

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

Nurol Yatırım Bankası Anonim Şirketi and Its Subsidiaries

**Publicly Announced Consolidated Financial Statements,
Related Disclosures and Independent Auditors' Report
as of and for the Year Ended 31 December 2022**

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

INDEPENDENT AUDITOR'S REPORT

To the General Assembly of Nurol Yatırım Bankası Anonim Şirketi

Audit of Consolidated Financial Statements

Unqualified Opinion

We have audited the accompanying consolidated statement of financial position of Nurol Yatırım Bankası A.Ş. ("the Bank") and its subsidiaries (collectively referred as "Group") at December 31, 2022 and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in shareholders' equity, consolidated statement of cash flows and a summary of significant accounting policies and other explanatory notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and consolidated financial performance and consolidated its cash flows for the year then ended in accordance with the Banking Regulation and Supervision Agency ("BRSA") Accounting and Financial Reporting Legislation which includes "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette no.26333 dated 1 November 2006 and other regulations on accounting records of Banks published by Banking Regulation and Supervision Agency and circulars and interpretations published by BRSA and Turkish Financial Reporting Standards ("TFRS") for those matters not regulated by the aforementioned regulations.

Basis for Opinion

Our audit was conducted in accordance with "Regulation on independent audit of the Banks" published in the Official Gazette no.29314 dated April 2, 2015 by BRSA (BRSA Independent Audit Regulation) and Independent Auditing Standards ("ISA") which are the part of Turkish Auditing Standards issued by the Public Oversight Accounting and Auditing Standards Authority ("POA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with of Code of Ethics for Independent Auditors (Code of Ethics) published by POA and have fulfilled our other responsibilities in accordance with the code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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 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 Matter	How the Key Audit Matter is addressed in our audit
Financial impact of TFRS 9 “Financial Instruments” standard and impairment on financial assets and related important disclosures	
<p>As presented in Section III disclosure VI, the Group recognizes expected credit losses of financial assets in accordance with TFRS 9 Financial Instruments standard. We considered impairment of financial assets as a key audit matter since:</p> <ul style="list-style-type: none"> - Amount of on and off balance sheet items that are subject to expected credit loss calculation is material to the financial statements - There are complex and comprehensive requirements of TFRS 9 - Policies implemented by the Bank management include compliance risk to the regulations and other practices - Processes of TFRS 9 are advanced and complex - Judgements and estimates used in expected credit loss, complex and comprehensive - Disclosure requirements of TFRS 9 are comprehensive and complex. 	<p>Our audit procedures included among others include:</p> <ul style="list-style-type: none"> - Evaluating the appropriateness of accounting policies as to the requirements of TFRS 9, Group's past experience, local and global practices - Reviewing and testing of processes which are used to calculate expected credit losses by involving our information technology and process audit specialists - Evaluation of the reasonableness and appropriateness of key judgments and estimates determined by management and the methods, judgments and data sources used in calculating expected loss, taking into account standard requirements, industry and global practices - Evaluating the alignment of the significant increase in credit risk determined during the calculation of expected credit losses, default definition, restructuring definition, probability of default, loss given default, exposure at default and macro-economic variables that are determined by the financial risk management experts with the Group's past performance, regulations, and other processes that has forward looking estimations. - Assessing the completeness and the accuracy of the data used for expected credit loss calculation. - Testing the mathematical accuracy of expected credit loss calculation on sample basis - Evaluating the judgments and estimates used for the individually assessed financial assets - Evaluating the necessity and accuracy of the updates made or required updates after the modeling process.

Responsibilities of Management and Directors for the Consolidated Financial Statements

Group management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the BRSA Accounting and Reporting Legislation and for such internal control as management determines is necessary to enable the preparation of the financial statement that is 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.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

In an independent audit, the responsibilities of us as independent auditors are:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with BRSA Independent Audit Regulation and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 audit in accordance with BRSA Independent Audit Regulation and ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of 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.)
- Obtain an understanding of 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 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 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 and 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 also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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.

Report on Other Legal and Regulatory Requirements

1) In accordance with Article 402 paragraph 4 of the Turkish Commercial Code ("TCC"); no significant matter has come to our attention that causes us to believe that the Group's bookkeeping activities and consolidated financial statements for the period January 1 – December 31, 2022 are not in compliance with the TCC and provisions of the Group's articles of association in relation to financial reporting.

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

The engagement partner who supervised and concluded this independent auditor's report is Fatma Ebru Yücel.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited



Fatma Ebru Yücel, SMMM
Partner

February 13, 2023
Istanbul, Turkey

NUROL YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL REPORT
AS OF 31 DECEMBER 2022

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

1. General Information About The Parent Company
2. Consolidated Financial Statements of The Parent Company
3. Explanations on Accounting Policies
4. Information Related to Consolidated Financial Position and Risk Management
5. Explanations and Notes Related to Consolidated Financial Statements
6. Other Explanations and Notes
7. Explanations on Independent Auditor's Report

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

Subsidiaries

1. Nurol Varlık Kiralama Anonim Şirketi
2. Nurol 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 <i>Chairperson of Board of Directors</i>	Özgür Altuntaş <i>CEO</i>	Zafer Babür Hakarar <i>Deputy CEO</i>	Recep Gül <i>Group Manager</i>
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Yusuf Serbest <i>Audit committee chairperson</i>	Ahmet Kerim Kemahlı <i>Audit committee member</i>
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Contact information of the personnel in charge of the addressing of questions about this financial report:

Name-Surname/Title : Recep Gül / 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. (*)	717,648	95.68	717,648	-
Other	32,352	4.32	32,352	-

(*) 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	Chairman of the Board	26.02.2016	Graduate	38 years	-
M. Oğuz ÇARMIKLI	Deputy Chairman of the Board	27.05.1999	Graduate	38 years	0.89
Yusuf SERBEST	Directors	08.08.2022	Graduate	37 years	-
Ahmet ŞİRİN	Board Member - Audit	08.08.2022	Graduate	16 years	-
Mehmet Mete BAŞOL	Board Member	12.08.2014	Graduate	24 years	-
Özgür ALTUNTAŞ	Board Member (Corporate)	03.10.2013	Graduate	24 years	-
Ahmet Kerim KEMAHLI	Board Member - CEO	10.03.2010	Graduate	24 years	-
Eyüp Sabri ÇARMIKLI	Board Member (Audit)	21.04.2016	Graduate	12 years	0.78
Gürhan ÇARMIKLI	Board Member	21.04.2016	Graduate	12 years	0.39
Zafer Babür HAKARAR	Board Member	03.10.2013	Postgraduate	24 years	-
Dr. Murat ÇİMEN	Deputy General Manager	03.10.2013	PhD	24 years	-
Ahmet Murat KAVURGA	Deputy General Manager	22.02.2014	Graduate	32 years	-
Semih Subutay NEZİR	Assistant General Manager	01.08.2009	Graduate	29 years	-
Yeliz BİLGİN	Assistant General Manager	29.04.2015	Graduate	14 years	-
Seyfullah Cenk ATMACA	Assistant General Manager	12.03.2018	Graduate	19 years	-
Pınar ÇETİNEL	Assistant General Manager	09.08.2022	Graduate	3 years	-

GENERAL INFORMATION (continued)

IV. Explanation on shareholders having control shares

Explanation on shareholders having control shares of the Bank as of 31 December 2022, is stated below:

Name Surname /Commercial Title	Share Amounts	Share Percentage (%)	Paid in Capital	Unpaid Portion
Nurol Holding A.Ş.	717,648	95.68	717,648	-

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

CONVENIENCE TRANSLATION OF THE AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH
NUROL YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF BALANCE SHEET (FINANCIAL POSITION)
AS OF DECEMBER 31, 2022

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

ASSETS	Section 5 Note I	Audited Current Period 31 December 2022			Audited Prior Period 31 December 2021		
		TL	FC	Total	TL	FC	Total
I. FINANCIAL ASSETS (Net)		6,445,781	6,328,270	12,774,051	317,790	2,985,142	3,302,932
1.1 Cash and cash equivalents	I-1	1,068,089	4,370,764	5,438,853	134,388	2,698,082	2,832,470
1.1.1 Cash and balances at Central Bank	I-1	564,033	1,874,246	2,438,279	134,284	1,387,382	1,521,666
1.1.2 Banks	I-3	206,145	2,496,518	2,702,663	523	1,310,700	1,311,223
1.1.3 Money market placements		300,161	-	300,161	-	-	-
1.1.4 Expected credit losses (-)		2,250	-	2,250	419	-	419
1.2 Financial assets at fair value through profit or loss	I-2	909,068	-	909,068	35,141	-	35,141
1.2.1 Government securities		-	-	-	-	-	-
1.2.2 Equity instruments		827,976	-	827,976	-	-	-
1.2.3 Other financial assets		81,092	-	81,092	35,141	-	35,141
1.3 Financial assets at fair value through other comprehensive income	I-5	4,468,563	1,896,428	6,364,991	58,413	171,654	230,067
1.3.1 Government securities		901,207	284,363	1,185,570	5,822	-	5,822
1.3.2 Equity instruments		17,914	-	17,914	17,915	-	17,915
1.3.3 Other financial assets		3,549,442	1,612,065	5,161,507	34,676	171,654	206,330
1.4 Derivative financial assets	I-2	61	61,078	61,139	89,848	115,406	205,254
1.4.1 Derivative financial assets measured at fair value through profit or loss		61	61,078	61,139	89,848	115,406	205,254
1.4.2 Derivative financial assets measured at fair value through other comprehensive income		-	-	-	-	-	-
II. FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)		2,818,374	911,408	3,729,782	2,004,319	1,452,912	3,457,231
2.1 Loans	I-6	2,358,967	911,408	3,270,375	1,730,846	1,540,336	3,271,182
2.2 Receivables from leasing transactions	I-11	480,469	-	480,469	346,261	-	346,261
2.3 Factoring receivables	I-12	-	-	-	-	-	-
2.4 Other financial assets measured at amortised cost		-	-	-	-	-	-
2.4.1 Government securities		-	-	-	-	-	-
2.4.2 Other financial assets		-	-	-	-	-	-
2.5 Expected credit losses (-)		21,062	-	21,062	72,788	87,424	160,212
III. ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	I-16	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	I-9	-	-	-	-	-	-
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)		-	-	-	-	-	-
4.2.1 Unconsolidated financial subsidiaries		-	-	-	-	-	-
4.2.2 Unconsolidated non-financial subsidiaries		-	-	-	-	-	-
4.3 Jointly Controlled Partnerships (Joint Ventures) (Net)		-	-	-	-	-	-
4.3.1 Joint ventures consolidated by using equity method		-	-	-	-	-	-
4.3.2 Unconsolidated joint ventures		-	-	-	-	-	-
V. TANGIBLE ASSETS (Net)		20,104	-	20,104	19,587	-	19,587
VI. INTANGIBLE ASSETS (Net)		29,805	-	29,805	14,535	-	14,535
6.1 Goodwill		-	-	-	-	-	-
6.2 Other		29,805	-	29,805	14,535	-	14,535
VII. INVESTMENT PROPERTIES (Net)	I-14	47,470	-	47,470	226,930	-	226,930
VIII. CURRENT TAX ASSETS		-	-	-	9,966	-	9,966
IX. DEFERRED TAX ASSETS	I-15	-	-	-	-	-	-
X. OTHER ASSETS (Net)	I-17	39,527	542,342	581,869	22,559	1,333	23,892
TOTAL ASSETS		9,672,321	7,782,020	17,454,341	2,615,686	4,439,387	7,055,073

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 BALANCE SHEET (FINANCIAL POSITION)
AS OF DECEMBER 31, 2022

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

		Audited Current Period 31 December 2022			Audited Prior Period 31 December 2021			
LIABILITIES		Section 5 Note II	TL	FC	Total	TL	FC	Total
I.	DEPOSITS	II-1	-	-	-	-	-	-
II.	FUNDS BORROWED	II-3	902,199	565,011	1,467,210	215,191	30,323	245,514
III.	MONEY MARKET FUNDS	II-5	572,458	1,796,476	2,368,934	1,790	114,077	115,867
IV.	SECURITIES ISSUED (Net)	II-6	2,843,300	-	2,843,300	1,515,554	-	1,515,554
4.1	Bills		2,353,372	-	2,353,372	1,043,248	-	1,043,248
4.2	Asset backed securities		-	-	-	-	-	-
4.3	Bonds		489,928	-	489,928	472,306	-	472,306
V.	FUNDS	II-4	1,224,932	4,102,187	5,327,119	323,123	1,394,675	1,717,798
5.1	Borrower funds		33,711	10,743	44,454	8,436	61,221	69,657
5.2	Other		1,191,221	4,091,444	5,282,665	314,687	1,333,454	1,648,141
VI.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII.	DERIVATIVE FINANCIAL LIABILITIES		-	27,773	27,773	102,513	35,596	138,109
7.1	Derivative financial assets measured at fair value through profit or loss	II-2	-	27,773	27,773	102,513	35,596	138,109
7.2	Derivative financial assets measured at fair value through other comprehensive income	II-9	-	-	-	-	-	-
VIII.	FACTORING PAYABLES		-	-	-	-	-	-
IX.	LEASE PAYABLES (Net)	II-8	11,109	-	11,109	11,651	-	11,651
X.	PROVISIONS	II-10	42,160	68,134	110,294	15,821	48,569	64,390
10.1	Restructuring Reserves		-	-	-	-	-	-
10.2	Reserves for employee benefits		30,302	-	30,302	5,590	-	5,590
10.3	Insurance technical reserves (Net)		-	-	-	-	-	-
10.4	Other provisions		11,858	68,134	79,992	10,231	48,569	58,800
XI.	CURRENT TAX LIABILITIES	II-11	170,009	-	170,009	17,265	-	17,265
XII.	DEFERRED TAX LIABILITIES		33,384	-	33,384	10,894	-	10,894
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	-	66,764	66,764
14.1	Borrowings		-	93,785	93,785	-	66,764	66,764
14.2	Other debt instruments		-	-	-	-	-	-
XV.	OTHER LIABILITIES	II-7	68,115	2,602,624	2,670,739	221,305	2,115,996	2,337,301
XVI.	SHAREHOLDERS' EQUITY		2,318,478	12,207	2,330,685	809,163	4,803	813,966
16.1	Paid-in capital	II-14	750,000	-	750,000	460,000	-	460,000
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	4,117	-	4,117
16.4	Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss	II-16	48,313	12,207	60,520	(3,699)	4,803	1,104
16.5	Profit reserves		56,797	-	56,797	38,265	-	38,265
16.5.1	Legal reserves		27,670	-	27,670	18,231	-	18,231
16.5.2	Statutory reserves		-	-	-	-	-	-
16.5.3	Extraordinary reserves		2,127	-	2,127	8,034	-	8,034
16.5.4	Other profit reserves		27,000	-	27,000	12,000	-	12,000
16.6	Profit or loss		1,460,280	-	1,460,280	310,480	-	310,480
16.6.1	Prior years' profits or losses		1,948	-	1,948	119,337	-	119,337
16.6.2	Current period net profit or loss		1,458,332	-	1,458,332	191,143	-	191,143
16.7	Minority interest	II-17	-	-	-	-	-	-
TOTAL LIABILITIES			8,186,144	9,268,197	17,454,341	3,244,270	3,810,803	7,055,073

