are carried out by the Risk Management Department, and the results are reported to the Senior Management and Audit Committee.

2) PR1 – Standard approach:

		Current Period	Prior Period
Direct (cash) products		RAT (*)	RAT (*)
1	Interest rate risk (general and specific)	514,950	62,425
2	Stock risk (general and specific)	-	-
3	Currency risk	127,240	79,786
4	Emtia risk	-	-
Options			
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	-	-
8	Securitization	-	-
9	Total	642,190	142,211

(*) Market Risk is the Risk Weighted Amount multiplied by 12.5 times the capital requirement.

G. Explanations on operational risk:

The amount subject to operational risk is in accordance with the "Calculation of the Amount Subject to Operational Risk" is the Section 3 of "Regulation on the Measurement and Evaluation of Capital Adequacy of Bankaaaaaaas", published in the Official Gazette dated 28 June 2012 and numbered 28337; and is calculated by using the "Basic Indicator Method" using the last 3 years of Bank, 2021, 2020 and 2019 year-end gross revenues.

Current Period	31.12.2020	31.12.2021	31.12.2022	Number of Total/Positive ROI years	Rate (%)	Total
Gross Income	246,536	439,38	1,293,774	659,893	15	98,984
Amount Subject to Operational Risk (Total*12.5)						1,237,299

Prior Period	31.12.2019	31.12.2020	31.12.2021	Number of Total/Positive ROI years	Rate (%)	Total
Gross Income	104,724	246,536	439,368	263,513	15	39,527
Amount Subject to Operational Risk (Total*12.5)						494,186

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XI. Disclosures on consolidated hedging transactions

The Bank's hedging instrument accounting is not performed.

XII. Explanations on consolidated operating segments

The Bank operates in the capital markets, invests with the resources provided by using capital market instruments, provides consultancy services including transfer and merger issues in order to ensure that businesses have an effective management and healthy financial structure, and operates in all fields related to investment banking.

The Bank offers its corporate, commercial and individual customers service packages consisting of investment and business loans, foreign trade transactions, investment products, cash management, leasing, factoring, insurance and other banking products.

Representation of certain financial statement items by operating segment:

Current Period (1 January-31 December 2023)	Personal Banking	Corporate Banking	Investment Banking	Other	Bank's Total Activity
Operating Gross Profit	712	4,536,007	294,716	637,140	5,468,575
Operating Income	712	4,536,007	294,716	637,140	5,468,575
Operating Profit/loss	712	2,943,139	294,716	637,140	3,875,707
Profit/loss before Tax	712	2,943,139	294,716	637,140	3,875,707
Corporation Tax	-	(1,040,938)	-	-	(1,040,938)
Deferred Tax expense effect	-	141,093	-	-	141,093
Period net Profit/Loss	712	2,043,294	294,716	637,140	2,975,862
Current Period (31 December 2023)	Personal Banking	Corporate Banking	Investment Banking	Other	Bank's Total Activity
Partition Assets	513	30,937,819	-	-	30,938,332
Affiliate and subsidiaries	-	-	-	-	-
Total Assests	513	30,937,819	-	-	30,938,332
Departmental Obligations	87,461	25,790,539	-	-	25,878,000
Undistributed liabilities	-	-	-	5,060,332	5,060,332
Total Liabilities	87,461	25,790,539	-	5,060,332	30,938,332
Other Section Items					
Capital Investment	-	9,174	-	-	9,174
Depreciation Expense	-	-	-	(43,880)	(43,880)

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XII. Explanations on consolidated operating segments (Continued)

Prior Period (1 January-31 December 2022)	Personal Banking	Corporate Banking	Investment Banking	Other	Bank's Total Activity
Operating Income	2,691	2,092,941	7,924	124,975	2,228,531
Operating Income	2,691	2,092,941	7,924	124,975	2,228,531
Operating Profit/loss	2,691	1,708,414	7,924	124,975	1,844,004
Profit/loss before Tax	2,691	1,708,414	7,924	124,975	1,844,004
Corporation Tax	-	(381,635)	-	-	(381,635)
Deferred Tax expense effect	-	(4,037)	-	-	(4,037)
Period net Profit/Loss	2,691	1,322,742	7,924	124,975	1,458,332
Prior Period (31 December 2022)	Personal Banking	Corporate Banking	Investment Banking	Other	Bank's Total Activity
Partition Assets	549	17,453,792	-	-	17,454,341
Affiliate and subsidiaries	-	-	-	-	-
Total Asstest	549	17,453,792	-	-	17,454,341
Departmental Obligations	1,951,316	13,172,340	-	-	15,123,656
Undistributed liabilities	-	-	-	2,330,685	2,330,685
Total Liabilities	1,951,316	13,172,340	-	2,330,685	17,454,341
Other Section Items					
Capital Investment	-	17,914	-	-	17,914
Depreciation Expense	-	-	-	(18,693)	(18,693)

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SECTION FIVE

**EXPLANATIONS AND NOTES RELATED TO
CONSOLIDATED FINANCIAL STATEMENTS**

I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS

1.a) Information on cash and the account of the CBRT

	Current Period		Prior Period	
	LC	FC	LC	FC
Cash/Foreign currency	4,718	480,090	218	2,552
CBRT	124,387	1,484,574	563,815	1,871,694
Other	-	-	-	-
Total	129,105	1,964,664	564,033	1,874,246

1.b) Information on the account of the CBRT

	Current Period		Prior Period	
	LC	FC	LC	FC
Demand Unrestricted Amount ⁽¹⁾	9	-	4	-
Time Unrestricted Amount	-	-	-	-
Time Restricted Amount ⁽²⁾	-	-	-	-
Reserve requirement	124,378	1,484,574	563,811	1,871,694
Total	124,387	1,484,574	563,815	1,871,694

As of 31 December 2023, a provision of 530 TL has been reserved to the CBRT account (31 December 2022: 945 TL available).

2. Information on financial assets at fair value through profit or loss

a) Information on financial assets given as collateral/blocked at fair value through profit or loss

As of the balance sheet date, the Bank does not have any financial assets given as collateral/blocked at fair value through profit or loss (31 December 2022: None).

b) Financial assets at fair value through profit or loss subject to repurchase agreements

As of the balance sheet date, the Bank has no financial assets subject to repurchase agreements classified as at fair value through profit or loss (31 December 2022: None).

c) Positive differences related to derivative financial assets

	Current Period		Prior Period	
	LC	FC	LC	FC
Forward transactions	-	-	-	-
Swap transactions	-	62,055	-	60,470
Futures transactions	-	-	-	-
Options	-	-	61	608
Other	-	-	-	-
Total	-	62,055	61	61,078

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I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)

d) Securities at fair value through profit or loss

	Current Period		Prior Period	
	LC	FC	LC	FC
Nurol Portföy Para Piyasası Fonu (PPN)	97,469	-	1,600	-
Nurol Portföy Birinci Serbest Fonu (NJG)	55,446	-	33,048	-
Nurol Portföy Altın Fonu (NJF)	13,103	-	2,764	-
Nurol Portföy 1. Borçlanma Araçları Fonu (NJR)	65,050	-	40,211	-
Nurol Portföy Birinci Katılım Fonu (NJY)	4,170	-	3,469	-
Nurol Portföy Dördüncü Serbest (Döviz) Fon (NSD)	-	80,891	-	-
Ziraat Portföy Yönetimi A.Ş. Para Piyasası Şemsiye Fonu (VK6)	373	-	-	-
Sermayede Payı Temsil Eden Menkul Değerler (*)	1,240,625	-	827,976	-
Toplam	1,476,236	80,891	909,068	-

(*) Nurol Portföy Management includes financial assets included in the Fourth Nurol Venture Capital Investment Fund.

3. Information on banks

a) Information on banks

	Current Period		Prior Period	
	LC	FC	LC	FC
Banks				
Domestic	1,662,462	43,749	206,145	2,756
Foreign	-	510,988	-	2,493,762
Branches and offices abroad	-	-	-	-
Total	1,662,462	554,737	206,145	2,496,518

As of 31 December 2023, a provision of TL 1,974 has been made to the Banks account (December 31, 2022: TL 1,017).

b) Information on foreign banks accounts

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
European Union Countries	109,689	673,671	-	-
USA, Canada	186,888	1,012,581	-	-
OECD Countries (*)	-	619	-	-
Off-shore Banking Regions	207,670	794,586	-	-
Other	6,741	12,305	-	-
Total	510,988	2,493,762	-	-

(*) OECD Countries other than EU countries, USA and Canada

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I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)

4. Receivables from Reverse Repo Transactions

As of the balance sheet date, the Bank has no receivables from reverse repurchase transactions (as of December 31, 2022, receivables from reverse repurchase transactions amounted to 300,161 TL with an allocated provision of 113 TL).

