

**NUROL YATIRIM BANKASI
ANONIM ŐIRKETI AND ITS SUBSIDIARIES**

**PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL STATEMENTS,
RELATED DISCLOSURES AND AUDITORS' REPORT
AS OF AND FOR THE PERIOD END 30 JUNE 2023**



AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL INFORMATION

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

Introduction

We have reviewed the consolidated balance sheet of Nurol Yatırım Bankası A.Ş. (“the Bank”) and its subsidiaries (collectively referred to as the “Group”) at 30 June 2023 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 for the six months period. The Group Management is responsible for the preparation and fair presentation of interim financial information 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 Accounting Standard 34 “Interim Financial Reporting” for those matters not regulated by the aforementioned regulations. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, “Limited Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial reporting process, and applying analytical and other review procedures. A review of interim financial information is substantially less in scope than an independent audit performed in accordance with the Independent Auditing Standards and the objective of which is to express an opinion on the financial statements. Consequently, a review of the interim financial information does not provide assurance that the audit firm will be aware of all significant matters which would have been identified in an audit. Accordingly, we do not express an opinion.



Conclusion

According to our review, the consolidated interim financial information, the financial position of Nurol Yatırım Bankası A.Ş. and its subsidiaries as of 30 June 2023 and the financial performance and cash flows for the six months period ended on the same date, are in accordance with BRSA Accounting and Financial Reporting Regulations. Nothing has come to our attention that causes us to believe that it has not been presented fairly, in all material respects.

Other Matter

The consolidated financial statements of the Group as at and for the year ended 31 December 2022 and as at and for the six months period ended 30 June 2022 were audited and reviewed by another independent audit firm that expressed an unqualified opinion results in the audit report dated 13 February 2023 and unqualified conclusion in the auditor's review report dated 29 July 2022.

Report on other regulatory requirements arising from legislation

Based on our review, nothing has come to our attention that causes us to believe that the financial information provided in the accompanying interim activity report in Section Seven, is not consistent with the reviewed consolidated financial statements and disclosures in all material respects.

Additional paragraph for convenience translation

BRSA Accounting and Financial Reporting Legislation explained in detail in Section Three differ from International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board including the application of IAS 29 - Financial Reporting in Hyperinflationary Economies as of 30 June 2023. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position, results of operations, changes in equity and cash flows of the Group in accordance with IFRS.

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

Talar Gül, SMMM
Partner

İstanbul, 4 August 2023

NUROL YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL REPORT
AS OF 30 June 2023

Address of the Parent Bank's Headquarters :Maslak Mah. Büyükdere Cad. Nurol Plaza No: 255 B Blok Kat:15,
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Web site of the Bank : www.nurolbank.com.tr
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The consolidated annual financial report includes the following sections in accordance with the Communiqué on Financial Statements and Related Explanations and Notes that will be Publicly Announced as sanctioned by the Banking Regulation and Supervision Agency.

- General Information About The Parent Company
- Consolidated Financial Statements of The Parent Company
- Explanations on Accounting Policies
- Information Related to Consolidated Financial Position and Risk Management
- Explanations and Notes Related to Consolidated Financial Statements
- Other Explanations and Notes
- Interim Review Report
- Interim Activity 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
*Chairperson of Board
of Directors*

Özgür Altuntaş
CEO

Zafer Babür Hakarar
Deputy CEO

Recep Gül
*Assistant General
Manager*

Yusuf Serbest
*Audit committee
chairperson*

Ahmet Kerim Kemahlı
Audit committee member

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

Name-Surname/Title : Nazlı Bayındır / Group Manager

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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 30 June 2023

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

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

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

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

Name Surname /Commercial Title	Total Capital	(%)	Paid in capital	Unpaid Portion
Nurol Holding A.Ş.(*)	1,722,355	95.68	1,722,355	-
Other	77,645	4.32	77,645	-

(*) 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	39 years	-
M. Oğuz ÇARMIKLI	Directors	27.05.1999	Graduate	39 years	0.89
Yusuf SERBEST	Deputy Chairman of the Board	08.08.2022	Graduate	38 years	-
Ahmet ŞİRİN	Board Member - Audit	08.08.2022	Graduate	17 years	-
Mehmet Mete BAŞOL	Committee Chairperson	12.08.2014	Graduate	25 years	-
Özgür ALTUNTAŞ	Board Member (Corporate Governance Committee Member, Credit Committee Member)	03.10.2013	Graduate	25 years	-
Ahmet Kerim KEMAHLI	Board Member - CEO	10.03.2010	Graduate	25 years	-
Eyüp Sabri ÇARMIKLI	Board Member (Audit Committee Member)	21.04.2016	Graduate	13 years	0.78
Gürhan ÇARMIKLI	Board Member	21.04.2016	Graduate	13 years	0.39
Zafer Babür HAKARAR	Deputy General Manager	03.10.2013	Postgraduate	25 years	-
Dr. Murat ÇİMEN	Deputy General Manager	03.10.2013	PhD	25 years	-
Ahmet Murat KAVURGA	Assistant General Manager	22.02.2014	Graduate	33 years	-
Recep GÜL	Assistant General Manager	14.02.2023	Graduate	30 years	-
Semih Subutay NEZİR	Assistant General Manager	01.08.2009	Graduate	30 years	-
Yeliz BİLGİN	Assistant General Manager	29.04.2015	Graduate	15 years	-
Seyfullah Cenk ATMACA	Assistant General Manager	12.03.2018	Graduate	5 years	-
Pınar ÇETİNEL	Assistant General Manager	09.08.2022	Graduate	4 years	-

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NUROL YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 June 2023

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

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.	1,722,355	95.68	1,722,355	-

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,

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 30 June 2023

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

GENERAL INFORMATION (Continued)

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

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,
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,

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ISSUED IN TURKISH**

**NUROL YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF
30 June 2023**

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

GENERAL INFORMATION (Continued)

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

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

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

**NUROL YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS OF JUNE 30, 2023**

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

	ASSETS	Section 5 Note I	Reviewed Current Period 30 June 2023			Audited Prior Period 31 December 2022		
			TL	FC	Total	TL	FC	Total
I.	FINANCIAL ASSETS (Net)		12,583,876	6,577,357	19,161,233	6,445,781	6,328,270	12,774,051
1.1	Cash and cash equivalents	I-1	7,417,066	3,269,927	10,686,993	1,068,089	4,370,764	5,438,853
1.1.1	Cash and balances at Central Bank	I-1	40,821	2,221,902	2,262,723	564,033	1,874,246	2,438,279
1.1.2	Banks	I-3	7,380,618	1,048,025	8,428,643	206,145	2,496,518	2,702,663
1.1.3	Money market placements		-	-	-	300,161	-	300,161
1.1.4	Expected credit losses (-)		4,373	-	4,373	2,250	-	2,250
1.2	Financial assets at fair value through profit or loss	I-2	1,024,676	27,231	1,051,907	909,068	-	909,068
1.2.1	Government securities		-	-	-	-	-	-
1.2.2	Equity instruments		827,976	-	827,976	827,976	-	827,976
1.2.3	Other financial assets		196,700	27,231	223,931	81,092	-	81,092
1.3	Financial assets at fair value through other comprehensive income	I-5	4,142,073	2,328,555	6,470,628	4,468,563	1,896,428	6,364,991
1.3.1	Government securities		410,026	557,212	967,238	901,207	284,363	1,185,570
1.3.2	Equity instruments		9,173	-	9,173	17,914	-	17,914
1.3.3	Other financial assets		3,722,874	1,771,343	5,494,217	3,549,442	1,612,065	5,161,507
1.4	Derivative financial assets	I-2	61	951,644	951,705	61	61,078	61,139
1.4.1	Derivative financial assets measured at fair value through profit or loss		61	951,644	951,705	61	61,078	61,139
1.4.2	Derivative financial assets measured at fair value through other comprehensive income		-	-	-	-	-	-
II.	FINANCIAL ASSETS MEASURED AT AMORTISED COST (Net)		4,458,241	2,783,336	7,241,577	2,818,374	911,408	3,729,782
2.1	Loans	I-6	4,012,158	2,783,336	6,795,494	2,358,967	911,408	3,270,375
2.2	Receivables from leasing transactions	I-11	489,002	-	489,002	480,469	-	480,469
2.3	Factoring receivables	I-12	-	-	-	-	-	-
2.4	Other financial assets measured at amortized cost		-	-	-	-	-	-
2.4.1	Government securities		-	-	-	-	-	-
2.4.2	Other financial assets		-	-	-	-	-	-
2.5	Expected credit losses (-)		42,919	-	42,919	21,062	-	21,062
III.	ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	I-14	271,260	-	271,260	271,260	-	271,260
3.1	Assets held for sale		271,260	-	271,260	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)		39,271	-	39,271	20,104	-	20,104
VI.	INTANGIBLE ASSETS (Net)		35,993	-	35,993	29,805	-	29,805
6.1	Goodwill		-	-	-	-	-	-
6.2	Other		35,993	-	35,993	29,805	-	29,805
VII.	INVESTMENT PROPERTIES (Net)	I-14	47,470	-	47,470	47,470	-	47,470
VIII.	CURRENT TAX ASSETS		-	-	-	-	-	-
IX.	DEFERRED TAX ASSETS	I-15	-	-	-	-	-	-
X.	OTHER ASSETS (Net)	I-17	23,687	987,241	1,010,928	39,527	542,342	581,869
	TOTAL ASSETS		17,459,798	10,347,934	27,807,732	9,672,321	7,782,020	17,454,341

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

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

**NUROL YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS OF JUNE 30, 2023**

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

	LIABILITIES	Section 5 Note II	Reviewed Current Period 30 June 2023			Audited Prior Period 31 December 2022		
			TL	FC	Total	TL	FC	Total
I.	DEPOSITS	II-1	-	-	-	-	-	-
II.	FUNDS BORROWED	II-3	542,876	1,190,533	1,733,409	902,199	565,011	1,467,210
III.	MONEY MARKET FUNDS	II-5	1,428,427	2,753,771	4,182,198	572,458	1,796,476	2,368,934
IV.	SECURITIES ISSUED (Net)	II-6	2,399,913	-	2,399,913	2,843,300	-	2,843,300
4.1	Bills		1,793,788	-	1,793,788	2,353,372	-	2,353,372
4.2	Asset backed securities		-	-	-	-	-	-
4.3	Bonds		606,125	-	606,125	489,928	-	489,928
V.	FUNDS	II-4	1,408,852	4,104,763	5,513,615	1,224,932	4,102,187	5,327,119
5.1	Borrower funds		611,116	33,242	644,358	33,711	10,743	44,454
5.2	Other		797,736	4,071,521	4,869,257	1,191,221	4,091,444	5,282,665
VI.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	-
VII.	DERIVATIVE FINANCIAL LIABILITIES		-	74,773	74,773	-	27,773	27,773
7.1	Derivative financial assets measured at fair value through profit or loss	II-2	-	74,773	74,773	-	27,773	27,773
7.2	Derivative financial assets measured at fair value through other comprehensive income	II-9	-	-	-	-	-	-
VIII.	FACTORING PAYABLES		-	-	-	-	-	-
IX.	LEASE PAYABLES (Net)	II-8	18,692	-	18,692	11,109	-	11,109
X.	PROVISIONS	II-10	35,251	94,095	129,346	42,160	68,134	110,294
10.1	Restructuring Reserves		-	-	-	-	-	-
10.2	Reserves for employee benefits		19,011	-	19,011	30,302	-	30,302
10.3	Insurance technical reserves (Net)		-	-	-	-	-	-
10.4	Other provisions		16,240	94,095	110,335	11,858	68,134	79,992
XI.	CURRENT TAX LIABILITIES	II-11	58,735	-	58,735	170,009	-	170,009
XII.	DEFERRED TAX LIABILITIES		248,681	-	248,681	33,384	-	33,384
XIII.	LIABILITIES FOR ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	II-12	-	-	-	-	-	-
13.1	Assets held for sale		-	-	-	-	-	-
13.2	Assets from discontinued operations		-	-	-	-	-	-
XIV.	SUBORDINATED DEBTS	II-13	-	129,509	129,509	-	93,785	93,785
14.1	Borrowings		-	129,509	129,509	-	93,785	93,785
14.2	Other debt instruments		-	-	-	-	-	-
XV.	OTHER LIABILITIES	II-7	184,115	9,830,636	10,014,751	68,115	2,602,624	2,670,739
XVI.	SHAREHOLDERS' EQUITY		3,344,624	(40,514)	3,304,110	2,318,478	12,207	2,330,685
16.1	Paid-in capital	II-14	1,800,000	-	1,800,000	750,000	-	750,000
16.2	Capital reserves		-	-	-	-	-	-
16.2.1	Share Premiums	II-15	-	-	-	-	-	-
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Other capital reserves		-	-	-	-	-	-
16.3	Other Comprehensive Income/Expense Items not to be Recycled to Profit or Loss		3,088	-	3,088	3,088	-	3,088
16.4	Other Comprehensive Income/Expense Items to be Recycled to Profit or Loss	II-16	(77,588)	(40,514)	(118,102)	48,313	12,207	60,520
16.5	Profit reserves		295,300	-	295,300	56,797	-	56,797
16.5.1	Legal reserves		99,621	-	99,621	27,670	-	27,670
16.5.2	Statutory reserves		-	-	-	-	-	-
16.5.3	Extraordinary reserves		18,679	-	18,679	2,127	-	2,127
16.5.4	Other profit reserves		177,000	-	177,000	27,000	-	27,000
16.6	Profit or loss		1,323,824	-	1,323,824	1,460,280	-	1,460,280
16.6.1	Prior years' profits or losses		20,927	-	20,927	1,948	-	1,948
16.6.2	Current period net profit or loss		1,302,897	-	1,302,897	1,458,332	-	1,458,332
16.7	Minority interest	II-17	-	-	-	-	-	-
	TOTAL LIABILITIES		9,670,166	18,137,566	27,807,732	8,186,144	9,268,197	17,454,341