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 DECEMBER 31, 2022

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

		Audited Current Period 31 December 2022			Audited Prior Period 31 December 2021			
		Section 5 Note III	TL	FC	Total	TL	FC	Total
A.	OFF-BALANCE SHEET COMMITMENTS (I+II+III)		3,296,679	8,136,132	11,432,811	3,769,897	6,343,564	10,113,461
I.	GUARANTEES AND WARRANTIES	III-2	1,773,578	111,193	1,884,771	934,191	97,285	1,031,476
1.1	Letters of Guarantee	III-1	1,773,578	101,569	1,875,147	934,191	90,622	1,024,813
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		1,773,578	101,569	1,875,147	934,191	90,622	1,024,813
1.2	Bank Acceptances		-	-	-	-	6,663	6,663
1.2.1	Import Letter of Acceptance		-	-	-	-	6,663	6,663
1.2.2	Other Bank Acceptances		-	-	-	-	-	-
1.3	Letters of Credit		-	9,624	9,624	-	-	-
1.3.1	Documentary Letters of Credit		-	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		8,180	216,416	224,596	-	-	-
2.1	Irrevocable Commitments		8,180	216,416	224,596	-	-	-
2.1.1	Asset Purchase and Sales Commitments		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	-	-	-
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		-	-	-	-	-	-
2.2.1	Revocable Commitments for Loan Limits		-	-	-	-	-	-
2.2.2	Other Revocable Commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS		1,514,921	7,808,523	9,323,444	2,835,706	6,246,279	9,081,985
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		1,514,921	7,808,523	9,323,444	2,835,706	6,246,279	9,081,985
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		1,514,921	7,567,749	9,082,670	2,835,706	6,246,279	9,081,985
3.2.2.1	Foreign Currency Swap-Buy		-	3,804,542	3,804,542	-	2,476,103	2,476,103
3.2.2.2	Foreign Currency Swap-Sell		1,514,921	2,295,230	3,810,151	1,121,911	1,291,966	2,413,877
3.2.2.3	Interest Rate Swap-Buy		-	725,762	725,762	1,713,795	378,812	2,092,607
3.2.2.4	Interest Rate Swap-Sell		-	742,215	742,215	-	2,099,398	2,099,398
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)		13,446,454	5,418,859	18,865,313	9,357,110	2,283,355	11,640,465
IV.	ITEMS HELD IN CUSTODY		5,231,937	3,426,934	8,658,871	3,942,099	945,552	4,887,651
4.1	Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2	Investment Securities Held in Custody		5,201,854	3,398,887	8,600,741	3,936,846	925,558	4,862,404
4.3	Cheques Received for Collection		30,083	-	30,083	5,253	-	5,253
4.4	Commercial Notes Received for Collection		-	28,047	28,047	-	19,994	19,994
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		8,214,517	1,991,925	10,206,442	5,415,011	1,337,803	6,752,814
5.1	Marketable Securities		105,423	934,915	1,040,338	106,362	666,450	772,812
5.2	Guarantee Notes		2,024,658	155,589	2,180,247	946,860	110,911	1,057,771
5.3	Commodity		1,995,042	154,261	2,149,303	1,317,429	26,658	1,344,087
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		1,224,971	494,301	1,719,272	150,675	342,421	493,096
5.6	Other Pledged Items		2,864,423	252,859	3,117,282	2,893,685	191,363	3,085,048
5.7	Pledged Items-Depository		-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)			16,743,133	13,554,991	30,298,124	13,127,007	8,626,919	21,753,926

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

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NUROL YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AS OF DECEMBER 31, 2022

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

	Section 5 Note IV	Audited Current Period (01.01.2022- 31.12.2022)	Audited Prior Period (01.01.2021- 31.12.2021)
		Total	Total
I. INTEREST INCOME	IV-1	2,075,660	657,555
1.1 Interest Income on Loans		982,778	563,742
1.2 Interest Income on Reserve Requirements		2,293	8,397
1.3 Interest Income on Banks		14,887	18,614
1.4 Interest Income on Money Market Transactions		6,145	-
1.5 Interest Income on Securities Portfolio		934,757	23,109
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		934,757	23,109
1.5.3 Financial Assets at Measured by Amortized Cost		-	-
1.6 Financial Lease income		-	-
1.7 Other Interest Income		134,800	43,693
II. INTEREST EXPENSES	IV-2	848,498	326,250
2.1 Interests on Deposits		-	-
2.2 Interest on Funds Borrowed		291,739	114,985
2.3 Interests on Money Market Transactions		89,731	7,617
2.4 Interest on Securities Issued		333,832	161,985
2.5 Lease Interest Expenses		2,588	1,193
2.6 Other Interest Expenses		130,608	40,470
III. NET INTEREST INCOME/EXPENSE (I - II)		1,227,162	331,305
IV. NET FEE AND COMMISSION INCOME/EXPENSE		256,063	100,397
4.1 Fees and Commissions Received		369,238	111,851
4.1.1 From Non-Cash Loans		32,967	19,305
4.1.2 Other		336,271	92,546
4.2 Fees and Commissions Given		113,175	11,454
4.2.1 To Non-Cash Loans		5,450	2,569
4.2.2 Other		107,725	8,885
V. DIVIDEND INCOME	IV-3	428	200
VI. TRADING PROFIT/LOSS (Net)	IV-4	588,598	(59,326)
6.1 Trading Profit/(Loss) on Securities		529,015	55,199
6.2 Profit/Loss from Derivative Financial Transactions		(310,762)	(366,257)
6.3 Profit/Loss on Foreign Exchange Transactions		370,345	251,732
VII. OTHER OPERATING INCOME	IV-5	156,280	89,919
VIII. GROSS OPERATING INCOME (III+IV+V+VI+VII+VIII)		2,228,531	462,495
IX. EXPECTED CREDIT LOSSES (-)	IV-6	98,241	81,665
X. OTHER PROVISION EXPENSES	IV-6	44,900	37,558
XI. OTHER OPERATING EXPENSES	IV-7	168,179	60,827
XII. PERSONNEL EXPENSES		73,207	35,215
XIII. NET OPERATING PROFIT/LOSS (IX-X-XI)		1,844,004	247,230
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	1,844,004	247,230
XVIII. TAX PROVISION FOR CONTINUED OPERATIONS (±)	IV-9	(385,672)	(56,087)
18.1 Provision for Current Tax		(381,635)	(31,034)
18.2 Deferred Tax Expense Effect		(4,037)	(25,053)
18.3 Deferred Tax Income Effect		-	-
XIX. CONTINUING OPERATIONS PERIOD NET PROFIT/LOSS (XVI±XVII)	IV-10	1,458,332	191,143
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	1,458,332	191,143
Earnings/Loss Per Share		2.06092	0.46121

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 DECEMBER 31, 2022
(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

		Audited Current Period 31 December 2022	Audited Prior Period 31 December 2021
I.	PERIOD PROFIT/LOSS	1,458,332	191,143
II.	OTHER COMPREHENSIVE INCOME	58,387	3,833
2.1	Not to be reclassified to Profit or Loss	(1,029)	2,721
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	-	4,512
2.1.5	Taxes Relating To Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss	(1,029)	(1,791)
2.2	Other Comprehensive Income That Will Be Reclassified to Profit or Loss	59,416	1,112
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	76,840	1,074
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	(17,424)	38
III.	TOTAL COMPREHENSIVE INCOME (I+II)	1,516,719	194,976

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 CHANGES IN SHAREHOLDERS' EQUITY
AS OF DECEMBER 31, 2022

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

Audited	Section 5 Note V	Paid-in capital	Share Premium	Share Cancellation Profits	Other Capital Reserves	Other Accumulated Comprehensive Income and Expenses Not to be Reclassified to Profit or Loss			Other Accumulated Comprehensive Income and Expenses to be Reclassified to Profit or Loss			Profit Reserves	Prior Period Profit / (Loss)	Net Profit or Loss for the Period	Total Equity
						Accumulated Revaluation Increases/ decreases of Fixed Assets	Accumulated Remeasurement Gains/losses of Defined Benefit Pension Plan	Other ^(*)	Foreign Currency Conversion Differences	Accumulated Revaluation and/or Reclassification Gains/Losses of Financial Assets at Fair Value Through Other Comprehensive Income	Other ^(**)				
Prior Period 01.01 – 31.12.2021															
I. Balance at the Beginning of the Period		360,000	-	-	-	1,952	-	118,781	-	(8)	-	29,362	-	108,903	618,990
II. Amendments Made Pursuant to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Fixing Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policy		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New Balance (I+II)		360,000	-	-	-	1,952	-	118,781	-	(8)	-	29,362	-	108,903	618,990
IV. Total Comprehensive Income		-	-	-	-	-	-	2,721	-	1,112	-	-	-	191,143	194,976
V. Capital Increase in Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase from Internal Resources		100,000	-	-	-	-	-	-	-	-	-	8,903	(108,903)	-	-
VII. Paid-in Capital Inflation Adjustment Difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt Instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase/Decrease Due to Other Changes		-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit Distribution		-	-	-	-	(1,952)	-	(117,385)	-	-	-	-	228,240	(108,903)	-
11.1 Dividends Distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Amounts Transferred to Reserves		-	-	-	-	(1,952)	-	(117,385)	-	-	-	-	228,240	(108,903)	-
11.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-
End of Period Balance (III+IV+.....+X+XI)		460,000	-	-	-	-	-	4,117	-	1,104	-	38,265	119,337	191,143	813,966
Current Period - 01.01 – 31.12.2022															
I. Prior Period End Balance		460,000	-	-	-	-	-	4,117	-	1,104	-	38,265	119,337	191,143	813,966
II. Amendments Made Pursuant to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Effect of Fixing Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effect of Changes in Accounting Policy		-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New Balance (I+II)		460,000	-	-	-	-	-	4,117	-	1,104	-	38,265	119,337	191,143	813,966
IV. Total Comprehensive Income		-	-	-	-	-	-	(1,029)	-	59,416	-	-	-	1,458,332	1,516,719
V. Capital Increase in Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Capital Increase from Internal Resources		290,000	-	-	-	-	-	-	-	-	-	3,532	(293,532)	-	-
VII. Paid-in Capital Inflation Adjustment Difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Convertible Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Subordinated Debt Instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Increase/Decrease Due to Other Changes		-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Profit Distribution		-	-	-	-	-	-	-	-	-	-	15,000	176,143	(191,143)	-
11.1 Dividends Distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Amounts Transferred to Reserves		-	-	-	-	-	-	-	-	-	-	15,000	176,143	(191,143)	-
11.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-
End of Period Balance (III+IV+.....+X+XI)		750,000	-	-	-	-	-	3,088	-	60,520	-	56,797	1,948	1,458,332	2,330,685

(*) Accumulated amounts of other comprehensive income of investments valued using the equity method that will not be reclassified to profit or loss and other comprehensive income items that will not be reclassified as other profit or loss.

(**) Gains/losses on cash flow hedges, share of other comprehensive income from equity method investments to be reclassified to profit/loss and accumulated amounts of other comprehensive income items to be reclassified as other profit or loss

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 DECEMBER 31, 2022
(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

	Section 5 Note VI	Audited Current Period 31 December 2022	Audited Prior Period 31 December 2021
A. CASH FLOWS FROM BANKING ACTIVITIES			
1.1 Operating Profit Before Changes in Assets and Liabilities of Banking Activity	VI-1	1,395,498	157,343
1.1.1 Interests Received		1,680,748	648,400
1.1.2 Interests Paid		(738,055)	(305,891)
1.1.3 Dividends Received		-	-
1.1.4 Fees and Commissions Received		369,238	111,852
1.1.5 Other Earnings		698,749	69,491
1.1.6 Collections from Non-Performing Receivables Accounted as Loss		22,899	8,741
1.1.7 Cash Payments to Personnel and Service Providers		(269,604)	(82,295)
1.1.8 Taxes Paid		(274,796)	(49,055)
1.1.9 Other	VI-1	(93,681)	(243,900)
1.2 Change in Assets and Liabilities Subject to Banking Activities		4,470,129	(533,576)
1.2.1 Net (Increase) Decrease in Financial Assets at Fair Value through Profit or Loss		(866,354)	(34,742)
1.2.2 Net (Increase) Decrease in Banks Account		-	-
1.2.3 Net (Increase) Decrease in Loans		(360,961)	(430,914)
1.2.4 Net (Increase) Decrease in Other Assets	VI-1	(1,067,624)	(1,267,292)
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		7,768,276	1,144,341
1.2.9 Net Increase (Decrease) in Overdue Payables		-	-
1.2.10 Net Increase (Decrease) in Other Payables	VI-1	(1,003,208)	55,031
I. Net Cash Flow from Banking Activities	VI-1	5,865,627	(376,233)
B. CASH FLOWS FROM INVESTMENT ACTIVITIES			
II. Net Cash Flow from Investment Activities	VI-1	(5,651,394)	227,492
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		(6,311)	(4,060)
2.4 Securities and Real Estate Disposed		27,250	143,000
2.5 Financial Assets at Fair Value Through Other Comprehensive Income		(40,597,638)	(18,241,886)
2.6 Disposal Financial Assets at Fair Value Through Other Comprehensive Income		34,950,202	18,341,521
2.7 Financial Assets Purchased at Amortized Cost		-	-
2.8 Financial Assets Measured at Amortized Cost Sold		-	-
2.9 Other	VI-1	(24,897)	(11,083)
C. CASH FLOWS FROM FINANCE ACTIVITIES			
III. Net Cash from Financing Activities		1,255,504	690,819
3.1 Cash from Loans and Issued Securities		13,969,907	7,524,770
3.2 Cash Outflow from Loans and Securities Issued		(12,707,812)	(6,829,258)
3.3 Issued Capital Instruments		-	-
3.4 Dividend Payments		-	-
3.5 Rental Payments		(6,591)	(4,693)
3.6 Other		-	-
IV. Effect of Foreign Currency Translation Differences on Cash and Cash Equivalents		653,694	507,354
V. Net Increase in Cash and Cash Equivalents I+II+III+IV	VI-2	2,123,431	1,049,432
VI. Cash and Cash Equivalents at the Beginning of the Period		1,445,373	395,941
VII. Cash and Cash Equivalents at the End of the Period V+VI	VI-3	3,568,804	1,445,373

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 DECEMBER 31, 2022

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

		Audited Current Period 31.12.2022	Audited Prior Period 31.12.2021
I.	PERIOD PROFIT DISTRIBUTION (***)		
1.1	PROFIT FOR THE PERIOD	1,819,150	244,681
1.2	TAX PAYABLE AND LEGAL OBLIGATIONS	(380,647)	(55,486)
1.2.1	Corporate Tax (Income Tax)	(381,254)	(31,034)
1.2.2	Income Tax Deduction	607	-
1.2.3	Other Taxes and Legal Obligations	-	(24,452)
	A.NET PROFIT FOR THE PERIOD (1.1-1.2)	1,438,503	189,195
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)]	1,438,503	189,195
1.6	FIRST DIVIDEND TO PARTNERS	-	-
1.6.1	To Shareholders	-	-
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 (**)	-	189,195
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	2.03448	0.45731
3.2	TO SHAREHOLDERS (%)	203.45	4.573
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 30, 2022 is disclosed in Note XXIII of Section Three.

(***) Represents the Parent Bank's Profit Distribution Statement.

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.

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 for the accounting period ending on 31 December 2022 in accordance with TAS 29. In this context, TMS 29 is not applied and inflation adjustment has not been reflected in the financial statements as of December 31, 2022.

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.

The tension between Russia and Ukraine since January 2022 has turned into a crisis and a hot conflict as of the date of the report. The Group does not carry out any activities in the two countries that are subject to the crisis. Considering the geographies in which the Group operates, no direct impact is expected on the Group's operations. However, due to the uncertain course of the crisis as of the report date, the effects of the developments that may occur on a global scale, the possible reflections of these developments on the global and regional economy, and the effects on the Group's operations cannot be reasonably estimated.

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 2022, the USD exchange rate used in the conversion of foreign currency transactions into Turkish currency and their reflection in the financial statements is 18.6983 TL and the EURO exchange rate is 19.9349 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 2022	31 December 2021
Nurol Varlık Kiralama Anonim Şirketi	Full Consolidation	Turkey	Asset Lease	100.00	100.00
Nurol Portföy Yönetim Anonim Şirketi	Full Consolidation	Turkey	Portfolio Management	100.00	100.00
Ortak Varlık Yönetim Anonim Şirketi	Full Consolidation	Turkey	Asset Management	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 2022.

