Corporate Credit Rating

☐New ☒Update

Sector: Banking
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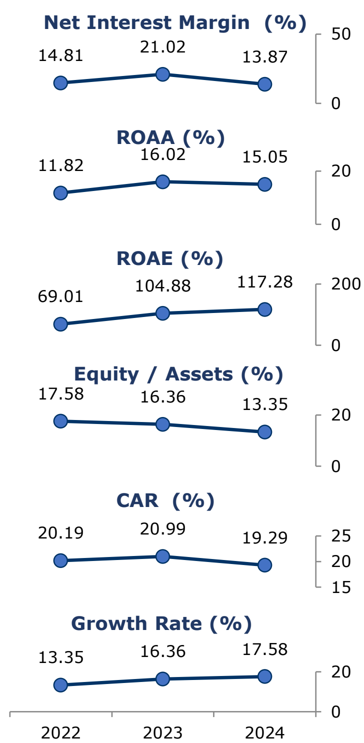
		Long Term	Short Term
ICRs (Issuer Credit Rating Profile)	National ICR	AA (tr)	J1+ (tr)
	National ICR Outlooks	Stable	Stable
	International FC ICR	BB	-
	International FC ICR Outlooks	Stable	-
	International LC ICR	BB	-
	International LC ICR Outlooks	Stable	-
ISRs (Issue Specific Rating Profile)	National ISR	AA (tr) Stable	J1+(tr) Stable
	International FC ISR	-	-
	International LC ISR	-	-
Sovereign*	Foreign Currency	BB (Stable)	-
	Local Currency	BB (Stable)	-

** Assigned by JCR on May 10, 2024*



NUROL YATIRIM BANKASI A.Ş.

JCR Eurasia Rating has evaluated the consolidated structure of **"Nurol Yatırım Bankası A.Ş."** in the investment level category with very high credit quality and affirmed the Long-Term National Issuer Credit Rating at **'AA (tr)'** and the Short-Term National Issuer Credit Rating at **'J1+ (tr)'** with **'Stable'** outlooks. The Long-Term International Foreign and Local Currency ratings and outlooks were also determined as **'BB/Stable'** as parallel to sovereign ratings and outlooks of the Republic of Türkiye.

Nurol Yatırım Bankası A.Ş. (hereinafter referred to as **"Nurol Bank"** or **the Bank"**) established in August 1998, is a prominent national private bank operating in Türkiye. Specializing in Corporate Banking, Investment Banking, and Treasury & Financial Institutions, the Bank caters to a diversified corporate clientele. With a workforce of 133 employees as of FYE2024 (FYE2023: 105), the Bank is recognized for its tailored financial solutions and sectoral expertise.

Nurol Bank's majority shareholder is Nurol Holding A.Ş., which holds a 96.33% stake in the Bank. Nurol Holding, founded in 1989, is a leading conglomerate with a broad operational footprint across industries such as construction, defense, finance, tourism, mining, real estate, marketing, and manufacturing. The Holding oversees a dynamic network of over 35 firms, along with 4 joint ventures and 11 domestic and international associates and subsidiaries, positioning it as a critical player in both the national and international markets.

Key rating drivers, as strengths and constraints, are provided below.

Strengths	Constraints
• Net interest margin above the sector average, despite the decrease in FY2024, • Capital adequacy ratio standing above sector average, • Healthy NPL ratio supporting asset quality in the analysed period, • Diversified funding structure supporting financial flexibility, • Compliance with corporate governance practices and continuity of well-established risk management organization, • Country-specific advantages encouraging investment which contributes to the investment banks' operations.	• Sectoral concentration in the loan portfolio in the reviewed period, • Short-term weighted borrowing profile of the sector, • Sensitivity of operating environment in Turkish Banking Sector considering macroeconomic and geopolitical risks.

Considering the aforementioned points, the Bank's Long-Term National Issuer Credit Rating has been affirmed at **'AA (tr)'**. The Bank's adequate capitalization structure, internal resource generation capacity, ability to access international funding markets and shareholding structure as well as sectoral concentration risk and existing risks in the markets and business environment have been evaluated as important indicators for the stability of the ratings and the outlooks for Long and Short-Term National Issuer Credit Ratings are determined as **'Stable'**. The Bank's financial structure and operations in next years, attainability of the Bank's budgeted projections, global macroeconomic environment and the impact of the decisions taken by the regulatory authorities on the sector will be closely monitored by JCR Eurasia Rating in the upcoming periods. The macroeconomic indicators in national and international markets, as well as market conditions and legal framework about the sector will be monitored as well.

1. Rating Rationale

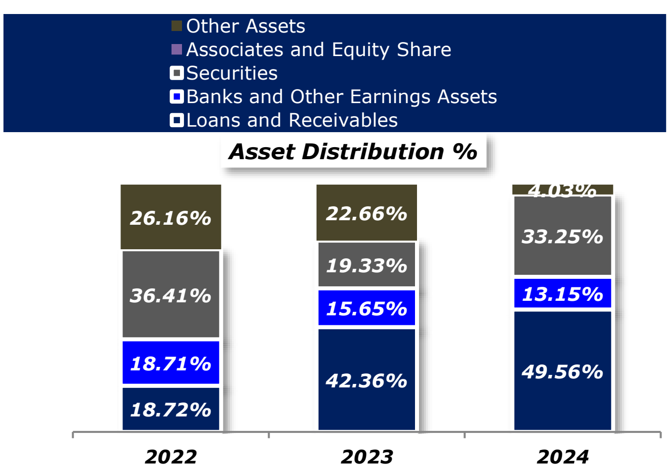
With respect to the factors mentioned below, JCR Eurasia Rating affirmed the Long-Term National Issuer Credit Rating of Nurol Yatırım Bankası A.Ş. at **'AA (tr)'** and the Short-Term National Issuer Credit Rating at **'J1+ (tr)'** in JCR Eurasia Rating's notation system which denotes investment level category with very high credit quality.

When the global and national scale rating matching published by JCR Eurasia Rating is considered, the Bank's Long-Term International Foreign and Local Currency Issuer Credit Ratings have been determined as **'BB'** as parallel to sovereign ratings of the Republic of Türkiye.

Net Interest Margin Above the Sector Average, Despite the Decrease in FY2024

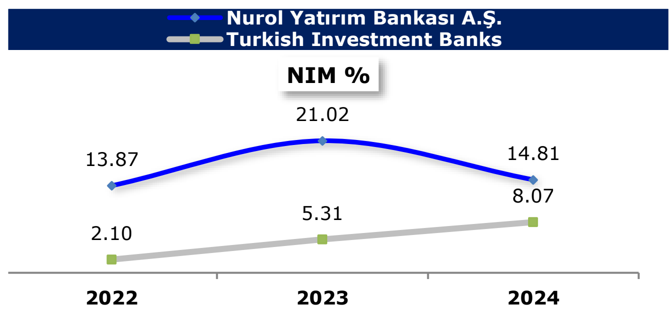
Nurol Bank's total consolidated assets experienced a substantial year-over-year growth of 68.79%, reaching TRY 52.22bn as of FYE2024 (in solo financials TRY 51.42bn), compared to TRY 30.94bn as of FYE2023. This growth outpaced the Turkish development and investment banking sector's average increase of 40.12% during the same period.

Earning assets accounted for 95.97% of the Bank's total assets as of FYE2024, up significantly from 77.34% as of FYE2023, totaling TRY 50.11bn. The majority of these earning assets were derived from the loan portfolio, with net loans and leasing receivables amounting to TRY 25.88bn, representing 49.56% of total assets. In addition, the Bank's asset quality was bolstered by interbank placements and an investment securities portfolio.



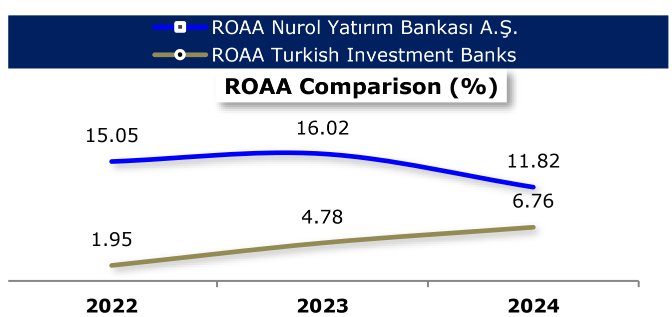
Net Interest Income (NII) grew to TRY 5.48bn in FY2024, up from TRY 3.87bn in FY2023, primarily driven by the expansion of the loan portfolio. Conversely, net fees and commissions income declined sharply from TRY 761.38mn in FY2023 to TRY 175.22mn in FY2024.

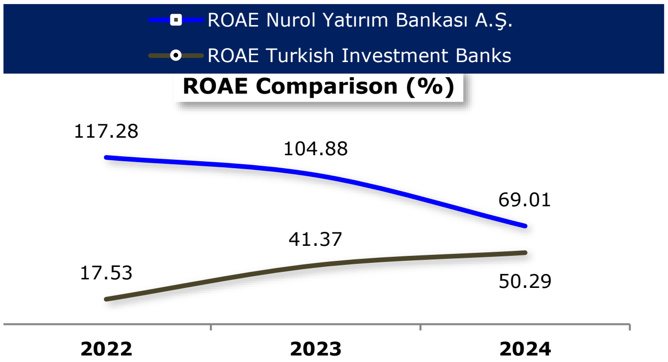
The Bank's Net Interest Margin (NIM), calculated as net interest income over average earning assets (excluding net fees and commissions), stood at 14.81% in FY2024, down from 21.02% in FY2023. Nevertheless, this margin significantly exceeded the investment banking sector averages of 8.07% in FY2024 and 5.31% in FY2023. The Bank's strong NIM reflects its effective control over loan expansion rates, part of a conservative strategy implemented to mitigate inflationary pressures.