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

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

**NUROL YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF OFF BALANCE SHEET AND COMMITMENTS
AS OF JUNE 30, 2023**

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

	Section 5 Note III	Reviewed Current Period 31 December 2023			Audited Prior Period 31 December 2022		
		TL	FC	Total	TL	FC	Total
A. OFF-BALANCE SHEET COMMITMENTS (I+II+III)		10,202,792	27,045,632	37,248,424	3,296,679	8,136,132	11,432,811
I. GUARANTEES AND WARRANTIES	III-2	2,054,633	176,243	2,230,876	1,773,578	111,193	1,884,771
1.1 Letters of Guarantee	III-1	2,014,633	140,806	2,155,439	1,773,578	101,569	1,875,147
1.1.1 Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2 Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3 Other Letters of Guarantee		2,014,633	140,806	2,155,439	1,773,578	101,569	1,875,147
1.2 Bank Acceptances		-	-	-	-	-	-
1.2.1 Import Letter of Acceptance		-	-	-	-	-	-
1.2.2 Other Bank Acceptances		-	-	-	-	-	-
1.3 Letters of Credit		-	35,437	35,437	-	9,624	9,624
1.3.1 Documentary Letters of Credit		-	35,437	35,437	-	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		40,000	-	40,000	-	-	-
1.9 Other Collaterals		-	-	-	-	-	-
II. COMMITMENTS		10	-	10	8,180	216,416	224,596
2.1 Irrevocable Commitments		10	-	10	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	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		8,148,149	26,869,389	35,017,538	1,514,921	7,808,523	9,323,444
3.1 Hedging Derivative Financial Instruments		-	-	-	-	-	-
3.1.1 Transactions for Fair Value Hedge		-	-	-	-	-	-
3.1.2 Transactions for Cash Flow Hedge		-	-	-	-	-	-
3.1.3 Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2 Trading Derivative Financial Instruments		8,148,149	26,869,389	35,017,538	1,514,921	7,808,523	9,323,444
3.2.1 Forward Foreign Currency Buy/Sell Transactions		-	-	-	-	-	-
3.2.1.1 Forward Foreign Currency Transactions-Buy		-	-	-	-	-	-
3.2.1.2 Forward Foreign Currency Transactions-Sell		-	-	-	-	-	-
3.2.2 Swap Transactions Related to Foreign Currency and Interest Rates		8,148,149	26,869,389	35,017,538	1,514,921	7,567,749	9,082,670
3.2.2.1 Foreign Currency Swap-Buy		-	16,968,795	16,968,795	-	3,804,542	3,804,542
3.2.2.2 Foreign Currency Swap-Sell		8,148,149	7,961,242	16,109,391	1,514,921	2,295,230	3,810,151
3.2.2.3 Interest Rate Swap-Buy		-	965,045	965,045	-	725,762	725,762
3.2.2.4 Interest Rate Swap-Sell		-	974,307	974,307	-	742,215	742,215
3.2.3 Foreign Currency, Interest rate and Securities Options		-	-	-	-	240,774	240,774
3.2.3.1 Foreign Currency Options-Buy		-	-	-	-	119,609	119,609
3.2.3.2 Foreign Currency Options-Sell		-	-	-	-	121,165	121,165
3.2.3.3 Interest Rate Options-Buy		-	-	-	-	-	-
3.2.3.4 Interest Rate Options-Sell		-	-	-	-	-	-
3.2.3.5 Securities Options-Buy		-	-	-	-	-	-
3.2.3.6 Securities Options-Sell		-	-	-	-	-	-
3.2.4 Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1 Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2 Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5 Interest Rate Futures		-	-	-	-	-	-
3.2.5.1 Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2 Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6 Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		20,858,581	9,225,779	30,084,360	13,446,454	5,418,859	18,865,313
IV. ITEMS HELD IN CUSTODY		10,291,353	5,876,409	16,167,762	5,231,937	3,426,934	8,658,871
4.1 Customer Fund and Portfolio Balances		-	-	-	-	-	-
4.2 Investment Securities Held in Custody		10,218,042	5,837,674	16,055,716	5,201,854	3,398,887	8,600,741
4.3 Cheques Received for Collection		73,311	-	73,311	30,083	-	30,083
4.4 Commercial Notes Received for Collection		-	38,735	38,735	-	28,047	28,047
4.5 Other Assets Received for Collection		-	-	-	-	-	-
4.6 Assets Received for Public Offering		-	-	-	-	-	-
4.7 Other Items Under Custody		-	-	-	-	-	-
4.8 Custodians		-	-	-	-	-	-
V. PLEDGES RECEIVED		10,567,228	3,349,370	13,916,598	8,214,517	1,991,925	10,206,442
5.1 Marketable Securities		105,423	1,291,155	1,396,578	105,423	934,915	1,040,338
5.2 Guarantee Notes		2,586,062	214,874	2,800,936	2,024,658	155,589	2,180,247
5.3 Commodity		3,090,028	51,646	3,141,674	1,995,042	154,261	2,149,303
5.4 Warranty		-	-	-	-	-	-
5.5 Immovable		1,226,020	1,434,583	2,660,603	1,224,971	494,301	1,719,272
5.6 Other Pledged Items		3,559,695	357,112	3,916,807	2,864,423	252,859	3,117,282
5.7 Pledged Items-Depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		31,061,373	36,271,411	67,332,784	16,743,133	13,554,991	30,298,124

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 AS OF JUNE 30, 2023

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

	Section 5 Note IV	Reviewed Current Period (01.01.2023- 30.06.2023) Total	Reviewed Current Period (01.01.2022- 30.06.2022)	Reviewed Current Period (01.04.2022- 30.06.2023)	Reviewed Prior Period (01.04.2022- 30.06.2022) Total
I. INTEREST INCOME	IV-1	1,981,111	791,991	1,112,984	510,641
1.1 Interest Income on Loans		540,180	421,364	287,858	231,632
1.2 Interest Income on Reserve Requirements		49	2,293	6	376
1.3 Interest Income on Banks		423,629	3,394	316,560	1,600
1.4 Interest Income on Money Market Transactions		13,247	94	11,214	26
1.5 Interest Income on Securities Portfolio		824,102	279,619	385,646	230,526
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		824,102	279,619	385,646	230,526
1.5.3 Financial Assets at Measured by Amortized Cost		-	-	-	-
1.6 Financial Lease income		79,542	37,039	55,399	16,552
1.7 Other Interest Income		100,362	48,188	56,301	29,929
II. INTEREST EXPENSES	IV-2	658,853	329,403	345,885	190,521
2.1 Interests on Deposits		-	-	-	-
2.2 Interest on Funds Borrowed		181,401	118,869	107,174	75,833
2.3 Interests on Money Market Transactions		140,131	29,283	76,557	20,751
2.4 Interest on Securities Issued		213,906	131,114	96,691	65,692
2.5 Lease Interest Expenses		2,307	1,014	498	537
2.6 Other Interest Expenses		121,108	49,123	64,965	27,708
III. NET INTEREST INCOME/EXPENSE (I - II)		1,322,258	462,588	767,099	320,120
IV. NET FEE AND COMMISSION INCOME/EXPENSE		425,052	93,645	229,344	81,161
4.1 Fees and Commissions Received		536,491	150,077	292,363	100,771
4.1.1 From Non-Cash Loans		23,605	13,929	12,140	8,503
4.1.2 Other		512,886	136,148	280,223	92,268
4.2 Fees and Commissions Given		111,439	56,432	63,019	19,610
4.2.1 To Non-Cash Loans		3,719	2,300	2,004	1,313
4.2.2 Other		107,720	54,132	61,015	18,297
V. DIVIDEND INCOME	IV-3	52,062	308	72	291
VI. TRADING PROFIT/LOSS (Net)	IV-4	159,354	180,804	177,750	101,136
6.1 Trading Profit/(Loss) on Securities		(73,816)	138,370	(22,916)	65,653
6.2 Profit/Loss from Derivative Financial Transactions		996,832	(179,290)	1,037,247	(92,277)
6.3 Profit/Loss on Foreign Exchange Transactions		(763,662)	221,724	(836,581)	127,760
VII. OTHER OPERATING INCOME	IV-5	135,064	11,910	110,943	4,208
VIII. GROSS OPERATING INCOME (III+IV+V+VI+VII+VIII)		2,093,790	749,255	1,285,208	506,916
IX. EXPECTED CREDIT LOSSES (-)	IV-6	40,824	37,551	17,758	21,924
X. OTHER PROVISION EXPENSES	IV-6	41,062	22,066	34,404	11,077
XI. OTHER OPERATING EXPENSES	IV-7	241,731	61,385	150,378	38,544
XII. PERSONNEL EXPENSES		89,778	28,296	38,617	14,486
XIII. NET OPERATING PROFIT/LOSS (IX-X-XI)		1,680,395	599,957	1,044,051	420,885
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)		1,680,395	599,957	1,044,051	420,885
XVIII. TAX PROVISION FOR CONTINUED OPERATIONS (±)	IV-9	(377,498)	(142,349)	(269,091)	(103,617)
18.1 Provision for Current Tax		(168,582)	(164,821)	(64,549)	(87,172)
18.2 Deferred Tax Expense Effect		-	-	-	-
18.3 Deferred Tax Income Effect		(208,916)	22,472	(204,542)	(16,445)
XIX. CONTINUING OPERATIONS PERIOD NET PROFIT/LOSS (XVI±XVII)	IV-10	1,302,897	457,608	774,960	317,268
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	1,302,897	457,608	774,960	317,268
Earnings/Loss Per Share		1.13445	0.72811	0.43053	0.42302

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 JUNE 30, 2023**

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

		Reviewed Current Period 30 June 2023	Reviewed Current Period 30 June 2022	Reviewed Current Period 30 June 2023	Reviewed Prior Period 30 June 2022
I.	PERIOD PROFIT/LOSS	1,302,897	457,608	774,960	317,268
II.	OTHER COMPREHENSIVE INCOME	(178,622)	(44,669)	(100,423)	(63,518)
2.1	Not to be reclassified to Profit or Loss	-	(1,029)	-	(206)
2.1.1	Gains (Losses) on Revaluation of Property, Plant and Equipment	-	-	-	-
2.1.2	Gains (losses) on revaluation of Intangible Assets	-	-	-	-
2.1.3	Gains (losses) on remeasurements of defined benefit plans	-	-	-	-
2.1.4	Other Components of Other Comprehensive Income That Will Not Be Reclassified to Profit Or Loss	-	-	-	-
2.1.5	Taxes Relating To Components Of Other Comprehensive Income That Will Not Be Reclassified To Profit Or Loss	-	(1,029)	-	(206)
2.2	Other Comprehensive Income That Will Be Reclassified to Profit or Loss	(178,622)	(43,640)	(100,423)	(63,312)
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	(172,990)	(58,515)	(69,008)	(82,778)
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	(5,632)	14,875	(31,415)	19,466
III.	TOTAL COMPREHENSIVE INCOME (I+II)	1,124,275	412,939	674,537	253,750