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

1. 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

Derivative financial instruments of the Bank (forward foreign currency purchase and sale contracts, swap transactions) are classified, measured and accounted under "TFRS 9 Financial Instruments" ("TFRS 9"), Payables and receivables arising from the derivative instruments are recorded in the off-balance sheet accounts at their contractual values. Derivative transactions are valued at their fair values subsequent to their acquisition. In accordance with the classification of derivative financial instruments, if the fair value is positive, the amount is classified as "Derivative Financial Assets Designated at Fair Value Through Profit or Loss" or "Derivative Financial Assets Designated at Fair Value Through Other Comprehensive Income", if the fair value is negative, the amount is classified as "Derivative Financial Liabilities Designated at Fair Value Through Profit or Loss" or "Derivative Financial Liabilities Designated at Fair Value Through Other Comprehensive Income". The fair value differences of derivative financial instruments designated at fair value through profit or loss are recognized in the income statement under trading profit/loss line in profit/loss from derivative financial transactions.

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 TFRS 9 “Financial Instruments” standard by applying the effective interest rate to the gross carrying amount of a financial asset except for: purchased or originated credit-impaired financial assets or financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets.

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.

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

VI. EXPLANATIONS ON FINANCIAL ASSETS (continued)

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.

- **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.

VI. EXPLANATIONS ON FINANCIAL ASSETS (continued)

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 2022, its value is TL 897,309 and is classified under "Financial Assets at Fair Value Through Profit and Loss" in the financial statements (31 December 2021: TL 33,029).

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.

VI. EXPLANATIONS ON FINANCIAL ASSETS (continued)

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.

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.

VII. EXPLANATIONS ON EXPECTED CREDIT LOSS (CONTINUED)

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.

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".

VII. EXPLANATIONS ON EXPECTED CREDIT LOSS (CONTINUED)

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 every period based on the 5-year Turkey credit risk (CDS spread), which has a very high correlation with basic macroeconomic factors such as unemployment, growth, inflation and interest. During this update, the average and end-of-period value of the 5-year Turkey credit risk (CDS spread) during the period are taken into account at certain rates.

This approach, which was preferred in the provision calculations for 2022, will be reviewed in the following reporting periods by considering the effect of the pandemic, portfolio and future expectations.

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.

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 SECURITIES 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.

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 ("KGK") 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

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 8,896 as of 31 December 2022 (31 December 2021: TL 11,068), while the lease liability is TL 11,109 (December 31, 2021: TL 11,651).

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 2022	31 December 2021
Interest Rate	22.44	19.45
Inflation Rate	20.55	15.00

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. Prepaid taxes are followed in “Current Tax Liability” or “Current Tax Asset” accounts to be deducted from the corporate tax liability of the relevant year. The corporate tax rate is applied to the net corporate income to be found as a result of adding the expenses that are not accepted as deductible in accordance with the tax laws to the commercial income of the corporations, and deducting the exceptions and deductions in the tax laws. Corporate tax is declared until the evening of the twenty-fifth day of the fourth month following the end of the relevant year and is paid until the end of the relevant month.

The withholding tax rate applied on dividend payments other than those made to institutions residing in Turkey is 15%.

Companies calculate a provisional tax of 25% (23% for the taxation periods 2021) on their quarterly financial profits in 2022 and declare it until the fourteenth day of the second month following that period and pay it until the evening of the seventeenth day. The temporary tax paid during the year belongs to that year and is deducted from the corporate tax to be calculated on the corporate tax return to be submitted in the following year. If there is still a prepayment balance of temporary tax despite the deduction, this amount can be refunded in cash or reimbursed during the next period.

Within the scope of repetitive article 298 of the Tax Procedure Law, it has been decided that the financial statements will be subject to inflation adjustment if the increase in the producer price index is more than 100% in the last 3 accounting periods, including the current period, and more than 10% in the current accounting period. As of September 2022, these conditions have been fulfilled. However, with the “Law on the Amendment of the Tax Procedure Law and the Corporate Tax Law” numbered 7352 published in the Official Gazette dated 29 January 2022 and numbered 31734, the temporary article 33 was added to the Tax Procedure Law numbered 213, including provisional tax periods. With this amendment, financial statements will not be subject to inflation adjustment for the 2021 and 2022 accounting periods (for those designated as a special accounting period, as of the 2022 and 2023 accounting periods) and the provisional tax periods for the 2023 accounting period, regardless of whether the conditions for the repetitive inflation adjustment within the scope of Article 298 are met. It has been enacted that the 31.12.2023 financial statements will be subject to inflation adjustment regardless of whether the conditions for the inflation adjustment are met, and the profit/loss differences arising from the inflation adjustment to be made will be shown in the previous years' profit/loss account.

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 2022, the Bank does not have any deferred investment allowance that it foresees to benefit from in the future.

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. 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.

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 2021 Ordinary General Assembly held on March 30, 2022, the paid-in capital of the Bank was increased to TL 750,000 by receiving TL 290,000 from internal resources. The Ordinary General Assembly decision regarding the capital increase was announced in the Turkish Trade Registry Gazette dated 7 April 2022 and numbered 10505.

2021 profit distribution table:	
Net profit for 2021	189,195
Total profit subject to distribution	189,195
A – 1.Order General Legal Reserves (TTK 519/A) %5	9,460
B – Extraordinary Reserves	179,735
Classified to Total Profit Reserves	189,195
C – Capital Increase from Internal Resources	290,000
Classified to Total Paid-in Capital	290,000

SECTION FOUR

INFORMATION RELATED TO CONSOLIDATED FINANCIAL POSITION AND RISK MANAGEMENT

I. Information about consolidated shareholders' equity items

Pursuant to the BRSA's letter no 10188 dated April 28, 2022, in the calculation of the amount subject to credit risk in accordance with the Regulation on Measurement and Evaluation of Capital Adequacy of Banks as of May 1, 2022; other than foreign currency items measured at historical cost, their revaluation in accordance with Turkish Accounting Standards and relevant special provision amount is calculated based on the exchange rates announced by the CBRT as of December 31, 2022. Also as of May 1, 2022, a 200% risk weight has been applied to commercial cash loans excluding Agricultural loans, loans to be extended to businesses that fall under the definition of SME, export and investment loans, as per the Public Financial Management and Control Law No. 5018 (I.), (II), (III) and (IV) numbered institutions and organizations and state economic enterprises and their institutions, subsidiaries and affiliates, loans to be used through corporate credit cards and to banks or financial institutions. In case the net valuation differences of the securities in the "Securities at Fair Value Through Other Comprehensive Income" portfolio are negative, the practice of ensuring that these differences are not taken into account in the equity amount to be calculated in accordance with the Regulation on the Equity of Banks and used for the capital adequacy ratio continues. Equity capital amount and capital adequacy standard ratio is calculated in accordance with the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" and "Regulation on Equities of Banks". As of 31 December 2022, the equity amount calculated is TL 2,398,139 the capital adequacy standard ratio is 19.29% (31 December 2021: the calculated equity amount is TL 895,346, the capital adequacy standard ratio is 17.93%). The Bank has taken these opportunities into account in the capital adequacy calculation.

Information on shareholders' equity:	Current Period 31 December 2022	Prior Period 31 December 2021
Common Equity Tier 1 Capital		
Directly issued qualifying common share capital plus related stock surplus	750,000	460,000
Share premium	-	-
Legal reserves	56,797	38,265
Projected gains to shareholders' equity of the accounting standards in Turkey	63,608	5,221
Profit	1,460,280	310,480
Net current period profit	1,458,332	191,143
Prior period profit	1,948	119,337
Free shares from investments and associates, subsidiaries and joint ventures that is not recognised in profit	-	-
Common Equity Tier 1 capital before regulatory adjustments	2,330,685	813,966
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	-	-
Development cost of operating lease	2,276	3,354
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	29,805	14,535
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	32,081	17,889
The positive difference between the expected loan loss provisions under TFRS 9 and the total provision amount calculated before the application of TFRS 9	-	3,202
Common Equity Tier 1 capital (CET 1)	2,298,604	799,279

**CONVENIENCE TRANSLATION OF THE AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH
NUROL YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2022**
(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

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

	Current Year 31 December 2022	Prior Year 31 December 2021
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)	2,298,604	799,279
Tier 2 capital: instruments and provisions	99,535	96,048
Directly issued qualifying Tier 2 instruments plus related stock surplus	74,794	53,316
Directly issued qualifying Tier 2 instruments plus related stock surplus	-	-
Provisions	24,741	42,732
Tier 2 capital before regulatory adjustments	99,535	96,048
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)	99,535	96,048
Total capital (TC = T1 + T2)	2,398,139	895,327
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	-	-

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

	Current Period 31 December 2022	Prior Period 31 December 2021
Shareholders' Equity		
Total shareholders' equity	2,398,139	895,327
Total risk weighted items	12,434,555	4,995,094
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	% 18.49	% 16.00
Tier 1 Capital Adequacy Ratio (%)	% 18.49	% 16.00
Capital Adequacy Standard Ratio (%)	% 19.29	% 17.92
BUFFERS		
Total additional core capital requirement ratio (a+b+c)	% 2.50	% 2.50
a) a) Capital conservation buffer requirement (%)	% 2.50	% 2.50
b) b) Bank specific countercyclical buffer requirement (%)	-	-
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)	24,741	42,732
Cap on inclusion of provisions in Tier 2 under standardised approach	24,741	42,732
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)	-	-

(*) The amount of TL 93,492 subject to the Bank's contribution capital calculation is the Bank's foreign foreign currency borrowing instrument and has been included in the calculation in line with the permission obtained from the BRSA (31 December 2021: The Bank has foreign foreign currency debt instruments amounting to TL 53,316).

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

Information about instruments that will be included in total capital calculation

None. (December 31, 2021: Based on the letter of the Banking Regulation and Supervision Agency dated 02.03.2021 and numbered 5184; The repayment option of the foreign currency bond issued by the Bank as a subordinated debt instrument on 31 March 2016 was realized on 30 March 2021).

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

EQUITY ELEMENTS	T
Core Capital	2,298,604
Common Equity Tier 1 capital	2,298,604
Non-Transition Core Capital	2,298,604
Main Capital	2,298,604
Non-Transition Tier Capital	2,398,139
Equity	2,398,139
Equity without Transition Process	
TOTAL RISK WEIGHTED AMOUNTS	
Total Risk Weighted Amounts	12,434,555
CAPITAL ADEQUACY RATIOS	
Core Capital Adequacy Ratio (%)	18.49
Core Capital Adequacy Ratio without Transition Process (%)	18.49
Tier 1 Capital Adequacy Ratio (%)	18.49
Tier 1 Capital Adequacy Ratio without Transition Process (%)	18.49
Capital Adequacy Ratio (%)	19.29
Capital Adequacy Ratio without Transition Process (%)	19.29
LEVERAGE RATIO	
Leverage Ratio Total Risk Amount	19,616,879
Leverage Ratio (%)	10.00
Unenforced Leverage Ratio (%)	10.00

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.

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.

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 39 cash loan customers. As of the balance sheet date, the Bank's top 100 cash loan receivables constitute 100% of the total cash loan portfolio (31 December 2021: 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 96 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 2021: 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 share of cash and non-cash receivables of the Bank from its top 100 loan customers in total balance sheet assets and non-cash loans is 100% (31 December 2021: 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 24,740 (31 December 2021: TRY 42,732).

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	3,647,808	1,758,447	1,072,488	391,110
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 intermediary institutions	5,956,691	3,908,818	1,497,979	1,330,483
Contingent and uncontingent corporate receivables	5,115,974	5,692,859	3,108,865	3,426,099
Contingent and uncontingent retail receivables	41,300	281,219	145,761	97,341
Receivables secured by contingent and non-contingent real estate mortgages	57,286	67,466	63,133	55,842
Overdue receivables	288,494	281,772	161,312	50,304
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 in the Qualification of Collective Investment Institutions	-	-	-	-
Equity investments	-	-	-	-
Other receivables	1,646,121	764,487	338,203	726,895
Total	16,753,674	12,755,068	6,387,741	6,078,074

(*) 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	3,647,808	-	-	-	-	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
- 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	1,072,488	-	-	-	-	608,393	3,083,504	144,360	63,133	161,312	-	-	-	-	-	-	338,203	5,471,393
European Union Countries	-	-	-	-	-	499,214	2,133	-	-	-	-	-	-	-	-	-	-	501,347
OECD Countries (**)	-	-	-	-	-	151	-	-	-	-	-	-	-	-	-	-	-	151
Coastal Banking Regions	-	-	-	-	-	3,751	15,964	1,401	-	-	-	-	-	-	-	-	-	21,116
USA, Canada	-	-	-	-	-	385,481	7,264	-	-	-	-	-	-	-	-	-	-	392,745
Other Countries	-	-	-	-	-	989	-	-	-	-	-	-	-	-	-	-	-	989
Affiliates, Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unallocated Assets/Liabilities(***)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	1,072,488	-	-	-	-	1,497,979	3,108,865	145,761	63,133	161,312	-	-	-	-	-	-	338,203	6,387,741

(*) 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
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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

Sectors/Counter Parties	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	TRY	FCY	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	-	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
																				16,753,674

(*) 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
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II. Explanations on consolidated credit risk (continued)

Risk Profile by Sectors or Counterparty

Prior Period

Sectors/Counter Parties	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	TRY	FCY	Total(*)
Agriculture	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Agriculture and Livestock	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fishery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Industry	-	-	-	-	-	-	355,236	-	42,806	-	-	-	-	-	-	-	-	174,918	223,124	398,042
Mining and Quarrying	-	-	-	-	-	-	175	-	-	-	-	-	-	-	-	-	-	175	-	175
Manufacturing Industry	-	-	-	-	-	-	353,816	-	42,806	-	-	-	-	-	-	-	-	173,631	222,991	396,622
Electricity, Gas and Water	-	-	-	-	-	-	1,245	-	-	-	-	-	-	-	-	-	-	1,112	133	1,245
Building	-	-	-	-	-	-	623,847	-	-	-	-	-	-	-	-	-	-	111,377	512,470	623,847
Services	1,072,488	-	-	-	-	1,497,979	2,108,711	-	20,327	-	-	-	-	-	-	-	-	3,444,162	1,255,343	4,699,505
Wholesale and Retail Trade	-	-	-	-	-	-	261,771	-	-	-	-	-	-	-	-	-	-	191,505	70,266	261,771
Hotel and Restaurant Services	-	-	-	-	-	-	224,942	-	-	-	-	-	-	-	-	-	-	224,942	-	224,942
Transport and Communication	-	-	-	-	-	-	20,062	-	-	-	-	-	-	-	-	-	-	11,059	9,003	20,062
Financial Institutions	1,072,488	-	-	-	-	1,497,979	411,869	-	20,327	-	-	-	-	-	-	-	-	1,842,771	1,159,892	3,002,663
Real Estate and Rental Services	-	-	-	-	-	-	1,190,067	-	-	-	-	-	-	-	-	-	-	1,173,885	16,182	1,190,067
Self Employed Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Education Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	21,071	145,761	-	161,312	-	-	-	-	-	-	338,203	508,690	157,657	666,347
Total	1,072,488	-	-	-	-	1,497,979	3,108,865	145,761	63,133	161,312	-	-	-	-	-	-	338,203	4,239,147	2,148,594	6,387,741

(*) 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	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.