Nurol Bank achieved a net profit of TRY 4.48bn in FY2024, closely aligning with the previous year's performance of TRY 2.98bn. By comparison, the Turkish development and investment banking sector recorded a remarkable net profit growth of 120.06% over the same period.

Additionally, the Bank's Return on Average Assets (ROaA) and Return on Average Equity (ROaE) ratios outperformed sector averages, demonstrating its operational efficiency and profitability in a competitive landscape.





Capital Adequacy Ratio Standing Above Sector Average

Nurol Bank's total consolidated equity rose to TRY 9.18bn as of FYE2024 (in solo financials TRY 8.79bn), up from TRY 5.06bn as of FYE2023, driven primarily by robust internal profit generation. This growth was further supported by an increase in paid-in capital to TRY 3.60bn, officially recorded in the Trade Registry Gazette on December 12, 2024. The increase in capital was fully funded by retained earnings, demonstrating the Bank's effective reinvestment of profits.

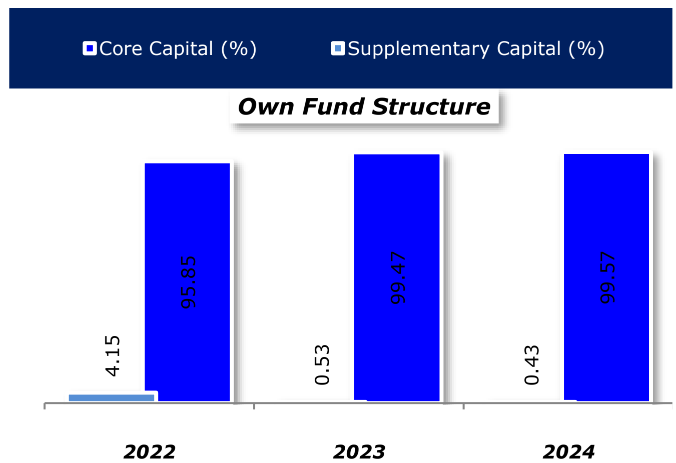
The equity-to-total assets ratio improved to 17.58% as of FYE2024, compared to 16.36% as of FYE2023, reflecting a strengthened capital base relative to asset growth.

Nurol Bank's IFRS-based Capital Adequacy Ratio (CAR) stood at 20.19% as of FYE2024, a slight decrease from 20.99% as of FYE2023. Despite this decline, the ratio remained significantly above the Basel Accord's minimum requirement of 8% and the Banking Regulation and Supervision Agency's (BRSA) target level of 12%. Similarly, the Bank's Tier 1 ratio was recorded at 20.10% as of FYE2024, down from 20.88% the previous year, maintaining a strong capital position.

Over the last two years, Nurol Bank's CAR consistently exceeded the average of the Turkish Investment Banking Sector, aligning closely with the sector's upper quartile performance. This highlights the Bank's strong capital adequacy framework.

Growth in Common Equity Tier 1 Capital and Tier 2 Capital was complemented by a substantial increase in Additional Tier 1 Capital, which reached TRY 8.96bn as of FYE2024, up from TRY 4.97bn as of FYE2023. These developments contributed significantly to the Bank's robust capital structure.

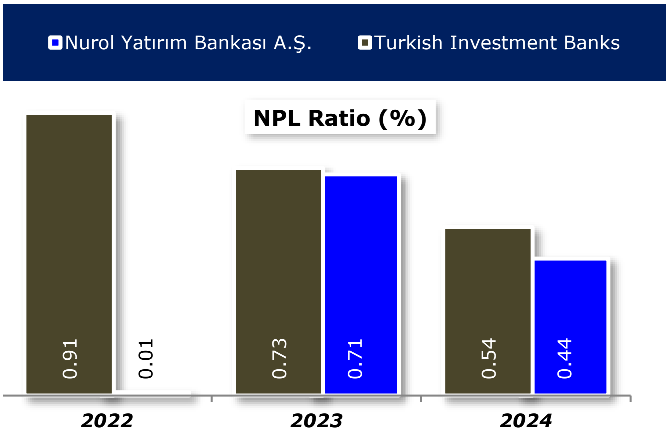
Core capital, primarily comprising paid-up capital and retained earnings, represented 99.57% of the Bank's total own funds as of FYE2024, up slightly from 99.47% as of FYE2023. This high reliance on core capital, which is fully loss-absorbing, underscores the Bank's conservative approach to capital management.



Supplementary capital, which accounted for 0.43% of the Bank's own funds as of FYE2024 (down from 0.53% as of FYE2023), reflects minimal reliance on Tier 2 capital.

Healthy NPL Ratio Supporting Asset Quality in the Analysed Period

Nurol Bank's Non-Performing Loan (NPL) ratio, as reported in its solo audited financial statements excluding its subsidiary, "Ortak Varlık Yönetim A.Ş.", showcased a marked improvement during FY2024. The NPL ratio declined to 0.44% as of FYE2024, down from 0.71% as of FYE2023, reflecting effective credit risk management. This ratio remained well below the average NPL levels observed across Türkiye's investment banking sector during the same period.



* Solo basis

As of FYE2024, there were no customers with payment delays of 90 to 180 days, indicating a stable credit portfolio with no significant increase in credit risk factors. The cash loan book portfolio breakdown based on stage I-II and III are provided below:

TRY mn	FYE2022	FYE2023	FYE2024
Stage I	2,936.94	11,960.28	18,276.07
Stage II	42.17	157.85	580.80
Stage III*	291.26	1,069.85	3,599.63
Total	3,270.38	13,187.99	22,456.50

* Bank retail and purchases from Ortak Varlık Yönetim A.Ş.

Despite consistently outperforming sector averages in NPL ratios, the Bank remains vigilant about potential challenges. National and international macroeconomic developments, including volatility in financial markets, depreciation of the Turkish Lira against major currencies, reduced economic activity, and deteriorating debt repayment capacity among real sector firms, could exert upward pressure on NPL levels. Additionally, heightened geopolitical tensions and rising global uncertainties may pose further risks in the forthcoming periods.

According to data provided by the Bank, Stage II and Stage III coverage ratios for cash loans are provided below:

(%)	FYE2022	FYE2023	FYE2024
Stage II	33.16	8.48	4.04
Stage III	0.95	7.68	2.01

* Data provided by the Bank

Diversified Funding Structure Supporting Financial Flexibility

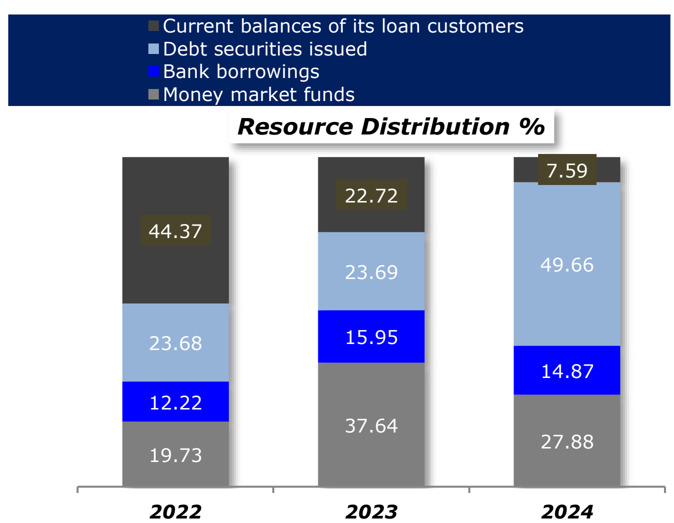
Nurol Bank, as an investment bank, is not authorized to collect customer deposits. Instead, the Bank relies on a diversified funding structure that includes issued debt securities, interbank borrowings, money market funds, current balances of its loan customers, and its equity base. Equity represented 17.58% of total assets as of FYE2024 (FYE2023: 16.36%), demonstrating the Bank's strong capitalization.

As of FYE2024, cost-bearing resources totaled TRY 19.36bn, constituting 37.07% of total assets. These resources were distributed across key funding categories as follows:

TRY mn	FYE2022	FYE2023	FYE2024
Bank borrowings	1,467.21	1,879.03	2,878.48
Money market funds	2,368.93	4,434.55	5,396.89
Debt securities	2,843.30	2,791.00	9,613.31
Current balances of loan customers	5,327.12	2,676.80	1,469.44
Total	12,006.56	11,781.38	19,358.12

The Bank leverages interbank borrowings and the local bond market as primary funding sources, while pursuing diversification through partnerships with various financial institutions. This approach not only reduces dependency on specific funding channels but also enables the Bank to manage funding costs effectively.

The cost bearing resource distribution of the Bank is provided in the below graph:



Nurol Bank employs debt instruments with an average maturity of 6 months. Given the predominantly short-term nature of its loan book portfolio, the Bank's ability to secure relatively longer-term funding contributes to its financial flexibility and capacity to navigate market fluctuations.

In line with its strategic goals, the Bank actively utilized capital market instruments as of the report date, issuing a total of TRY 15.23bn in debt securities with a geometric average maturity of 195 days. These issuances underline the Bank's commitment to strengthening its funding base while maintaining a diversified profile to meet liquidity needs and support growth initiatives.

Compliance with Corporate Governance Practices and Continuity of Well-Established Risk Management Organization

Although Nurol Bank is not subject to the Capital Market Board's Corporate Governance discipline due to its status as a non-publicly traded entity, the Bank adheres to high standards of corporate governance. These standards are primarily driven by the Regulations on the Principles of Corporate Governance of Banks, the Turkish Commercial Code, and the oversight mechanisms enforced by the Banking Regulation and Supervision Agency (BRSA). Combined with its robust financial performance, skilled workforce, and extensive operational experience in the sector, these regulations have enabled Nurol Bank to establish a solid organizational structure, along with comprehensive internal control, audit, and risk management systems.