5. Information on financial assets at fair value through other comprehensive income

a.1) Information financial assets subject to repurchase agreements and given as collateral/blocked

	Current Period		Prior Period	
	LC	FC	LC	FC
Collateral / Blocked	193,135	-	900,405	-
Repurchase transaction	2,350,880	1,239,103	2,271,103	790,506
Total	2,544,015	1,239,103	3,171,508	790,506

b.1) Information on financial assets at fair value through other comprehensive income

	Current Period	Prior Period
Debt Securities	6,084,664	6,495,855
Quoted on Stock Exchange (*)	6,084,664	6,495,855
Not Quoted	-	-
Share Certificates	55,873	17,914
Quoted on Stock Exchange	-	-
Not Quoted	55,873	17,914
Impairment Provision	(110,662)	(42,948)
Total	6,029,875	6,470,821

(*) The fair value difference of financial assets reflected in other comprehensive income traded on the stock exchange consists of 358,653 TL (31 December 2022: 901,207 TL) from government bonds, 9,153 TL (31 December 2022: 5,785 TL) from bank bonds, and 2,762,914 TL (31 December 2022: 1,569,534 TL) from securities issued by the private sector. Of this amount, 662,871 TL (31 December 2022: 487,041 TL) is from domestic bank bonds, 945,220 TL (31 December 2022: 284,363 TL) is from TR treasury bonds, and 1,235,190 TL (31 December 2022: 1,125,024 TL) is from securities issued by the private sector and foreign banks (31 December 2022: 2,079,953 TL). The fair value difference for other comprehensive income reflected financial assets has been allocated 7,900 TL (31 December 2022: 7,681 TL).

6. Information on Loans

a) Information on all types of loans and advances given to shareholders and employees of the Parent Bank

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	716,626	513	-	21,548
Loans Granted to Legal Entities	716,626	513	-	21,548
Loans Granted to Individuals	-	-	-	-
Indirect Loans Granted to Shareholders	1,500,517	48,442	-	12,503
Loans Granted to Employees(*)	-	-	59	-
Total	2,217,143	48,955	59	34,051

(*) Includes advances given to bank personnel.

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I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)

6. Information on Loans (Continued)

b) Information on the first and second group loans and other receivables including loans that have been restructured or rescheduled

Current Period	Standard Loans	Loans Under Close Monitoring		
		Not under the scope of restructuring	Restructured Loans	
			Modifications on agreement conditions	Refinancing
Cash Loans				
Non-specialized Loans	12,044,079	-	74,058	-
Loans given to enterprises	4,925,137	-	74,058	-
Export Loans	-	-	-	-
Import Loans	-	-	-	-
Financial Sector Loans	3,544,896	-	-	-
Consumer Loans	513	-	-	-
Credit Cards	-	-	-	-
Other	3,573,533	-	-	-
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	12,044,079	-	74,058	-

Prior Period	Standard Loans	Loans Under Close Monitoring		
		Not under the scope of restructuring	Restructured Loans	
			Modifications on agreement conditions	Refinancing
Cash Loans				
Non-specialized Loans	2,936,941	-	42,171	-
Loans given to enterprises	1,697,047	-	42,171	-
Export Loans	-	-	-	-
Import Loans	-	-	-	-
Financial Sector Loans	688,093	-	-	-
Consumer Loans	552	-	-	-
Credit Cards	-	-	-	-
Other	551,249	-	-	-
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	2,936,941	-	42,171	-

b) Information on the first and second group loans and other receivables including loans that have been restructured or rescheduled (Continued)

	Standard Loans	Loans Under Close Monitoring
Current Period		
12 Months Expected Credit Loss	6,440	-
Significant Increase in Credit Risk	-	13,388
Prior Period		
12 Months Expected Credit Loss	4,309	-
Significant Increase in Credit Risk	-	13,984

c) Breakdown of loans according to their maturities

Current Period	Standard Loans	Loans Under Close Monitoring	
		Not under the scope of restructuring	Restructured Loans
Short-Term Loans	6,240,229	-	-
Medium and Long-Term Loans	5,803,850	-	74,058
Total	12,044,079	-	74,058

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I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)

c) Breakdown of loans according to their maturities (Continued)

Prior Period	Standards Loans	Loans Under Close Monitoring	
		Not under the scope of restructuring	Restructured Loans
Short-Term Loans	2,557,888	-	-
Medium and Long-Term Loans	379,053	-	42,171
Total	2,936,941	-	42,171

d) Information on consumer loans, individual credit cards, personnel loans and personnel credit cards

	Short terms	Medium and Long-Term	Total
Consumer Loans-LC	-	513	513
Housing Loans	-	-	-
Automobile Loans	-	513	513
Personal finance credit	-	-	-
Other	-	-	-
Consumer Loans - foreign currency indexed	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
Personal finance credit	-	-	-
Other	-	-	-
Consumer Loans -FC	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
Personal finance credit	-	-	-
Other	-	-	-
Personal credit cards-LC	-	-	-
Installments	-	-	-
Without installments	-	-	-
Personal credit cards -FC	-	-	-
Installments	-	-	-
Without installments	-	-	-
Personal credit cards -LC	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
Personal finance credit	-	-	-
Other	-	-	-
Personnel Loans- foreign currency indexed	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
Personal finance credit	-	-	-
Other	-	-	-
Personnel Loans -FC	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
Personal finance credit	-	-	-
Other	-	-	-
Personal credit cards -LC	-	-	-
Installments	-	-	-
Without installments	-	-	-
Personal credit cards -FC	-	-	-
Installments	-	-	-
Without installments	-	-	-
Overdraft Account-LC (Real Person)	-	-	-
Overdraft Account -FC (Real Person)	-	-	-
Total	-	513	513

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I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)

6. Information on Loans (Continued)

e) Information on commercial instalment loans and corporate credit cards

	Short Term	Medium-Long Term	Total
Commercial installment loans-LC	-	284,506	284,506
Business residential loans	-	-	-
Automobile loans	-	-	-
Consumer loans	-	284,506	284,506
Other	-	-	-
Commercial installment loans- Indexed to FC	-	-	-
Business residential loans	-	-	-
Automobile loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Commercial installment loans - FC	-	183,123	183,123
Business residential loans	-	-	-
Automobile loans	-	-	-
Consumer loans	-	183,123	183,123
Other	-	-	-
Corporate credit cards-LC	-	-	-
Installment	-	-	-
Non-Installment	-	-	-
Corporate credit cards-FC	-	-	-
Installment	-	-	-
Non-Installment	-	-	-
Overdraft accounts-LC (Commercial customer)	-	-	-
Overdraft accounts-FC (Commercial customer)	-	-	-
Total	-	467,629	467,629

f) Loans according to types of borrowers

	Current Period	Prior Period
Public	409,587	-
Private	11,708,550	2,979,112
Total	12,118,137	2,979,112

g) Distribution of domestic and foreign loans

	Current Period	Prior Period
Domestic Loans	11,918,157	2,964,751
Foreign Loans	199,980	14,361
Total	12,118,137	2,979,112

h) Loans granted to investments in associates and subsidiaries

Loans given to subsidiaries and associates are eliminated in the consolidated financial statements.

	Current Period	Prior Period
Direct Loans To Subsidiaries and Affiliates	886,788	-
Indirect Loans To Subsidiaries and Affiliates	-	-
Total	886,788	-

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I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)

6. Information on Loans (Continued)

i) Specific provisions accounted for loans

	Current Period	Prior Period
Provisions		
Loans with limited collectability	81,969	2,769
Loans with doubtful collectability	-	-
Uncollectible loans	232	-
Total	82,201	2,769

j) Information on non-performing loans (Net)

j.1) Information on non-performing loans restructured or rescheduled and other receivables

As of the balance sheet date, the Bank has no non-performing loans and other receivables restructured or rescheduled (December 31, 2022: TL 87,424).

j.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 end balance	291,263	-	-
Additions (*)	778,587	-	-
Transfers from other categories of loans under follow-up	-	232	232
Transfers to other categories of loans under follow-up	(232)	(232)	-
Collections	-	-	-
Write down / Write-offs (**)(***)	-	-	-
Sold	-	-	-
Commercial and corporate loans	-	-	-
Individual loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Current period end balance	1,069,618	-	232
Provision	(81,969)	-	(232)
Net Balance on balance sheet	987,649	-	-

(*) As of the balance sheet date, the bank's non-performing loan ratio is measured at 0.00% (31 December 2022: Non-performing loans were 0.89% before being written off and 0.01% after being written off).

j.3) Information on non-performing loans granted as foreign currency loans

As of December 31, 2023, there are no impaired receivable balances arising from loans denominated in foreign currency (December 31, 2022: None).