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	1,066,666	-	-	-	5,822
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	962,817	15,024	13,500	126,168	380,470
Contingent and uncontingent other corporate receivables	1,758,121	144,881	141,307	332,028	732,528
Contingent and non-contingent SME corporate receivables	-	-	-	-	-
Contingent and uncontingent corporate receivables	55,011	83,510	672	-	6,568
Contingent and uncontingent retail receivables	-	-	-	-	-
Receivables secured by contingent and non-contingent real estate mortgages	-	-	-	806	62,327
Overdue receivables	-	-	-	-	161,312
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	3,842,615	243,415	155,479	459,002	1,349,027

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

II. Explanations on consolidated credit risk (continued)

Risk amounts according to risk weight

Current Period										Deducted from
Risk Weights	%0	%10	%20	%50	%75	%100	%150	%200	%250	Equities
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

Prior Period										Deducted from
Risk Weights	%0	%10	%20	%50	%75	%100	%150	%200	%250	Equities
Amount Before										
Credit Risk										
Mitigation	1,175,749	-	183,073	1,266,721	-	3,762,198	-	-	-	17,889
Amount After Credit										
Risk Mitigation	1,175,749	-	183,073	1,266,721	-	3,626,084	-	-	-	17,889

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	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	-

(*) 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	1,162	87,424	87,424	-	-
2.1. Mining and Quarrying	-	-	-	-	-
2.2. Manufacturing Industry	1,162	-	-	-	-
2.3. Electricity, Gas and Water	-	87,424	87,424	-	-
3. Building	28,388	-	-	30,599	-
4. Services	29,286	32,414	32,414	6,407	-
4.1. Wholesale and Retail Trade	-	-	-	-	-
4.2. Hotel and Restaurant Services	-	32,414	32,414	-	-
4.3. Transport and Communication	-	-	-	-	-
4.4. Financial Institutions	29,286	-	-	6,407	-
4.5. Real Estate and Rental Services	-	-	-	-	-
4.6. Self Employed Services	-	-	-	-	-
4.7. Education Services	-	-	-	-	-
4.8. Health and Social Services	-	-	-	-	-
5. Other	-	161,312	-	-	-
6. Total	58,836	281,150	119,838	37,006	-

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 Adjustment s	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

Prior Period	Opening Balance	Provisions reserved during the period	Provision Cancellations	Other Adjustment s	Closing Balance
1. Third Stage Provisions	72,526	49,623	(2,311)	-	119,838
2. First and Second Stage Provisions	28,527	29,338	(17,491)	-	40,374

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 2022, the Bank has no derivative instruments classified for hedging purposes.

III. Explanations on consolidated currency risk (continued)

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.

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 2022	31.12.2022	18.6983	19.9349
Before the balance sheet date;			
1. Bid rate	30.12.2022	18.6983	19.9349
2. Bid rate	29.12.2022	18.6966	19.8816
3. Bid rate	28.12.2022	18.6964	19.8946
4. Bid rate	27.12.2022	18.6813	19.9087
5. Bid rate	26.12.2022	18.6649	19.8324
		USD	EUR
Arithmetic average – 30 days		18.6395	19.7374

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 the Bank's 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	285,193	1,588,933	120	1,874,246
Due from Banks	590,112	1,019,400	887,006	2,496,518
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-
Money Market Placements	-	-	-	-
Financial assets at fair value through other comprehensive income	1,095,664	800,764	-	1,896,428
Loans	257,679	653,729	-	911,408
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	-	542,342	-	542,342
Total Assets	2,228,648	4,605,168	887,126	7,720,942
Liabilities				
Bank Deposits	-	-	-	-
Foreign Currency Deposits	-	-	-	-
Funds From Interbank Money Market	804,767	943,050	48,659	1,796,476
Funds Borrowed From Other Financial Institutions	101,059	463,952	-	565,011
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables ⁽³⁾	1,698,722	895,256	8,646	2,602,624
Derivative Financial Liabilities ⁽⁴⁾	-	-	-	-
Other Liabilities ⁽²⁾	409,438	2,913,277	941,391	4,264,106
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
Non-Cash Loans	24,299	86,894	-	111,193
Prior Period				
Total Assets	2,130,608	2,175,572	17,801	4,323,981
Total Liabilities	2,637,155	1,116,483	16,766	3,770,404
Net On-balance Sheet Position	(506,547)	1,059,089	1,035	553,577
Net Off-balance Sheet Position	509,995	(1,046,444)	-	(536,449)
Derivative Financial Assets	2,476,103	378,812	-	2,854,915
Derivative Financial Liabilities	1,966,108	1,425,256	-	3,391,364
Non-Cash Loans	31,237	66,048	-	97,285

(*) Derivative financial liabilities amounting to TL 27,773 and securities valuation difference amounting to TL (12,207) 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 61,078 are not included in the currency risk table.

(****) Funds amounting to TL 4,102,187, provisions amounting to TL 68,134 and subordinated loans amounting to TL 93,785 are shown in other liabilities.

III. Explanations on consolidated currency risk (continued)

Currency risk sensitivity analysis

Assuming that TL depreciates by 10% against other currencies as of 31 December 2022 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	1,135	1,135	345	345
US Dollar	(1,220)	(1,220)	1,264	1,264
Other	70	70	104	104
Total, net	(15)	(15)	1,713	1,713

As of 31 December 2022 and 31 December 2021, 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	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(7)	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 Assest ^(*)	-	-	-	-	-	950,508	950,508
Total Assest	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(5)	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 31 December 2022, tangible assets amounting to TL 20,104 include intangible assets amounting to TL 29,805, assets held for sale and discontinued operations amounting to TL271,260 , investment properties amounting to TL 47,470 and other assets amounting to TL 581,869. Expected loss provisions are deducted.

(**) As of 31 December 2022, borrowing funds amounting to TL 44,454, other funds amounting to TL 5,327,119, derivative financial liabilities amounting to TL 27,773, lease liabilities amounting to TL 11,109, provisions amounting to TL 110,294, current tax liability amounting to TL 170,009, deferred tax liability amounting to TL 33,384 and Equity amounting to TL 2,330,685 is shown in the other liabilities line.

(***) 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)

"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 (***)	133,945	-	-	-	-	1,387,497	1,521,442
Due from Banks(***)	220	-	-	-	-	1,310,808	1,311,028
Financial Assets at Fair Value Through Profit/Loss	135,131	70,123	-	-	-	35,141	240,395
Money Market Placements	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income (***)	37,886	119,366	54,901	-	-	17,914	230,067
Loans(***)	1,932,107	208,730	617,970	514,891	22,221	161,312	3,457,231
Financial assets measured at amortised cost	-	-	-	-	-	-	-
Other Assets(*)	-	-	-	-	-	294,910	294,910
Total Assets	2,239,289	398,219	672,871	514,891	22,221	3,207,582	7,055,073
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Funds From Interbank Money Market	104,692	10,183	992	-	-	-	115,867
Miscellaneous Payables	1,376,837	529,255	3,742	188,524	-	238,943	2,337,301
Marketable Securities Issued (***)	213,039	692,189	488,199	122,127	-	-	1,515,554
Funds Borrowed From Other Financial Institutions (***)	215,192	-	30,322	-	66,764	-	312,278
Other Liabilities (**)	49,461	36,169	393,268	88,655	-	2,206,520	2,774,073
Total Liabilities	1,959,221	1,267,796	916,523	399,306	66,764	2,445,463	7,055,073
Balance Sheet Long Position	280,068	-	-	115,585	-	762,119	1,157,772
Balance Sheet Short Position	-	(869,577)	(243,652)	-	(44,543)	-	(1,157,772)
Off-balance Sheet Long Position	-	-	-	-	-	-	-
Off-balance Sheet Short Position	-	-	-	-	-	-	-
Total Position	280,068	(869,577)	(243,652)	115,585	(44,543)	762,119	-

(*) As of 31 December 2021, it includes tangible assets amounting to TL 19,587, intangible assets amounting to TL 14,535, investment properties amounting to TL 226,930, current tax assets amounting to TL 9,966 and other assets amounting to TL 23,892. Shown by deducting expected loss provisions.

(**) As of 31 December 2021, borrowing funds amounting to TL 69,657, other funds amounting to TL 1,648,141, derivative financial liabilities amounting to TL 138,109, lease liabilities amounting to TL 11,651, provisions amounting to TL 64,390, current tax liability amounting to TL 17,265, deferred tax liability amounting to TL 10,894 and Equity amounting to TL 813,966 is shown in other liabilities.

(***) Subordinated borrowings amounting to TL 66,764 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 %	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
Prior Period	EUR %	US Dollar %	TRY %
Assets			
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the CBRT	-	-	8.50
Due From Banks	0.05	1.38	16.73
Financial Assets at Fair Value Through Profit/Loss	-	-	-
Interbank Money Market Placements	-	-	-
Financial assets at fair value through other comprehensive income	-	8.56	21.11
Loans	8.43	8.88	20.57
Financial assets measured at amortised cost	-	-	-
Liabilities			
Bank Deposits	-	-	-
Other Deposits	-	-	-
Funds From Interbank Money Market	0.18	0.51	10.52
Borrowing Funds	5.93	8.57	17.57
Miscellaneous Payables	-	-	-
Marketable Securities Issued	-	-	17.54
Funds Borrowed From Other Financial Institutions	3.85	3.41	16.79

IV. Explanations on consolidated interest rate risk (continued)

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	(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)

Prior Period	Shocks Applied (+/- basis points)	Gains/Losses	Gains/Equity Losses/Equity(%)
TRY	500	(27,879)	%(3.12)
TRY	(400)	24,784	%2.77
US Dollar	200	(6,404)	%(0.72)
US Dollar	(200)	7,180	%0.80
EUR	200	(8,431)	%(0.94)
EUR	(200)	8,986	%1.01
TOTAL (for negative shocks)		40,950	%4.58
TOTAL (for positive shocks)		(42,714)	%(4.78)

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

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.

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)			1,952,726	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-Operational 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

(*) 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)

		Total amount which is not applied consideration rate (*)		Total amount which is applied consideration rate (*)	
		LC+FC	FC	LC+FC	FC
Prior Period					
High-quality Liquidity Assets (HLA)				633,360	535,008
1	High-quality Liquidity Assets	1,159,791	1,067,606	633,360	535,008
Cash Outflows		5,036,033	2,343,391	3,676,744	1,868,335
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	973,505	382,580	710,504	134,093
6	Operational assets	-	-	-	-
7	Non –operating assets	-	-	-	-
8	Other Junior debt	973,505	382,580	710,504	134,093
9	Secured Debts			-	-
10	Other Cash Outflows	2,689,623	1,709,146	2,689,623	1,709,146
11	Derivative liabilities and margin liabilities	2,689,623	1,709,146	2,689,623	1,709,146
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	1,372,905	251,665	276,617	25,096
16	TOTAL CASH OUTFLOWS			3,676,744	1,868,335
CASH INFLOWS		4,054,791	2,404,711	3,617,848	2,297,688
17	Secured receivables	-	-	-	-
18	Unsecured receivables	1,324,511	255,570	887,569	148,547
19	Other cash inflows	2,730,280	2,149,141	2,730,279	2,149,141
20	TOTAL CASH INFLOWS	4,054,791	2,404,711	3,617,848	2,297,688
				Upper limit applied amount	
21	TOTAL HLA STOCK			633,360	535,008
22	TOTAL NET CASH OUTFLOWS			919,186	467,084
23	LIQUIDITY COVERAGE RATION (%)			68.90	114.54

(*) 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 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

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

	Maximum	Date	Minumum	Date
LC+FC	92.51	31.12.2021	36.00	30.10.2021
FC	158.34	31.12.2021	46.83	30.10.2021

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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	1,873,555	563,603	-	-	-	-	-	2,437,158
Due From Banks ^(****)	2,500,864	200,783	-	-	-	-	-	2,701,647
Financial Assets at Fair Value Through Profit/Loss	-	11,451	40,736	8,952	-	-	909,068	970,207
Interbank Money Market Placements ^(****)	-	300,048	-	-	-	-	-	300,048
Financial assets at fair value through other comprehensive income ^(****)	-	91,352	1,593,528	1,260,370	2,835,958	565,869	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 amortized cost	-	-	-	-	-	-	-	-
Other Assets ^{(*)(****)}	-	-	-	-	-	-	950,508	950,508
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
Liabilities								
Bank Deposits	-	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions ^(****)	-	1,067,098	190,589	209,523	93,785	-	-	1,560,995
Funds Borrowed From Money Markets	-	2,111,307	249,665	7,962	-	-	-	2,368,934
Marketable Securities Issued ^(****)	-	456,802	1,608,342	460,372	317,784	-	-	2,843,300
Miscellaneous Payables	1,188,939	1,126,518	266,806	88,476	-	-	-	2,670,739
Other Liabilities ^(*)	4,330,012	431,576	2,678	332,250	375,208	-	2,538,649	8,010,373
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
Prior Period								
Total Assets	2,699,638	2,179,775	278,853	617,970	660,807	110,086	507,944	7,055,073
Total Liabilities	1,601,594	1,959,222	1,267,796	916,523	399,306	66,764	843,868	7,055,073
Liquidity Gap	1,098,044	220,553	(988,943)	(298,553)	261,501	43,322	(335,924)	-
Net Off-Balance Sheet Liquidity Gap	-	119,186	59,806	(97,950)	(25,607)	-	-	55,435
Financial Derivative Assets	-	3,811,897	529,237	35,340	192,236	-	-	4,568,710
Financial Derivative Liabilities	-	3,692,711	469,431	133,290	217,843	-	-	4,513,275
Non-cash Loans	-	111,916	55,061	170,878	22,623	671,071	-	1,031,549

(*) It includes tangible assets amounting to TL 20,104, intangible assets amounting to TL 29,805, fixed assets held for sale and discontinued operations amounting to TL 271,260 investment properties amounting to TL 47,470 and other assets amounting to TL 581,869.

(**) Borrower funds amounting to TL 44,454 and other funds amounting to TL 5,282,665, equity amounting to TL 2,330,685 and derivative financial liabilities amounting to TL 27,773 are shown under other liabilities.

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

(****) Expected loss provisions are deducted.

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	1,062,099	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

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	199,439	82,575	30,272	-	-	312,286
Debts to money markets	103,006	11,927	995	-	-	115,928
Total	302,445	94,502	31,267	-	-	428,214

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	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)

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	3,811,900	529,234	35,340	192,236	-	4,568,710
Selling swap contracts	(3,692,714)	(469,429)	(133,290)	(217,842)	-	(4,513,275)
Buying futures transactions	-	-	-	-	-	-
Selling futures transactions	-	-	-	-	-	-
Options buy	-	-	-	-	-	-
Options sell	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total	119,186	59,805	(97,950)	(25,606)	-	55,435

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 (*)	17,005,330	7,232,207
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	50,228	47,170
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	2,589,206	1,130,802
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	(27,885)	(15,277)
7	Total Risk Amount(1)	19,616,879	8,394,902

(*) 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 2022 (*)	Prior Period 31 December 2021 (*)
1 Assets on the balance sheet (excluding derivative financial instruments and loan derivatives, including collaterals)	16,959,103	7,072,867
2 (Assets deducted from core capital)	(27,885)	(15,277)
3 Total risk amount for assets on the balance sheet	16,931,218	7,057,590
Derivative Financial Instruments and Loan Derivatives		
4 Renewal cost of derivative financial instruments and loan derivatives	46,227	159,340
5 Potential credit risk amount of derivative financial instruments and loan derivatives	50,228	47,170
6 Total risk amount of derivative financial instruments and loan derivatives	96,455	206,510
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	2,589,206	1,130,802
11 Adjustment amount arising from multiplying by the credit conversion rate	-	-
12 Total risk amount for off-the-balance sheet transactions	2,589,206	1,130,802
Capital and Total Risk		
13 Core capital	1,962,069	844,915
14 Total risk amount	19,616,879	8,394,902
Leverage Ratio		
15 Leverage ratio	10.00	10.06

(*) 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	15,130,142	5,262,808	14,878,051	5,239,741
Derivative Financial Assets at Fair Value Through Profit and Loss	970,207	240,395	970,207	240,395
Banks	2,702,663	1,311,223	2,702,663	1,311,223
Financial Assets at Fair Value Through Other Comprehensive Income	6,364,991	230,067	6,364,991	230,067
Credits Given	3,729,782	3,110,970	3,477,757	3,087,903
Receivables from Rental Transactions	480,469	346,261	480,469	346,261
Factoring Receivables	-	-	-	-
Money Market Claims	300,161	-	300,161	-
Other Assets	581,869	23,892	581,833	23,892
Financial Liabilities	14,677,302	5,998,798	14,799,688	5,995,724
Funds from Other Organizations	6,794,329	2,030,076	6,888,395	2,030,084
Issued Securities	2,843,300	1,515,554	2,865,028	1,512,411
Payables to the Money Market	2,368,934	115,867	2,375,526	115,928
Miscellaneous Payables	2,670,739	2,337,301	2,670,739	2,337,301

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.