The Bank demonstrates strong compliance with corporate governance practices, particularly in ensuring shareholder rights, maintaining transparency, and utilizing its website as a platform for public disclosure. Its robust risk management framework is supported by well-defined organizational units for internal control and internal audit. These systems are complemented by contributions to publicly recognized events and projects, further enhancing its corporate reputation. Nurol Bank's Board of Directors comprises ten members, including the general manager, and operates through specialized committees such as Audit, Corporate Governance, Pricing, Disciplinary and Personnel, Assets and Liabilities, Credit, and Information Systems Strategy. The Bank's articles of association, available to the public, detail the Board's operational principles, underscoring the qualifications and experience of its members in effectively fulfilling their supervisory and strategic responsibilities.

The Bank's website, which includes an investor relations section, supports high transparency standards by providing accessible and detailed information. This includes annual and interim reports, organizational structures, CVs of board and committee members, audit reports, rating notes, updated articles of association, general assembly documents, disclosure policies, internal directives, material disclosures, and policies addressing money laundering. However, the absence of certain elements, such as a dividend policy, remuneration policy, and corporate governance compliance statements, limits the Bank's otherwise strong alignment with corporate governance principles.

In terms of social responsibility, Nurol Bank dedicates a portion of its profits to initiatives such as the Professional Women Network (PWN Istanbul). This organization focuses on leveraging the professional experiences of women in business to foster mutual support and community benefit. The Bank highlights this activity on its website, reflecting its commitment to contributing positively to society.

JCR Eurasia Rating evaluates the Bank's senior management as competent, possessing the necessary education, experience, and leadership capabilities to effectively manage the institution. Overall, Nurol Bank exhibits a well-structured approach to corporate governance and risk management, supported by an experienced leadership team and a commitment to transparency and social responsibility.

Country-Specific Advantages Encouraging Investment which Contributes to the Investment Banks' Operations

Türkiye presents a range of strategic advantages that enhance its attractiveness as an investment destination, directly supporting the operations of investment banks. These banks facilitate long-term financing for businesses, addressing working capital needs, refinancing, and new investments, while actively participating in capital markets to foster their development and improve valuations. In Türkiye, these activities are further bolstered by the country's favorable investment climate and government-backed incentives, which create significant opportunities for growth.

Türkiye's robust economic performance underpins its appeal. Over the past two decades, the nation has become the 12th largest global economy, achieving an average annual growth rate of 5.3% between 2002 and 2024, with a GDP of USD 1.32tr in 2024. This economic resilience, coupled with steady growth, strengthens the foundation for investment.

The country's extensive domestic and regional markets are another critical advantage. With more than 24 cities hosting populations over one million and Istanbul standing as Europe's largest city, Türkiye provides substantial demand for goods and services. Its strategic location at the crossroads of East-West and North-South trade routes further enhances its role as a hub for manufacturing, exports, and management, attracting multinational corporations and facilitating trade.

Türkiye's young and skilled labor force, characterized by a median age under 34, drives workforce expansion, positioning the country competitively against peers. Investment-friendly legislation ensures transparency and equal treatment for investors, supported by laws such as the Encouragement of Investments and Employment Law and the Foreign Direct Investment Law. These frameworks enable seamless operations for businesses and enhance investor confidence.

Generous government incentives significantly reduce barriers to entry and promote high returns. Tailored support for greenfield and brownfield projects, priority sectors, and R&D initiatives underscores Türkiye's commitment to fostering innovation and economic development. Furthermore, the presence of a thriving R&D ecosystem, bolstered by global companies, skilled talent, and cost advantages, strengthens the country's capacity to attract cutting-edge investments.

Türkiye also offers sector-specific opportunities in high-potential industries, including automotive, machinery, defense, energy, agri-food, infrastructure, and financial services. These competitive advantages align with investment banks' objectives, ensuring a steady flow of capital and sustained growth across critical sectors.

In summary, Türkiye's unique combination of economic strength, strategic location, favorable demographics, and comprehensive incentives creates a dynamic environment for investment. These factors not only encourage foreign and domestic investment but also directly support the operations and expansion of investment banking activities within the country.

Sectoral Concentration in the Loan Portfolio in the Reviewed Period

Investment banks play a critical role in supporting corporate and commercial clients by addressing their working capital, refinancing needs, and new investment initiatives. Their operations are characterized by a more specialized and narrower product range compared to deposit banks, which also influences the risk profile of such institutions.

Nurol Bank, as an investment bank, carries inherent exposure to both interest rate and exchange rate risks. These arise from the provision of long-term TRY and FX-denominated loans, with limited hedging options due to the narrower product and client base associated with the sector.

As of FYE2024, the Bank's cash loan portfolio exhibited significant concentration, with the top 10, 20, and 50 cash loan customers representing 67.56%, 85.19%, and 99.58%, respectively. However, the Bank has clarified that loans extended to factoring companies are a means to indirectly reach individual customers. Over the past four years, starting from 2021, the number of individual customers served through this channel has averaged approximately 50,000 to 160,000 annually. This diversification of end borrowers mitigates concentration risk at the individual customer level.

Despite this, when examining the sectoral exposure, the Bank's credit allocation remains predominantly concentrated in the financial institutions, construction, and real estate sectors. While these sectors are integral to the Turkish economy, they are also susceptible to macroeconomic volatilities and cyclical downturns, which could amplify sectoral concentration risks. In terms of the broader portfolio composition, the cash loan book reflects a diversified sectoral breakdown:

- Financial institutions: 42.56%
- Real estate: 19.84%
- Construction: 18.00%

While the Bank has effectively mitigated concentration risk at the individual customer level, the high sectoral concentration necessitates continued vigilance. A proactive approach to diversification across sectors, coupled with its robust risk management framework, will be critical to navigating potential sector-specific vulnerabilities and ensuring sustainable growth.

Short-Term Weighted Borrowing Profile of the Sector

A key characteristic of the Turkish investment banking sector is its reliance on a short-term borrowing structure, which contrasts with the long-term orientation of its loan portfolio. This imbalance between long-term weighted loans and short-term funding sources, such as issued debt instruments, creates a maturity mismatch risk, heightening the Bank's exposure to interest rate volatility.

As of the report date, Nurol Bank issued three bonds totaling TRY 15.23bn, on average 194-day maturity. While such issuances provide immediate liquidity, the reliance on short-term funding instruments underscores the Bank's vulnerability to renewal risk in managing its liquidity, especially within a challenging macroeconomic environment.

To address these risks, the Bank has outlined a strategic objective to diversify its funding structure and extend maturity profiles. However, the current short-term/medium-term funding profile continues to exert pressure on liquidity management. This is compounded by the dependency on capital markets, where external factors such as market volatility, fluctuating investor sentiment, and regulatory changes can influence access to funding.

Sensitivity of Operating Environment in Turkish Banking Sector Considering Macroeconomic and Geopolitical Risks

The Turkish banking sector remains a cornerstone of the nation's financial system, serving as the primary conduit for channeling savings into the real economy. Despite facing significant external pressures—including the economic disruptions caused by the pandemic, the ripple effects of forbearance measures, and the recent global energy shock—the sector has retained its core strengths. These include solid capitalization, low non-performing loan (NPL) ratios, stringent risk management practices, a deposit base heavily weighted towards short-term instruments, and a stable cohort of foreign exchange depositors.

The regulatory landscape continues to play a decisive role in shaping banking operations. Policies introduced by the Central Bank of the Republic of Türkiye (CBRT) and the Banking Regulation and Supervision Agency (BRSA), along with interest rate adjustments initiated in mid-2023, have necessitated strategic shifts across the sector. Nevertheless, the resilience demonstrated by Turkish banks, honed through years of operating in a dynamic and often volatile environment, has mitigated the potential impact of these shifts.

The monetary tightening cycle that began in June 2023 culminated in a benchmark interest rate of 50% by September 2024, a policy stance sustained into early 2025. This approach, aimed at combating inflation, has relied heavily on interest rates to curb consumption and absorb excess liquidity. These measures have, however, introduced challenges for banks, particularly through compressed margins and subdued profitability. Net interest income declined in 2024 as lira-based margins remained unfavorable, though foreign exchange (FX) margins provided some respite. Loan growth restrictions imposed by the CBRT—capping FX loans at 1%, Turkish lira loans to small and medium enterprises (SMEs) at 2.5%, and non-SME loans at 1.5%—further constrained revenue generation.

Asset quality within the sector remains broadly stable, though rising delinquencies in the retail segment, particularly in credit cards, highlight emerging risks. Capital adequacy ratios (CAR) are at satisfactory levels, with private banks maintaining a stronger position than their state-owned counterparts. The interest rate cuts implemented at the close of 2024 and the beginning of 2025 have provided tentative relief, potentially improving profitability as borrowing costs decline while banks continue to benefit from high returns on longer-term loans.

External funding conditions for Turkish banks have also seen improvement. Türkiye's credit default swap (CDS) levels, which had remained elevated above 600 basis points as of May 2023, experienced a significant decline, reaching below 260 basis points by September 2024. This normalization in external funding costs has supported the sector's ability to refinance debt, with the debt rollover ratio exceeding 100% in 2024.

In summary, while the Turkish banking sector faces a challenging operating environment shaped by macroeconomic and geopolitical uncertainties, its robust structural features and adaptive strategies provide a degree of resilience. Regulatory interventions and monetary policy decisions remain pivotal, influencing both immediate operational dynamics and long-term sustainability within the sector.

2. Rating Outlook

The Bank's adequate capitalization structure, internal resource generation capacity, ability to access international funding markets and shareholding structure as well as sectoral concentration risk and existing risks in the markets and business environment have been evaluated as important indicators for the stability of the ratings and the outlook for Long and Short-Term National Issuer Credit Rating is determined as **'Stable'**.

Additionally, Nurol Bank's outlook for Long-Term International Foreign and Local Currency Issuer Credit Ratings are determined as **'Stable'** in line with the sovereign rating outlooks of the Republic of Türkiye.