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 JUNE 30, 2023

(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			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 ^(**)				Profit Reserves	
Prior Period 01.01 – 31.03.2023																	
I.	Balance at the Beginning of the Period		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)	-	-	(43,640)	-	-	-	457,608	412,939
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	-	-	(42,536)	-	56,797	1,948	457,608	1,226,905
Current Period - 01.01 – 31.03.2023																	
I.	Prior Period End Balance		750,000	-	-	-	-	-	3,088	-	-	60,520	-	56,797	1,948	1,457,482	2,329,835
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)		750,000	-	-	-	-	-	3,088	-	-	60,520	-	56,797	1,948	1,457,482	2,329,835
IV.	Total Comprehensive Income		-	-	-	-	-	-	-	-	-	(178,622)	-	-	-	1,302,897	1,124,275
V.	Capital Increase in Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Capital Increase from Internal Resources		1,050,000	-	-	-	-	-	-	-	-	-	88,503	(1,138,503)	-	-	-
VII.	Paid-in Capital Inflation Adjustment Difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Convertible Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Subordinated Debt Instruments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Increase/Decrease Due to Other Changes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Profit Distribution		-	-	-	-	-	-	-	-	-	-	150,000	1,157,482	(1,457,482)	(150,000)	(150,000)
11.1	Dividends Distributed		-	-	-	-	-	-	-	-	-	-	-	(150,000)	-	-	(150,000)
11.2	Amounts Transferred to Reserves		-	-	-	-	-	-	-	-	-	-	150,000	1,307,482	(1,457,482)	-	-
11.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	End of Period Balance (III+IV+.....+X+XI)		1,800,000	-	-	-	-	-	3,088	-	-	(118,102)	-	295,300	20,927	1,302,897	3,304,110

(*) 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 PROFIT DISTRIBUTION AS OF JUNE 30, 2023**

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

		Reviewed Current Period 30 June 2023	Reviewed Prior Period 30 June 2022
A.	CASH FLOWS FROM BANKING ACTIVITIES		
1.1	Operating Profit Before Changes in Assets and Liabilities of Banking Activity	723,252	640,078
1.1.1	Interests Received	2,021,913	723,444
1.1.2	Interests Paid	(611,366)	(284,612)
1.1.3	Dividends Received	51,936	-
1.1.4	Fees and Commissions Received	536,490	150,077
1.1.5	Other Earnings	177,968	174,026
1.1.6	Collections from Non-Performing Receivables Accounted as Loss	18,475	8,997
1.1.7	Cash Payments to Personnel and Service Providers	(344,736)	(115,941)
1.1.8	Taxes Paid	(343,986)	(90,104)
1.1.9	Other	(783,442)	74,191
1.2	Change in Assets and Liabilities Subject to Banking Activities	4,471,268	1,311,493
1.2.1	Net (Increase) Decrease in Financial Assets at Fair Value through Profit or Loss	(130,047)	16,122
1.2.2	Net (Increase) Decrease in Banks Account	-	-
1.2.3	Net (Increase) Decrease in Loans	(3,513,749)	(1,471,555)
1.2.4	Net (Increase) Decrease in Other Assets	(83,349)	498,383
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	4,405,301	2,178,280
1.2.9	Net Increase (Decrease) in Overdue Payables	-	-
1.2.10	Net Increase (Decrease) in Other Payables	3,793,112	90,263
I.	Net Cash Flow from Banking Activities	5,194,520	1,951,571
B.	CASH FLOWS FROM INVESTMENT ACTIVITIES		
II.	Net Cash Flow from Investment Activities	(403,795)	(2,531,068)
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	(14,188)	(3,136)
2.4	Securities and Real Estate Disposed	-	27,250
2.5	Financial Assets at Fair Value Through Other Comprehensive Income	(27,901,643)	(18,405,344)
2.6	Disposal Financial Assets at Fair Value Through Other Comprehensive Income	27,526,077	15,858,334
2.7	Financial Assets Purchased at Amortized Cost	-	-
2.8	Financial Assets Measured at Amortized Cost Sold	-	-
2.9	Other	(14,041)	(8,172)
C.	CASH FLOWS FROM FINANCE ACTIVITIES		
III.	Net Cash from Financing Activities	(613,948)	502,329
3.1	Cash from Loans and Issued Securities	4,375,815	6,441,180
3.2	Cash Outflow from Loans and Securities Issued	(4,836,687)	(5,935,649)
3.3	Issued Capital Instruments	-	-
3.4	Dividend Payments	(150,000)	-
3.5	Rental Payments	(3,076)	(3,202)
3.6	Other	-	-
IV.	Effect of Foreign Currency Translation Differences on Cash and Cash Equivalents	1,401,977	290,228
V.	Net Increase in Cash and Cash Equivalents I+II+III+IV	5,578,754	213,060
VI.	Cash and Cash Equivalents at the Beginning of the Period	3,568,804	1,445,373
VII.	Cash and Cash Equivalents at the End of the Period V+VI	9,147,558	1,658,433

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 NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 June 2023

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

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES

I. Basis of presentation

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

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

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

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

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

The effects of the earthquake disaster that occurred in Kahramanmaraş and surrounding provinces in February were reviewed and it was evaluated that it did not have an impact on the financial statements that would affect the continuity.

Additional paragraph for convenience translation into English of financial statements originally issued in Turkish

BRSA Accounting and Financial Reporting Legislation explained in detail in Section Three differ from International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board including the application of IAS 29 - Financial Reporting in Hyperinflationary Economies as of 30 June 2023. Accordingly, the accompanying consolidated financial statements are not intended to present fairly the consolidated financial position, results of operations, changes in equity and cash flows of the Group in accordance with IFRS.

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 30 June 2023

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

I. Basis of presentation (Continued)

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

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

TAS 29 Financial Reporting in Hyperinflation Economies requires entities whose functional currency is that of a hyperinflationary economy to prepare their financial statements in terms of the measuring unit current at the end of the reporting period. TAS 29 describes characteristics that may indicate that an economy is hyperinflationary, and it requires all entities that report in the currency of the same hyperinflationary economy apply this Standard from the same date. Therefore, it is expected that TAS 29 will start to be applied simultaneously by all entities with the announcement of Public Oversight Accounting and Auditing Standards Authority to ensure consistency of the application required by TAS 29 throughout the country. However, the Authority has not published any announcement that determines entities would restate their financial statements for the accounting period ending on 30 June 2023 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 June 30, 2023.

As of 30 June 2023, the changes regarding the USD Libor application did not pose a problem for our Bank. As of 30 June 2023, alternative interest rates have started to be used in transactions with variable interest rates. In Turkey, the Turkish Lira Overnight Reference Rate (“TLREF”) was created to meet the need for a short-term reference interest rate in Turkish Lira, which can be used as a variable interest indicator, underlying asset or benchmark in financial derivative products, debt instruments and various financial contracts. The Bank worked on the necessary infrastructure improvements in 2021. Specific to current transactions, the issue does not have a significant impact on the Bank’s financials. When necessary, future infrastructure works will be 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.

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 30 June 2023

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

I. Basis of presentation (Continued)

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 liabilities 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 30 June 2023, the USD exchange rate used in the conversion of foreign currency transactions into Turkish currency and their reflection in the financial statements is 25.8231 TL and the EURO exchange rate is 28.1450 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 (%)	
				30 June 2023	31 December 2022
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	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 ("KGGK") ("TAS") and Turkish Financial Reporting Standards ("TFRS") and their annexes and comments (all "Turkish Accounting Standards" or "TAS") are taken into consideration for compliance.

As of 30 June 2023, the Bank has no associates. Subsidiaries are accounted for in accordance with the "Communiqué on Turkish Accounting Standards on Individual Financial Statements" ("TAS 27") in the consolidated financial statements.

The financial statements of the subsidiary have been prepared as of 30 June 2023.

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 30 June 2023

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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. 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.

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 30 June 2023

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

IV. Explanations on interest income and expense (Continued)

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 derecognized using one of the accounting methods on the transaction date or delivery date. Purchases and sales of securities are accounted on the settlement date.

Initial measurement of financial instruments

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

Classification of financial instruments

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

Business model assessment

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

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 30 June 2023

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VI. Explanations on financial assets (Continued)

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.

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 30 June 2023

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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 30 June 2023, its value is TL 1,016,798 TRY and is classified under “Financial Assets at Fair Value Through Profit and Loss” in the financial statements (31 December 2022: TL 897,309 TRY).

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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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.

While calculating the expected loan loss provisions for the loans classified according to TFRS 9 stages, the Bank also took into account the possible difficulties that the uncertainties related to the earthquake disaster experienced on 6 February 2023 may cause in the cash flows or payments of the customers.

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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

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 interpolating.

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".

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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 2023, 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 recognized amounts and there is an intention to collect/pay related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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 derecognized 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 amortized 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”.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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 amortized 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 recognized 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

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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 capitalized 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 recognized. 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 11,205 as of 30 June 2023 (31 December 2022: TL 6,358), while the lease liability is TL 13,017 (December 31, 2022: TL 7,811).

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 recognized when the Bank has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The provision for contingent liabilities arising from past events should be recognized 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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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 Labor 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 Labor 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 :

	<u>30 June 2023</u>	<u>31 December 2022</u>
Interest Rate	22.44	22.44
Inflation Rate	20.55	20.55

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. In accordance with the Law numbered 7456 which is published in Official Gazette dated July 15, 2023 and numbered 32249, corporate tax rate is increased to 30% for banks starting from the declarations of October 1, 2023 and to be valid for the taxation periods from January 1, 2023.

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 December 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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVIII. EXPLANATIONS ON TAXATION (Continued)

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 30 June 2023, the Bank does not have any deferred investment allowance that it foresees to benefit from in the future.

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 dated 18 November 2007, 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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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. (31 December 2022: None.)

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

Based decisions on The Bank’s Ordinary General Assembly meeting was held on March 28, 2023, paid-in capital of the Bank was increased to TL 1,800,000 by increasing TL 1,050,000 from internal resources. The Ordinary General Assembly Decision regarding the capital increase was announced in the Turkish Trade Registry Gazette dated 5 June 2023 and numbered 10845.

2022 profit distribution table:

Net profit for 2022	1,438,503
Total profit subject to distribution	1,438,503
A – 1.Order General Legal Reserves (TTK 519/A) %5	71,895
B – Extraordinary Reserves	1,366,002
Classified to Total Profit Reserves	1,437,897
C – Capital Increase from Internal Resources	1,050,000
Classified to Total Paid-in Capital	1,050,000

XXV. OTHER ISSUES

None.

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SECTION FOUR

INFORMATION RELATED TO CONSOLIDATED FINANCIAL POSITION AND RISK MANAGEMENT

I. Information about consolidated shareholders' equity items

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", "Communiqué on credit risk mitigation techniques", "Communiqué On Calculation Of The Risk Weighted Exposure" and "Regulation on Equities of Banks". As of 30 June 2023, the capital adequacy standard ratio is 15,12% (31 December 2022: the capital adequacy standard ratio is 19.29%).

Information on shareholders' equity:	Current Period	Prior Period
	30 June 2023	31 December 2022
Common Equity Tier 1 Capital		
Directly issued qualifying common share capital plus related stock surplus	1,800,000	750,000
Share premium	-	-
Legal reserves	295,300	56,797
Projected gains to shareholders' equity of the accounting standards in Turkey	8,619	63,608
Profit	1,323,824	1,460,280
Net current period profit	1,302,897	1,458,332
Prior period profit	20,927	1,948
Free shares from investments and associates, subsidiaries and joint ventures that is not recognized in profit	-	-
Common Equity Tier 1 capital before regulatory adjustments	3,427,743	2,330,685
Common Equity Tier 1 capital: regulatory adjustments		
Prudential valuation adjustments	-	-
Sum of current year net loss and prior period's loss that is not covered with reserves and losses on shareholders' equity of the accounting standards in Turkey	123,633	-
Development cost of operating lease	8,439	2,276
Goodwill (net of related tax liability)	-	-
Other intangibles other than mortgage-servicing rights (net of related tax liability)	35,993	29,805
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	-
Cash-flow hedge reserve	-	-
Gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Securitization gain on sale	-	-
Gains and losses due to changes in own credit risk on fair valued liabilities	-	-
Defined-benefit pension fund net assets	-	-
Investments in own shares (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	168,065	32,081
The positive difference between the expected loan loss provisions under TFRS 9 and the total provision amount calculated before the application of TFRS 9	-	-
Common Equity Tier 1 capital (CET 1)	3,259,678	2,298,604

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

INFORMATION RELATED TO CONSOLIDATED FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