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

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	5,170,704	1,185,827	-	6,356,531
Fair Value Through Profit/Loss				
Financial Assets	909,068	-	-	909,068
Derivative Financial Assets Held for Trading	-	61,139	-	61,139
Financial Liabilities				
Derivative Financial Liabilities Held for Trading	-	(27,773)	-	(27,773)
Prior Period	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial Assets at Fair Value Through Other Comprehensive Income	201,542	28,525	-	230,067
Fair Value Through Profit/Loss				
Financial Assets	35,141	-	-	35,141
Derivative Financial Assets Held for Trading	-	205,254	-	205,254
Financial Liabilities				
Derivative Financial Liabilities Held for Trading	-	(138,109)	-	(138,109)

Non-current Assets Held for Sale and Discontinued Operations, TL 271,260 and TL 47,470 under Investment Property, since they are not traded in an active market, they are reflected in the financial statements at their fair value, and these real estate assets are not shown in this table.

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

Footnotes and related explanations prepared in accordance with the "Communiqué on Risk Management to Public Disclosures by Banks" published in the Official Gazette No. 29511 on October 23, 2015 and entered into force as of March 31, 2016 are given in this section. The following tables, which are required to be submitted quarterly in accordance with the relevant communiqué, are used in the Bank's capital adequacy calculation, since the standard approach is used, Not submitted as of 30 September 2022.

- Table of change of RAV under IDD (Intrinsic Rating Based) approach
- AV changes related to KKR within the scope of Internal Model Method
- Market risk RAV change table according to the internal model approach

X. Explanations on consolidated risk management (continued)
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.

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.

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.

X. Disclosures on 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)

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.

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.

X. Disclosures on 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.

X. Disclosures on 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 2022	Prior Period 31 December 2021	Current Period 31 December 2022	Prior Period 31 December 2021
1 Credit risk (excluding counterparty credit risk) (CCR)	10,735,385	4,204,228	858,831	336,338
2 Of which standardised approach (SA)	10,735,385	4,204,228	858,831	336,338
3 Of which internal rating-based (IRB) approach	-	-	-	-
4 Counterparty credit risk	1,031,915	254,217	82,553	20,337
5 Of which standardised approach for counterparty credit risk (SA-CCR)	1,031,915	254,217	82,553	20,337
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	173,069	227,276	13,846	18,182
17 Of which standardised approach (SA)	173,069	227,276	13,846	18,182
18 Of which internal model approaches (IMM)	-	-	-	-
19 Operational risk	494,186	309,373	39,535	24,750
20 Of which Basic Indicator Approach	494,186	309,373	39,535	24,750
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)	12,434,555	4,995,094	994,765	399,607

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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
	Valued amount of items in accordance with TAS					
Current Period	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
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

(*) 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:

	a	b	c	d	e	f
	Valued amount of items in accordance with TAS					
Prior Period	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
Assets						
Cash Values and The Central Bank	1,521,441	1,521,441	-	-	-	-
Financial Assets Held For Trading	205,254	-	205,254	-	205,254	-
Financial Assets Classified as Fair Value Through Profit or Loss	35,141	35,141	-	-	-	-
Banks	1,311,029	1,311,029	-	-	-	-
Receivables From Money Markets	-	-	-	-	-	-
Financial Assets at Fair Value Through Other	230,067	230,067	-	-	-	-
Loans and Receivables	3,110,970	3,110,970	-	-	-	-
Factoring Receivables	-	-	-	-	-	-
Held-to-Maturity Investments (net)	-	-	-	-	-	-
Affiliates (net)	-	-	-	-	-	-
Subsidiaries (net)	-	-	-	-	-	-
Joint Ventures (net)	-	-	-	-	-	-
Receivables From Rental Transactions	346,261	346,261	-	-	-	-
Derivative Financial Assets For Hedging Purposes	-	-	-	-	-	-
Tangible Assets (net)	19,587	16,233	-	-	-	3,354
Intangible Assets (net)	14,535	-	-	-	-	14,535
Investment Realty (net)	226,930	226,930	-	-	-	-
Tax Asset	9,966	-	-	-	-	-
Assets held for sale and discontinued operations (net)	-	-	-	-	-	-
Other Assets	23,892	23,892	-	-	-	-
Total Assets	7,055,073	6,821,964	205,254	-	205,254	17,889
Liabilities						
Deposit	-	-	-	-	-	-
Derivative Financial Liabilities Held For Trading	138,109	-	-	-	138,109	-
Funds Borrowed	245,514	-	-	-	-	245,514
Debts to Money Markets	115,867	-	80,152	-	-	35,715
Issued securities	1,515,554	-	-	-	-	1,515,554
Funds	1,717,798	-	-	-	-	1,717,798
Miscellaneous Debts	-	-	-	-	-	-
Other Foreign Resources	2,337,301	-	-	-	-	2,337,301
Factoring Debts	-	-	-	-	-	-
Payables From Rental Transactions	11,651	-	-	-	-	11,651
Derivative financial liabilities for hedging purposes	-	-	-	-	-	-
Provisions	64,390	-	-	-	-	64,390
Tax Liabilities	28,159	-	-	-	-	28,159
Payables from held for sale and discontinued operations (net)	-	-	-	-	-	-
Subordinated Loans	66,764	-	-	-	-	66,764
Equity	813,966	-	-	-	-	813,966
Total Liabilities	7,055,073	-	80,152	-	138,109	6,836,812

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)	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

	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)	7,232,472	6,821,964	-	205,254	205,254
2	Valued amounts of liabilities within the scope of legal consolidation in accordance with TAS (as in template B1)	218,261	-	-	80,152	138,109
3	Total net amount within the scope of legal consolidation	7,014,211	6,821,964	-	125,102	67,145
4	Off-balance sheet amounts	1,031,476	569,924	-	244,408	-
5	Valuation differences	-	-	-	-	-
6	Differences due to different netting rules (other than those put in line 2)	160,131	-	-	-	160,131
7	Differences due to consideration of provisions	-	-	-	-	-
8	Differences arising from the practices of the Institution	(1,373,658)	(1,258,365)	-	(115,293)	-
9	Other	-	-	-	-	-
10	Risk amounts	-	6,133,523	-	254,217	227,276

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.

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.

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.

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	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

	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	281,150	3,336,293	119,838	3,497,605
2 Debt instruments	-	212,152	-	212,152
3 Off-balance sheet receivables	6,283	1,025,193	5,528	1,025,948
4 Total	287,433	4,573,638	125,366	4,735,705

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	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

Prior Period		
1	Amount of defaulted loans and debt instruments at the end of the previous reporting period	86,220
2	Loans and debt instruments in default since the last reporting period	195,141
3	Receivables that are not in default again	-
4	Amounts written off from assets	211
5	Other changes	-
6	Amount of defaulted loans and debt instruments at the end of the reporting period (1+2-3-4±5)	281,150

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	2,808,641	2,903,980
Europe Union Countries	18,512	53,884
USA, Canada	6,570	24,727
OECD Countries	-	-
Offshore Banking Districts	-	-
Other	145,389	7,441
Total	2,979,112	2,990,032

Breakdown of Credits by Sectors:

	Current Period	Prior Period
1. Agriculture	-	-
1.1. Agriculture and Livestock	-	-
1.2. Forestry	-	-
1.3. Fishery	-	-
2. Industry	668,027	494,493
2.1. Mining and Quarrying	-	-
2.2. Manufacturing Industry	573,629	494,493
2.3. Electricity, Gas and Water	94,398	-
3. Building	-	770,082
4. Services	2,208,563	1,685,320
4.1. Wholesale and Retail Trade	26,261	270,938
4.2. Hotel and Restaurant Services	30,667	34,012
4.3. Transport and Communication	-	22,570
4.4. Financial Institutions	945,772	533,718
4.5. Real Estate and Rental Services	1,205,863	824,082
4.6. Self Employed Services	-	-
4.7. Education Services	-	-
4.8. Health and Social Services	-	-
5. Other	102,522	40,137
6. Total	2,979,112	2,990,032

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	-	1,199,338	109,731	777,855	892,188	-	2,979,112
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	-	1,891,346	82,260	298,969	664,637	52,820	2,990,032

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	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

Prior Period	Provision Reserved	Provision	Written Off
Turkey	281,150	119,838	211
Europe Union Countries	-	-	-
USA, Canada	-	-	-
OECD Countries	-	-	-
Offshore Banking Districts	-	-	-
Other	-	-	-
Total	281,150	119,838	211

(*)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 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

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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	87,424	87,424	-
2.1. Mining and Quarrying	-	-	-
2.2. Manufacturing Industry	-	-	-
2.3. Electricity, Gas and Water	87,424	87,424	-
3. Building	-	-	-
4. Services	32,414	32,414	196
4.1. Wholesale and Retail Trade	-	-	-
4.2. Hotel and Restaurant Services	32,414	32,414	-
4.3. Transport and Communication	-	-	-
4.4. Financial Institutions	-	-	196
4.5. Real Estate and Rental Services	-	-	-
4.6. Self Employed Services	-	-	-
4.7. Education Services	-	-	-
4.8. Health and Social Services	-	-	-
5. Other	161,312	-	15
6. Total	281,150	119,838	211

g) Aging Analysis

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

Delay day	Prior Period
0-30	2,931,196
31-60	58,836
61-90	-
90+	281,150
Total	3,271,182

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 ^(*)	-	42,171	-
Total	-	42,171	-

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

Prior Period	Performing Loans	Close Monitoring Loans	Non Performing Loans
Provision Reserved	-	-	87,424
Provision not Reserved ^(*)	-	58,836	-
Total	-	58,836	87,424

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

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	3,648,798	99,277	-	-	-	-	-
2 Debt instruments	7,274,059	-	-	-	-	-	-
3 Total	10,922,857	99,277	-	-	-	-	-
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	3,347,726	149,879	68,742	-	-	-	-
2 Debt instruments	212,152	-	-	-	-	-	-
3 Total	3,559,878	149,879	68,742	-	-	-	-
4 Default	-	-	-	-	-	-	-

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

1) KRD – 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	3,647,808	-	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

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	1,072,488	-	1,072,488	-	-	%0
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	1,099,152	607,379	1,075,950	398,827	912,471	%62
7	Corporate receivables	2,937,769	382,061	2,817,712	171,096	2,837,087	%95
8	Retail receivables	145,761	-	34,802	-	17,214	%49
9	Receivables secured by a residential real estate mortgage	-	-	-	-	-	%0
10	Receivables secured by commercial real estate mortgage	63,133	-	63,133	-	31,567	%50
11	Overdue receivables	161,312	-	161,312	-	161,312	%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	338,203	-	338,203	-	336,409	%99
17	Stock investments	-	-	-	-	-	%0
18	Total	5,817,818	989,440	5,563,600	569,923	4,296,060	%70

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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	3,144,938	-	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

	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	1,072,488	-	-	-	-	-	-	-	-	1,072,488
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	-	-	523	1,123,777	-	373,679	-	-	-	1,474,777
7	Corporate receivables	68,742	-	182,550	79,811	-	2,777,762	-	-	-	2,988,808
8	Retail receivables	32,725	-	-	-	-	113,036	-	-	-	34,802
9	Receivables secured by a residential real estate mortgage	-	-	-	-	-	-	-	-	-	-
10	Receivables secured by commercial real estate mortgage	-	-	-	63,133	-	-	-	-	-	63,133
11	Overdue receivables	-	-	-	-	-	161,312	-	-	-	161,312
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	1,794	-	-	-	-	336,409	-	-	-	338,203
18	Total	1,175,749	-	183,073	1,266,721	-	3,762,198	-	-	-	6,133,523

X. Disclosures on consolidated risk management (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
		Renewal cost	Potential credit risk amount	EBPRT	Alpha used to calculate the legal risk amount	Risk amount after credit risk mitigation	Risk-weighted amounts
Current Period							
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.

		a	b	c	d	e	f
		Renewal cost	Potential credit risk amount	EBPRT	Alpha used to calculate the legal risk amount	Risk amount after credit risk mitigation	Risk-weighted amounts
Prior Period							
1	Standard approach - KKR (for derivatives)	205,254	10,204		1.4	215,458	215,458
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)					38,759	38,759
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						254,217

(*) 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	73,434	39,641
4	Total amount subject to KDA capital requirement	73,434	39,641

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	215,458	21,727
4	Total amount subject to KDA capital requirement	215,458	21,727

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	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	182,094	-	-	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.

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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	-	-	-	-	-	23,201	-	-	23,201
Corporate receivables	-	-	-	-	-	120,058	-	-	120,058
Retail receivables	-	-	-	-	-	110,958	-	-	110,958
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	-	-	-	-	-	254,217	-	-	254,217

(*) 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.

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	Separated	Unseparated	Separated	Unseparated		
Cash – local currency	-	-	-	-	-	-
Cash – foreign currency	-	1,463,029	-	-	-	-
Government bonds/bills - domestic	-	-	-	-	-	-
Government debenture/bills - other	-	-	-	-	-	-
Public institution debenture /bonds	-	-	-	-	-	-
Corporate debenture/bonds	-	-	-	-	-	-
Stock	-	-	-	-	-	-
Other guarantee	-	-	-	-	-	-
Total	-	1,463,029	-	-	-	-

	a	b	c	d	e	f
	Derivative financial instrument guarantees				Other action guarantees	
	Received guarantees		Given guarantees		Received guarantees	Given guarantees
Prior Period	Separated	Unseparated	Separated	Unseparated		
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.

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.

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)	62,425	130,063
2	Stock risk (general and specific)	-	-
3	Currency risk	79,786	97,213
4	Emtia risk	-	-
	Options		
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	-	-
8	Securitization	-	-
9	Total	142,211	227,276

(*) 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 Banks", 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	31.12.2019	31.12.2020	31.12.2021	Number of Total/Positive ROI years	Rate (%)	Total
Gross Income	104,724	246,447	439,368	263,513	15	39,527
Amount Subject to Operational Risk (Total*12.5)						494,186

Prior Period	31.12.2018	31.12.2019	31.12.2020	Number of Total/Positive ROI years	Rate (%)	Total
Gross Income	143,657	104,724	246,447	164,946	15	24,742
Amount Subject to Operational Risk (Total*12.5)						309,274

XI. Disclosures on consolidated hedging transactions

The Bank's hedging instrument accounting is not performed.

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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 2022)	Personal Banking	Corporate Banking	Investment Banking	Other	Bank's Total Activity
Operating Gross Profit	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)
Deferred Tax expense effect					(4,037)
Period net Profit/Loss					1,458,332
Current 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 Assests	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)

CONVENIENCE TRANSLATION OF THE AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH
NUROL YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2022
(Amounts are expressed in thousands of Turkish Lira ("TL") unless otherwise stated.)