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I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)

6. Information on Loans (Continued)

j) Information on non-performing loans (Continued)

j.4) Information on non-performing loans based on types of borrowers

	III. Group Loans with limited collectability	IV. Group Loans with doubtful collectability	V. Group Uncollectible loans
Current period (Net)	987,649	-	-
Loans granted to real persons and legal entities (Gross)(*)	1,069,618	-	232
Provision (-)	(81,969)	-	(232)
Loans granted to real persons and legal entities (Net)	987,649	-	-
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other loans (Gross)	-	-	-
Provision (-)	-	-	-
Other loans (Net)	-	-	-
Prior Period (Net)	288,494	-	-
Loans granted to real persons and legal entities (Gross)	291,263	-	-
Provision (-)	(2,769)	-	-
Loans granted to real persons and legal entities (Net)	288,494	-	-
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other loans (Gross)	-	-	-
Provision (-)	-	-	-
Other loans (Net)	-	-	-

j.5) Liquidation policy for loss loans and other receivables

Loans and other receivables in the nature of loss are collected through legal proceedings and conversion of guarantees into cash.

j.6) Information on the collection policy of non-performing loans and other receivables and information on the write-off policy of the Bank

Loans and other receivables in the nature of loss are collected through legal proceedings and the conversion of guarantees into cash through the court or the collections received based on the payment protocol made with the debtors. If there is still a remaining balance after the collection made through legal proceedings for the loans that have turned into losses, there is a policy of write-off from the Bank's assets after the approval of the Bank's Board of Directors on a transaction basis, by attaching it to a certificate of insolvency or a lack of pledge document.

As of December 31, 2023, we do not have any loans written off (December 31, 2022: We had written off Third Group - Loans with Recovery Potential totaling 51,376 TL and Fifth Group - Loss Loans totaling 154,537 TL). As of December 31, 2023, considering the loans written off, the bank's non-performing loan ratio is measured at 0.00% instead of 0.89% (December 31, 2022: 0.01%).

7. Information on financial assets measured at amortized cost

a.1 Information financial assets subject to repurchase agreements and given as collateral/blocked

None (31 December 2023: None).

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I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)

7. Information on financial assets measured at amortized cost

a.1 Information financial assets subject to repurchase agreements and given as collateral/blocked (Continued)

a.2. Information financial assets subject to repurchase agreements and given as collateral/blocked

None (31 December 2023: None).

b.1. Information on government debt securities measured at amortized cost

None (31 December 2023: None).

b.2. Information on government debt securities held-to-maturity

None (31 December 2023: None).

c.1. Information on investments measured at amortized cost

None (31 December 2023: None).

c.2. Information on held-to-maturity investments

None (31 December 2023: None).

d.1. Movements of investments measured at amortized cost during the year

None (31 December 2023: None).

d.2. Movements of held-to-maturity investments during the year

None (31 December 2023: None).

8. Information on investments in associates (Net)

None (31 December 2023: None).

9. Information on subsidiaries (Net)

a) Information on consolidated subsidiaries in associates

None (31 December 2023: None).

b) Information on consolidated subsidiaries in associates

Title	Address (City/Country)	Bank's Share Ratio-If Different Vote Ratio (%)	Bank Risk Group Share Ratio (%)
1 NUROL VARLIK KİRALAMA ŞİRKETİ A.Ş.	Istanbul/TURKEY	100.00	100.00
2 NUROL PORTFÖY YÖNETİM ŞİRKETİ A.Ş.(*).	Istanbul/TURKEY	100.00	100.00
3 ORTAK VARLIK YÖNETİM A.Ş.	Istanbul/TURKEY	100.00	100.00

	Asset Total	Equity	Fixed Assets Total	Interest Income	Securities Income	Current Period profit/loss	Prior Period profit/loss	Fair Value
1	1,507,271	107	-	51,929	-	-	56	-
2	84,454	50,039	1,009	65,195	12,415	29,538	(272)	-
3	1,455,087	164,514	5,590	771,936	-	94,540	19,974	-

(*) As of December 31, 2022, the bank controls, in accordance with the method, principles, and rules specified in the "Turkish Financial Reporting Standard for Consolidated Financial Statements" ("TFRS 10"), Nurol Portföy Yönetimi A.Ş.'s Fourth Nurol Venture Capital Fund amounting to 1,217,308 TL, of which Nurol Portföy Yönetimi A.Ş. is the fund founder. As of December 12, 2023, the bank controls, in accordance with the method, principles, and rules specified in the "Turkish Financial Reporting Standard for Consolidated Financial Statements" ("TFRS 10"), Nurol Portföy Yönetimi A.Ş.'s Growing Enterprises Venture Capital Investment Fund amounting to 150,000 TL, of which Nurol Portföy Yönetimi A.Ş. is the fund founder (December 31, 2022: Nurol Portföy Yönetimi A.Ş.'s Fourth Nurol Venture Capital Fund amounting to 833,037 TL, of which Nurol Portföy Yönetimi A.Ş. is the fund founder, is controlled by the bank in accordance with the method, principles, and rules specified in the "Turkish Financial Reporting Standard for Consolidated Financial Statements" ("TFRS 10").

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I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)

b) Information on consolidated subsidiaries in associates(Continued)

		Current Period
Period beginning balance	65,050	36,050
Intra-period movements	34,946	29,000
Acquisitions(*)	34,946	29,000
Bonus Shares	-	-
Profit from current year share	-	-
Sales	-	-
Change Due to Reclassification	-	-
Revaluation difference	-	-
Value decrease provisions	-	-
Period ending balance	99,996	65,050
Capital commitments	-	-
Period-end capital contribution (%100)	100	100

(*) Nurol Portföy Yönetim A.Ş. has increased its capital by 34,946 TL through payment by Nurol Yatırım Bankası A.Ş. It was registered in the trade registry on April 24, 2023, and published in the Turkish Trade Registry Gazette with issue number 10817 dated April 24, 2023 (December 31, 2022: Nurol Portföy Yönetim A.Ş. increased its capital by 9,000 TL through payment by Nurol Investment Bank A.Ş. It was registered in the trade registry on March 29, 2022, and published in the Turkish Trade Registry Gazette with issue number 10547 dated March 29, 2022. Ortak Varlık Yönetim A.Ş. increased its capital by 20,000 TL through payment by Nurol Investment Bank A.Ş. It was registered in the trade registry on April 19, 2022, and published in the Turkish Trade Registry Gazette with issue number 10562 dated April 19, 2022).

10. Information on joint ventures

None (31 December 2022 – None).

11. Information on lease receivables (Net)

a) Representation of investments made with financial leasing according to their remaining maturities

The bank has net investments of 81,150 TL for leases of less than 1 year and 79,376 TL for leases between 1-4 years, with a provision of 76 TL (December 31, 2022: The bank had net investments of 356,129 TL for leases of less than 1 year and 124,340 TL for leases between 1-4 years, with a provision of 532 TL).TL).

b) Information on net investments made under finance leases

The Bank's net investments made by financial leasing amount to TL 160,526 and a provision of TL 76 has been made (31 December 2022: net investments made with financial leasing are TL 480,469 and a provision has been made for TL 532).

12. Explanations on Factoring Receivables

None (31 December 2022 – None).

13. Information on hedging derivative financial assets

None (31 December 2022 – None).