Factors that Could Lead to an Upgrade

- Significant improvements in sectoral diversification of loan portfolio,
- Ease of access to financial resources from both national and international organizations,
- Growing income stream through diversified sources,
- Solid growth performance in assets volume,
- Robust improvement of net interest margin and other profitability indicators,
- Reduction in financing costs and robust economic growth in the domestic and international markets,
- Upgrades in sovereign ratings and economic growth prospects of Türkiye.

Factors that Could Lead to a Downgrade

- Deteriorating asset quality and liquidity profile,
- Increasing cost of funding and its effect on profitability,
- Diminishing capital adequacy strength,
- Possible regulatory actions that would restrain the profitability & growth performance of the sector,
- A sharp slump in growth in the domestic and international markets,
- Downgrades in sovereign ratings and economic growth prospects of Türkiye.

The Bank's financial structure and operations in next years, attainability of the Bank's budgeted projections, global macroeconomic environment and the impact of the decisions taken by the regulatory authorities on the sector will be closely monitored by JCR Eurasia Rating in the upcoming periods. The macroeconomic indicators at national and international markets, as well as market conditions and legal framework about the sector will be monitored as well.

3. Projections and Debt Instruments

The Bank's balance sheet and income statement forecast for the next three-year is provided in the below table. These figures have been provided by the Bank.

TRY mn	F2025	F2026	F2027
Banks and Cash	12,739.24	18,336.55	21,606.41
Securities	23,536.02	28,383.74	33,720.20
Loans	29,152.92	33,891.94	41,159.02
Fixed Assets and Real Estate	596.24	662.34	733.96
Other Assets	1,835.48	2,174.22	2,580.86
TOTAL ASSETS	**67,859.90**	**83,448.78**	**99,800.45**
Debts to banks	1,177.13	1,707.36	1,690.46
Borrower Funds	668.89	770.63	873.69
Subordinated Debts	1,143.75	1,372.50	1,578.38
Issuances	8,839.94	9,281.93	9,746.03
Repo	4,629.89	5,264.99	5,909.64
Blocked Money	30,014.54	37,802.43	45,633.93
Other Liabilities	8,912.90	11,579.93	14,459.13
Equity	12,472.87	15,669.01	19,909.21
TOTAL LIABILITIES	**67,859.90**	**83,448.78**	**99,800.45**

**Information provided by the Bank*

TRY mn	F2025	F2026	F2027
Net Interest Income	4,502.08	4,668.56	5,321.07
Non-Interest Income	4,090.35	4,929.53	6,210.68
Non-Interest Expenses (-)	1,481.40	1,631.29	1,795.67
Net Operating Income	7,111.02	7,966.81	9,736.07
General Administrative Expenses (-)	2,295.94	2,754.37	3,173.57
Provisions (-)	769.19	1,003.45	1,085.54
Pre-Tax Profit	4,045.89	4,208.99	5,476.95
Corporate Tax (-)	861.67	1,213.44	1,553.36
After-Tax Profit	**3,184.22**	**2,995.55**	**3,923.59**

**Information provided by the Bank*

The Bank projected a 2025 year-end asset size of TRY 67.86bn. According to the Bank's projections, net interest income is projected to realize as TRY 4.50bn. Accordingly, net profit of the Bank is projected to reach to TRY 3.18bn.

Taking into consideration, the future projections of the Bank, we, as JCR Eurasia Rating, are of the opinion that Nurol Yatırım Bankası A.Ş. shall fulfil the obligations in a timely manner and without distress as long as it preserves its current management perspective along with no deterioration in the general macro-economic context and sector dynamics.

The Bank's realistic approach on financial and strategic projections are enough to maintain its healthy asset structure and profitability.

No separate rating report has been compiled as the resources to be obtained from potential debt issues will be carried in the Company's balance sheet and has been subject to analysis in the corporate credit rating report. The debt instruments to be issued carry no difference in comparison to the Company's other liabilities with respect to its legal standing and collateralization. As such, the notations outlined in the corporate credit rating report also reflect the issue rating considering aggregated exposure of the issues. The issue ratings do not cover any structured finance instruments. Issue ratings are assigned for both outstanding and prospective debt instruments and incorporate assessments until their maturities.

Considering the assumption that there will be no additional legal or financial collateral guarantees provided separately for the repayment of the bonds-to-be-issued, as is the general case in the Turkish corporate bond market, the TRY dominated bond issuance rating is determined as the same as the Company's Long and Short-Term National Issuer Credit Ratings which are **'AA (tr)'** and **'J1+(tr)'**.

4. Company Profile & Industry

a. History and Activities

Nurol Yatırım Bankası A.Ş. was established in 1999 and operates as a leading institution in Türkiye's investment and corporate banking sectors. Headquartered in Istanbul, the bank has built a reputation for offering tailored financial solutions and high-quality services over its 26-year history. The Bank focuses on meeting the specific needs of its clients by delivering custom-designed banking products and maintaining long-term relationships aimed at improving client efficiency and reducing financial risks.

The Bank is primarily owned by "Nurol Holding A.Ş.", a diversified conglomerate with significant operations in construction, defense, energy, and real estate. Nurol Holding holds 96.33% of the bank's shares, while the remaining ownership is distributed among individual family members. Nurol Bank also benefits from its affiliates, Nurol Portföy Yönetimi A.Ş. and Nurol Varlık Kiralama A.Ş., which enhance its capabilities in portfolio management and structured finance. As of FYE2024, the Bank had a staff force of 133 people (FYE2023: 105).

Nurol Bank offers a comprehensive range of corporate and investment banking services, including cash and non-cash loans, trade finance, financial leasing, bond issuances, project finance, and structured financial products. Leveraging a strong network of correspondents in 66 countries and relationships with over 310 institutions, the Bank provides solutions on both national and international scales. Its integration with Nurol Holding strengthens its operational capabilities and reinforces its competitive positioning in the financial sector.

b. Shareholders, Subsidiaries & Affiliates

The Bank's shareholder structure is shown below:

Nurol Bank's Shareholder Structure				
TRY mn	**December, 2023**		**December, 2024**	
Shareholders	**Amount**	**%**	**Amount**	**%**
Nurol Holding A.Ş.	1,734.00	96.33	3,468.00	96.33
Other (*)	66.00	3.67	132.00	3.67
Total Paid-in Capital	**1,800.00**	**100.00**	**3,600.00**	**100.00**

**Owned by Çarmıklı family members.*

Nurol Holding A.Ş. has engaged in various industries, such as Construction and Contracting, Defence and Production, Financial, Commercial and Services, Energy and Mining Sector, Tourism sectors continues its activities with industries through app. 35+ firms within the Nurol Group with joint ventures and domestic foreign associates and subsidiaries in Türkiye and the Middle East, North Africa, Turkic Republics. Nurol Holding, trace back to the establishment of its flagship company Nurol İnşaat ve Ticaret A.Ş which was incorporated in 1966 as a contracting company.

Nurol Bank's current BoD is listed below in the chart:

Board of Directors	Duty
Ziya Akkurt	Chairman
Mehmet Oğuz Çarmikli	Deputy Chairman
Eyüp Sabri Çarmikli	Board Member
Gürol Çarmikli	Board Member
Ahmet Kerim Kemahli	Board Member
Mehmet Mete Başol	Board Member
Ahmet Şirin	Board Member
Yusuf Serbest	Board Member
Izzet Şahin	Board Member
Özgür Altuntaş	Board Member

As of FYE2024, the Bank has 3 subsidary included in full consolidation. Information on the Bank's subsidiaries, associates and other available-for-sale financial assets by periods is given below:

1- "Nurol Portföy Yönetimi A.Ş.", a 100% subsidiary of Nurol Bank, was established following the acquisition of a portfolio management license from the Capital Markets Board in 2021. The company specializes in providing portfolio management services to individual and institutional investors.
2- "Nurol Varlık Kiralama A.Ş.", also fully owned by Nurol Bank, plays a pivotal role in the issuance of sukuk (lease certificates), a key instrument in Islamic finance. Established to facilitate structured financing solutions, the subsidiary works closely with corporate clients, offering tailored lease-based financial products to meet diverse funding requirements.
3- "Ortak Varlık Yönetim A.Ş.", also fully owned by Nurol Bank, enhance the Bank's capabilities in asset management and non-performing asset solutions. Established in 2021 under a license from the Banking Regulation and Supervision Agency (BDDK), Ortak Varlık focuses on acquiring, managing, and restructuring distressed assets.

c. Industry Assessment

Banking Sector

Overview

The banking sector ended 2024 under tight financial conditions and commenced entered 2025 with a similar level of tightness. As the economic administration works to tackle inflation, it continues to rely on interest rates as its most effective tool while also implementing measures to absorb excess liquidity and curb consumption. Monetary policy decisions, shaped by inflation trends, are prompting banks to focus on short-term adjustments.

The monetary tightening and moderate credit growth in 2024 put pressure on the sector's margins and reduced net interest income. As financial indicators weakened, profitability across the banking system also declined. Lira margins continue to be unfavorable while FX margins are better for banks, though loan growth caps administered by Central Bank of the Republic of Türkiye (CBRT) (1% for FX, 2.5% for TRY SME and 1.5% for TRY non-SME). Asset quality is overall reasonable; however, retail segment non-performing loans have been on the rise, spearheaded by credit card delinquencies. System's capitalization is adequate with private banks maintaining higher CAR levels than state-owned banks.

The interest rate cuts at the end of 2024 and in early 2025 could provide some relief to the sector by supporting profitability. If further cuts follow, borrowing costs will decline, benefiting banks as they continue to earn high interest on long-term loans as opposed to more quickly repriced deposits.