XII. Explanations on consolidated operating segments (continued)

Prior Period (1 January-31 December 2021)	Personal Banking	Corporate Banking	Investment Banking	Other	Bank's Total Activity
Operating Income	2,447	384,244	2,349	73,455	462,495
Operating Income	2,447	384,244	2,349	73,455	462,495
Operating Profit/loss	2,447	168,979	2,349	73,455	247,230
Profit/loss before Tax	2,447	168,979	2,349	73,455	247,230
Corporation Tax					(31,034)
Deferred Tax expense effect					(25,053)
Period net Profit/Loss					191,143
Prior Period (31 December 2021)	Personal Banking	Corporate Banking	Investment Banking	Other	Bank's Total Activity
Partition Assets	2,380	7,052,693	-	-	7,055,073
Affiliate and subsidiaries	-	-	-	-	-
Total Asstest	2,380	7,052,693	-	-	7,055,073
Departmental Obligations	-	6,241,107	-	-	6,241,107
Undistributed liabilities	-	-	-	813,966	813,966
Total Liabilities	-	6,241,107	-	813,966	7,055,073
Other Section Items					
Capital Investment	-	17,915	-	-	17,915
Depreciation Expense	-	-	-	(11,604)	(11,604)

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	218	2,552	320	2,195
CBRT	563,815	1,871,694	133,964	1,385,187
Other	-	-	-	-
Total	564,033	1,874,246	134,284	1,387,382

1.b) Information on the account of the CBRT

	Current Period		Prior Period	
	LC	FC	LC	FC
Demand Unrestricted Amount ⁽¹⁾	4	-	4	-
Time Unrestricted Amount	-	-	-	-
Time Restricted Amount ⁽²⁾	-	-	-	-
Reserve requirement	563,811	1,871,694	133,960	1,385,187
Total	563,815	1,871,694	133,964	1,385,187

As of 31 December 2022, a provision of 945 TL has been reserved to the CBRT account (31 December 2021: 224 TL available).

With the CBRT decision numbered 2022-24 dated April 23, 2022, It is one of the main duties of the Central Bank, specified in Article 4 of the Central Bank Law No. 1211, to provide required reserves for on- and off-balance sheet items of banks and other financial institutions deemed appropriate. The reserve requirement, which are applied to the liability side of the balance sheets, have started to be applied to the asset side of the balance sheets in order to strengthen the macro prudential policies.

Within the scope of the "Communiqué on Supporting the Conversion of Turkish Lira Deposit and Participation Accounts" numbered 2021/14, the conversion rate from foreign currency deposit accounts in USD, EUR and GBP and participation fund accounts in foreign currency to TL time deposit and participation accounts is 10% for real and legal persons as of the obligation date of 15 April 2022; Banks that reached 10% for real persons, 20% for legal entities as of the obligation date of 8 July 2022, and 20% for natural persons and 20% for legal persons as of 2 September 2022 obligation date, it has been decided that an annual commission will not be applied to the banks that have reached to the amount that should be kept for their liabilities until the end of 2022. On the other hand, as of 02.09.2022, the application of double commission from banks whose conversion rate could not reach 10%, separately for real and legal persons, has been abolished. The commission rate has been increased from 1.5% to 5% effective from the liability period dated 08.07.2022.

As of 31 December 2022, the reserve rates for required reserves established at the CBRT are between 3% and 8% (31 December 2021 - 3% and 8%) for TL currency, depending on the maturity structure; It is between 5% and 26% (31 December, 2021 - between 5% and 26%) for foreign currency, depending on the maturity structure.

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

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 2021: 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 2021: None).

c) Positive differences related to derivative financial assets

	Current Period		Prior Period	
	LC	FC	LC	FC
Forward transactions	-	-	-	-
Swap transactions	-	60,470	89,787	115,273
Futures transactions	-	-	-	-
Options	61	608	61	133
Other	-	-	-	-
Total	61	61,078	89,848	115,406

d) Securities at fair value through profit or loss

	Current Period		Prior Period	
	LC	FC	LC	FC
Nurol Portföy Para Piyasası Fonu (PPN)	1,600	-	21,029	-
Nurol Portföy Birinci Serbest Fonu (NJG)	33,048	-	11,990	-
Nurol Portföy Altın Fonu (NJF)	2,764	-	1,069	-
Nurol Portföy 1. Borçlanma Araçları Fonu (NJR)	40,211	-	1,039	-
Nurol Portföy Birinci Katılım Fonu (NJY)	3,469	-	14	-
Equity instruments (*)	827,976	-	-	-
Total	909,068	-	35,141	-

(*) Nurol Portfolio 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	206,145	2,756	523	5,698
Foreign	-	2,493,762	-	1,305,002
Branches and offices abroad	-	-	-	-
Total	206,145	2,496,518	523	1,310,700

As of 31 December 2022, a provision of TL 1,017 has been made to the Banks account (December 31, 2021: TL 195).

b) Information on foreign banks accounts

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
European Union Countries	673,671	719,909	-	-
USA, Canada	1,012,581	577,594	-	-
OECD Countries (*)	619	515	-	-
Off-shore Banking Regions	794,586	5,551	-	-
Other	12,305	1,433	-	-
Total	2,493,762	1,305,002	-	-

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

4. Receivables from Reverse Repo Transactions

As of the balance sheet date, the Bank's receivables from reverse repo transactions are TL 300,161 and the reserve amount is TL 113. (31 December 2021: None).

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

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	900,405	-	4,390	-
Repurchase transaction	2,271,103	790,506	2,123	158,692
Total	3,171,508	790,506	6,513	158,692

b.1) Information on financial assets at fair value through other comprehensive income

	Current Period	Prior Period
Debt Securities	6,390,025	215,021
Quoted on Stock Exchange (*)	6,390,025	215,021
Not Quoted	-	-
Share Certificates	17,914	17,914
Quoted on Stock Exchange	-	-
Not Quoted	17,914	17,914
Impairment Provision	(42,948)	(2,868)
Total	6,364,991	230,067

(*) Financial assets traded in the stock exchange at fair value through other comprehensive income TL 901,207 (31 December 2021: TL 5,822) from government bonds, TL 5,785 (31 December 2021: TL 6,152) from bank bonds and TL 1,463,701 (31 December 2021: 47,934 TL) consists of securities issued by the private sector. TL 1,896,428 (December 31, 2021: TL 171,653) consists of Eurobonds issued by the Private Sector and TL 2,079,956 (December 31, 2021: None) issued by foreign banks.

(**) A provision of TL 7,681 has been made for financial assets at fair value through other comprehensive income (31 December 2021: TL 275 provision has been made).

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	-	21,548	718,935	18,574
Loans Granted to Legal Entities	-	21,548	718,935	18,574
Loans Granted to Individuals	-	-	-	-
Indirect Loans Granted to Shareholders	-	12,503	-	8,640
Loans Granted to Employees(*)	59	-	2,380	-
Total	59	34,051	721,315	27,214

(*) Includes advances given to bank personnel.

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		Loans Under Close Monitoring		
		Not under the scope of restructuring	Restructured Loans	
Cash Loans	Standard Loans		Modifications on agreement conditions	Refinancing
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	-

Prior Period		Loans Under Close Monitoring		
		Not under the scope of restructuring	Restructured Loans	
Cash Loans	Standard Loans		Modifications on agreement conditions	Refinancing
Non-specialized Loans	2,906,354	1,163	82,515	-
Loans given to enterprises	2,344,084	1,163	82,515	-
Export Loans	-	-	-	-
Import Loans	-	-	-	-
Financial Sector Loans	259,555	-	-	-
Consumer Loans	2,380	-	-	-
Credit Cards	-	-	-	-
Other	300,335	-	-	-
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	2,906,354	1,163	82,515	-

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 (continued)

	Standard Loans	Loans Under Close Monitoring
Current Period		
12 Months Expected Credit Loss	4,309	-
Significant Increase in Credit Risk	-	13,984
Prior Period		
12 Months Expected Credit Loss	3,368	-
Significant Increase in Credit Risk	-	37,006

c) Breakdown of loans according to their maturities

	Standard Loans	Loans Under Close Monitoring	
		Not under the scope of restructuring	Restructured Loans
Current Period			
Short-Term Loans	2,557,888	-	-
Medium and Long-Term Loans	379,053	-	42,171
Total	2,936,941	-	42,171

	Standard Loans	Loans Under Close Monitoring	
		Not under the scope of restructuring	Restructured Loans
Prior Period			
Short-Term Loans	2,237,753	-	-
Medium and Long-Term Loans	668,601	1,163	82,515
Total	2,906,354	1,163	82,515

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

6. Information on Loans (continued)

d) Information on consumer loans, individual credit cards, personnel loans and personnel credit cards

	Shor terms	Medium and Long-Term	Total
Consumer Loans-LC	115	378	493
Housing Loans	-	-	-
Automobile Loans	115	378	493
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	-	59	59
Housing Loans	-	-	-
Automobile Loans	-	-	-
Personal finance credit	-	59	59
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	115	437	552

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	260,593	153,100	413,693
Business residential loans	-	-	-
Automobile loans	-	-	-
Consumer loans	260,593	153,100	413,693
Other	-	-	-
Commercial installment loans- Indexed to FC	-	-	-
Business residential loans	-	-	-
Automobile loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Commercial installment loans - FC	-	215,508	215,508
Business residential loans	-	-	-
Automobile loans	-	-	-
Consumer loans	-	215,508	215,508
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	260,593	368,608	629,201

f) Loans according to types of borrowers

	Current Period	Prior Period
Public	-	-
Private	2,979,112	2,990,032
Total	2,979,112	2,990,032

g) Distribution of domestic and foreign loans

	Current Period	Prior Period
Domestic Loans	2,964,751	2,954,988
Foreign Loans	14,361	35,044
Total	2,979,112	2,990,032

h) Loans granted to investments in associates and subsidiaries

Loans given to subsidiaries and associates are eliminated in the consolidated financial statements.

i) Specific provisions accounted for loans

	Current Period	Prior Period
Provisions		
Loans with limited collectability	2,769	-
Loans with doubtful collectability	-	-
Uncollectible loans	-	119,838
Total	2,769	119,838

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

6. Information on Loans (continued)

j) Information on non-performing loans

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, 2021: 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	161,312	-	119,838
Additions (*)	204,226	-	21,625
Transfers from other categories of loans under follow-up	-	-	-
Transfers to other categories of loans under follow-up	-	-	-
Collections	(22,899)	-	-
Write down / Write-offs (**)(***)	(51,376)	-	(141,463)
Sold	-	-	-
Commercial and corporate loans	-	-	-
Individual loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Current period end balance	291,263	-	-
Provision	2,769	-	-
Net Balance on balance sheet	288,494	-	-

(*) Tire Biyogaz Elektrik Üretim A.Ş.'s TL 34,039 exchange rate effect is shown in the line additions as of balance sheet date.

(**) With the decision of the Board of Directors numbered 2486 on 05.04.2022, non-performing loan balance of Ressula Turizm Sanayii ve Ticaret A.Ş. and its provision amounting to 32,414 has been written off. With the decision of the Board of Directors numbered 2729 on 23.12.2022, non-performing loan balance of Tire Biyogaz Elektrik Üretim A.Ş. and its provision amounting to 109,049, and non-performing loan balance of Yüksel İnşaat A.Ş. and its provision amounting to 51,376 has been written off.

(***)As of the Bank's Current Period, when the calculation is made by taking into account the loans written off, the Bank's NPL ratio is measured as 0.89% (31 December 2021: 3.51) instead of 0.01% (31 December 2021: 3.50%).

(****)The subsidiary of the bank, Ortak Varlık Yönetim A.Ş. Bought non-performing loans amounting to TL 291,032 from other banks at a discount. This amount is not the non-performing loan amount consisting of the loans given by the parent bank, but as mentioned in the consolidated financial statements, it is the balance of the non-performing loans that are being carried.

j.3) Information on non-performing loans granted as foreign currency loans

	III.Group	IV.Group	V.Group
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Current period			
Period end balance	-	-	-
Provision (-)	-	-	-
Net balance on balance sheet	-	-	-
Prior period			
Period end balance	-	-	87,424
Provision (-)(*)	-	-	(87,424)
Net balance on balance sheet	-	-	-

(*) The equivalent of the non-performing loans extended in foreign currency is included in the financial statements as TL.

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

6. Information on Loans (continued)

j) Information on non-performing loans

j.4) Information on non-performing loans based on types of borrowers

	III. Group	IV. Group	V. Group
	Loans with limited collectability	Loans with doubtful collectability	Uncollectible loans
Current period (Net)			
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)	-	-	-
Prior Period (Net)			
Loans granted to real persons and legal entities (Gross)	161,312	-	119,838
Provision (-)	-	-	(119,838)
Loans granted to real persons and legal entities (Net)	161,312	-	-
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other loans (Gross)	-	-	-
Provision (-)	-	-	-
Other loans (Net)	-	-	-

(*) The subsidiary of the bank, Ortak Varlık Yönetim A.Ş. Bought non-performing loans amounting to TL 291,032 from other banks at a discount. This amount is not the non-performing loan amount consisting of the loans given by the parent bank, but is the non-performing loan balance, as mentioned in the consolidated financial statements.

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 31 December 2022, Third Group-Loans with Limited Collectability amounting to 51,376 and Fifth Group-Loans with Loss Qualification amounting to TL 154,357 (December 31, 2021: Third Group; None, Fifth Group; TL 211) have been written off. As of 31 December 2022, when the calculation is made by taking into account the loans written off, the Bank's NPL ratio is measured as 0.89% (31 December 2021: 3.51) instead of 0.01% (31 December 2021: 3.50%).

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

None (31 December 2021: None).

a.2. Information financial assets subject to repurchase agreements and given as collateral/blocked

None (31 December 2021: None).

b.1. Information on government debt securities measured at amortized cost

None (31 December 2021: None).

b.2. Information on government debt securities held-to-maturity

None (31 December 2021: None).

c.1. Information on investments measured at amortized cost

None (31 December 2021: None).

c.2. Information on held-to-maturity investments

None (31 December 2021: None).

d.1. Movements of investments measured at amortized cost during the year

None (31 December 2021: None).

d.2. Movements of held-to-maturity investments during the year

None (31 December 2021: None).

8. Information on investments in associates (Net)

None (31 December 2021: None).

9. Information on subsidiaries (Net)

a) Information on consolidated subsidiaries in associates

None (31 December 2021: 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	1,102,147	107	-	51,991	-	60	(4)	-
2	19,894	13,339	544	9,949	1,395	1,138	(1,661)	-
3	295,602	53,608	1,950	177,373	-	17,216	3,608	-

(*) As of December 31, 2022, Neo Portföy Yönetim A.Ş. Üçüncü Nürol Girişim Sermayesi Fonu whose fund founder is Nürol Portföy Yönetim A.Ş. amounting to TL 827,662 is controlled by the Bank in accordance with the methods, procedures and principles set forth in the Turkish Financial Reporting Standard for Consolidated Financial Statements ("TFRS 10") (31 December 2021: Neo Portföy Yönetim A.Ş. Üçüncü Nürol Girişim Sermayesi Fonu whose fund founder is Nürol Portföy Yönetim A.Ş., amounting to TL 11,998, is controlled by the Bank in accordance with the methods, procedures and principles set forth in the Turkish Financial Reporting Standard for Consolidated Financial Statements ("TFRS 10").

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

b) Information on consolidated subsidiaries in associates(continued)

		Current Period
Period beginning balance	36,050	3,050
Intra-period movements	29,000	33,000
Acquisitions(*)	29,000	33,000
Bonus Shares	-	-
Profit from current year share	-	-
Sales	-	-
Change Due to Reclassification	-	-
Revaluation difference	-	-
Value decrease provisions	-	-
Period ending balance	65,050	36,050
Capital commitments	-	-
Period-end capital contribution (%100)	100	100

(*) The capital of Nurol Portfolio Management A.Ş. has been increased by TL 9,000, fully paid by Nurol Yatırım Bankası A.Ş. It was registered with the trade registry on 29.03.2022 and was published in the Turkish Trade Registry Gazette dated 29.03.2022 and numbered 10547. Ortak Varlık Yönetim A.Ş.'s capital has been increased by TL 20,000 fully paid by Nurol Yatırım Bankası A.Ş. It was registered to the trade registry on 19.04.2022 and was published in the Turkish Trade Registry Gazette dated 19.04.2022 and numbered 10562 (31 December 2021: Ortak Varlık Yönetim A.Ş., whose capital amounting to TL 30,000 was fully owned by Nurol Yatırım Bankası A.Ş. It was registered in the trade registry on 22.01.2021 and published in the Turkish Trade Registry Gazette dated 22.01.2021 and numbered 10251. Nurol Portföy Yönetim A.Ş., by payment of 3,000 TL by Nurol Yatırım Bankası A.Ş. It was registered in the trade registry on 12.07.2021 and published in the Turkish Trade Registry Gazette dated 12.07.2021 and numbered 10368).