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I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)

14. Information related to tangible assets

	Machinery and devices	Fixtures	Vehicles	Other tangible assets	Total
Cost					
As of January 1, 2022	9,901	1,252	-	22,886	34,039
Acquired	5,858	196	-	3,741	9,795
Disposed off	-	-	-	-	-
As of 31 December 2022	15,759	1,448	-	26,627	43,834
Accumulated depreciation					
As of January 1, 2022	5,419	738	-	8,295	14,452
Acquired	2,078	225	-	6,975	9,278
Disposed off	-	-	-	-	-
As of 31 December 2022	7,497	963	-	15,270	23,730
As of 31 December 2022, net	8,262	485	-	11,357	20,104
Cost					
As of January 1, 2023	15,759	1,448	-	26,627	43,834
Acquired	40,483	2,656	-	82,803	125,942
Disposed off	-	-	-	-	-
As of 31 December 2023	56,242	4,104	-	109,430	169,776
Accumulated depreciation					
As of January 1, 2023	7,497	963	-	15,270	23,730
Acquired	5,533	356	-	14,387	20,276
Disposed off	-	-	-	-	-
As of 31 December 2023	13,030	1,319	-	29,657	44,006
As of 31 December 2023, net	43,212	2,785	-	79,773	125,770

a) If the amount of impairment recorded or reversed for an individual asset in the current period is significant for the entire financial statements:

Events and circumstances that led to the recording or reversing of the impairment and the amount of the impairment:

None (31 December 2022- None).

b) For impairments recorded or canceled in the current period, each or some of which are not significant for the whole financial statements, but the sum of which is significant for the whole financial statements, the amount of impairment recorded or canceled by related asset groups, and the events and conditions that cause them:

None (31 December 2022- None).

c) Pledges, mortgages and other restrictions, if any, on tangible fixed assets, the amount of expenses made for tangible fixed assets during construction, commitments made for the purchase of tangible fixed assets:

None (31 December 2022- None).

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I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)

15. Information on intangible assets

	Software programs and intangibles rights
Cost	
As of January 1, 2022	28,865
Acquired	24,897
Disposed off	53,762
Accumulated amortization	
As of January 1, 2022	14,330
Current year amortization	9,627
As of December 31, 2022	23,957
As of December 31, 2022 (net)	29,805
Cost	
As of January 1, 2023	53,762
Acquired	63,461
Disposed off	117,223
Accumulated amortization	
As of January 1, 2023	23,957
Current year amortization	21,061
As of December 31, 2023	45,018
As of December 31, 2023 (net)	72,205

a) If there is an intangible asset that is material to the overall financial statements, its carrying amount, description and remaining amortization period:

Not available (December 31, 2022- None).

b) Information on intangible assets, if any, acquired within the scope of government incentives and recorded at their fair value in the initial recognition:

Not available (December 31, 2022- None).

c) According to the method by which the valuation of intangible assets acquired under government incentives and recorded with their fair value in the first recognition is made after the first recording date:

Not available (December 31, 2022- None).

d) Book value of intangible assets that are pledged or restricted in their use:

Not available (December 31, 2022- None).

e) Amount of commitments made for the acquisition of intangible fixed assets:

Not available (December 31, 2022- None).

f) Explanations on the basis of asset type for revalued intangible assets:

Not available (December 31, 2022- None).

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I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS (Continued)

15. Information on intangible assets (Continued)

g) Total amount of research and development expenses recorded as expense during the period, if any:
Not available (December 31, 2022- None).

h) Information on goodwill:

Not available (December 31, 2022- None).

16. Explanations on investment properties

The Bank classifies the lands and real estates that it holds to earn rental income or value increase or both as investment property in accordance with TAS 40 and evaluates them using the fair value method. Under this account, the independent valuation report of lands and real estates was made in 2022 and the details of investment properties are as follows:

	Current Period	Prior Period
Opening	47,470	226,930
Additions	-	-
Sales (-)	-	(33,175)
Transfers (*)	-	(271,260)
Revaluation amount	42,855	124,975
Total	90,325	47,470

(*) As of December 31, 2023, there are no such assets (December 31, 2022: The investment property acquired in Antalya on March 10, 2016, which was held for sale as of December 31, 2022, has been classified as non-current assets held for sale).

17. Explanations on deferred tax asset

As of the balance sheet date, the bank has a deferred tax asset of 141,390 TL and no deferred tax liability (December 31, 2022: There was no deferred tax asset, and the deferred tax liability was 33,384 TL).

The amount of deferred tax assets recognized in the balance sheet for deductible temporary differences, tax losses, and tax credits and exemptions:

The bank has calculated deferred tax assets based on differences arising from "timing differences" between accounting policies and valuation principles applied in the financial statements and tax legislation and reflected them in its attached financial statements.

Deferred Tax Assets / (Liabilities)	Current Period	Previous Period
Differences in the economic life of fixed assets	(3,372)	(1,276)
Employee benefits provision	2,236	3,446
Revaluation differences of financial assets reflected in other comprehensive income	15,666	(18,937)
Derivative revaluations	42,034	(8,341)
Provisions for expected losses	11,137	8,136
Provisions for consultancy/legal services	163,464	18,244
Revaluation differences of properties	(102,697)	(28,388)
Other	12,922	(6,268)
Total	141,390	(33,384)

18. Explanation on assets held for sale and discontinued operations for sales purposes

As of the balance sheet date, the Bank does not have any assets held for sale (December 31, 2022: 271,260 TL Exist)

19. Explanation on other assets

If the other assets item on the balance sheet exceeds 10% of the balance sheet total, excluding commitments in contingent accounts, the names and amounts of sub-accounts representing at least 20% of them are not available (December 31, 2022: Not available)

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II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES

1. Information on deposits

The Bank has no deposits due to its nature as an investment bank.

2. Fair Value Difference at Profit/Loss

a) Fair Value Difference at Profit/Loss

	Current Period		Prior Period	
	LC	FC	LC	FC
Forward transactions	-	2,310	-	41
Swap transactions	-	199,860	-	27,732
Futures transactions	-	-	-	-
Options transactions	-	-	-	-
Other	-	-	-	-
Total	-	202,170	-	27,773

3. Information on banks and other financial institutions

a) Information on borrowings

	Current Period		Prior Period	
	LC	FC	LC	FC
Borrowings from the CBRT	-	-	720,358	-
From domestic banks and institutions	-	-	-	-
From foreign banks, institutions and funds	172,931	1,706,099	181,841	565,011
Total	172,931	1,706,099	902,199	565,011

b) Information on maturity structure of borrowings

	Current Period		Prior Period	
	LC	FC	LC	FC
Short-term	172,931	-	902,199	-
Medium and long-term	-	1,706,099	-	565,011
Total	172,931	1,706,099	902,199	565,011

c) Additional explanation related to the concentrations of the Bank's major liabilities on the basis of concentrations, fund providing customers, sector groups and other criteria where risk concentration is observed

The loans obtained constitute 6% of the total liabilities (31 December 2022: 8%).

4. Information on borrowed funds

	Current Period		Prior Period	
	LC	FC	LC	FC
From domestic organization	832,697	77,731	393,418	1,273,415
From foreign institutions and funds	230,378	1,535,990	831,514	2,828,772
Total	1,063,075	1,613,721	1,224,932	4,102,187

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II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES

Borrowed funds by maturity

	Current Period		Prior Period	
	LC	FC	LC	FC
Short-term	1,063,075	1,613,721	1,224,932	4,102,187
Medium and long-term	-	-	-	-
Total	1,063,075	1,613,721	1,224,932	4,102,187

Owned funds account for 13% of total liabilities (31 December 2022: 37%).

5. Money Market Funds

	Current Period		Prior Period	
	LC	FC	LC	FC
From domestic transactions	2,715,259	804,186	572,050	1,701,825
Financial institutions and organizations	2,549,642	-	452,591	319,118
Other institutions and organizations	165,090	314,022	107,236	973,007
Real People	527	490,164	12,223	409,700
From foreign transactions	96,128	818,978	408	94,651
Financial institutions and organizations	-	-	-	-
Other institutions and organizations	95,750	775,911	403	83,753
Real People	378	43,067	5	10,898
Total	2,811,387	1,623,164	572,458	1,796,476

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II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES

6. Securities Issued

	Current Period		Prior Period	
	LC	FC	LC	FC
Bank Bills	2,012,466	-	2,353,372	-
Bonds	778,532	-	489,928	-
Total	2,790,998	-	2,843,300	-

The issuances made by the Bank as of 30 December 2022, which are not redeemed, are listed below:

Export Type	Export Date	Expiry Date	Day	NOMINAL (*)	INTEREST RATE
BOND	12.09.2023	10.01.2024	120	150,000,000	36.50%
BOND	13.10.2023	18.01.2024	97	200,000,000	40.00%
BOND	18.10.2023	31.01.2024	105	120,000,000	40.00%
BOND	31.10.2023	6.02.2024	98	200,000,000	42.00%
BOND	3.11.2023	13.02.2024	102	150,000,000	42.00%
BOND	21.11.2023	27.02.2024	98	200,000,000	42.00%
BOND	30.11.2023	1.03.2024	92	200,000,000	45.00%
BOND	7.12.2023	26.03.2024	110	200,000,000	46.00%
BOND	13.12.2023	13.03.2024	91	300,000,000	46.00%
BOND	06.09.2023	04.01.2024	120	150,000,000	35.00%
BOND	13.09.2023	10.01.2024	119	215,000,000	36.00%
BOND	12.10.2023	16.01.2024	96	200,000,000	40.00%
BOND	05.10.2023	08.02.2024	126	35,000,000	40.00%
BOND	24.10.2023	16.02.2024	115	200,000,000	40.00%
BOND	29.08.2023	21.02.2024	176	150,000,000	31.00%
BOND	19.12.2023	19.03.2024	91	250,000,000	46.00%
BOND	27.12.2023	29.03.2024	93	50,000,000	46.00%
BOND	10.11.2023	08.05.2024	180	150,000,000	40.00%
BILL	18.01.2023	21.01.2025	387	200,000,000	14.00%
BILL	27.06.2022	28.06.2024	180	50,000,000	14.25%
BILL	5.07.2022	8.07.2024	190	50,000,000	15.75%
BILL	26.07.2022	29.07.2024	211	300,000,000	16.50%
BILL	20.01.2023	22.08.2024	235	40,000,000	17.00%
BILL	13.09.2022	18.09.2024	262	50,000,000	17.50%
BILL	20.01.2023	31.10.2024	305	120,000,000	18.00%

(*) The nominal amounts stated in the table are the full TL amount.

Additionally, in 2023, the Group conducted a Sukuk issuance worth 1,400,000,000 TL through Nurok Varlık Kiralama A.Ş.

7. If the other liabilities item of the balance sheet exceeds 10% of the balance sheet total excluding off-balance sheet commitments, the names and amounts of the sub-accounts constituting at least 20% of them

The remaining 65,931 TL of the bank's other foreign liabilities consists of upfront collected commissions, while the remaining 12,010,545 TL is derived from collateral balances obtained from derivative financial instruments (December 31, 2022: 7,877 TL from upfront collected commissions, 1,463,029 TL from collateral obtained from derivative financial instruments).

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II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (Continued)

8. General explanations regarding the criteria used in the determination of lease installments in financial leasing contracts, renewal and purchase options, and provisions that impose significant obligations on the bank in terms of restrictions in the contract

8.1 Explanations on liabilities arising from financial leasing transactions

None (31 December 2022: None).

8.2 Explanations on operating leases

The bank makes operating lease agreements when needed. The Bank's liability arising from operating lease agreements is TL 64,775 (31 December 2022: TL 11,109 operating lease).

9. Information on hedging derivative financial liabilities

None (31 December 2022 - None).

10. Information on provisions

10.1 Information on provisions related with foreign currency difference of foreign indexed loans

None (31 December 2022 - None).

10.2 Information on specific provisions for non-cash loans that are non-funded and non-transformed into cash

	Current Period	Prior Period
First Stage	3,046	2,703
Second Stage	-	984
Third Stage	35,703	3,330
Total	38,749	7,017

10.3 Obligations related to employee rights

According to the Turkish Labor Law, the Bank is obliged to pay severance pay to its personnel who has completed one year of employment and has been terminated or retired due to compulsory reasons, has completed 25 years of service (20 for women) and is entitled to retirement (58 years old for women, 60 years old for men), is called up for military service or has passed away. . After the legislative change on May 23, 2002, some transitional clauses regarding the length of service before retirement were issued.

The compensation to be paid is equal to one month's salary for each year of service and this amount is limited with TL 35,058.58 (31 December 2022: TL 15,371.40). Severance pay liability is not legally subject to any funding and there is no funding requirement.

The provision for severance pay is calculated by calculating the present value of the probable obligation that the Bank will have to pay in case of retirement of the employees. TAS 19 requires the use of actuarial valuation methods in order to calculate the liabilities of the enterprise. In determining the liability, the Bank has benefited from independent actuaries, and assumptions are made on issues such as discount rate, employee turnover and future salary increases. These assumptions are reviewed annually. In this context, the following actuarial assumptions were used in the calculation of total liabilities.

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II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (Continued)

10.3 Obligations related to employee rights (Continued)

As of 31 December 2023 and 31 December 2022, the details of provisions for employee benefits are as follows:

	Current Period	Prior Period
Provision for severance pay	2,246	4,570
Permission provision	6,256	9,639
Premium provision	52,605	16,093
Total	61,107	30,302

10.4 Information on other provisions

10.4.1 Information on free provisions for potential risks

The amount of provision that the Bank has set aside according to the possible results of various lawsuits to which it is a party is TL 563,186 (31 December 2022: TL 72,976 provision for lawsuits).

11. Information on taxes payable

11.1 Information on current year tax liability

11.1.1 Information on tax provision

As of 31 December 2023, the Bank's corporate tax payable is TL 138,962 after the net period tax provision and prepaid tax amount (31 December 2022: TL 130,089).

11.1.2 Information on taxes payable

	Current Period	Prior Period
Corporate Tax Payable (*)	138,962	130,089
Taxation on Marketable Securities	7,777	9,014
Property Tax	17	98
Banking Insurance Transaction Tax	80,841	19,269
Foreign Exchange Transaction Tax	2,684	949
Value Added Tax Payable	22,579	1,699
Other	10,062	7,232
Total	262,922	168,350

* The period tax provision and the prepaid tax amount are shown by netting.

11.1.3 Information on premium payables

	Current Period	Prior Period
Social Security Premiums – Employee	2,055	932
Social Security Premiums – Employer	1,475	567
Bank Social Aid Pension Fund Premium- Employee	-	-
Bank Social Aid Pension Fund Premium – Employer	-	-
Pension Fund Membership Fees and Provisions - Employee	-	-
Pension Fund Membership Fees and Provisions - Employer	-	-
Unemployment Insurance – Employee	122	74
Unemployment Insurance – Employer	138	86
Other	-	-
Total	3,790	1,659

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II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (Continued)

12. Information on liabilities for assets held for sale and assets of discontinued operations

None (31 December 2022 - None)

13. Information on subordinated loans

On December 27, 2016, a loan of 5,000 USD with a variable interest rate of 6.65%, a term of 10 years, and quarterly interest payments was obtained from World Business Capital. An early redemption option, as stipulated in the contract, was exercised based on the permission received from BRSA in its letter dated 20.09.2023 with reference number E-20008792-101.02.01-95556 (December 31, 2022: On December 27, 2016, a loan of 5,000 USD with a variable interest rate of 6.65%, a term of 10 years, and quarterly interest payments was obtained from World Business Capital).

14. Information on shareholders' equity

14.1 Presentation of paid-in capital

	Current Period	Prior Period
Common Stock	1,800,000	750,000
Preferred Stock	-	-

14.2 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	Capital Ceiling
Registered capital system	1,800,000	-

In accordance with the decision taken at the Ordinary General Assembly held on March 28, 2023, the bank's paid-in capital was increased to 1,800,000 TL, fully financed from internal sources. The Ordinary General Assembly Resolution regarding the capital increase was published in the Turkish Trade Registry Gazette with issue number 10845 dated June 5, 2023.

Registered capital system is not applied in the Bank.

14.3 Information on share capital increases and their sources; other relevant information on increased share capital in current period

The Bank has increased its capital by TL 1,050,000 to be covered from internal resources in the current period (December 31, 2022 – TL 290,000 from internal resources in 2022).

14.4 Explanation on the transfers from capital reserve to paid-in capital in the current period

During the current period, the bank increased its paid-in capital to 1,800,000 TL. The capital increase was funded from capital reserves amounting to 1,050,000 TL (December 31, 2022: The bank increased its paid-in capital to 750,000 TL. The capital increase was funded from capital reserves amounting to 290,000 TL).

14.5 Information on capital commitments, the general purpose and the estimated sources for these commitments until the end of the fiscal year and the subsequent periods

None (31 December 2022 - None).

14.6 Information on the Bank's income, profitability, prior period indicators on liquidity and uncertainty on these indicators and their potential effects on the Bank's capital

None (31 December 2022 - None).

NUROL YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
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II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (Continued)

14.7 Summary information about privileged shares representing the capital

None (31 December 2022 - None).