Selected Balance Sheet Items

	2021	2022	2023	2024
Total Assets	9,215	14,347	23,551	32,657
TRY Loan	2,832	5,110	7,894	10,145
FX Loan	2,069	2,471	3,783	5,907
FX Loan Share (%)	42.2	32.6	32.4	36.8
NPL	160	163	192	294
NPL Ratio (%)	5.7	3.2	2.4	2.9
Securities	1,476	2,370	3,969	5,225
Total Liabilities	8,502	12,942	21,398	29,759
TRY Deposit	1,880	4,779	8,897	12,307
FX Deposit	3,423	4,083	5,955	6,596
FX Deposit Share (%)	64.5	46.1	40.1	34.9
Equity	714	10,406	2,153	2,898
Net Income	93	432	620	659

Source: BRSA, JCR-ER

As of 2024YE, the banking sector operates with 63 banks maintaining 10,750 branches within the country (83 abroad). ATM network is comprehensive, around 52K as of December 2024. The sector employs a workforce of 208K.

The sector is relatively concentrated. According to the Banks Association of Türkiye 3Q2024 data, top 5 banks accounted for 61% of total assets, 68.7% of deposits and 59.9% of total loans.

As the core of the financial system in Türkiye, banking sector is the primary source of funding for the real sector and main destination of savings. Several external factors such as the pandemic, subsequent forbearance measures by the authorities and recently global energy shock affects the macro landscape in Türkiye in recent years, though Turkish Banking sector maintains its core characteristics; reasonable capitalization, low NPL ratios, strict and competent risk management, short-term weighted deposit profile and persistent FX depositors.

Reasonable asset quality, though credit cards negatively diverge

Highly inflationary environment in the wake of the pandemic and rapid monetary expansion accompanied the increasing working capital needs of the real sector. However, solid profitability supported partly by pricing ability of the firms, partly by strong demand and low interest rates translated into good cash flows and therefore stable NPL ratios especially in the commercial loan segment. However, as the interest rates started to increase with the monetary tightening, NPL ratio of the system increased from 1.6% level in January 2024 to 1.9% in January 2025. The deterioration stems from the retail segment, particularly the credit cards.

On the other hand, special provision coverage ratio is around 77%, banks allocate significant amount of free provisions by applying a prudent policy. This contributes positively to asset quality.

Cash Loans, as of FYE2024	Loans (%)	NPL (%)
Credit Cards	15.50	2.55
Wholesale and Retail Trade	11.55	1.56
Individual Credits*	9.18	3.91
Construction	6.21	3.80
Real Estate Brokerage, Renting	5.37	1.06
Agriculture	5.26	0.40
Transportation	4.76	0.97
Electric, Gas and Water Resources	4.23	2.86
Main Metal Industry	4.02	1.05
Textile	3.19	2.21
Others	30.74	1.80**

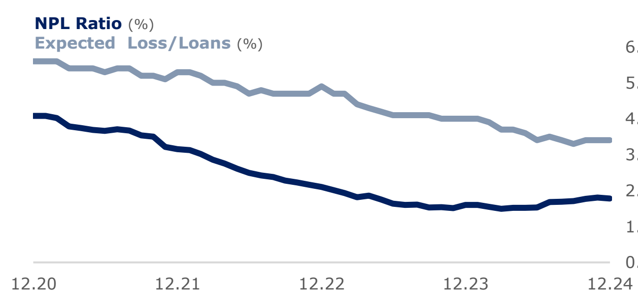
Source: BRSA, JCR-ER * Exc. Mortgage and vehicle loans * NPL for total loans

In the retail segment, credit card delinquency rates have reached nearly 3.5% as of February 2025, whereas they were as low as 1.2% before the start of the rate hikes in June 2023.

Additionally, banks write off non-performing loans (NPLs) in compliance with IFRS 9 and may sell portions of these portfolios to clean up their balance sheets. While these actions help maintain asset quality, the overall health of the sector remains stable. However, recent pick up in the FX lending by NFCs poses a potential if TRY depreciates rapidly, though we do not see it likely with the current policy mix. Moreover, according to CBRT data, most of the newly issues FX debt is extended to exports and/or large-scale corporations.

In summary, while asset quality may seem reasonable now, any significant disruption to lending or liquidity could expose vulnerabilities in both the NFC sector and the banking system.

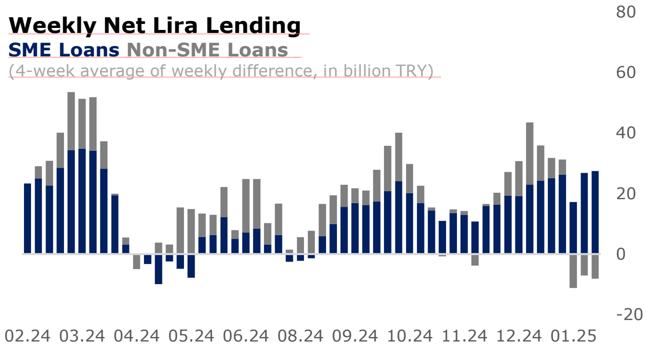
Loan portfolio breakdown with respect to sectors underpin the lack of demand from commercial borrowers for lira loans, clearly boosting the credit card debt to the top. Potential measures by the authorities to curb retail lending as a means of limiting domestic demand could change the profile of the loan portfolio.
NPL ratios are relatively low across the board, though construction and electric, gas and water resources sectors diverge. The former sector is usually well-collateralized and latter depends on tariffs set by regulators and end-user subsidies. Given the fiscal consolidation objective, gradual roll-down of subsidies via higher tariffs could help the prospects in this sector.



Source: BRSA, JCR-ER

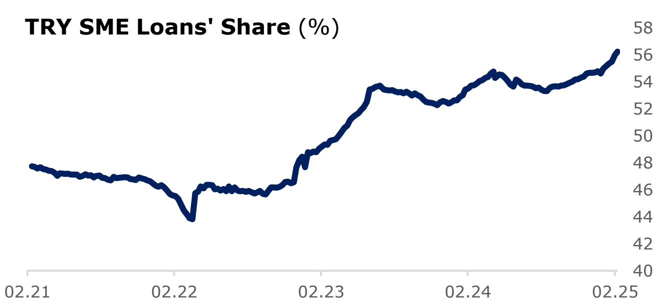
CBRT gives signal to continue its tight stance in 2025. While actively using its tools to absorb the excess liquidity in the market, it also simplified macroprudential measures to enhance market efficiency.

Loan growth moderating



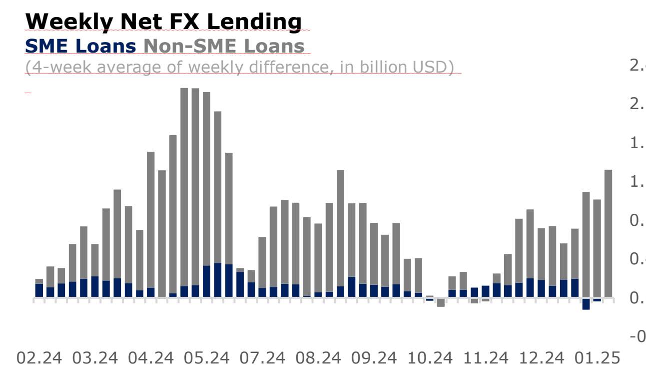
Source: BRSA, JCR-ER

One of the pillars of disinflation objective of CBRT is to manage liquidity in the non-financial system via loan limit management. In this regard, steps were taken to regulate credit growth in 2025 as well. In order to further limit FX loan growth, the credit growth limit for FX loans was reduced to 1% (previously 1.5%). Additionally, TRY commercial loan limits were updated in a way to favor SMEs. The previous limit of which was 2%, growth rates were set at 2.5% for SME loans and declined to 1.5% for other commercial loans. Additionally, the CBRT increased the reserve requirement ratios for external borrowings in TRY from 8% to 12% to enhance the effectiveness of the monetary transmission mechanism.

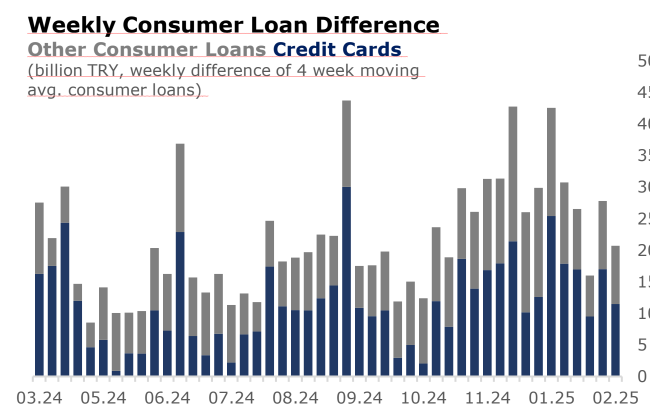


Source: BRSA, JCR-ER

The main intention behind setting a progressively higher credit growth rate for SME loans compared to other commercial loans was that the loan market remains the primary source of financing for SMEs. Consequently, this distinction in loan growth limits has led to a higher share of SME loans in total TRY loans. The graph above illustrates the ongoing upward trend in SMEs' share of total loans.