10. Information on joint ventures

None (31 December 2021 – 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 356,129 TL under 1 year and 124,340 TL between 1-4 years financial leasing and 532 TL provision has been made (31 December 2021: 212,299 TL less than 1 year and 133,962 TL net investments between 1-4 years and 1-4 years' net investments. There is a provision of 2,263 TL).

b) Information on net investments made under finance leases

The Bank's net investments made by financial leasing amount to TL 480,469 and a provision of TL 532 has been made (31 December 2021: net investments made with financial leasing are TL 346,261 and a provision has been made for TL 2,263).

12. Explanations on Factoring Receivables

None (31 December 2021 – None).

13. Information on hedging derivative financial assets

None (31 December 2021 – None).

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, 2021	7,073	1036	-	15,334	23,443
Acquired	2,828	216	-	7,552	10,596
Disposed off	-	-	-	-	-
As of 31 December 2021	9,901	1,252	-	22,886	34,039
Accumulated depreciation					
As of January 1, 2021	4,169	555	-	4,881	9,605
Acquired	1,250	183	-	3,414	4,847
Disposed off	-	-	-	-	-
As of 31 December 2021	5,419	738	-	8,295	14,452
As of 31 December 2021, net	4,482	514	-	14,591	19,587
Cost					
As of January 1, 2021	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, 2021	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

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 2021- 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 2021- 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 2021- None).

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

15. Information on intangible assets

	Software programs and intangibles rights
Cost	
As of January 1, 2021	17,785
Acquired	11,080
Disposed off	28,865
Accumulated amortization	
As of January 1, 2021	9,191
Current year amortization	5,139
As of December 31, 2021	14,330
As of December 31, 2021 (net)	14,535
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

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, 2021- 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, 2021- 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, 2021- None).

d) Book value of intangible assets that are pledged or restricted in their use:

Not available (December 31, 2021- None).

e) Amount of commitments made for the acquisition of intangible fixed assets:

Not available (December 31, 2021- None).

f) Explanations on the basis of asset type for revalued intangible assets:

Not available (December 31, 2021- None).

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, 2021- None).

h) Information on goodwill:

Not available (December 31, 2021- 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	226,930	296,500
Additions	-	-
Sales (-)	33,175	110,680
Transfers (*)	(271,260)	-
Revaluation amount	124,975	41,110
Total	47,470	226,930

(*) The real estate located in Antalya, purchased for investment purposes on 10 March 2016, has been reclassified under non-current assets held for sale as of 31 December 2022.

17. Disclosures on assets held for sale and discontinued operations

As of 31 December 2022, the real estate amounting to TL 271,260, which was classified as investment property, has started to be classified as held for sale, since its nature has changed and its book value will be recovered through a sale transaction rather than from continuing use, and it is expected to be accounted for as a completed sale within one year from the date of classification.

18. Information on other assets

As of 31 December 2022, other assets none (31 December 2021- TL 22,533) and do not exceed 10% of total balance sheet except off balance sheet commitments

None (31 December 2021 - None).

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	-	41	-	-
Swap transactions	-	27,732	102,513	35,596
Futures transactions	-	-	-	-
Options transactions	-	-	-	-
Other	-	-	-	-
Total	-	27,773	102,513	35,596

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	-	-	151,269	-
From foreign banks, institutions and funds	181,841	565,011	63,922	30,323
Total	902,199	565,011	215,191	30,323

b) Information on maturity structure of borrowings

	Current Period		Prior Period	
	LC	FC	LC	FC
Short-term	902,199	-	215,191	-
Medium and long-term	-	565,011	-	30,323
Total	902,199	565,011	215,191	30,323

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 8% of the total liabilities (31 December 2021: 3%).

4. Information on borrowed funds

	Current Period		Prior Period	
	LC	FC	LC	FC
From domestic organization	393,418	1,273,415	317,212	571,888
From foreign institutions and funds	831,514	2,828,772	5,911	822,787
Total	1,224,932	4,102,187	323,123	1,394,675

Borrowed funds by maturity

	Current Period		Prior Period	
	LC	FC	LC	FC
Short-term	1,224,932	4,102,187	323,123	1,394,675
Medium and long-term	-	-	-	-
Total	1,224,932	4,102,187	323,123	1,394,675

Owned funds account for 23% of total liabilities (31 December 2021: 16%).

II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (continued)

5. Money Market Funds

	Current Period		Prior Period	
	LC	FC	LC	FC
From domestic transactions	572,050	1,701,825	1,790	112,291
Financial institutions and organizations	452,591	319,118	91	388
Other institutions and organizations	107,236	973,007	1,317	63,363
Real People	12,223	409,700	382	48,540
From foreign transactions	408	94,651	-	1,786
Financial institutions and organizations	-	-	-	-
Other institutions and organizations	403	83,753	-	-
Real People	5	10,898	-	1,786
Total	572,458	1,796,476	1,790	114,077

6. Securities Issued

	Current Period		Prior Period	
	LC	FC	LC	FC
Bank Bills	2,353,372	-	1,043,248	-
Bonds	489,928	-	472,306	-
Total	2,843,300	-	1,515,554	-

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
BILL	28.07.2021	20.01.2023	541	155,000,000	19.75%
BILL	27.06.2022	28.06.2024	732	50,000,000	25.50%
BILL	05.07.2022	08.07.2024	734	50,000,000	26.00%
BILL	26.07.2022	29.07.2024	734	300,000,000	27.50%
BILL	13.09.2022	18.09.2024	736	50,000,000	21.00%
BOND	30.09.2022	12.01.2023	104	50,000,000	21.75%
BOND	19.10.2022	18.01.2023	91	250,000,000	21.00%
BOND	25.10.2022	30.01.2023	97	150,000,000	22.00%
BOND	03.11.2022	02.02.2023	91	400,000,000	24.75%
BOND	18.11.2022	16.02.2023	90	200,000,000	24.00%
BOND	01.12.2022	28.02.2023	89	55,000,000	23.00%
BOND	06.12.2022	07.03.2023	91	150,000,000	23.00%
BOND	08.12.2022	10.03.2023	92	150,000,000	23.00%
BOND	13.12.2022	14.03.2023	91	110,000,000	23.00%
BOND	15.12.2022	17.03.2023	92	100,000,000	23.00%
BOND	06.10.2022	06.04.2023	182	60,000,000	21.50%
BOND	19.10.2022	19.04.2023	182	100,000,000	20.50%
BOND	20.09.2022	15.03.2023	176	165,000,000	21.00%
BOND	26.07.2022	24.01.2023	182	50,000,000	26.50%
BOND	19.08.2022	17.02.2023	182	75,000,000	25.00%
BOND	01.09.2022	02.03.2023	182	150,000,000	21.00%
BOND	07.09.2022	08.03.2023	182	100,000,000	20.00%
BOND	12.10.2022	12.04.2023	182	100,000,000	21.50%
BOND	22.12.2022	20.06.2023	180	200,000,000	25.00%
BOND	23.12.2022	23.06.2023	182	50,000,000	25.00%

(*) The nominal amounts stated in the table are the full TL amount.

The Group also issued sukuk by Nurol Varlık Kiralama A.Ş. amounting to TL 1,050,000,000 in 2022.

II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (continued)

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

TL 7,877 of the Bank's other liabilities item consists of commissions collected in advance, and the amount of collateral received from derivative financial instruments of TL 1,463,029 (31 December 2021: commissions collected in advance of TL 4,672, collateral received from derivative financial instruments TL 2,078,044).

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 2021: 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 11,109 (31 December 2021: TL 11,651 operating lease).

9. Information on hedging derivative financial liabilities

None (31 December 2021 - None).

10. Information on provisions

10.1 Information on provisions related with foreign currency difference of foreign indexed loans

None (31 December 2021 - 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	2,703	770
Second Stage	984	1,128
Third Stage	3,330	5,528
Total	7,017	7,426

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 15,371.40 (31 December 2021: TL 8,284.51). 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.

II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (continued)

10.3 Obligations related to employee rights(continued)

As of 31 December 2022 and 31 December 2021, the details of provisions for employee benefits are as follows:

	Current Period	Prior Period
Provision for severance pay	4,570	1,741
Permission provision	9,639	3,849
Premium provision	16,093	-
Total	30,302	5,590

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 72,976 (31 December 2021: TL 51,373 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 2022, the Bank's corporate tax payable is TL 130,089 after the net period tax provision and prepaid tax amount (31 December 2021: no corporate tax payable).

11.1.2 Information related to deferred tax liability

As of the balance sheet date, the Bank has no deferred tax assets and deferred tax liability is TL 33,384 (31 December 2021: no deferred tax assets and deferred tax liability is TL 10,894).

The amount of deferred tax assets reflected in the balance sheet in terms of deductible temporary differences, tax losses and tax deductions and exemptions:

The Bank has recognized deferred tax assets on differences arising from "timing differences" between the accounting policies and valuation principles applied in the financial statements and tax legislation.

Deferred tax liabilities / (assets)	Current Period	Prior Period
Economic life differences of property, plant and equipment	(1,276)	(1,032)
Provision for employee benefits	3,446	1,286
Valuation differences on financial assets at fair value through other comprehensive income	(18,937)	453
Derivative rediscounts	(8,341)	(16,084)
Expected loss provisions	8,136	9,896
Provisions for lawsuits	18,244	11,816
Real estate valuation differences	(28,388)	(15,157)
Financial Losses (*)	-	1,259
Other	(6,267)	(3,331)
Total	(33,384)	(10,894)

(*) As of 31 December 2021, financial losses and other temporary differences arising from companies subject to consolidation are used as taxable income sufficient to be deducted in 2022 (31 December 2021: 460 TL related to Nurol Portföy Yönetim A.Ş. and 799 TL related to Ortak Varlık Yönetim A.Ş.).

II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (continued)

11.1.3 Information on taxes payable

	Current Period	Prior Period
Corporate Tax Payable (*)	130,089	-
Taxation on Marketable Securities	9,014	5,171
Property Tax	98	12
Banking Insurance Transaction Tax	19,269	6,834
Foreign Exchange Transaction Tax	949	230
Value Added Tax Payable	1,699	590
Other	7,232	3,792
Total	168,350	16,629

* The period tax provision and the prepaid tax amount are shown by netting.

11.1.4 Information on premium payables

	Current Period	Prior Period
Social Security Premiums – Employee	932	324
Social Security Premiums – Employer	567	250
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	74	23
Unemployment Insurance – Employer	86	39
Other	-	-
Total	1,659	636

12. Information on liabilities for assets held for sale and assets of discontinued operations

None (31 December 2021 - None).

II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (continued)

13. Information on subordinated loans

On 27 December 2016, USD 5,000,000, 6.65% interest, 10-year maturity, variable interest, quarterly interest payment loan was taken from World Business Capital (31 December 2021: On 27 December 2016, USD 5,000,000, 6.65% interest, 10-year maturity) , variable rate, quarterly interest payment loan from World Business Capital has been realized).

14. Information on shareholders' equity

14.1 Presentation of paid-in capital

	Current Period	Prior Period
Common Stock	750,000	460,000
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	750,000	-

Pursuant to the decision taken at the Ordinary General Assembly held on March 30, 2022, the paid-in capital of the Bank was increased to TL 750,000, fully covered by internal resources. The Ordinary General Assembly Decision regarding the capital increase was announced in the Turkish Trade Registry Gazette dated 7 April 2022 and numbered 10505.

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 290,000 to be covered from internal resources in the current period (December 31, 2021 – TL 100,000 from internal resources in 2021).

14.4 Explanation on the transfers from capital reserve to paid-in capital in the current period

The Bank has increased its paid-in capital to TL 750,000 in the current period. Capital increase was met from capital reserves amounting to TL 290,000 (31 December 2021: increased its paid-in capital to TL 460,000. Capital increase was covered by capital reserves amounting to TL 100,000).

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 2021 - 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 2021 - None).

14.7 Summary information about privileged shares representing the capital

None (31 December 2021 - None).

14.8 Other

With the decision of the board of directors dated March 21, 2022 and 2467, 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, a special fund of 15 Million TL has been allocated from the corporate income of 2021 for venture capital (31 December 2021: With the decision of the board of directors dated April 9, 2021 and 2204, 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, a special fund of 12 million TL has been allocated from the corporate income of 2020 for venture capital).

II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES (continued)

15. Stock issue premiums

	Current Period	Prior Period
Number of stocks (Thousand)	750,000	460,000
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	48,313	12,207	(3,680)	4,803
Valuation difference	48,313	12,207	(3,680)	4,803
Exchange rate differences	-	-	-	-
Total	48,313	12,207	(3,680)	4,803

17. Explanations on minority shares

None (31 December 2021 - None).

III. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED OFF-BALANCE SHEET ACCOUNTS

1. Information on off-balance sheet commitments

The amount and type of irrevocable commitments

None (31 December 2021 - None).

The nature and amount of possible losses and commitments arising from off-balance sheet items, including

None (31 December 2021 - None).

Non-cash loans, including guarantees, bank endorsements, and financial guarantees and other letters of credit

TL 1,884,771 (December 31, 2021: TL 1,031,549) of the total non-cash loans given by the Bank amounting to TL 1,875,147 (31 December 2021: TL 1,024,813) consists of letters of guarantee.