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

	Current Period 30 June 2023	Prior Period 31 December 2022
Additional Tier 1 capital: instruments		
Directly issued qualifying Additional Tier 1 instruments plus related stock surplus of which: classified as equity under applicable accounting standards	-	-
Directly issued qualifying Additional Tier 1 instruments plus related stock surplus of which: classified as liabilities under applicable accounting standards	-	-
Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1) of which: instruments issued by subsidiaries subject to phase out	-	-
Additional Tier 1 capital before regulatory adjustments	-	-
Additional Tier 1 capital: regulatory adjustments		
Investments in own Additional Tier 1 instruments	-	-
Reciprocal cross-holdings in Additional Tier 1 instruments	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	-
Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	-
National specific regulatory adjustments	-	-
The process of transition will continue to reduce from Tier 1 Capital	-	-
Goodwill or other intangibles and deferred tax liabilities of which the regulation concerning transitional Article 2 of subsection of core capital not reduced from (-)	-	-
Net deferred tax asset/liability which is not deducted from Common Equity Tier 1 capital for the purposes of the sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)	-	-
Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions(-)	-	-
Total regulatory adjustments to Additional Tier 1 capital	-	-
Additional Tier 1 capital (AT1)	-	-
Tier 1 capital (T1 = CET1 + AT1)	3,259,678	2,298,604
Tier 2 capital: instruments and provisions	113,721	99,535
Directly issued qualifying Tier 2 instruments plus related stock surplus	77,470	74,794
Directly issued qualifying Tier 2 instruments plus related stock surplus	-	-
Provisions	36,251	24,741
Tier 2 capital before regulatory adjustments	113,721	99,535
Tier 2 capital: regulatory adjustments		
Investments in own Tier 2 instruments (-)	-	-
Reciprocal cross-holdings in Tier 2 instruments	-	-
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold) (-)	-	-
Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	-
National specific regulatory adjustments (-)	-	-
Total regulatory adjustments to Tier 2 capital	-	-
Tier 2 capital (T2)	113,721	99,535
Total capital (TC = T1 + T2)	3,373,399	2,398,139
Total risk weighted assets	-	-
Loans extended being non-compliant with articles 50 and 51 of the Law	-	-
Portion of the sum of the banks' real estate net book values, which is in excess of fifty per cent of their own funds and net book values of those of merchandise and real estate which have to be acquired due to their receivables and disposed of pursuant to Article 57 of the Banking Law, which cannot be disposed of despite the lapse of a period of five years since the date of such acquisition(-)	-	-
National specific regulatory adjustments	-	-
The process of transition will continue to reduce from Common Equity Tier 1 capital and Additional Tier 1 capital	-	-
of which: The sum of partnership share on banks and financial institutions (domestic and abroad), with shareholding of less than 10%	-	-
of which: Partnership share on banks and financial institutions (domestic and abroad) that are not consolidated, with a shareholding of 10% and above	-	-
of which: Partnership share on banks and financial institutions (domestic and abroad) that are not consolidated, with a shareholding of 10% and above	-	-

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**NUROL YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
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**INFORMATION RELATED TO CONSOLIDATED FINANCIAL POSITION AND RISK MANAGEMENT
(Continued)**

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

	Current Period	Prior Period
	30 June 2023	31 December 2022
Shareholders' Equity		
Total shareholders' equity	3,373,399	2,398,139
Total risk weighted items	22,311,156	12,434,555
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	% 14.61	% 18.49
Tier 1 Capital Adequacy Ratio (%)	% 14.61	% 18.49
Capital Adequacy Standard Ratio (%)	% 15.12	% 19.29
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 standardized approach (prior to application of cap)	278,889	155,432
Cap on inclusion of provisions in Tier 2 under standardized approach	245,062	147,091
Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-	-
Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-	-
Debt instruments subjected to Article 4 (to be implemented between January 1, 2018 and January 1, 2022)		
Current cap on common equity T1 capital instruments subject to phase out arrangements	-	-
Amount excluded from common equity T1 capital due to cap (excess over cap after redemptions and maturities)	-	-
Current cap on additional T1 capital instruments subject to phase out arrangements	-	-
Amount excluded from additional T1 capital due to cap (excess over cap after redemptions and maturities)	-	-

(*) The amount of TL 129,116 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 2022: The Bank has foreign foreign currency debt instruments amounting to TL 93,492).

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INFORMATION RELATED TO CONSOLIDATED FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

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

	Current Period 30 June 2023
Details on Subordinated Liabilities:	
Issuer	WORLDBUSINESS CAPITAL, INC.
Identifier(s) (CUSIP, ISIN vb.)	Subordinated Loan
Governing law (s) of the instrument	BDDK
Regulatory treatment	
Subject to 10% deduction as of 1/1/2015	No
Eligible on unconsolidated and /or consolidated basis	Valid
Instrument type	Subordinated Loan
Amount recognized in regulatory capital (Currency in mil, as of most recent reporting date)	5,000 USD (93,492 TL)
Nominal value of instrument	5,000 USD (93,492 TL)
Accounting classification of the instrument	Liability-Subordinated Loan
Issuance date of instrument	21 December 2016
Maturity structure of the instrument (demand/maturity)	Maturity
Original maturity of the instrument	10 Year
Issuer call subject to prior supervisory (BRSA) approval	Yes
Optional call date, contingent call dates and redemption amount	None
Subsequent call dates, if applicable	None
Interest/dividend payments	
Fixed or floating coupon/dividend payments	Variable
Coupon rate and any related index	LIBOR + %5.65
Existence of any dividend payment restriction	-
Fully discretionary, partially discretionary or mandatory	-
Existence of step up or other incentive to redeem	-
Noncumulative or cumulative	-
Convertible or non-convertible into equity shares	
If convertible, conversion trigger (s)	-
If convertible, fully or partially	-
If convertible, conversion rate	-
If convertible, mandatory or optional conversion	-
If convertible, type of instrument convertible into	-
If convertible, issuer of instrument to be converted into	-
Write-down feature	
If bonds can be written-down, write-down trigger(s)	-
If bond can be written-down, full or partial	-
If bond can be written-down, permanent or temporary	-
If temporary write-down, description of write-up mechanism	-
Position in subordination hierarchy in case of liquidation (instrument type immediately senior to the instrument)	In priority of receivables, it comes after the debt instruments which are no subordinated loans.
In compliance with article number 7 and 8 of " Own fund regulation "	It has the conditions set forth in Articles 7 and 8 of the Regulation.
Details of incompliances with article number 7 and 8 of " Own fund regulation "	It has the conditions set forth in Articles 7 and 8 of the Regulation.

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

EQUITY ELEMENTS	T
Core Capital	3,259,678
Common Equity Tier 1 capital	3,259,678
Non-Transition Core Capital	3,259,678
Main Capital	3,259,678
Non-Transition Tier Capital	3,373,399
Equity	3,373,399
Equity without Transition Process	
TOTAL RISK WEIGHTED AMOUNTS	
Total Risk Weighted Amounts	22,311,156
CAPITAL ADEQUACY RATIOS	
Core Capital Adequacy Ratio (%)	14.61
Core Capital Adequacy Ratio without Transition Process (%)	14.61
Tier 1 Capital Adequacy Ratio (%)	14.61
Tier 1 Capital Adequacy Ratio without Transition Process (%)	14.61
Capital Adequacy Ratio (%)	15.12
Capital Adequacy Ratio without Transition Process (%)	15.12
LEVERAGE RATIO	
Leverage Ratio Total Risk Amount	26,636,118
Leverage Ratio (%)	11.52
Unenforced Leverage Ratio (%)	11.52

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INFORMATION RELATED TO CONSOLIDATED FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

II. Explanations on consolidated credit 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 30 June 2023, the Bank has no derivative instruments classified for hedging purposes.

Foreign currency risk management policy

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

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	31.03.2023	25.8231	28.1540
Before the balance sheet date;			
1. Bid rate	30.03.2023	25.8231	28.1540
2. Bid rate	29.03.2023	25.8231	28.1540
3. Bid rate	28.03.2023	25.2505	27.4579
4. Bid rate	27.03.2023	23.6239	25.9732
5. Bid rate	24.03.2023	23.5493	25.7113
		USD	EUR
Arithmetic average – 30 days		23.5728	25.7113

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INFORMATION RELATED TO CONSOLIDATED FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

III. Explanations on consolidated currency risk

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:

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	503,564	1,717,352	986	2,221,902
Due from Banks	162,028	441,445	444,552	1,048,025
Financial Assets at Fair Value Through Profit or Loss	1,420	25,811	-	27,231
Money Market Placements	-	-	-	-
Financial assets at fair value through other comprehensive income	1,102,390	1,226,165	-	2,328,555
Loans	1,462,128	1,321,208	-	2,783,336
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	140,770	846,471	-	987,241
Total Assets	3,372,300	5,578,452	445,538	9,396,290
Liabilities				
Bank Deposits	-	-	-	-
Foreign Currency Deposits	-	-	-	-
Funds From Interbank Money Market	345,444	2,297,227	111,100	2,753,771
Funds Borrowed From Other Financial Institutions	193,173	927,437	69,923	1,190,533
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables ⁽³⁾	8,022,693	1,782,944	24,999	9,830,636
Derivative Financial Liabilities ⁽⁴⁾	-	-	-	-
Other Liabilities ⁽²⁾	778,252	3,308,203	241,912	4,328,367
Total Liabilities	9,339,562	8,315,811	447,934	18,103,307
Net On-balance Sheet Position				
	(5,967,262)	(2,737,359)	(2,396)	(8,707,017)
Net Off-balance Sheet Position				
	5,988,849	3,004,119	5,325	8,998,293
Derivative Financial Assets	8,086,493	8,593,068	1,254,280	17,933,841
Derivative Financial Liabilities	2,097,644	5,588,949	1,248,955	8,935,548
Net Position	21,587	266,760	2,929	291,276
Non-Cash Loans	34,317	141,926	-	176,243
Prior Period				
Total Assets	2,228,648	4,605,168	887,126	7,720,942
Total Liabilities	3,013,986	5,215,535	998,696	9,228,217
Net On-balance Sheet Position	(785,338)	(610,367)	(111,570)	(1,507,275)
Net Off-balance Sheet Position	898,831	488,371	112,269	1,499,471
Derivative Financial Assets	2,316,494	2,333,442	112,269	4,762,205
Derivative Financial Liabilities	1,417,663	1,845,071	-	3,262,734
Net Position	113,493	(121,996)	699	(7,804)
Non-Cash Loans	24,299	86,894	-	111,193

(*) Derivative financial liabilities amounting to TL 74,773 and securities valuation difference amounting to TL (40,514) 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 951,644 are not included in the currency risk table.

(****) Funds amounting to TL 4,104,763, provisions amounting to TL 94,095 and subordinated loans amounting to TL 129,509 are shown in other liabilities.

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INFORMATION RELATED TO CONSOLIDATED FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

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.

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	297,245	-	-	-	-	1,964,785	2,262,030
Due from Banks	7,670,546	-	-	-	-	754,417	8,424,963
Financial Assets at Fair Value Through Profit/Loss(7)	727,735	206,832	17,138	-	-	1,051,907	2,003,612
Money Market Placements	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	1,828,718	2,842,645	1,721,524	68,568	-	9,173	6,470,628
Loans	2,948,661	293,847	1,768,318	1,775,837	-	454,914	7,241,577
Financial assets measured at amortized cost	-	-	-	-	-	-	-
Other Assets(*)	-	-	-	-	-	1,404,922	1,404,922
Total Assets	13,472,905	3,343,324	3,506,980	1,844,405	-	5,640,118	27,807,732
Liabilities							
Bank Deposits	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-
Funds From Interbank Money Market	3,968,277	211,611	2,310	-	-	-	4,182,198
Miscellaneous Payables(5)	5,625,457	325,975	199,823	8,813	-	3,854,683	10,014,751
Marketable Securities Issued	308,844	1,277,102	302,541	511,426	-	-	2,399,913
Funds Borrowed From Other Financial Institutions (***)	1,187,900	260,128	285,381	129,509	-	-	1,862,918
Other Liabilities (**)	726,549	29,268	1,577,902	603	-	7,013,630	9,347,952
Total Liabilities	11,817,027	2,104,084	2,367,957	650,351	-	10,868,313	27,807,732
Balance Sheet Long Position	1.655.878	1,239,240	1,139,023	1.194.054	-	-	5,228,195
Balance Sheet Short Position	-	-	-	-	-	(5,228,195)	(5,228,195)
Off-balance Sheet Long Position	-	-	-	-	-	-	-
Off-balance Sheet Short Position	-	-	-	-	-	-	-
Total Position	1.655.878	1,239,240	1,139,023	1.194.054	-	(5,228,195)	-

(*) As of 30 June 2023, tangible assets amounting to TL 39,271 include intangible assets amounting to TL 35,993, 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 1,011,928. Expected loss provisions are deducted.

(**) As of 30 June 2023, borrowing funds amounting to TL 644,358, other funds amounting to TL 4,869,257, derivative financial liabilities amounting to TL 74,773, lease liabilities amounting to TL 18,692, provisions amounting to TL 128,946, current tax liability amounting to TL 58,735, deferred tax liability amounting to TL 248,681 and Equity amounting to TL 3,304,110 is shown in the other liabilities line.