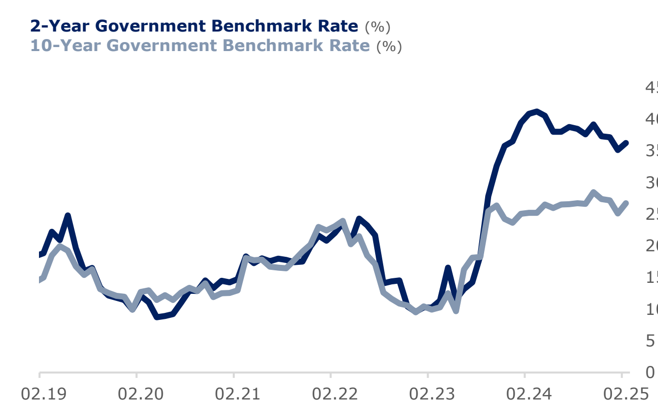


Source: BRSA, JCR-ER



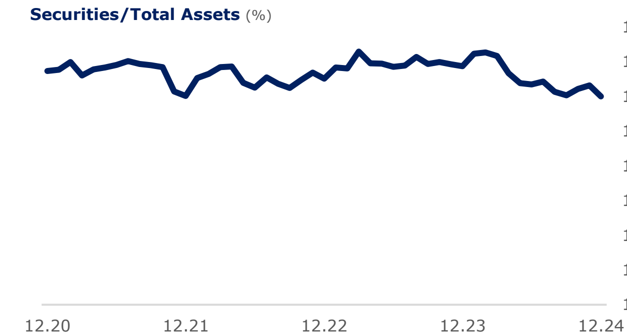
Source: BRSA, JCR-ER

CBRT closely monitors the funding mix and monetary transmission mechanism



Source: Refinitiv, JCR-ER

Securities held by banks have remained around 17% of total assets for a long time as shown graph below. Following the abolition of macroprudential measures mandate security holdings, banks gradually reduced the share of securities in total assets. As of FYE2024, securities to total assets ratio has declined to 16% levels.

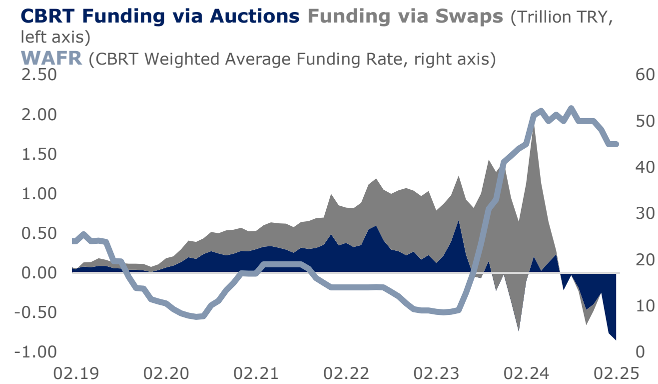


Source: BRSA, JCR-ER

The economic administration is giving strong signals that the Liraization will continue with determination in the coming period. In this context, the CBRT took a step in the early periods of 2025 regarding the renewal of FPD accounts. Within the framework of this regulation, the 6-month and 12-month renewal practice of foreign exchange and gold converted FPD accounts has been terminated. Moreover, legal entities will no longer be able to open or renew KKM accounts, including YUVAM accounts.

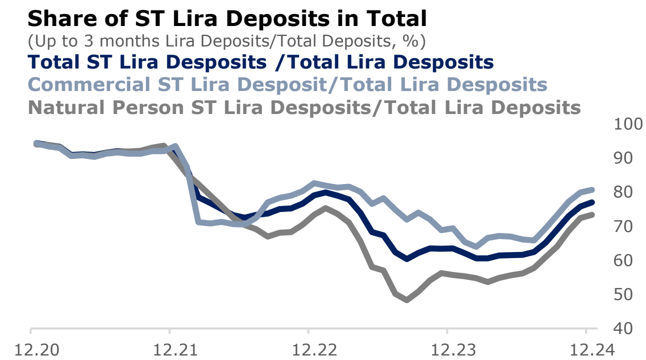
The statistics also indicates that the steps taken toward Liraization have yielded successful results. The share of FPD in total deposits has declined to 5%. The total balance, which reached a record high of over 140 billion USD in August 2023, has dropped to 29 billion USD as of early February 2025.

To enhance the efficiency of the monetary transmission mechanism and withdraw excess liquidity from the market, open market operations were actively utilized in 2024 by CBRT. In the second half of the last year, the CBRT intensified sterilization efforts through auctions and eased the market funding via swaps. Building on these measures, it introduced 4-week deposit purchase auctions at the beginning of 2025. Additionally, the CBRT continues to signal that its policies will persist, ensuring the ongoing withdrawal of excess liquidity from the market.



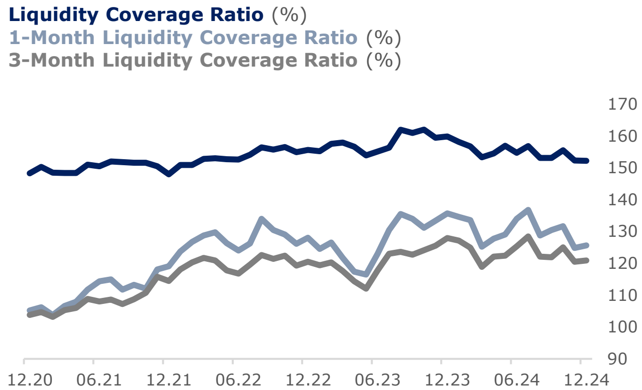
Source: CBRT, JCR-ER

Actively managed liquidity is resilient



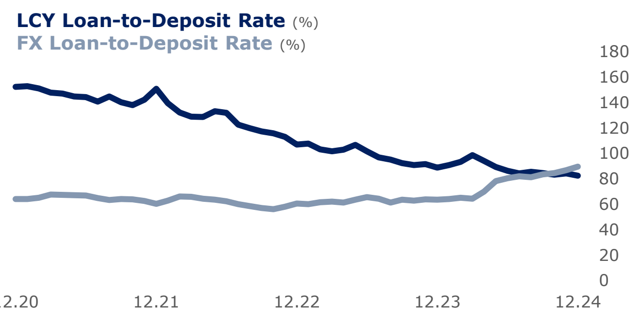
Source: BRSA, JCR-ER

As the credit-deposit spread narrowed and expectations grew that the CBRT might begin an interest rate cut cycle, depositors shifted back to short-term deposits. The share of short-term deposits in total deposits, which had dropped to 61% in the first half of 2024, climbed to 77% by the end of the year due to a surge in the second half. With interest rate cuts expected in 2025, this share is likely to rise even further. The CBRT's interest rate decisions, particularly its efforts to make TRY-denominated deposits more attractive, will play a key role in shaping the market. Banks are also expected to make slight improvements in deposit interest rates, especially with the introduction of TRY deposit purchase auctions.



Source: BRSA, JCR-ER

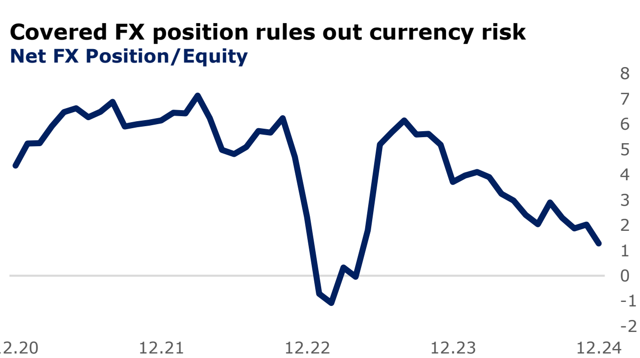
However, with the abolishment of FPDs, we note that the average maturity of the deposits has started to fall again. As the policy rates in a downward path in 2025, this will help banks reprice their liabilities quickly.



Source: BRSA, JCR-ER

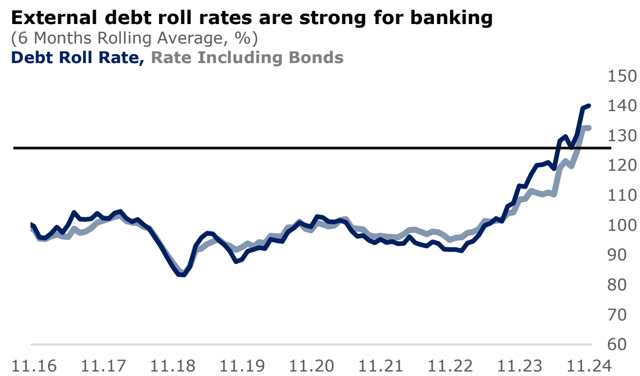
Foreign currency position is within limits

Although the system does not have short positions in foreign currency, the net foreign currency equity ratio has been decreasing since August 2023. However, the Turkish banking system can manage foreign currency risks with its strong experience in this field. Turkish banks do not experience any problems in accessing international markets, especially with the foreign currency borrowings made during the 2024.



Source: BRSA, JCR-ER

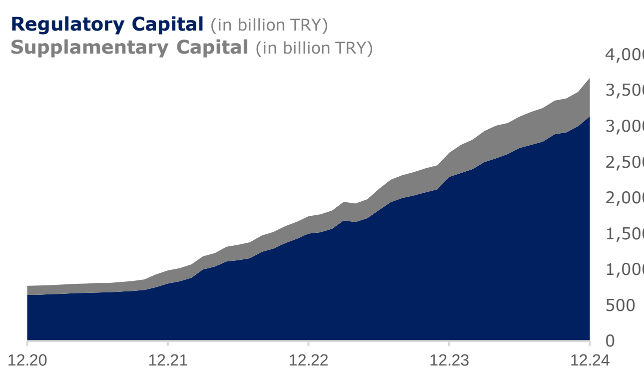
In addition to tightly managed FX positions, banks tend to roll over their foreign debts at a rate above 100%. The debt rollover ratio of the banking sector increased to 132.6% as of November 2024.



Source: CBRT, JCR-ER

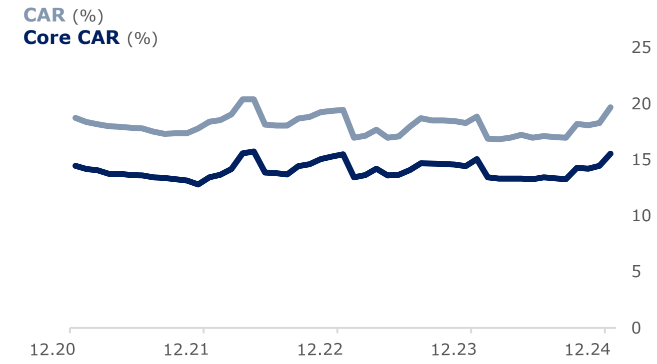
Strong capital structure preserved

In terms of capital adequacy, Turkish banking sector is on solid ground. Total regulatory capital of sector recorded 39.8% yearly growth in FYE2024 from TRY 2.6 trillion in FYE2023 to TRY 3.7 trillion, in nominal terms reflecting the high inflationary environment.