Letters of guarantee

	Current Period	Prior Period
Provisional letters of guarantee	99	1,265
Final letters of guarantee	1,401,406	770,967
Letters of guarantee for advances	19,939	15,091
Letters of guarantee given to customs offices	51,608	10,263
Letter of guarantees given against cash loans	402,095	227,227
Total	1,875,147	1,024,813

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	402,095	227,227
With Original Maturity of 1 Year or Less Than 1 Year	-	-
With Original Maturity of More Than 1 Year	402,095	227,227
Other Non-cash Loans	1,482,676	804,322
Total	1,884,771	1,031,549

III. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED OFF-BALANCE SHEET ACCOUNTS

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	157,554	8.88	561	0.50	43,481	4.66	400	0.41
Mining and Quarrying	351	0.02	-	-	351	0.04	-	-
Manufacturing Industry	150,054	8.46	-	-	40,981	4.39	-	-
Electricity, Gas and Water	7,149	0.40	561	0.50	2,149	0.23	400	0.41
Building	380,436	21.45	45,009	40.48	164,514	17.61	40,595	41.73
Services	1,232,638	69.50	65,623	59.02	726,269	77.73	56,290	57.86
Wholesale and Retail Trade	915	0.05	52,856	47.54	768	0.08	37,480	38.53
Hotel and Restaurant Services	-	-	-	-	-	-	-	-
Transport and Communication	4,663	0.26	5,748	5.17	2,131	0.23	4,243	4.36
Financial Institutions	1,161,570	65.50	7,019	6.31	612,660	65.57	1,719	1.77
Real Estate and Rental Services	4,440	0.25	-	-	109,369	11.71	12,848	13.20
Self Employed Services	61,050	3.44	-	-	1,341	0.14	-	-
Education Services	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total	1,773,578	100.00	111,193	100.00	934,264	100.00	97,285	100.00

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	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

Prior Period	I. Group		II. Group	
	LC	FC	LC	FC
Letters of Guarantee	934,264	67,243	-	23,379
Aval and Acceptance Credits	-	6,663	-	-
letters of credit	-	-	-	-
Turnovers	-	-	-	-
Our Purchasing Guarantees in the Issuance of Securities	-	-	-	-
Factoring Guarantees	-	-	-	-
Other Guarantees and Bails	-	-	-	-
Non-Cash Loans	934,264	73,906	-	23,379

III. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED OFF-BALANCE SHEET ACCOUNTS

5. Explanations on derivative transactions

	Current Period				Prior Period			
	Up to 1 Month	1-3 Month	3-12 Month	1 Year Over	Up to 1 Month	1-3 Month	3-12 Month	1 Year Over
Derivative Transactions Related to Foreign Exchange (I)	4,946,455	2,614,226	519,372	-	3,481,216	998,649	-	410,115
Forward Currency Exchange Transactions	224,586	-	-	-	-	-	-	-
Swap Money Trading Transactions	4,481,095	2,614,226	519,372	-	3,481,216	998,649	-	410,115
Futures Money Transactions	-	-	-	-	-	-	-	-
Currency Buy and Sell Options	240,774	-	-	-	-	-	-	-
Derivative Transactions Related to Interest (II)	1,467,977	-	-	-	4,023,374	-	168,631	-
Forward Interest Contract Trading Transactions	-	-	-	-	-	-	-	-
Swap Interest Trading Transactions	1,467,977	-	-	-	4,023,374	-	168,631	-
Interest Rate Options	-	-	-	-	-	-	-	-
Futures Interest Trading Transactions	-	-	-	-	-	-	-	-
Other Derivative Transactions Held for Trading (III)	-	-	-	-	-	-	-	-
A. Total Trading Derivative Transactions (I+II+III)	6,414,432	2,614,226	519,372	-	7,504,590	998,649	168,631	410,115
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)	6,414,432	2,614,226	519,372	-	7,504,590	998,649	168,631	410,115

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	-	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
Prior Period				
TL	-	-	1,713,795	1,121,911
USD	-	-	378,812	1,425,256
EURO	-	-	2,476,103	1,966,108
Other	-	-	-	-
Total	-	-	4,568,710	4,513,275

6. Explanations on credit derivatives and the risks they are exposed to

None (31 December 2021 - None).

7. Information on Contingent Assets and Liabilities

None (31 December 2021 - 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.

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(*)	790,156	192,622	382,718	181,024
Short-term Loans	560,708	160,478	308,430	132,739
Medium/Long-term Loans	52,244	32,144	53,349	48,285
Interest on Loans Under Follow-up	177,204	-	20,939	-
Total	790,156	192,622	382,718	181,024

(*)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	3,479	-	-	-
From Domestic Banks	10,496	641	18,440	174
From Foreign Banks	-	271	-	-
Branches and Offices Abroad	-	-	-	-
Total	13,975	912	18,440	174

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	886,025	48,732	14,813	8,296
Financial assets measured at amortized cost	-	-	-	-
Total	886,025	48,732	14,813	8,296

d) Information on interest income received from investments in associates and subsidiaries

None (31 December 2021 - None).

2. a) Information on interest expense

	Current Period		Prior Period	
	LC	FC	LC	FC
Banks	204,274	11,855	77,654	9,596
The Central Bank of Turkey	620	-	-	-
Domestic Banks	166,444	-	54,681	-
Foreign Banks	37,210	11,855	22,973	9,596
Branches and offices abroad	-	-	-	-
Other Institutions	6,242	69,368	3,948	23,787
Total	210,516	81,223	81,602	33,383

IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED INCOME STATEMENT

b) Information on interest expense given to investments in associates and subsidiaries

There is a dividend payment of TL 130,131 to Nurol Varlık Kiralama A.Ş., a subsidiary of the Bank.
(1 January -31 December 2021: There is a dividend payment of TL 40,396).

c) Interest expense on issued marketable securities

	Current Period		Prior Period	
	LC	FC	LC	FC
Interest expense on securities issued	333,832	-	159,664	2,321
Total	333,832	-	159,664	2,321

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 2022 is TL 428 (1 January – 31 December 2021: TL 200 Available).

4. Information on trading income/loss

	Current Period	Prior Period
Income	18,477,791	20,825,375
Profit on trading account securities	686,035	68,259
Profit on derivative financial transactions	1,032,706	953,720
Foreign exchange gains	16,759,050	19,803,396
Loss	17,889,193	20,884,701
Losses on trading account securities	157,020	13,060
Losses on derivative financial transactions	1,343,468	1,319,977
Foreign exchange losses	16,388,705	19,551,664
Net Trading Income/Loss	588,598	(59,326)

5. Information on other operating income

	Current Period	Prior Period
Provision cancellations	11,462	15,812
Communication Expenses Passed on to Customers	7,781	131
Real estate sales revenues	-	32,320
Investment Real Estate Valuation Difference	124,975	41,110
Right to Buy Commissions	-	-
Revenues from the Right to Buy Price Increase	-	-
Income from Sale of Assets	-	-
Other (*)	12,062	546
	156,280	89,919

(*) Rental income is TL 32 TL and other commission income is TL 12,030 (31 December 2021: other commission income is TL 546 in other item).

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	87,477	78,940
12 Month Expected Credit Loss (Stage 1)	15,936	3,598
Significant increase in credit risk (Stage 2)	8,489	25,719
Non-Performing Loans (Stage 3)	63,052	49,623
Marketable Securities Impairment Provision	10,764	2,725
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets At Fair Value Through Other Comprehensive Income	10,764	2,725
Investments in Associates, Subsidiaries and Held-to-Maturity Securities Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other(*)	44,900	37,558
Total	143,141	119,223

(*) As of 31 December 2022, there are TL 5,801 of leave provision, TL 15,730 of success premiums and TL 23,369 lawsuits (31 December 2021: TL 1,198 of leave reserves, and TL 29,400 lawsuits).

7. Information related to other operating expenses:

	Current Period	Prior Period
Reserve for employee termination benefits	2,828	97
Bank social aid fund deficit provision	-	-
Fixed assets impairment expense	-	-
Depreciation expenses of fixed assets	5,238	3,938
Intangible assets impairment expense	-	-
Goodwill impairment expense	-	-
Amortization expenses of intangible assets	13,455	7,665
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	68,111	21,856
Leasing expenses related to TFRS 16 exemptions	269	153
Maintenance expenses	1,138	534
Advertisement expenses	564	196
Other expenses	66,140	20,973
Loss on sales of assets	-	-
Other (*)	78,547	27,271
Total	168,179	60,827

(*) There is Tax, Duty and Duty expense amounting to TL 63,242 and other expense balance amounting to TL 15,305 (31 December 2021: Tax, Duty and Duty expense amounting to TL 13,568 and other expense balance amounting to TL 13,703).

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 2022 is TL 1,090, the information systems audit fee is TL 550 and the fee for other assurance services is TL 35 (31 December 2021: independent audit fee is TL 274, information systems audit fee is TL 172 and other assurance services fee is TL 27).

9. Information on income/(loss) before tax from continuing or discontinued operations

For the period ended 31 December 2022, net interest income is TL 1,227,162 (31 December 2021: TL 331,220), net fee and commission income is TL 256,063 (31 December 2021: TL 100,397) and other operating income is TL 156,280 (31 December 2021: TL 89,919).

IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED INCOME STATEMENT

10. Information on provision for taxes from continuing or discontinued operations

9.1 Calculated current tax income or expense and deferred tax income or expense

As of 31 December 2022, 381,635 TL current tax expense (31 December 2021: 131,034 TL current tax expense) and 4,037 TL deferred tax income (31 December 2021: 25,035 TL deferred tax income) were reflected from continuing operations.

9.2 Explanations on operating profit/loss after tax

None (31 December 2021: 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 1,458,332(31 December 2021 - TL 191,143 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 2021 - 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 2021 - 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	127,326	41,570
Profit Share – Securities	7,220	2,070
Other	254	53
Other Interest Income	134,800	43,693
Profit Share – Securities	130,131	40,396
Paid to Other Financial Institutions	371	17
Other	106	57
Other Interest Expenses	130,608	40,470

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 31 December 2022, the Bank does not have any accumulated amounts of other comprehensive income from investments accounted for using the equity method, which will not be reclassified to profit or loss, and other comprehensive income items that will not be reclassified as other profit or loss (31 December 2021: TL 4,117) and fair value difference from other comprehensive income. The increase resulting from the valuation of financial assets to be reflected in income is TL 60,520 (31 December 2021: TL 1,104) and it is reflected in the “Securities Valuation Differences” account in the balance sheet.

2. Reconciliation regarding the amounts of exchange differences at the beginning and end of the period

None (31 December 2021 - None).

3. Information on increases in cash flow hedge items

None (31 December 2021 - None).

4. Information on dividends

Dividends declared after the balance sheet date but before the announcement of the financial statements

None (31 December 2021 - None).

Net dividends per share proposed to be distributed to shareholders after the balance sheet date

None (31 December 2021 - None).

5. Amounts transferred to the reserve funds account

The Bank held its Ordinary General Assembly for 2021 on March 30, 2022. At the General Assembly, it was decided to set aside 5% of the net profit for the period amounting to TL 189,195 as legal reserves. Based on the decision of the General Assembly, TL 9,460 was transferred to the reserve funds account. (31 December 2021: TL 5,180).

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 2021 - None).

7. Explanations on other capital increase items in the statement of changes in shareholders' equity

None (31 December 2021 - None).

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

Net cash inflow from the Bank's banking activities in 2022 is TL 5,865,627 (31 December 2021: cash outflow of TL 376,233). TL 4,470,129 of this amount is due to cash inflows in asset and liability accounts (31 December 2021: TL 533,576 cash outflows) and TL 1,395,498 stems from cash inflows in operating profit before the change in banking activity assets and liabilities (31 December 2021: 156,343 TL cash inflow). Net cash outflow from the Bank's investment activities is TL 5,651,394 (31 December 2021: net cash inflow of TL 227,492). Cash and cash equivalents, which were TL 1,445,373 at the beginning of the period, amounted to TL 3,568,804 at the end of the period.

"Other" item amounting to TL 93,681 (31 December 2021: TL 243,900 cash outflow) in "operating profit before changes in banking assets and liabilities" is cash, excluding payments made to personnel and service providers and taxes paid. consists of other operating expenses paid, fees and commissions paid and commercial profit/loss amount.

Cash outflow of TL 1,067,624 (December 31, 2021: TL 1,267,292 cash outflow) included in "Changes in assets and liabilities subject to banking activities" includes "Net increase/(decrease) in other assets" and changes of the compulsory reserve requirements balance kept with the Central Bank of the Republic of Turkey. .

Cash outflow of TL 1,003,208 (December 31, 2021: TL 55,031 cash inflow) in "Changes in assets and liabilities of banking activities" includes changes of "Net increase/(decrease) in other liabilities" sundry debts, other liabilities, taxes payable, duty fees and premiums consist of changes in debts to money markets. Cash outflow of TL 24,897 in "Other" item in "net cash flow from investing activities" (31 December 2021: TL 11,083 cash outflow) consists of intangible asset purchases.

2. Information on cash and cash equivalents at the beginning of the period

	Current Period	Prior Period
Cash	2,515	1,259
T.R. Central Bank – Demand Free Account	131,634	5,621
T.R. Central Bank – Free Time Deposit Account	-	-
Money Markets	-	-
Banks and Other Financial Institutions	1,311,224	389,061
Cash and Cash Equivalents	1,445,373	395,941

3. Information on cash and cash equivalents at the end 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

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 1,871,694 (31 December 2021: TL 1,385,187) held by the Bank with the Central Bank of the Republic of Turkey are not included in cash and cash equivalents.

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	-	-	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.

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	-	-	840,248	22,184	-	-
End of the Period	-	-	718,935	27,214	-	-
Interest and Commission Income Received(***)	-	-	175,475	61	-	-

(*) 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.

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 1,128,940 (December 31, 2021: TL 487.616) 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

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
Financial Assets where Fair Value Through Profit or Loss						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	-	-	-
Total Income/Loss(*)	-	-	-	-	-	-
Transactions for Hedging Purposes						
Beginning of the Period	-	-	-	-	-	-
End of the Period	-	-	-	387,351	-	-
Total Income/Loss(*)	-	-	-	(2,133)	-	-

VII. EXPLANATIONS AND NOTES RELATED TO THE BANK'S RISK GROUP (continued)

4. Disclosures of transactions with the Bank's risk group

Current Period	Balance	Share %
Financial assets at fair value through other comprehensive income	1,314,209	%21
Cash Loans	-	-
Non-Cash Loans	34,248	%2
Borrowed Funds	1,128,940	%21
Other Operating Expenses	18,070	%11
Prior Period	Balance	Share %
Financial assets at fair value through other comprehensive income	28,530	%11
Cash Loans	718,935	%24
Non-Cash Loans	27,214	%3
Borrowed Funds	487,616	%28
Other Operating Expenses	7,076	%12

VIII. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS:

The Bank has issued bonds amounting to TL 895,000. TL 150,000 fixed rate, 92 days maturity bonds with fixed interest rate amounting to TL 150,000 sold on January 12, 2023 with an interest rate of 23% on April 14, 2023, TL 70,000 fixed rate, 90 days maturity bonds with fixed interest rate amounting to TL 70,000 sold on January 18, 2023 with an interest rate of 23% on April 18, 2023, TL 150,000 fixed rate, 88 days maturity bonds with fixed interest rate amounting to TL 150,000 sold on January 30, 2023 with an interest rate of 23% on April 28, 2023, TL 400,000 fixed rate, 91 days maturity bonds with fixed interest rate amounting to TL 400,000 sold on February 2, 2023 with an interest rate of 23% on May 4, 2023. 25%, TL 400,000, fixed rate, 91 days maturity bond with maturity date of February 2, 2023, TL 400,000, fixed rate, 91 days maturity bond with maturity date of May 04, 2023, interest rate 24%. 25%, TL 25,000, fixed rate, 21 days maturity bond with maturity date February 6, 2023, TL 25,000, fixed rate, 21 days maturity bond with maturity date February 27, 2023, 25%, TL 25,000, fixed rate, 28 days maturity bond with maturity date February 6, 2023, March 6, 2023, 25%, TL 25,000, fixed rate, maturity date February 6, 2023, 25%, 35 days maturity bonds with maturity date of March 13, 2023 with an interest rate of 25%, 42 days maturity bonds with maturity date of March 20, 2023 with fixed interest rate amounting to TL 25,000 which was realized on February 6, 2023 with an interest rate of 25%, 49 days maturity bonds with maturity date of March 27, 2023 with fixed interest rate amounting to TL 25,000 which was realized on February 6, 2023 with an interest rate of 25%.

The Bank has issued bonds amounting to TL 360,000. The bonds amounting to TL 200,000 with fixed interest rate and 734 days maturity sold on January 18, 2023 with a redemption date of January 21, 2025 with an interest rate of 25%, the bonds amounting to TL 40,000 with fixed interest rate and 580 days maturity sold on January 20, 2023 with a redemption date of August 22, 2024 with an interest rate of 25%, the bonds amounting to TL 120,000 with fixed interest rate and 650 days maturity sold on January 20, 2023 with a redemption date of October 22, 2024 with an interest rate of 25%.

An earthquake occurred in the southeastern part of Turkey, affecting many of our provinces. As the ultimate severity of this earthquake, which has killed and injured thousands of people, is currently uncertain, the Bank is still in the process of quantifying the impact on its operations and financial condition.

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		
Domestic branch	1	97			
Representatives in foreign countries	-	-	-		
				Total assets	Legal Capital
Foreign branch	-	-	-	-	-

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

Consolidated financial statements as of 31 December 2022 and for the period ending on the same date are prepared by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş (a member firm of Ernst&Young Global Limited) and the independent audit report dated 13 February 2023 is 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.