14.8 Other

On March 21, 2023, according to Board of Directors Decision No. 2808, a special fund of 150 million TL for venture capital has been allocated from the 2023 corporate income in accordance with Article 325/A of the Tax Procedure Law No. 213 and Article 10/1-g of the Corporate Tax Law No. 5520 (December 31, 2022: On March 21, 2022, according to Board of Directors Decision No. 2467, a special fund of 15 million TL for venture capital has been allocated from the 2021 corporate income in accordance with Article 325/A of the Tax Procedure Law No. 213 and Article 10/1-g of the Corporate Tax Law No. 5520).

15. Stock issue premiums

	Current Period	Prior Period
Number of stocks (Thousand)	1,800,000	750,000
Preferred stock	-	-
Stock issue premium (*)	-	-
Stock cancellation profit	-	-
Other capital instruments	-	-

16. Information on marketable securities value increase fund

	Current Period		Prior Period	
	LC	FC	LC	FC
From investment and associates, subsidiaries and joint ventures (business partners)	-	-	-	-
Revaluation difference	-	-	-	-
Foreign exchange difference	-	-	-	-
Securities at Fair Value Reflected in Other Comprehensive Income	(124,869)	92,983	48,313	12,207
Valuation difference	(124,869)	92,983	48,313	12,207
Exchange rate differences	-	-	-	-
Total	(124,869)	92,983	48,313	12,207

17. Explanations on minority shares

None (31 December 2022 - None).

III. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED OFF-BALANCE SHEET ACCOUNTS

1. Information on off-balance sheet commitments

The type and amount of non-cancelable credit commitments

The Bank does not have any non-cancelable credit commitments (December 31, 2022: None), nor does it have payment commitments for checks (December 31, 2022: None)

The structure and amount of potential losses and commitments arising from the following contingent account items

None (31 December 2022 - None).

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III. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED OFF-BALANCE SHEET ACCOUNTS (Continued)

Non-cash loans, including guarantees, bank endorsements, and financial guarantees and other letters of credit

The total non-cash loans provided by the bank amount to 3,153,250 TL (December 31, 2022: 1,884,771 TL), out of which 3,141,213 TL (December 31, 2022: 1,875,147 TL) consists of letters of guarantee..

Letters of guarantee

	Current Period	Prior Period
Provisional letters of guarantee	21	99
Final letters of guarantee	2,200,250	1,401,406
Letters of guarantee for advances	44,940	19,939
Letters of guarantee given to customs offices	94,082	51,608
Letter of guarantees given against cash loans	801,920	402,095
Total	3,141,213	1,875,147

2. Revocable, irrevocable guarantees and other similar commitments and contingencies

Total amount of non-cash loans

	Current Period	Prior Period
Non-cash Loans Given against Cash Loans	801,920	402,095
With Original Maturity of 1 Year or Less Than 1 Year	-	-
With Original Maturity of More Than 1 Year	801,920	402,095
Other Non-cash Loans	2,351,330	1,482,676
Total	3,153,250	1,884,771

3. Information on risk concentration by sector within the non-cash loans account

	Current period				Prior Period			
	LC	%	FC	%	LC	%	FC	%
Agriculture	-	-	-	-	2,950	0.17	-	-
Agriculture and Livestock	-	-	-	-	2,950	0.17	-	-
Forestry	-	-	-	-	-	-	-	-
Fishery	-	-	-	-	-	-	-	-
Industry	204,202	6.84	12,920	7.58	157,554	8.88	561	0.50
Mining and Quarrying	328	0.01	-	-	351	0.02	-	-
Manufacturing Industry	184,363	6.18	12,037	7.06	150,054	8.46	-	-
Electricity, Gas and Water	19,511	0.65	883	0.52	7,149	0.40	561	0.50
Building	506,865	16.99	72,082	42.30	380,436	21.45	45,009	40.48
Services	2,271,790	76.14	85,391	50.12	1,232,638	69.50	65,623	59.02
Wholesale and Retail Trade	55,705	1.87	68,063	39.95	915	0.05	52,856	47.54
Hotel and Restaurant Services	-	-	-	-	-	-	-	-
Transport and Communication	7,662	0.26	6,246	3.67	4,663	0.26	5,748	5.17
Financial Institutions	1,641,844	55.04	11,082	6.50	1,161,570	65.50	7,019	6.31
Real Estate and Rental Services	509,434	17.08	-	-	4,440	0.25	-	-
Self Employed Services	57,145	1.92	-	-	61,050	3.44	-	-
Education Services	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total	2,982,857	100.00	170,393	100.00	1,773,578	100.00	111,193	100.00

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III. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED OFF-BALANCE SHEET ACCOUNTS (Continued)

4. Information on non-cash loans classified in groups I and II

Current Period	I. Group		II. Group	
	LC	FC	LC	FC
Letters of Guarantee	2,982,857	158,356	-	-
Aval and Acceptance Credits	-	-	-	-
letters of credit	-	12,037	-	-
Turnovers	-	-	-	-
Our Purchasing Guarantees in the Issuance of Securities	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Guarantees and Bails	-	-	-	-
Non-Cash Loans	2,982,857	170,393	-	-

Prior Period	I. Group		II. Group	
	LC	FC	LC	FC
Letters of Guarantee	1,773,578	77,729	-	23,840
Aval and Acceptance Credits	-	-	-	-
letters of credit	-	9,624	-	-
Turnovers	-	-	-	-
Our Purchasing Guarantees in the Issuance of Securities	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Guarantees and Bails	-	-	-	-
Non-Cash Loans	1,773,578	87,353	-	23,840

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III. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED OFF-BALANCE SHEET ACCOUNTS (Continued)

5. Explanations on derivative transactions

	Current Period				Prior Period			
	Up to 1		3-12 Month	1 Year Over	Up to 1		3-12 Month	1 Year Over
	Month	1-3 Month			Month	1-3 Month		
Derivative Transactions Related to Foreign Exchange (I)	22,019,645	5,132,628	6,093,970	-	4,946,455	2,614,226	519,372	-
Forward Currency Exchange Transactions	881,879	-	-	-	224,586	-	-	-
Swap Money Trading Transactions	21,137,766	5,132,628	6,093,970	-	4,481,095	2,614,226	519,372	-
Futures Money Transactions	-	-	-	-	-	-	-	-
Currency Buy and Sell Options	-	-	-	-	240,774	-	-	-
Derivative Transactions Related to Interest (II)	2,123,654	-	-	-	1,467,977	-	-	-
Forward Interest Contract Trading Transactions	-	-	-	-	-	-	-	-
Swap Interest Trading Transactions	2,123,654	-	-	-	1,467,977	-	-	-
Interest Rate Options	-	-	-	-	-	-	-	-
Futures Interest Trading Transactions	-	-	-	-	-	-	-	-
Other Derivative Transactions Held for Trading (III)	-	-	-	-	-	-	-	-
A. Total Trading Derivative Transactions (I+II+III)	24,143,299	5,132,628	6,093,970	-	6,414,432	2,614,226	519,372	-
Types of Derivative Transactions for Hedging Purposes	-	-	-	-	-	-	-	-
For Hedging the Risk of Change in Fair Value	-	-	-	-	-	-	-	-
For Cash Flow Hedging	-	-	-	-	-	-	-	-
Hedging Purposes of Subsidiary Investments Made in FX	-	-	-	-	-	-	-	-
B. Derivative Transactions for Total Risks	-	-	-	-	-	-	-	-
Derivative Transactions Total (A+B)	24,143,299	5,132,628	6,093,970	-	6,414,432	2,614,226	519,372	-

The breakdown of the Bank's forward and swap currency purchase and sale transactions on the basis of foreign currency and their TL equivalents are as follows:

	Futures Purchase	Futures Selling	Swap Purchase	Swap Selling
Current Period				
TL	-	-	-	5,095,281
USD	-	441,573	7,044,508	8,075,388
EURO	-	-	10,043,292	4,183,214
Other	440,306	-	-	46,335
Total	440,306	441,573	17,087,800	17,400,218

	Futures Purchase	Futures Selling	Swap Purchase	Swap Selling
Prior Period				
TL	-	8,170	-	1,514,921
USD	-	104,150	2,333,418	1,740,947
EURO	-	-	2,316,495	1,417,663
Other	112,266	-	-	-
Total	112,266	112,320	4,649,913	4,673,531

6. Explanations on credit derivatives and the risks they are exposed to

None (31 December 2022 - None).

7. Information on Contingent Assets and Liabilities

None (31 December 2022 - None).

8. Explanations on services rendered on behalf of others

The Bank provides custody services at Takasbank by entrusting the securities of real and legal persons. Securities taken into custody are followed in off-balance sheet accounts and shown in the off-balance sheet liabilities table.