Source: BRSA, JCR-ER

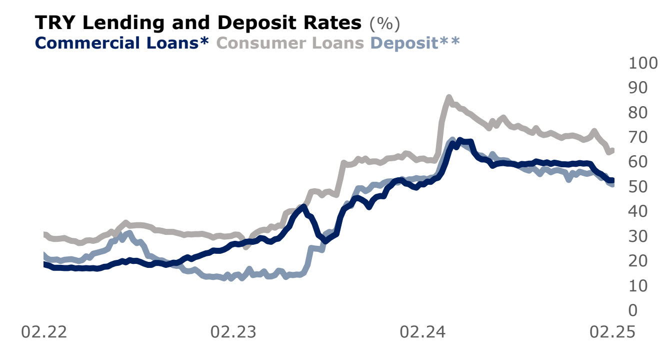
The capital adequacy ratio (CAR), which is one of the main strength indicators of the sector, exhibited improvement compared to FYE2023 and realized as 19.7%, as of December 2024, which is well above the Basel III requirement of 8%.



Source: BRSA, JCR-ER

Pressure on margins and asset return to ease with rate cuts and gradual loosening

The cumulative net income of the sector increased by 9.2% in FYE2024 compared to the FYE2023, reaching TRY 659bn. Profits from capital market activities, which contributed positively in previous periods have negative effects on P&L. Consequently, special provisions have pressured the net income figure. However net interest income and banking service revenues during this period made notable contribution on profitability.



Source: CBRT, JCR-ER
*Excluded overdraft and corporate credit cards
** Up to 3-months deposits

As CBRT cuts rates, consumer loan and deposit interest rates have started falling, though commercial loan rates are more stable.

Selected P&L Items

	2021	2022	2023	2024
Net Interest	265,518	764,278	718,278	986,021
Special Provision for NPL	47,226	76,985	75,534	152,327
Banking Service Revenues	66,835	136,454	361,627	828,791
Personnel Expenses	46,781	85,703	187,493	346,579
Capital Market P&L	38,394	9,144	86,197	-165,774
FX P&L	-59,467	63,733	123,558	78,871
Net Income	92,942	433,457	603,634	658,975

Source: BRSA, JCR-ER

ROAE realized as 30.5% as of FYE2024 which was at 3442.7% at the end of FYE2023. Additionally, ROAA was 2.3% in FYE2024, likewise declining from FYE2023 figure of 3.3%. It is however essential to note that the equity return metrics do not account for the inflation adjustment. We note that inflated to current prices, as opposed to historical transaction prices as the current accounting practice, banking system would face notable inflation-accounting related costs and the current-price-inflated equity base would give a much more realistic and modest return metric.

	2022	2023	2024
Core CAR	15.5	15.3	15.6
CAR	19.4	19.1	19.7
ROAA	3.7	3.3	2.3
ROAE	49.9	42.7	30.5
Loan-to-Deposit	87.9	80.7	87.2
NII/Average Interest-Bearing Assets	12.7	14.9	22.8
NIE/Average Interest-Bearing Liabilities	8.4	15.9	26.7
Loan-to-GDP	50.5	44.0	40.9
Loan-to-Deposit (TRY)	106.9	88.7	82.4
Loan-to-Deposit (FX)	60.5	63.5	89.5
Securities-to-Total Assets	16.5	16.9	16.0

Source: BRSA, JCR-ER

Digitalization and Climate Initiatives in Banking Sector

Effects of digitalization are quite strong on the banking sector. Besides the technological developments used in banking like mobile apps, BRSA’s regulation in digital banking has formalized the evolution process of conventional banking into digital era. With the regulation in which the principles of digital banking were determined, the concept of branchless (digital) banking became official.

In this context, digital banks can be founded with a capital of equal or more than TRY 1bn. These banks would have only head offices and no physical branches and their customer segment would be individuals and SMEs. As of February 2025, 6 digital banks have operation permit from BRSA are active in Türkiye.

On the sustainability front, the efforts to solve the emerging problems, especially the climate crisis and inequality, were also reflected in the banking sector. The Responsible Banking declaration put forward by the UN Finance Initiative was signed by 7 Turkish banks. Turkish banks started to allocate some of the resources to the sustainability related (environmental, social) projects.

5. Additional Rating Assessments

Nurol Bank's operational framework inherently involves exposure to Credit, Market, Liquidity, and Operational risks, which arise from its financial activities and the utilization of related instruments. These risks are managed within a robust risk management framework aligned with regulatory requirements, the Bank's strategic objectives, and its defined risk appetite. Nurol Bank's approach ensures comprehensive oversight and governance across its operations.

The Bank's risk management system integrates the full spectrum of decision-making, execution, monitoring, control, and audit processes. This system encompasses the governance structures of the Board of Directors, Senior Management, Internal Systems Units, and specialized committees formed under their auspices. These committees operate to enforce the principles of effective risk management.

Under the Board of Directors' supervision, Nurol Bank has established several key committees, including the Audit Committee, Corporate Governance Committee, Pricing Committee, Disciplinary and Personnel Committee, Assets and Liabilities Committee, Credit Risk Committee, and Information Systems Strategy Committee. These entities serve as pivotal instruments in enforcing the Bank's risk management policies.

Additionally, the Bank has implemented supplementary structures to enhance oversight and operational integrity. These include the Anti-Fraud Monitoring Committee, Sustainability Committee, and Internal Control Unit, alongside departments specializing in Risk Management, Internal Audit, Anti-Fraud Monitoring, and Compliance. These entities collectively contribute to the Bank's comprehensive surveillance and governance framework.

The Risk Management Department plays a critical role in identifying, measuring, monitoring, controlling, and reporting risks. These activities are conducted in adherence to implementation principles, policies, and procedures that are periodically reviewed and approved by the Board.

To support strategic decision-making, the Bank employs advanced analytical tools, including simulations, scenario analyses, stress testing, and the Internal Capital Adequacy Assessment Process (ICAAP). These methodologies are integral to evaluating potential risks and informing senior management's strategic choices.

<u>Credit Risk</u>

Nurol Bank's credit risk management framework is built on three foundational pillars: customer selection, credit allocation, and credit pricing. These pillars are implemented through a comprehensive risk management strategy that allocates loan limits to individual customers and groups, while also defining sector-specific limits to optimize risk-adjusted returns. This structured approach is critical to mitigating credit risk effectively.

The Bank employs continuous monitoring of customer credit assessments, taking pre-emptive measures and revising allocated limits as necessary. In alignment with its lending policies, the Bank requires collateral—such as cash deposits, bank guarantees, pledges, cheques, promissory notes, and personal or corporate guarantees—based on the debtor's financial standing and creditworthiness. Nurol Bank faces concentration risk due to its focus on specific customer profiles and industrial sectors within Türkiye.

<u>Market Risk</u>

Nurol Bank's market risk management primarily addresses exposure to fluctuations in interest rates and foreign exchange rates. The overarching responsibility for managing market risk lies with the Asset and Liability Committee (ALCO). To mitigate interest rate risks, the Bank employs pre-approved re-pricing band limits and continuously monitors interest rate gaps, with oversight provided by ALCO in collaboration with the Risk Management Department.

Interest rate sensitivity across assets, liabilities, and off-balance-sheet items is assessed during ALCO meetings. The Bank's comprehensive risk management framework involves senior management and representatives from the primary shareholder, ensuring a coordinated approach to managing all categories of market risk.

Market risk reflects the impact of changes in market variables—including interest rates, equity prices, foreign exchange rates, and credit spreads—on the Bank's income and financial holdings. The Bank adheres to the "Standard Method," as outlined in BRSA regulations, to measure market risk. Monthly market risk reports and weekly currency risk reports are prepared and submitted to the BRSA for compliance and oversight.

The Bank’s market risk calculations were conducted in accordance with statutory financial statements prepared under the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks," published in Official Gazette No. 28337 on June 28, 2012. The Board of Directors (BoD) defines and periodically updates the risk limits for primary risks undertaken by the Bank.

Nurol Bank employs the Value at Risk (VaR) methodology to measure daily market risk associated with its trading and available-for-sale portfolios. VaR calculations, supplemented by stress tests, scenario analyses, and assessments of exchange rate and overall market risks, are conducted using both internal and standardized methods. These results are systematically reported to Senior Management and the Audit Committee by the Risk Management Department.

The Bank's primary market risks are limited to interest rate and foreign exchange rate fluctuations, which remain within manageable levels. Foreign currency risk exposure complies with BRSA regulations, and the Bank maintains a net foreign currency position before derivatives of TRY -5.00bn as of FYE2024 (compared to TRY -4.73bn as of FYE2023). The net foreign currency position to asset ratio decreased from 15.61% as of FYE2023 to 10.83% as of FYE2024, reflecting changes in exposure levels over the reporting period.

Liquidity Risk

The Treasury and Financial Institutions Department of Nurol Bank oversees liquidity risk management to ensure that the Bank can meet its obligations promptly, even under stressed market conditions. This is achieved by adhering to BRSA regulations regarding liquidity and employing advanced tools such as liquidity gap analyses, cash flow monitoring, stress tests, and scenario analyses. These assessments are routinely reported by the Risk Management Department to Senior Management and the Audit Committee, forming a critical part of the Bank’s risk oversight process.

The Bank mitigates liquidity risk by using internal methods, including liquidity gap analyses and stress testing, to monitor and manage short- and long-term liquidity needs. In addition to meeting regulatory liquidity requirements set by the BRSA, the Asset and Liability Committee (ALCO) defines internal liquidity ratios, such as the ratios of liquid assets to total assets and liquid assets to issued bank bonds. These metrics are closely monitored by the Risk Management Unit to ensure that liquidity remains within pre-established thresholds.