(***) Subordinated borrowings amounting to TL 129,509 are shown in the funds obtained from other financial institutions.

(****) Derivative financial assets amounting to TL 951,705 are shown in the financial assets at fair value through other comprehensive income line.

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IV. Explanations on consolidated interest rate risk (Continued)

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

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

(*) As of 30 June 2022, it includes tangible assets amounting to TL 20,104, intangible assets amounting to TL 29,805, assets held for sale and discontinued operations amounting to TL 271,260, investment properties amounting to TL 47,470, current tax assets amounting to TL 9,966 and other assets amounting to TL 581,869. Shown by deducting expected loss provisions.

(**) 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 other liabilities.

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

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**INFORMATION RELATED TO CONSOLIDATED FINANCIAL POSITION AND RISK MANAGEMENT
(Continued)**

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	3.31	4.73	31.52
Financial Assets at Fair Value Through Profit/Loss	-	-	-
Interbank Money Market Placements	-	-	8.74
Financial assets at fair value through other comprehensive income	-	9.60	38.70
Loans	8.94	12.93	22.58
Financial assets measured at amortized cost	-	-	-
Liabilities			
Bank Deposits	-	-	-
Other Deposits	-	-	-
Funds From Interbank Money Market	0.60	0.32	15.65
Borrowing Funds	7.00	8.73	27.32
Miscellaneous Payables	-	-	-
Marketable Securities Issued	-	-	30.26
Funds Borrowed From Other Financial Institutions	2.60	3.58	15.40
Prior Period			
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 amortized 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

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	(349,189)	%(10.54)
TRY	(400)	314,786	%9.50
US Dollar	200	(65,990)	%(1.99)
US Dollar	(200)	76,595	%2.31
EUR	200	(43,511)	%(1.31)
EUR	(200)	46,082	%1.39
TOTAL (for negative shocks)		437,463	%13.20
TOTAL (for positive shocks)		(458,690)	%(13.84)

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**INFORMATION RELATED TO CONSOLIDATED FINANCIAL POSITION AND RISK MANAGEMENT
(Continued)**

IV. Explanations on consolidated interest rate risk (Continued)

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

V. Explanations on consolidated equity position risk

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

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

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

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.

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INFORMATION RELATED TO CONSOLIDATED FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

VI. Explanations on consolidated liquidity risk and liquidity coverage ratio (Continued)

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.

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.

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VI. Explanations on consolidated liquidity risk and liquidity coverage ratio (Continued)

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.

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.

		Total amount which is not applied consideration rate (*)		Total amount which is applied consideration rate (*)	
		LC+FC	FC	LC+FC	FC
Current Period					
High-quality Liquidity Assets (HLA)				2,290,693	1,366,979
1	High-quality Liquidity Assets	3,060,546	2,493,477	2,290,693	1,366,979
Cash Outflows		16,319,462	10,495,717	12,004,355	8,878,597
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	7,260,015	3,566,111	5,048,612	2,405,475
6	Operational assets	-	-	-	-
7	Non-Operational assets	-	-	-	-
8	Other Junior debt	7,260,015	3,566,111	5,048,612	2,405,475
9	Secured Debts	-	-	-	-
10	Other Cash Outflows	6,453,703	6,423,932	6,453,703	6,423,932
11	Derivative liabilities and margin liabilities	6,453,703	6,423,932	6,453,703	6,423,932
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	2,605,744	505,674	502,040	49,190
16	TOTAL CASH OUTFLOWS			12,004,355	8,878,597
CASH INFLOWS		11,095,107	3,740,937	10,819,070	3,526,221
17	Secured receivables	-	-	-	-
18	Unsecured receivables	4,723,552	608,309	4,447,516	393,593
19	Other cash inflows	6,371,555	3,132,628	6,371,554	3,132,628
20	TOTAL CASH INFLOWS	11,095,107	3,740,937	10,819,070	3,526,221
21	TOTAL HLA STOCK			Upper limit applied amount	
22	TOTAL NET CASH OUTFLOWS			3,001,089	5,352,376
23	LIQUIDITY COVERAGE RATION (%)			76.33	25.54

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

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VI. Explanations on consolidated liquidity risk and liquidity coverage ratio (Continued)

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

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

The maximum and minimum liquidity coverage ratio for 1 January 2023 – 30 June 2023 are presented

	Maximum	Date	Minimum	Date
LC+FC	91.74	28.02.2023	63.65	31.03.2023
FC	29.29	31.01.2023	23.38	31.03.2023

The maximum and minimum liquidity coverage ratio for 1 January 2022 – 30 June 2022 are presented

	Maximum	Date	Minimum	Date
LC+FC	82.39	31.05.2022	53.76	30.04.2022
FC	58.88	31.05.2022	38.07	30.06.2022

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VI. Explanations on consolidated liquidity risk and liquidity coverage ratio (Continued)

Breakdown of assets and liabilities according to their outstanding maturities

Current Period	Demand	Up to 1 Month	1-3 Month	3-12 Month	1-5 Year	5 year and over	Unclassified	Total
Assets								
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the CBRT	1,964,785	297,245	-	-	-	-	-	2,262,030
Due From Banks (***)	754,417	7,670,546	-	-	-	-	-	8,424,963
Financial Assets at Fair Value Through Profit/Loss	-	727,735	206,832	17,138	-	-	1,051,907	2,003,612
Interbank Money Market Placements (***)	-	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income (***)	-	1,357,392	13,341	783,643	3,619,656	687,423	9,173	6,470,628
Loans (***)	-	2,948,661	293,847	1,768,318	1,775,837	-	454,914	7,241,577
Financial assets measured at amortized cost	-	-	-	-	-	-	-	-
Other Assets (***)	-	-	-	-	-	-	1,404,922	1,404,922
Total Assets	2,719,202	13,001,579	514,020	2,569,099	5,395,493	687,423	2,920,916	27,807,732
Liabilities								
Bank Deposits	-	-	-	-	-	-	-	-
Other Deposits	-	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions (***)	-	1,187,900	260,128	285,381	129,509	-	-	1,862,918
Funds Borrowed From Money Markets	-	3,968,277	211,611	2,310	-	-	-	4,182,198
Marketable Securities Issued (***)	-	308,844	1,277,102	302,541	511,426	-	-	2,399,913
Miscellaneous Payables	3,854,683	5,625,457	325,975	199,823	8,813	-	-	10,014,751
Other Liabilities (**)	3,400,640	726,548	29,269	1,577,902	603	-	3,612,990	9,347,952
Total Liabilities	7,255,323	11,817,026	2,104,085	2,367,957	650,351	-	3,612,990	27,807,732
Liquidity Gap	(4,536,121)	1,184,553	(1,590,065)	201,142	4,745,142	687,423	(692,074)	-
Net Off-Balance Sheet Liquidity Gap	-	683,015	167,040	847	(760)	-	-	850,142
Financial Derivative Assets	-	14,920,579	2,649,646	354,808	8,807	-	-	17,933,840
Financial Derivative Liabilities	-	14,237,564	2,482,606	353,961	9,567	-	-	17,083,698
Non-cash Loans	-	5,594	97,960	579,134	33,538	1,514,650	-	2,230,876
Prior Period								
Total Assets	4,374,419	2,415,192	1,863,960	2,693,905	3,375,012	565,869	2,165,984	17,454,341
Total Liabilities	5,518,951	5,193,301	2,318,080	1,098,583	786,777	-	2,538,649	17,454,341
Liquidity Gap	(1,144,532)	(2,778,109)	(454,120)	1,595,322	2,588,235	565,869	(372,665)	-
Net Off-Balance Sheet Liquidity Gap	-	(17,990)	127	(5,787)	-	-	-	(23,650)
Financial Derivative Assets	-	3,198,174	1,307,194	256,822	-	-	-	4,762,190
Financial Derivative Liabilities	-	3,216,164	1,307,067	262,609	-	-	-	4,785,840
Non-cash Loans	-	-	-	326,392	165,460	1,392,919	-	1,884,771

(*) It includes tangible assets amounting to TL 39,271, intangible assets amounting to TL 35,993, fixed assets held for sale and discontinued operations amounting to TL 27,470 investment properties amounting to TL 47,470 and other assets amounting to TL 1,010,928.

(**) Borrower funds amounting to TL 644,358 and other funds amounting to TL 4,869,257, equity amounting to TL 3,304,110 and derivative financial liabilities amounting to TL 74,773 are shown under other liabilities.

(***) Subordinated borrowings amounting to TL 129,509 are shown in the funds obtained from other financial institutions.

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

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.

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VI. Explanations on consolidated leverage ratio

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 (*)	23,693,145	17,005,330
2	The difference between the total amount of assets in the consolidated financial statements prepared in accordance with TAS and the amount of assets in the consolidated financial statements prepared within the scope of the Communiqué on Preparation of Consolidated Financial Statements of Banks	-	-
3	Differences between the amounts of derivative loan instruments and loan derivatives included in the consolidated statements within the scope of the Communiqué on Preparation of Consolidated Financial Statements of Banks and their risk amounts	117,739	50,228
4	The difference between the amounts in the consolidated financial statements prepared within the scope of the Communiqué on the Preparation of Consolidated Financial Statements of the Banks and the risk amounts of the securities or commodity secured financing transactions.	-	-
5	Difference between the amounts of off-balance sheet transactions in the consolidated financial statements prepared within the scope of the Communiqué on Preparation of Consolidated Financial Statements of Banks and their risk amounts	2,864,652	2,589,206
6	The other difference between the amounts in the consolidated financial statements prepared within the scope of the Communiqué on the Preparation of the Consolidated Financial Statements of the Banks and the risk amounts	(39,418)	(27,885)
7	Total Risk Amount(1)	26,636,118	19,616,879

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

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

c) Leverage ratio public disclosure template:

	Current Period 30 June 2023 (*)	Prior Period 31 December 2022 (*)
Asset On The Balance Sheet		
Assets on the balance sheet (excluding derivative financial instruments and loan derivatives, including collaterals)	23,245,592	16,959,103
2 (Assets deducted from core capital)	(39,418)	(27,885)
3 Total risk amount for assets on the balance sheet	23,206,174	16,931,218
Derivative Financial Instruments and Loan Derivatives		
4 Renewal cost of derivative financial instruments and loan derivatives	447,553	46,227
5 Potential credit risk amount of derivative financial instruments and loan derivatives	117,739	50,228
6 Total risk amount of derivative financial instruments and loan derivatives	565,292	96,455
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	2,864,652	2,589,206
11 Adjustment amount arising from multiplying by the credit conversion rate	-	-
12 Total risk amount for off-the-balance sheet transactions	2,864,652	2,589,206
Capital and Total Risk		
13 Core capital	3,069,553	1,962,069
14 Total risk amount	26,636,118	19,616,879
15 Leverage ratio	11.52	10.00

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

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INFORMATION RELATED TO CONSOLIDATED FINANCIAL POSITION AND RISK MANAGEMENT (Continued)

VII. 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 June 2023.

- 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

GB1 - General view to risk weighted amounts

	Risk weighted amounts		Minimum capital requirements	
	Current	Prior Period	Current	Prior Period
	30 June 2023	31 December 2022	30 June 2023	31 December 2022
1	17,729,571	10,735,385	1,418,366	858,831
2	17,729,571	10,735,385	1,418,366	858,831
3	-	-	-	-
4	1,875,357	1,031,915	150,029	82,553
5	1,875,357	1,031,915	150,029	82,553
6	-	-	-	-
7	-	-	-	-
8	-	-	-	-
9	-	-	-	-
10	-	-	-	-
11	-	-	-	-
12	-	-	-	-
13	-	-	-	-
14	-	-	-	-
15	-	-	-	-
16	1,468,929	173,069	117,514	13,846
17	1,468,929	173,069	117,514	13,846
18	-	-	-	-
19	1,237,299	494,186	98,984	39,535
20	1,237,299	494,186	98,984	39,535
21	-	-	-	-
22	-	-	-	-
23	-	-	-	-
24	-	-	-	-
25	22,311,156	12,434,555	1,784,893	994,765

A. General Information about Credit Risk

1) KR1 – Credit quality of assets:

	a	b	c	d
Current Period	Gross carrying values of as per TAS		Allowances/ impairments	Net values
	Defaulted exposures	Non-defaulted exposures		
1	472,288	6,812,208	17,374	7,267,122
2	-	7,522,535	-	7,522,535
3	6,992	2,229,490	5,606	2,230,876
4	479,280	16,564,233	22,980	17,020,533