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IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED INCOME STATEMENT

1. a) Information on interest income on loans

	Current Period		Prior Period	
	LC	FC	LC	FC
Interest on Loans(*)	1,673,781	259,580	704,725	192,622
Short-term Loans	744,673	210,319	475,277	160,478
Medium/Long-term Loans	257,273	49,261	52,244	32,144
Interest on Loans Under Follow-up	671,835	-	177,204	-
Total	1,673,781	259,580	704,725	192,622

(*)It also includes fees and commission incomes related to cash loans.

b) Information on interest income on banks

	Current Period		Prior Period	
	LC	FC	LC	FC
From the CBRT	17,007	12,198	3,479	-
From Domestic Banks	1,378,575	35,583	10,496	641
From Foreign Banks	1,215	20,702	-	271
Branches and Offices Abroad	-	-	-	-
Total	1,396,797	68,483	13,975	912

c) Information on interest income on marketable securities

	Current Period		Prior Period	
	LC	FC	LC	FC
Financial assets at fair value through profit or loss	-	-	-	-
Financial assets at fair value through other comprehensive income	1,343,908	370,147	886,025	48,732
Financial assets measured at amortized cost	-	-	-	-
Total	1,343,908	370,147	886,025	48,732

d) Information on interest income received from investments in associates and subsidiaries

The bank has interest income of 127,559 TL from its subsidiary Ortak Varlık Yönetim A.Ş. (December 31, 2022: 85,563 TL interest income).

2. a) Information on interest expense

	Current Period		Prior Period	
	LC	FC	LC	FC
Banks	250,920	64,541	204,274	11,855
The Central Bank of Turkey	-	-	620	-
Domestic Banks	227,547	-	166,444	-
Foreign Banks	23,373	64,541	37,210	11,855
Branches and offices abroad	-	-	-	-
Other Institutions	80,473	128,760	6,242	69,368
Total	331,393	193,301	210,516	81,223

b) Information on interest expense given to investments in associates and subsidiaries

There is a dividend payment of TL 322,243 to Nurol Varlık Kiralama A.Ş., a subsidiary of the Bank. (1 January -31 December 2022: There is a dividend payment of TL 130,131).

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IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED INCOME STATEMENT

c) Interest expense on issued marketable securities

	Current Period		Prior Period	
	LC	FC	LC	FC
Interest expense on securities issued	466,303	-	333,832	-
Total	466,303	-	333,832	-

d) Maturity structure of the interest expense on deposits

The Bank has no deposits due to its nature as an investment bank.

3. Information on dividend income

Dividend income of the Bank as of 31 December 2023 is TL 52,570 (1 January – 31 December 2022: TL 428 Available).

4. Information on trading income/loss

	Current Period	Prior Period
Income	44,830,925	18,477,791
Profit on trading account securities	520,577	686,035
Profit on derivative financial transactions	2,260,414	1,032,706
Foreign exchange gains	42,049,934	16,759,050
Loss	44,846,988	17,889,193
Losses on trading account securities	219,927	157,020
Losses on derivative financial transactions	3,604,805	1,343,468
Foreign exchange losses	41,022,256	16,388,705
Net Trading Income/Loss	(16,063)	588,598

5. Information on other operating income

	Current Period	Prior Period
Provision cancellations	12,836	11,462
Communication Expenses Passed on to Customers	2,072	7,781
Real estate sales revenues	-	-
Investment Real Estate Valuation Difference	42,855	124,975
Right to Buy Commissions	-	-
Revenues from the Right to Buy Price Increase	-	-
Income from Sale of Assets	594,285	-
Other (*)	149,666	12,062
	801,714	156,280

(*) For Early Retirement Scheme (EYT), the allowance amount is 6,403 TL, Severance pay is 7,337 TL, the provision reversal for 2023 Corporate Tax is 37,436 TL, fund income fee is 84,789 TL, and other commission income is 5,360 TL under the "other" item (December 31, 2022: Rent income is 32 TL, and other commission income is 12,030 TL under the "other" item).

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IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED INCOME STATEMENT

6. Provision expenses related to loans and other receivables

	Current Period	Prior Period
Expected Credit Loss	126,110	87,477
12 Month Expected Credit Loss (Stage 1)	13,138	15,936
Significant increase in credit risk (Stage 2)	-	8,489
Non-Performing Loans (Stage 3)	112,972	63,052
Marketable Securities Impairment Provision	2,340	10,764
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets At Fair Value Through Other Comprehensive Income	2,340	10,764
Investments in Associates, Subsidiaries and Held-to-Maturity Securities Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other(*)	549,114	44,900
Total	677,564	143,141

(*) As of December 31, 2023, there are provisions of 6,187 TL for leave allowances, 52,605 TL for performance bonuses, and 490,322 TL for consultancy/legal process (December 31, 2022: 5,801 TL for leave allowances, 15,730 TL for performance bonuses, and 23,369 TL for legal process).

7. Information related to other operating expenses:

	Current Period	Prior Period
Reserve for employee termination benefits	1,944	2,828
Bank social aid fund deficit provision	-	-
Fixed assets impairment expense	-	-
Depreciation expenses of fixed assets	15,488	5,238
Intangible assets impairment expense	-	-
Goodwill impairment expense	-	-
Amortization expenses of intangible assets	28,392	13,455
Shares (capital method applied) impairment expense	-	-
Impairment expense for investment securities that will be disposed	-	-
Amortization expenses of investment securities that will be disposed	-	-
Impairment expenses for property and equipment held for sale purpose and terminated operations	-	-
Other operating expenses	232,783	68,111
Leasing expenses related to TFRS 16 exemptions	1,171	269
Maintenance expenses	2,983	1,138
Advertisement expenses	3,953	564
Other expenses	224,676	66,140
Loss on sales of assets	-	-
Other (*)	408,934	78,547
Total	687,541	168,179

(*) There is a balance of 257,239 TL for Tax, Duties, and Charges expenses and 35,200 TL for other expenses (December 31, 2022: There was a balance of 36,369 TL for Tax, Duties, and Charges expenses and 11,555 TL for other expenses).

(**) There is a balance of 12,472 TL for donation contributions and 55,909 TL for shared expenses (December 31, 2022: There was a balance of 1,133 TL for donation contributions and 18,070 TL for shared expenses).

8. Fees for services received from the independent auditor / independent audit firm

The independent audit fee of the Parent Bank's financial statements for the accounting period between 1 January – 31 December 2023 is TL 2,350, the information systems audit fee is TL 1,705 and the fee for other assurance services is TL 270 (31 December 2022: independent audit fee is TL 1,090, information systems audit fee is TL 550 and other assurance services fee is TL 35).

9. Information on income/(loss) before tax from continuing or discontinued operations

For the period ended 31 December 2023, net interest income is TL 3,868,978 (31 December 2022: TL 1,227,162), net fee and commission income is TL 761,376 (31 December 2022: TL 256,063) and other operating income is TL 801,714 (31 December 2022: TL 156,280).

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IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED INCOME STATEMENT

10. Information on provision for taxes from continuing or discontinued operations

10.1 Calculated current tax income or expense and deferred tax income or expense

As of 31 December 2023, 1,040,938 TL current tax expense (31 December 2022: 381,635 TL current tax expense) and 141,093 TL deferred tax income (31 December 2022: 4,037 TL deferred tax income) were reflected from continuing operations.

10.2 Explanations on operating profit/loss after tax

None (31 December 2022: None).

11. Information on net income/(loss) from continuing or discontinued operations

The Bank doesn't have discontinued operations. The Bank's net profit from continuing operations amounting to TL 2,975,862 (31 December 2022 - TL 1,458,332 profit).

12. Information on net income/(loss) for the period

12.1. If the disclosure of ordinary banking transactions and the composition of income and expense items is necessary to understand the annual performance of Bank, the composition and amount of these items

None (31 December 2022 - None).

12.2. If an accounting estimate change significantly affects the profit/loss in the current period or has a probability to significantly affect the profit/loss in the subsequent periods, the overall effect is disclosed

None (31 December 2022 - None).

12.3. There is no profit/loss related to minority rights in the accompanying consolidated financial statements.

12.4. There are no changes in the accounting estimates that have a significant effect in the current period or that are expected to have a significant effect in the following periods.