Given the inherent volatility of the Turkish market, liquidity risk is a significant concern. To address this, the Bank has actively worked to diversify its funding sources through instruments such as bond issuances and both local and foreign borrowings. This strategy enhances resilience against liquidity disruptions and supports the Bank’s long-term stability.

Liquidity risk compliance is governed by BRSA's guidelines, including the Liquidity Coverage Ratio (LCR) framework, which requires banks to maintain sufficient high-quality liquid assets to cover 30 days of liquidity needs. LCR is calculated by dividing high-quality liquid assets by net cash outflows, with a regulatory minimum of 80% for foreign currency and 100% for total LCR on both a bank-only and consolidated basis. However, for development and investment banks, the BRSA has temporarily waived compliance with these ratios, allowing a zero-percent threshold until further notice.

As of December 31, 2023, Nurol Bank reported average liquidity coverage ratios on a BRSA Solo basis of 48.92% for total LCR and 18.33% for foreign currency LCR. Despite these figures falling below the general regulatory benchmarks, the Turkish banking sector as a whole remains resilient against short-term liquidity shocks, reflecting strong systemic stability.

Operational, Legal Regulatory & Other Risks

Operational risk encompasses potential direct or indirect losses arising from factors such as internal processes, personnel, technology, and infrastructure. Nurol Bank addresses these risks through a structured operational risk management framework, guided by robust internal control policies, procedures, and information systems.

The Bank places a high priority on compliance with regulatory requirements, including those outlined in the *Regulation on the Principles of Corporate Governance of Banks*, corporate governance provisions within the Turkish Commercial Code, and the strict oversight and regulations enforced by the Banking Regulation and

Supervision Agency (BRSA). These frameworks serve as the foundation for maintaining operational resilience and governance integrity.

Nurol Bank effectively manages operational risks through the adoption of comprehensive risk management policies, reinforced by measures in network security, human resource management, and robust contingency planning. Business continuity is supported by disaster recovery systems and backup plans, ensuring minimal disruption to operations. Risk management efforts are further augmented by collaboration between the Risk Management, Internal Audit, Internal Control, and Compliance departments.

A stress test for operational risk is conducted at least annually, with mandatory evaluations at the end of each fiscal year. These assessments are integral to identifying vulnerabilities and ensuring the Bank's readiness to address potential operational disruptions.

As of the reporting date, Nurol Bank confirmed that no significant lawsuits were pending against the institution or its managers that could materially impact the Bank's financial position. This reflects the effectiveness of the Bank's operational risk management strategies relative to the size and composition of its assets.

NUROL YATIRIM BANKASI A.Ş. (Consolidated Financials)	Balance Sheet			
(000, TRY)	**FYE2021**	**FYE2022**	**FYE2023**	**FYE2024**
Total Earning Assets	**6,519,768**	**15,533,626**	**26,105,228**	**50,113,232**
Loans and Leasing Receivables, net	*3,457,231*	*3,729,782*	*13,246,484*	*25,880,372*
Other Earning Assets	*3,062,537*	*11,803,844*	*12,858,744*	*6,869,065*
Non-Earning Assets	**535,305**	**1,920,715**	**4,833,104**	**2,106,143**
Total Assets	**7,055,073**	**17,454,341**	**30,938,332**	**52,219,375**
Cost Bearing Resources	**3,594,733**	**12,006,563**	**11,781,375**	**23,544,044**
Non-Cost Bearing Resources	**2,646,374**	**3,117,093**	**14,096,625**	**19,494,724**
Total Liabilities	**6,241,107**	**15,123,656**	**25,878,000**	**43,038,768**
Equity	**813,966**	**2,330,685**	**5,060,332**	**9,180,607**
Total Liabilities and Shareholders' Equity	**7,055,073**	**17,454,341**	**30,938,332**	**52,219,375**

- *Including JCR Eurasia Rating's adjustments where applicable,*

NUROL YATIRIM BANKASI A.Ş. (Consolidated Financials)	Income Statement			
(000, TRY)	**FY2021**	**FY2022**	**FY2023**	**FY2024**
Net Interest Income / Expense	**331,305**	**1,227,162**	**3,868,978**	**5,484,545**
a) Interest Income	657,555	2,075,660	5,612,780	12,274,967
b) Interest Expense	-326,250	-848,498	-1,743,802	6,790,422
Net Fee and Commission Income / Expense	**100,397**	**256,063**	**761,376**	**175,220**
a) Fee and Commission Income	111,851	369,238	1,106,520	934,874
b) Fee and Commission Expense	-11,454	-113,175	-345,144	759,654
Total Operating Income / Loss, net	**-65,249**	**503,920**	**-77,083**	**1,538,704**
Total Provisions	**-119,223**	**-143,141**	**-677,564**	**-797,181**
Total Operating Expense	**-96,042**	**-241,386**	**-915,304**	**-1,487,234**
Salaries and Employee Benefits	-35,215	-73,207	-227,763	-452,879
Other Expenses	-60,827	-168,179	-687,541	-1,034,355
Profit from Operating Activities before Income Tax	**247,230**	**1,844,004**	**3,875,707**	**4,914,054**
Income Tax – Current	-31,034	-381,635	-1,040,938	-374,769
Income Tax – Deferred	-25,053	-4,037	141,093	-62,881
Net Profit for the Period	**191,143**	**1,458,332**	**2,975,862**	**4,476,404**

- *Including JCR Eurasia Rating's adjustments where applicable,*

NUROL YATIRIM BANKASI A.Ş. (Consolidated Financials)		**Financial Ratios**		
Profitability & Performance (%)	**FY2021**	**FY2022**	**FY2023**	**FY2024**
Return on Average Assets (ROAA) - Pretax Profit / Total Assets (avg.)	4.34	15.05	16.02	11.82
Return on Average Equity (ROAE) - Pretax Profit / Equity (avg.)	34.51	117.28	104.88	69.01
Provisions / Total Income	14.39	5.64	9.95	8.21
Net Interest Margin	7.86	13.87	21.02	14.81
Asset Growth Rate	63.11	147.40	77.25	68.79
Capital Adequacy (%)				
Internal Equity Generation / Previous Year's Equity	30.88	179.16	127.68	88.46
Equity / Total Assets	11.54	13.35	16.36	17.58
Core Capital / Total Assets	11.33	13.17	16.07	17.16
Supplementary Capital / Total Assets	1.36	0.57	0.08	0.07
Capital / Total Assets	12.69	13.74	16.16	17.24
Standard Capital Adequacy Ratio	17.93	19.29	20.99	20.19
Liquidity (%)				
Liquidity Management Success (On Demand)	92.22	96.72	97.99	98.63
Liquidity Management Success (Up to 1 Month)	98.44	92.04	93.30	95.56
Liquidity Management Success (1 to 3 Months)	92.99	98.70	95.88	90.26
Liquidity Management Success (3 to 12 Months)	97.88	95.43	95.85	97.96
Liquidity Management Success (Over 1 Year & Unallocated)	99.78	92.03	83.02	82.42
Asset Quality (%)				
Loan and Receivable's Loss Provisions / Total Loans and Receivables	3.66	0.08	0.62	0.28
Total Provisions / Profit Before Provision and Tax	32.53	7.20	14.88	13.96
Impaired Loans / Gross Loans*	3.30	0.01	0.00	13.87
Total FX Position / Total Assets	7.85	8.55	15.61	10.83
Total FX Position / Equity	68.01	64.00	95.43	61.60

- *As mentioned in the report, due to the consolidation, impaired loans include the loans from the affiliated asset management firm.*
- *Including JCR Eurasia Rating's adjustments where applicable*

Rating Info

Rated Company:	Nurol Yatırım Bankası A.Ş. Büyükdere Cad. Nurol Plaza No:255 K:15, 34485 Şişli/İstanbul,Türkiye Telephone: +90 212 286 81 00
Rating Report Preparation Period:	07.04.2025 – 25.04.2025
Rating Publishing Date:	29.04.2025
Rating Expiration Date:	1 full year after publishing date, unless otherwise stated
Financial Statements:	FYE2024-FYE2023 | Consolidated & Solo Audit Report
Previous Rating Results:	29.04.2024 | Long-Term National Issuer Credit Rating at AA (tr)
Rating Committee Members:	Z. M. Çoktan (Executive Vice President) zeki.coktan@jcrer.com.tr, Ö. Sucu (Manager) omer.sucu@jcrer.com.tr, M. Hayat (Manager) merve.hayat@jcrer.com.tr,

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The ratings affirmed by JCR Eurasia Rating are a reflection of the Bank's independent audit reports prepared in conformity with Turkish Financial Reporting Standards (TFRS) and International Financial Reporting Standards (IFRS), on and off-balance sheet figures, general market conditions in its fields of activity, unaudited financial statements, information and clarifications provided by the Bank, and non-financial figures. Certain financial figures of the Bank for previous years have been adjusted in line with the JCR Eurasia Rating's criteria.

The Bank's balance sheet composition, asset quality, risk management practices, business profile, liquidity management, history in the sector, profitability figures, revenues, debt structure
e, growth rates, off-balance sheet commitments, and the financial and non-financial positions of the main shareholders were taken into consideration while determining the risk assessment of the long-term international local currency and foreign currency ratings as well as national ratings.

Considering the fact that there are no additional legal or financial collateral guarantees provided separately for the repayment of the bonds issued, the note assigned for the TRY dominated bond issuance is assigned as the same as the Bank's Long and Short-Term National Local Ratings, unless otherwise stated.

Previous rating results and other relevant information can be accessed on

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This rating report has been composed within the methodologies registered with and certified by the SPK (CMB-Capital Markets Board of Türkiye), BDDK (BRSA-Banking Regulation and Supervision Agency) and internationally accepted rating principles and guidelines but is not covered by NRSRO regulations.

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