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VII Explanations on the consolidated risk management (Continued)

		a	b	c	d
Prior Period		Gross carrying values of as per TAS		Allowances/ impairments	Net values
		Defaulted exposures	Non-defaulted exposures		Defaulted exposures
1	Loans	291,263	3,459,581	2,769	3,748,075
2	Debt Securities	-	7,274,059	-	7,274,059
3	Off-balance sheet exposures	4,342	1,880,429	3,330	1,881,441
4	Total	295,605	12,614,069	6,099	12,903,575

1. 2) KR2 – Changes in stock of defaulted loans and debt securities

		Current Period	Prior Period
1	Amount of defaulted loans and debt instruments at the end of the previous reporting period	291,263	281,150
2	Loans and debt instruments in default since the last reporting period	199,500	202,952
3	Receivables that have not defaulted again	18,475	-
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)	472,288	291,263

B. Mitigation of Credit Risk

2. 1) KR3 – Credit risk mitigation techniques

		a	b	c	d	e	f	G
Current Period		Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
1	Loans	7,192,719	74,403	30,376	-	-	-	-
2	Debt securities	7,522,535	-	-	-	-	-	-
3	Total	14,715,254	74,403	30,376	-	-	-	-
4	Of which defaulted	472,288	-	-	-	-	-	-

		A	b	C	d	e	f	g
Prior Period		Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	Collateralized amount of exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	Collateralized amount of exposures secured by credit derivatives
1	Loans	3,648,798	99,277	15,773	-	-	-	-
2	Debt securities	7,274,059	-	-	-	-	-	-
3	Total	10,922,857	99,277	15,773	-	-	-	-
4	Of which defaulted	291,263	-	-	-	-	-	-

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VII Explanations on the consolidated risk management (Countinued)

C. CRM at Standardized Approach

1) KR4– Standardized approach – Credit risk exposure and credit risk mitigation (CRM) effects

Current Period	a		b		c		d		E		f	
	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density							
Asset classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	On-balance sheet amount	On-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	On-balance sheet amount	On-balance sheet amount
1 Exposures to central governments or central Banks	2,277,267	-	-	2,277,267	-	-	-	462,341	-	-	-	%20
2 Exposures to regional governments or local Authorities	-	-	-	-	-	-	-	-	-	-	-	%0
3 Receivables from administrative units and non-commercial enterprises	-	-	-	-	-	-	-	-	-	-	-	%0
4 Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	%0
5 Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-	%0
6 Exposures to institutions	13,008,347	1,265,723	11,216,085	866,062	4,033,857	9,477,762	110	33	110	75	75	%33
7 Exposures to corporates	8,166,796	856,042	8,149,792	460,015	9,477,762	110	75	110	75	75	75	%110
8 Retail exposures	118,509	-	52,417	-	39,313	-	-	-	-	-	-	%75
9 Exposures secured by residential property	-	-	-	-	-	-	-	-	-	-	-	%0
10 Exposures secured by commercial real estat	-	-	-	-	-	-	-	-	-	-	-	%0
11 Past-due loans	-	-	-	-	-	-	-	-	-	-	-	%0
12 Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	-	-	-	-	%0
13 Mortgage-backed securities	-	-	-	-	-	-	-	-	-	-	-	%0
14 Short-term receivables from banks and intermediary institutions and short-term corporate receivables	-	-	-	-	-	-	-	-	-	-	-	%0
15 Investments in the nature of collective investment enterprise	-	-	-	-	-	-	-	-	-	-	-	%0
16 Other receivables	2,554,976	-	2,554,976	-	2,224,809	-	-	-	-	-	-	%87
17 Equity Investment	-	-	-	-	-	-	-	-	-	-	-	%0
18 Total	26,580,809	2,121,765	24,705,451	1,326,077	16,692,996	64	64	64	64	64	64	%64

C. CRM at Standardized Approach

1) KR4– Standardized approach – Credit risk exposure and credit risk mitigation (CRM) effects

Prior Period	a		b		c		d		e		f	
	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density							
Asset classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	On-balance sheet amount	On-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	On-balance sheet amount	On-balance sheet amount
1 Exposures to central governments or central Banks	3,647,808	-	-	3,647,808	-	-	-	262,741	-	-	-	%7
2 Exposures to regional governments or local Authorities	-	-	-	-	-	-	-	-	-	-	-	%0
3 Receivables from administrative units and non-commercial enterprises	-	-	-	-	-	-	-	-	-	-	-	%0
4 Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	%0
5 Receivables from international organizations	-	-	-	-	-	-	-	-	-	-	-	%0
6 Exposures to institutions	5,208,748	1,161,986	5,026,654	747,943	2,142,496	37	37	37	37	37	37	%37
7 Exposures to corporates	5,574,857	676,837	4,749,797	369,093	4,446,784	87	87	87	87	87	87	%87
8 Retail exposures	41,300	-	16,538	-	11,610	-	-	-	-	-	-	%70
9 Exposures secured by residential property	-	-	-	-	-	-	-	-	-	-	-	%0
10 Exposures secured by commercial real estat	57,286	-	57,286	-	28,643	-	-	-	-	-	-	%50
11 Past-due loans	288,494	-	288,494	-	288,494	-	-	-	-	-	-	%100
12 Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	-	-	-	-	%0
13 Mortgage-backed securities	-	-	-	-	-	-	-	-	-	-	-	%0
14 Short-term receivables from banks and intermediary institutions and short-term corporate receivables	-	-	-	-	-	-	-	-	-	-	-	%0
15 Investments in the nature of collective investment enterprise	-	-	-	-	-	-	-	-	-	-	-	%0
16 Other receivables	1,646,121	-	1,646,121	-	1,644,000	-	-	-	-	-	-	%100
17 Equity Investment	-	-	-	-	-	-	-	-	-	-	-	%0
18 Total	16,464,614	1,838,823	15,432,698	1,117,036	8,824,768	53	53	53	53	53	53	%53

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VII Explanations on the consolidated risk management (Continued)

C. CRM at Standardized Approach (Continued)

2) KR5 – Standardised approach – exposures by asset classes and risk weights

	Current Period	a	b	c	d	e	f	g	h	i	j
	Asset classes/ Risk weight	%0	%10	%20	Guaranteed by %50 Real Estate Mortgage	%75	%100	%150	%200	Others	Total credit risk exposure amount (after CCF and CRM)
1	Exposures to central governments or central banks	1,814,930	-	-	-	-	462,341	-	-	-	2,277,267
2	Exposures to regional governments or local authorities	-	-	-	-	-	-	-	-	-	-
3	Exposures to public sector entities	-	-	-	-	-	-	-	-	-	-
4	Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-	-	-	-	-
6	Exposures to institutions	1,165,827	-	7,476,320	1,802,816	-	3,429,446	-	-	-	12,082,147
7	Exposures to corporates	956,068	-	-	-	-	4,891,740	-	2,779,003	-	8,609,807
8	Retail exposures	-	-	-	-	52,417	66,092	-	-	-	52,417
9	Exposures secured by residential property	-	-	-	-	-	-	-	-	-	-
10	Exposures secured by commercial real estate	-	-	-	-	-	-	-	-	-	-
11	Past-due loans	-	-	-	-	-	454,914	-	-	-	454,914
12	Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	-	-	-
13	Mortgage-backed securities	-	-	-	-	-	-	-	-	-	-
14	Short-term receivables from banks and intermediary institutions and short-term corporate receivables	-	-	-	-	-	-	-	-	-	-
15	Investments in the nature of collective investment enterprise	-	-	-	-	-	-	-	-	-	-
16	Investments in equities	-	-	-	-	-	-	-	-	-	-
17	Other receivables	330,166	-	-	-	-	2,224,810	-	-	-	2,554,976
18	Total	4,266,987	-	7,476,320	1,802,816	52,417	11,529,343	-	2,779,003	-	26,031,528

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VII Explanations on the consolidated risk management (Continued)

C. CRM at Standardized Approach (Continued)

	Prior Period	a	b	c	d	e	f	g	h	i	j
	Asset classes/ Risk weight	%0	%10	%20	%50	%75	%100	%150	%200	Others	Total credit risk exposure amount (after CCF and CRM)
1	Exposures to central governments or central banks	3,144,938	-	300,161	-	-	202,709	-	-	-	3,647,808
2	Exposures to regional governments or local authorities	-	-	-	-	-	-	-	-	-	-
3	Exposures to public sector entities	-	-	-	-	-	-	-	-	-	-
4	Exposures to multilateral development banks	-	-	-	-	-	-	-	-	-	-
5	Receivables from international organizations	-	-	-	-	-	-	-	-	-	-
6	Exposures to institutions	-	-	704,150	2,399,696	-	2,852,845	-	-	-	5,774,597
7	Exposures to corporates	-	-	-	-	-	2,356,953	-	1,456,374	-	5,118,890
8	Retail exposures	-	-	-	3,176	13,362	24,762	-	-	-	16,538
9	Exposures secured by residential property	-	-	-	-	-	-	-	-	-	-
10	Exposures secured by commercial real estate	-	-	-	57,286	-	-	-	-	-	57,286
11	Past-due loans	-	-	-	-	-	288,494	-	-	-	288,494
12	Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	-	-	-
13	Mortgage-backed securities	-	-	-	-	-	-	-	-	-	-
14	Short-term receivables from banks and intermediary institutions and short-term corporate receivables	-	-	-	-	-	-	-	-	-	-
15	Investments in the nature of collective investment enterprise	-	-	-	-	-	-	-	-	-	-
16	Investments in equities	-	-	-	-	-	-	-	-	-	-
17	Other receivables	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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VII Explanations on the consolidated risk management (Continued)

D. Disclosures regarding Counterparty Credit Risk

1) KKR1 – Analysis of counterparty credit risk (CCR) exposure by approach

		a	b	c	d	e	f
Current Period		Revaluation Cost	Potential credit risk exposure	EEPE	Alpha used for computing regulatory EAD	Exposure after credit risk mitigation	Risk Weighted Amounts
1	Standard Approach-CCR	951,705	389,814		1,4	1,341,519	1,341,519
2	Internal Model Approach			-	-	-	-
3	Simplified Standardised Approach for Credit Risk Mitigation					533,838	533,838
4	Comprehensive Method for Credit Risk Mitigation					-	-
5	Value at Risk for Repo Transactions, Securities or Commodity lending or borrowing transactions					-	-
6	Total						1,875,357

		a	B	c	d	e	f
Prior Period		Revaluation Cost	Potential credit risk exposure	EEPE	Alpha used for computing regulatory EAD	Exposure after credit risk mitigation	Risk Weighted Amounts
1	Standard Approach-CCR	61,139	12,295		1.4	73,434	73,434
2	Internal Model Approach			-	-	-	-
3	Simplified Standardised Approach for Credit Risk Mitigation					958,481	958,481
4	Comprehensive Method for Credit Risk Mitigation					-	-
5	Value at Risk for Repo Transactions, Securities or Commodity lending or borrowing transactions					-	-
6	Total						1,031,915

2) KKR2 – Credit Valuation Adjustment (CVA) Capital Charge

		a	b
Current Period		Exposure (After credit risk mitigation methods)	Risk Weighted Amounts
	Total portfolio value with comprehensive approach CVA capital adequacy	-	-
1	(i) Value at risk component (including 3*multiplier)		-
2	(ii) Stressed Value at Risk (including 3*multiplier)		-
3	All portfolios subject to Standardised CVA capital obligation	1,341,519	123,369
4	Total amount of CVA capital adequacy	1,341,519	123,369

		a	b
Prior Period		Exposure (After credit risk mitigation methods)	Risk Weighted Amounts
	Total portfolio value with comprehensive approach CVA capital adequacy	-	-
1	(i) Value at risk component (including 3*multiplier)		-
2	(ii) Stressed Value at Risk (including 3*multiplier)		-
3	All portfolios subject to Standardised CVA capital obligation	73,434	39,641
4	Total amount of CVA capital adequacy	73,434	39,641

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VII Explanations on the consolidated risk management (Continued)

D. Disclosures regarding Counterparty Credit Risk (Continued)

3) KKR3 – Standardized approach – CCR exposures by regulatory portfolio and risk weights

Current Period	a	b	c	d	e	f	g	h	i
Asset classes/ Risk weight	0%	10%	20%	50%	75%	100%	150%	Others	Total risk
Central governments and central banks receivables	-	-	-	-	-	-	-	-	-
Local governments and municipalities receivables	-	-	-	-	-	-	-	-	-
Administrative and noncommercial receivables	-	-	-	-	-	-	-	-	-
Multilateral Development Bank receivables	-	-	-	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-	-	-	-
Banks and Intermediary Institutions receivables	-	-	-	-	-	1,792,261	-	-	1,792,261
Corporate receivables	-	-	-	-	-	17,004	-	-	17,004
Retail receivables	-	-	-	-	-	66,092	-	-	66,092
Mortgage receivables	-	-	-	-	-	-	-	-	-
Past-due loans	-	-	-	-	-	-	-	-	-
Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	-	-
Mortgage- backed securities	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Receivables from banks and intermediary institutions with short-term credit ratings and corporate receivables	-	-	-	-	-	-	-	-	-
Investments in nature of collective investment enterprise	-	-	-	-	-	-	-	-	-
Investments in equities	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	1,875,357	-	-	1,875,357