13. Disclosure of 20% of sub-accounts in the case of other line items exceed 10% of the income statement total

	Current Period	Prior Period
Profit Share - Loans	200,968	127,326
Profit Share – Securities	4,184	7,220
Other	2,983	254
Other Interest Income	208,135	134,800
Profit Share – Securities	337,226	130,131
Paid to Other Financial Institutions	828	371
Other	481	106
Other Interest Expenses	338,535	130,608

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V. EXPLANATIONS REGARDING THE CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

1. Changes arising from the revaluation of financial assets at fair value through other comprehensive income

As of December 31, 2023, there are no accumulated amounts for investments accounted for using the equity method that will not be reclassified into profit or loss from other comprehensive income, and there are no other comprehensive income items that will not be reclassified into profit or loss (December 31, 2022: None), and there is no increase resulting from the valuation of financial assets reflected in other comprehensive income (December 31, 2022: 60,520 TL). However, there is a decrease of 92,406 TL resulting from the valuation of financial assets reflected in other comprehensive income (December 31, 2022: None), which has been reflected in the "Securities Valuation Reserves" account in the balance sheet.

2. Reconciliation regarding the amounts of exchange differences at the beginning and end of the period

None (31 December 2022 - None).

3. Information on increases in cash flow hedge items

None (31 December 2022 - None).

4. Information on dividends

Dividends declared after the balance sheet date but before the announcement of the financial statements

None (31 December 2022 - None).

Net dividends per share proposed to be distributed to shareholders after the balance sheet date

None (31 December 2022 - None).

5. Amounts transferred to the reserve funds account

On March 28, 2023, the Bank held its Ordinary General Assembly for the year 2023. During the General Assembly, it was decided to allocate legal reserves amounting to 5% of the period's net profit, totaling 1,437,897 TL. In accordance with the General Assembly resolution, 71,895 TL was transferred to the reserve funds account (December 31, 2022: 9,460 TL).

6. Information on issuance of shares

The rights, privileges and restrictions related to this item, including restrictions on the distribution of dividends and repayment of capital, for all classes of capital shares

None (31 December 2022 - None).

7. Explanations on other capital increase items in the statement of changes in shareholders' equity

None (31 December 2022 - None).

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VI. EXPLANATIONS REGARDING THE CONSOLIDATED STATEMENT OF CASH FLOWS

1. Effects of other items in the cash flow statement and changes in foreign exchange rates on cash and cash equivalents

In 2023, the net cash outflow from the bank's banking activities amounted to 622,801 TL (December 31, 2022: cash inflow of 5,865,627 TL). Out of this amount, 3,984,168 TL represents cash outflows from active and passive accounts related to banking activities (December 31, 2022: cash inflow of 4,470,129 TL), and 3,361,367 TL comes from cash inflows from changes in active and passive accounts related to banking activities before changes in income (December 31, 2022: cash inflow of 1,395,498 TL).

The net cash inflow from investment activities of the bank amounted to 770,188 TL (December 31, 2022: net cash outflow of 5,651,394 TL). Cash and cash equivalents, which were 3,568,804 TL at the beginning of the period, amounted to 5,325,182 TL at the end of the period.

The "Other" item within the "Operating profit before changes in operating assets and liabilities" that represents a cash outflow of 453,442 TL (December 31, 2022: cash outflow of 93,681 TL) consists of cash payments for other operating expenses, excluding payments to personnel and service providers, paid taxes, as well as commissions and trading profit/loss amounts.

The cash outflow of 1,880,904 TL (December 31, 2022: cash outflow of 1,067,624 TL) within the "Changes in banking activities-related assets and liabilities" represents the "Net increase/(decrease) in other assets" item, which consists of changes in other assets and mandatory reserves established by the Bank at the Central Bank of the Republic of Turkey.

The cash inflow of 8,932,042 TL (December 31, 2022: cash outflow of 1,003,208 TL) within the "Changes in banking activities-related assets and liabilities" represents the "Net increase/(decrease) in other liabilities" item, which consists of changes in various liabilities, other foreign liabilities, taxes, duties, and premiums to be paid, and changes in borrowings from money markets. The "Other" item within the "Net cash flow from investment activities" that represents a cash outflow of 63,462 TL (December 31, 2022: cash outflow of 24,897 TL) consists of non-current asset acquisitions.

2. Information on cash and cash equivalents at the beginning of the period

	Current Period	Prior Period
Cash	2,770	2,515
T.R. Central Bank – Demand Free Account	563,815	131,634
T.R. Central Bank – Free Time Deposit Account	-	-
Money Markets	300,000	-
Banks and Other Financial Institutions	2,702,219	1,311,224
Cash and Cash Equivalents	3,568,804	1,445,373

3. Information on cash and cash equivalents at the end of the period

	Current Period	Prior Period
Cash	484,808	2,770
T.R. Central Bank – Demand Free Account	124,387	563,815
T.R. Central Bank – Free Time Deposit Account	-	-
Money Markets	-	300,000
Banks and Other Financial Institutions	4,715,987	2,702,219
Cash and Cash Equivalents	5,325,182	3,568,804

4. Cash and cash equivalents held by the Bank but not freely available to the Bank due to legal restrictions or other reasons

Required reserves amounting to TL 1,484,574 (31 December 2022: TL 1,871,694) held by the Bank with the Central Bank of the Republic of Turkey are not included in cash and cash equivalents.

NUROL YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023
(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

VII. EXPLANATIONS AND NOTES RELATED TO THE BANK'S RISK GROUP

1. The volume of transactions relating to the Bank's risk group, outstanding loan and deposit transactions and profit and loss of the period

Current Period

Bank's Risk Group (*)	Investments in Associates, subsidiaries		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group (**)	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
	Loans and Other Receivables					
Beginning of the Period	-	10,624	-	34,248	-	-
End of the Period	-	31,295	2,217,143	48,955	-	-
Interest and Commission Income Received	-	25	146,511	30	-	-

(*) Defined in Article 49 of the Banking Law No. 5411.

(**) It also includes loans given to the Bank's indirect subsidiaries.

Prior Period

Bank's Risk Group (*)	Investments in Associates, subsidiaries		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group (**)	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
	Loans and Other Receivables					
Beginning of the Period	-	-	718,935	27,214	-	-
End of the Period	-	10,624	-	34,248	-	-
Interest and Commission Income Received(***)	-	15	110,508	21	-	-

(*) Defined in Article 49 of the Banking Law No. 5411.

(**) It also includes loans given to the Bank's indirect subsidiaries.

(***) Represents the balances of 31 December 2022.

NUROL YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
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VII. EXPLANATIONS AND NOTES RELATED TO THE BANK'S RISK GROUP (Continued)

2. Information on deposits of the Bank's risk group:

The Bank doesn't have any deposits since it is an investment bank. However, there is a balance of TL 100,540 (December 31, 2022: TL 1,128,940) belonging to the risk group in the borrower funds.

3. Information on forward and option agreements and other similar agreements made with the Bank's risk group

The bank does not have any futures contracts, option contracts, or similar contracts with its associated risk group (December 31, 2022: None).

4. Disclosures of transactions with the Bank's risk group

Current Period	Balance	Share %
Financial assets at fair value through other comprehensive income	2,700,599	%45
Cash Loans	2,217,143	%17
Non-Cash Loans	80,250	%3
Borrowed Funds	100,540	%4
Other Operating Expenses	58,943	%4
Prior Period	Balance	Share %
Financial assets at fair value through other comprehensive income	1,314,209	%20
Cash Loans	207,027	%6
Non-Cash Loans	44,872	%2
Borrowed Funds	2,230,931	%35
Other Operating Expenses	18,070	%11

VIII. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS:

There are no disclosures regarding events occurring after the balance sheet date for the bank.

IX. Explanations and disclosures related to the Parent Bank's domestic, foreign and off-shore branches or subsidiaries and foreign representative offices

Information on the domestic and foreign branches and representative offices of the Bank

	Number	Number of employees	Country of location	Total asset	Capital
Domestic branch	1	105			
Foreign representations	-	-			
Foreign branch	-	-			

NUROL YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023
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SECTION SIXTH

Other Disclosures

I. Other explanations on the Bank's operations

None.

SECTION SEVEN

Independent Audit Report

I. Matters to be disclosed regarding the independent audit report

As of December 31, 2023, and for the period ending on the same date, the consolidated financial statements have been subjected to independent audit PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. The limited audit report dated February 23, 2024, has been presented before the consolidated financial statements..

II. Explanations and notes prepared by the independent auditor

There are no significant issues related to the Bank's operations that are not mentioned in the above sections, and there are no explanations and footnotes deemed necessary.

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