(*) 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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VII Explanations on the consolidated risk management (Continued)

D. Disclosures regarding Counterparty Credit Risk (Continued)

3) KKR3 – Standardized approach – CCR exposures by regulatory portfolio and risk weights

Prior Period	a	b	c	d	e	f	g	h	i
Asset classes/ Risk weight	0%	10%	20%	50%	75%	100%	150%	Others	Total risk
Central governments and central banks receivables	-	-	-	-	-	-	-	-	-
Local governments and municipalities receivables	-	-	-	-	-	-	-	-	-
Administrative and noncommercial receivables	-	-	-	-	-	-	-	-	-
Multilateral Development Bank receivables	-	-	-	-	-	-	-	-	-
Receivables from international organizations	-	-	-	-	-	-	-	-	-
Banks and Intermediary Institutions receivables	-	-	-	-	-	182,094	-	-	182,094
Corporate receivables	-	-	-	-	-	825,060	-	-	825,060
Retail receivables	-	-	-	-	-	24,761	-	-	24,761
Mortgage receivables	-	-	-	-	-	-	-	-	-
Past-due loans	-	-	-	-	-	-	-	-	-
Higher-risk categories by the Agency Board	-	-	-	-	-	-	-	-	-
Mortgage- backed securities	-	-	-	-	-	-	-	-	-
Securitization positions	-	-	-	-	-	-	-	-	-
Receivables from banks and intermediary institutions with short-term credit ratings and corporate receivables	-	-	-	-	-	-	-	-	-
Investments in nature of collective investment enterprise	-	-	-	-	-	-	-	-	-
Investments in equities	-	-	-	-	-	-	-	-	-
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

4) KKR4 – Counterparty credit risk on the basis of risk class and PD:

The relevant table could not be given since the Standard method was used in the calculation of capital adequacy.

5) KKR5 – Composition of collateral for CCR:

Prior Period	a		b		c		d		e		f	
	Collaterals for Derivatives				Collaterals or Other Transactions							
	Collaterals Taken		Collaterals Given		Collaterals Taken		Collaterals Given					
	Reserved	Not Reserved	Reserved	Not Reserved	Reserved	Not Reserved	Reserved	Not Reserved				
Cash- local currency	-	-	-	-	-	-	-	-	956,068	-	-	-
Cash- foreign currency	-	4,370,100	-	-	-	-	-	-	-	-	-	-
Government bond/bill – local	-	-	-	-	-	-	-	-	-	-	-	-
Government bond/bill – other	-	-	-	-	-	-	-	-	-	-	-	-
Public institutions bond/bill	-	-	-	-	-	-	-	-	-	-	-	-
Corporate bond/bill	-	-	-	-	-	-	-	-	-	-	-	-
Share equities	-	-	-	-	-	-	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	4,370,100	-	-	-	-	-	-	956,068	-	-	-

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D. Disclosures regarding Counterparty Credit Risk

5) KKR5 – Composition of collateral for CCR:

Prior Period	a	b	c	d	e	f
	Collaterals for Derivatives				Collaterals or Other Transactions	
	Collaterals Taken		Collaterals Given		Collaterals Taken	Collaterals Given
	Reserved	Not Reserved	Reserved	Not Reserved		
Cash- local currency	-	-	-	-	-	-
Cash- foreign currency	-	1,463,029	-	-	-	-
Government bond/bill – local	-	-	-	-	-	-
Government bond/bill – other	-	-	-	-	-	-
Public institutions bond/bill	-	-	-	-	-	-
Corporate bond/bill	-	-	-	-	-	-
Share equities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	1,463,029	-	-	-	-

6) KKR6 – Credit derivatives:

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

7) 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 Parent Bank has no securitization transactions.

F. Explanations On Market Risk

	Outright products	Current Period	Prior Period
		Risk Weighted Asset	Risk Weighted Asset
1	Interest rate risk (general and specific)	300,363	62,425
2	Equity risk (general and specific)	-	-
3	Foreign exchange risk	1,168,566	79,786
4	Commodity risk	-	-
	Options		
5	Simplified approach	-	-
6	Delta-plus method	-	-
7	Scenario approach	-	-
8	Securitisations	-	-
9	Total	1,468,929	142,211

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

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**INFORMATION RELATED TO CONSOLIDATED FINANCIAL POSITION AND RISK MANAGEMENT
(Continued)**

VIII Disclosures on Hedging Transactions

The Bank's hedging instrument accounting is not performed.

IX. Disclosures on consolidated hedging transactions

The Bank's hedging instrument accounting is not performed.

X. 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-30 June 2023)	Personal Banking	Corporate Banking	Investment Banking	Other	Bank’s Total Activity
Operating Gross Profit	374	1,906,813	186,603	-	2,093,790
Operating Income	374	1,906,813	186,603	-	2,093,790
Operating Profit/loss	374	1,493,418	186,603	-	1,680,395
Profit/loss before Tax	374	1,493,418	186,603	-	1,680,395
Corporation Tax				(166,582)	(166,582)
Deferred Tax expense effect				(208,916)	(208,916)
Period net Profit/Loss					1,302,897
Current Period (31 December 2022)	Personal Banking	Corporate Banking	Investment Banking	Other	Bank’s Total Activity
Partition Assets	155	27,807,577	-	-	27,807,732
Affiliate and subsidiaries	-	-	-	-	-
Total Assests	155	27,807,577	-	-	27,807,732
Departmental Obligations	3,645,194	20,858,428	-	-	24,503,622
Undistributed liabilities	-	-	-	3,304,110	3,304,110
Total Liabilities	3,645,194	20,858,428	-	3,304,110	27,807,732
Other Section Items					
Capital Investment	-	9,173	-	-	9,173
Depreciation Expense	-	-	-	(13,971)	(13,971)

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**INFORMATION RELATED TO CONSOLIDATED FINANCIAL POSITION AND RISK MANAGEMENT
(Continued)**

X. Explanations on consolidated operating segments (Continued)

Prior Period (1 January-30 June 2022)	Personal Banking	Corporate Banking	Investment Banking	Other	Bank’s Total Activity
Operating Income	672	745,825	2,758	-	749,255
Operating Income	672	745,825	2,758	-	749,255
Operating Profit/loss	672	596,527	2,758	-	599,957
Profit/loss before Tax	672	596,527	2,758	-	599,957
Corporation Tax				(164,821)	(164,821)
Deferred Tax expense effect				22,472	22,472
Period net Profit/Loss					457,608
Prior Period (31 December 2022)	Personal Banking	Corporate Banking	Investment Banking	Other	Bank’s Total Activity
Partition Assets	549	17,453,792	-	-	17,454,341
Affiliate and subsidiaries	-	-	-	-	-
Total Asstest	549	17,453,792	-	-	17,454,341
Departmental Obligations	1,951,316	13,172,340	-	-	15,123,656
Undistributed liabilities	-	-	-	2,330,685	2,330,685
Total Liabilities	1,951,316	13,172,340	-	2,330,685	17,454,341
Other Section Items					
Capital Investment	-	17,914	-	-	17,914
Depreciation Expense	-	-	-	(7,863)	(7,863)

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SECTION FIVE

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and notes related to consolidated assets

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

	Current Period		Prior Period	
	LC	FC	LC	FC
Cash/Foreign currency	1,700	456,162	218	2,552
CBRT	39,121	1,765,740	563,815	1,871,694
Other	-	-	-	-
Total	40,821	2,221,902	564,033	1,874,246

1.b) Information on the account of the CBRT

	Current Period		Prior Period	
	LC	FC	LC	FC
Demand Unrestricted Amount ⁽¹⁾	79	-	4	-
Time Unrestricted Amount	-	258,231	-	-
Time Restricted Amount ⁽²⁾	-	-	-	-
Reserve requirement	39,042	1,507,509	563,811	1,871,694
Total	39,121	1,765,740	563,815	1,871,694

As of 30 June 2023, a provision of 693 TL has been reserved to the CBRT account (31 December 2022: 945 TL available).

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EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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 2022: None).

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

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

c) Positive differences related to derivative financial assets

	Current Period		Prior Period	
	LC	FC	LC	FC
Forward transactions	-	-	-	-
Swap transactions	-	950,802	-	60,470
Futures transactions	-	-	-	-
Options	61	842	61	608
Other	-	-	-	-
Total	61	951,644	61	61,078

d) Securities at fair value through profit or loss

	Current Period		Prior Period	
	LC	FC	LC	FC
Nurol Portföy Para Piyasası Fonu (PPN)	95,553	-	1,600	-
Nurol Portföy Birinci Serbest Fonu (NJG)	38,753	-	33,048	-
Nurol Portföy Altın Fonu (NJF)	3,861	-	2,764	-
Nurol Portföy 1. Borçlanma Araçları Fonu (NJR)	55,141	-	40,211	-
Nurol Portföy Birinci Katılım Fonu (NJY)	3,392	-	3,469	-
Equity instruments (*)	827,976	-	827,976	-
Nurol Portföy Dördüncü Serbest (Döviz) Fon (NSD)	-	27,231	-	-
Total	1,024,676	27,231	909,068	-

(*) 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	7,370,513	71,284	206,145	2,756
Foreign	10,105	976,741	-	2,493,762
Branches and offices abroad	-	-	-	-
Total	7,380,618	1,048,025	206,145	2,496,518

As of 30 June 2022, a provision of TL 3,681 has been made to the Banks account (December 31, 2022: TL 1,017).

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EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and notes related to consolidated assets (Continued)

b) Information on foreign banks accounts

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
European Union Countries	466,691	673,671	-	-
USA, Canada	83,973	1,012,581	-	-
OECD Countries (*)	788	619	-	-
Off-shore Banking Regions	120,045	794,586	-	-
Other	315,349	12,305	-	-
Total	986,846	2,493,762	-	-

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

4. Receivables from Reverse Repo Transactions

As of the balance sheet date, the Bank has none receivables from reverse repo transactions. (31 December 2022; Bank's receivables from reverse repo transactions are TL 300,161 and the reserve amount is TL 113).

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	251,203	-	900,405	-
Repurchase transaction	1,621,320	461,959	2,271,103	790,506
Total	1,872,523	461,959	3,171,508	790,506

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

	Current Period	Prior Period
Debt Securities	6,593,801	6,390,025
Quoted on Stock Exchange (*)	6,593,801	6,390,025
Not Quoted	-	-
Share Certificates	9,173	17,914
Quoted on Stock Exchange	-	-
Not Quoted	9,173	17,914
Impairment Provision	(132,346)	(42,948)
Total	6,470,628	6,364,991

(*) Financial assets traded in the stock exchange at fair value through other comprehensive income TL 410,026 (31 December 2022: TL 901,207) from government bonds, TL 5,894 (31 December 2022: TL 5,785) from bank bonds and TL 2,359,583 (31 December 2022: 1,463,701 TL) consists of securities issued by the private sector. TL 550,180 (December 31, 2022: TL 487,041) consists of Eurobonds issued by Turkish Treasury. TL 636,965 (December 31, 2022: TL 1,125,024) consists of Eurobonds issued by the Private Sector and TL 1,357,375 (December 31, 2022: 2,079,953) issued by foreign banks.

(**) A provision of TL 8,633 has been made for financial assets at fair value through other comprehensive income (31 December 2022: TL 7,681 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	620,495	513	-	21,548
Loans Granted to Legal Entities	620,495	513	-	21,548
Loans Granted to Individuals	-	-	-	-
Indirect Loans Granted to Shareholders	839,738	41,782	-	12,503
Loans Granted to Employees(*)	-	-	59	-
Total	1,460,233	42,295	59	34,051

(*) Includes advances given to bank personnel.

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EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and notes related to consolidated assets (Continued)

b) Information on the first and second group loans and other receivables including loans that have been restructured or rescheduled

Current Period					
Cash Loans	Standard Loans	Loans Under Close Monitoring			
		Not under the scope of restructuring	Restructured Loans		
			Modifications on agreement conditions	Refinancing	
Non-specialized Loans	6,261,481	-	61,725	-	-
Loans given to enterprises	3,863,159	-	61,725	-	-
Export Loans	-	-	-	-	-
Import Loans	-	-	-	-	-
Financial Sector Loans	1,014,436	-	-	-	-
Consumer Loans	157	-	-	-	-
Credit Cards	-	-	-	-	-
Other	1,383,729	-	-	-	-
Specialized Loans	-	-	-	-	-
Other Receivables	-	-	-	-	-
Total	6,261,481	-	61,725	-	-

Prior Period					
Cash Loans	Standard Loans	Loans Under Close Monitoring			
		Not under the scope of restructuring	Restructured 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	-	-

	Standard Loans	Loans Under Close Monitoring
Current Period		
12 Months Expected Credit Loss	8,263	-
Significant Increase in Credit Risk	-	17,282
Prior Period		
12 Months Expected Credit Loss	4,309	-
Significant Increase in Credit Risk	-	13,984

c) Breakdown of loans according to their maturities

Current Period		Loans Under Close Monitoring	
		Not under the scope of restructuring	Restructured Loans
Short-Term Loans	5,040,223	-	-
Medium and Long-Term Loans	1,221,258	-	61,725
Total	6,261,481	-	61,725

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

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EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and notes related to consolidated assets (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	-	157	157
Housing Loans	-	-	-
Automobile Loans	-	157	157
Personal finance credit	-	-	-
Other	-	-	-
Consumer Loans - foreign currency indexed	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
Personal finance credit	-	-	-
Other	-	-	-
Consumer Loans -FC	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
Personal finance credit	-	-	-
Other	-	-	-
Personal credit cards-LC	-	-	-
Installments	-	-	-
Without installments	-	-	-
Personal credit cards -FC	-	-	-
Installments	-	-	-
Without installments	-	-	-
Personal credit cards -LC	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
Personal finance credit	-	-	-
Other	-	-	-
Personnel Loans- foreign currency indexed	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
Personal finance credit	-	-	-
Other	-	-	-
Personnel Loans -FC	-	-	-
Housing Loans	-	-	-
Automobile Loans	-	-	-
Personal finance credit	-	-	-
Other	-	-	-
Personal credit cards -LC	-	-	-
Installments	-	-	-
Without installments	-	-	-
Personal credit cards -FC	-	-	-
Installments	-	-	-
Without installments	-	-	-
Overdraft Account-LC (Real Person)	-	-	-
Overdraft Account -FC (Real Person)	-	-	-
Total	-	157	157

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EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and notes related to consolidated assets (Continued)

e) Information on commercial instalment loans and corporate credit cards

	Short Term	Medium-Long Term	Total
Commercial installment loans-LC	196,163	128,405	324,568
Business residential loans	-	-	-
Automobile loans	-	-	-
Consumer loans	196,163	128,405	324,568
Other	-	-	-
Commercial installment loans- Indexed to FC	-	-	-
Business residential loans	-	-	-
Automobile loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Commercial installment loans - FC	-	231,277	231,277
Business residential loans	-	-	-
Automobile loans	-	-	-
Consumer loans	-	231,277	231,277
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	196,163	359,682	555,845

f) Loans according to types of borrowers

	Current Period	Prior Period
Public	-	-
Private	6,323,206	2,979,112
Total	6,323,206	2,979,112

g) Distribution of domestic and foreign loans

	Current Period	Prior Period
Domestic Loans	6,308,363	2,964,751
Foreign Loans	14,843	14,361
Total (*)	6,323,206	2,979,112

(*) Does not include non-performing loans.

h) Loans granted to investments in associates and subsidiaries

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

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EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and notes related to consolidated assets (Continued)

i) Specific provisions accounted for loans

	Current Period	Prior Period
Provisions		
Loans with limited collectability	17,142	2,769
Loans with doubtful collectability	-	-
Uncollectible loans	232	-
Total	17,374	2,769

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, 2022: None).

j.2) Information on the movement of total non-performing loans

	III. Group Loans with limited collectability	IV. Group Loans with doubtful collectability	V. Group Uncollectible loans
Prior period end balance	291,263	-	-
Additions (*)	181,025	-	-
Transfers from other categories of loans under follow-up	-	232	232
Transfers to other categories of loans under follow-up	(232)	(232)	-
Collections	-	-	-
Write down / Write-offs (**)	-	-	-
Sold	-	-	-
Commercial and corporate loans	-	-	-
Individual loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Current period end balance (***)	472,056	-	232
Provision	(17,142)	-	(232)
Net Balance on balance sheet	454,914	-	-

(*) 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 0.01% (31 December 2022: before write-off 32,646 TRY NPL; 0.89%, after write-off; 0.01%).

(**) As of the balance sheet date, the Bank has no written-off balance. 31 December 2022: With the Decision of the Board of Directors numbered 2486 on 05.04.2022, the non-performing loan balance of Ressula Turizm Sanayii ve Ticaret A.Ş. The balance of non-performing loans of Biogaz Elektrik Üretim A.Ş. is TL 109,049 and the provision amount is TL 109,049, and the balance of non-performing loans of Yüksel İnşaat A.Ş. is TL 51,376 and the provision amount allocated is TL 51,376).

(***) The subsidiary of the bank, Ortak Varlık Yönetim A.Ş. Bought non-performing loans amounting to TL 472,056 from other banks at a discount. This amount is not the amount of non-performing loans made up of the loans of the parent bank, but the balance of non-performing loans, as mentioned in the consolidated financial statements.

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

As of the balance sheet date, the Bank has no FX non-performing loans (December 31, 2022: None).

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EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and notes related to consolidated assets (Continued)

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)	472,056	-	232
Loans granted to real persons and legal entities (Gross)(*)	(17,142)	-	(232)
Provision (-)	454,914	-	-
Loans granted to real persons and legal entities (Net)	-	-	-
Banks (Gross)	-	-	-
Provision (-)	-	-	-
Banks (Net)	-	-	-
Other loans (Gross)	-	-	-
Provision (-)	-	-	-
Other loans (Net)	-	-	-
Prior Period (Net)	291,263	-	-
Loans granted to real persons and legal entities (Gross)	(2,769)	-	-
Provision (-)	288,494	-	-
Loans granted to real persons and legal entities (Net)	-	-	-
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 472,056 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 30 June 2023, there are no loans written off. (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 have been written off.) As of 31 December 2023, when the calculation is made by taking into account the loans written off, the Bank's NPL ratio is measured as 0.01% (31 December 2022: 0.89%) instead of 0.01% (31 December 2022: 0.01%).

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**NUROL YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
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EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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 2022: None).

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

None (31 December 2022: None).

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

None (31 December 2022: None).

c.1. Information on investments measured at amortized cost

None (31 December 2022: None).

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

None (31 December 2022: None).

8. Information on investments in associates (Net)

None (31 December 2022: None).

• Information on subsidiaries (Net)

a) Information on consolidated subsidiaries in associates

None (31 December 2022: 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	1,201,866	107	-	14,374	-	-	57	-
2	67,966	50,636	1,199	24,712	84	10,568	(523)	-
3	723,734	69,974	1,937	201,578	-	24,221	19,974	-

(*) As of June 30, 2023, Nuro Portföy Yönetim A.Ş. Üçüncü Nuro Girişim Sermayesi Fonu whose fund founder is Nuro 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 2022: Nuro Portföy Yönetim A.Ş. Üçüncü Nuro Girişim Sermayesi Fonu whose fund founder is Nuro 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”).

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EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and notes related to consolidated assets (Continued)

	Current Period	Prior Period
Period beginning balance	65,050	36,050
Intra-period movements	34,946	29,000
Purchases(*)	34,946	29,000
Bonus Shares	-	-
Profit from current year share	-	-
Sales	-	-
Change Due to Reclassification	-	-
Revaluation difference	-	-
Depreciation provisions	-	-
Period ending balance	99,996	65,050
Capital commitments	-	-
Period-end capital contribution (%100)	100	100

(*) As of 30 June 2023, there is no capital increase in our subsidiaries. (31 December 2022: Nurol Portföy Yönetimi A.Ş. has increased its capital by paying the amount of 9,000 TL by Nurol Yatırım Bankası A.Ş. It was registered to 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 increased TL 20,000 by Nurol Yatırım Bankası A.Ş. It was registered in the trade registry on 19.04.2022 and was published in the Turkish Trade Registry Gazette dated 19.04.2022 and numbered 10562).

10. Information on joint ventures

None (31 December 2022 – None).

11. Information on lease receivables (Net)

a) Representation of investments made with financial leasing according to their remaining maturities

The Bank has net investments of 440,122 TL under 1 year and 44,880 TL between 1-4 years financial leasing and 454 TL provision has been made (31 December 2022: 356,129 TL less than 1 year and 124,340 TL net investments between 1-4 years and 1-4 years' net investments. There is a provision of 532 TL).

b) Information on net investments made under finance leases

The Bank's net investments made by financial leasing amount to TL 489,002 and a provision of TL 454 has been made (31 December 2022: net investments made with financial leasing are TL 480,469 and a provision has been made for TL 532).

12. Explanations on Factoring Receivables

None (31 December 2022 – None).

13. Information on hedging derivative financial assets

None (31 December 2022 – None).

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EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

I. Explanations and notes related to consolidated assets (Continued)

14. Explanations on investment properties

The Bank classifies the lands and real estates that it holds to earn rental income or value increase or both as investment property in accordance with TAS 40 and evaluates them using the fair value method. Under this account, the independent valuation report of lands and real estates was made in 2022 and the details of investment properties are as follows:

	Current Period	Prior Period
Opening	47,470	226,930
Additions	-	-
Sales (-)	-	(33,175)
Transfers (*)	-	(271,260)
Revaluation amount	-	124,975
Total	47,470	47,470

(*) As of 30 June 2023; None (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).

15. Disclosures on assets held for sale and discontinued operations

As of 31.03.2023, the Bank has no assets held for sale (31 December 2022: None).

16. Information on other assets

If the other assets item of the balance sheet exceeds 10% of the balance sheet total, excluding the commitments in off-balance sheet accounts, the names and amounts of the sub-accounts constituting at least 20% of them.

None (31 December 2022 - 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	-	74,773	-	27,732
Futures transactions	-	-	-	-
Options transactions	-	-	-	-
Other	-	-	-	-
Total	-	74,773	-	27,773

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EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and notes related to consolidated liabilities (Continued)

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	500,927	-	-	-
From foreign banks, institutions and funds	41,949	1,190,533	181,841	565,011
Total	542,876	1,190,533	902,199	565,011

b) Information on maturity structure of borrowings

	Current Period		Prior Period	
	LC	FC	LC	FC
Short-term	542,876	-	902,199	-
Medium and long-term	-	1,190,533	-	565,011
Total	542,876	1,190,533	902,199	565,011

c) Additional explanation related to the concentrations of the Bank’s major liabilities on the basis of concentrations, fund providing customers, sector groups and other criteria where risk concentration is observed

The loans obtained constitute 7% of the total liabilities (31 December 2022: 8%).

4. Information on borrowed funds

	Current Period		Prior Period	
	LC	FC	LC	FC
From domestic organization	819,287	1,725,983	393,418	1,273,415
From foreign institutions and funds	589,565	2,378,780	831,514	2,828,772
Total	1,408,852	4,104,763	1,224,932	4,102,187

Borrowed funds by maturity

	Current Period		Prior Period	
	LC	FC	LC	FC
Short-term	1,408,852	4,104,763	1,224,932	4,102,187
Medium and long-term	-	-	-	-
Total	1,408,852	4,104,763	1,224,932	4,102,187

Owned funds account for 23% of total liabilities (31 December 2022: 23%).

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EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and notes related to consolidated liabilities (Continued)

5. Money Market Funds

	Current Period		Prior Period	
	LC	FC	LC	FC
From domestic transactions	1,424,499	1,103,767	572,050	1,701,825
Financial institutions and organizations	1,306,590	-	452,591	319,118
Other institutions and organizations	113,852	687,142	107,236	973,007
Real People	4,057	416,625	12,223	409,700
From foreign transactions	3,928	1,650,004	408	94,651
Financial institutions and organizations	-	-	-	-
Other institutions and organizations	3,890	1,549,836	403	83,753
Real People	38	100,168	5	10,898
Total	1,428,427	2,753,771	572,458	1,796,476

6. Securities Issued

	Current Period		Prior Period	
	LC	FC	LC	FC
Bank Bills	1,793,788	-	2,353,372	-
Bonds	606,125	-	489,928	-
Total	2,399,913	-	2,843,300	-

The issuances made by the Bank as of 30 June 2023, which are not redeemed, are listed below:

Export Type	Export Date	Expiry Date	Day	NOMINAL (*)	INTEREST RATE
BOND	14.04.2023	13.07.2023	90	150,000,000	25.00%
BOND	18.04.2023	19.07.2023	92	70,000,000	25.00%
BOND	28.04.2023	27.07.2023	90	150,000,000	30.00%
BOND	30.05.2023	03.08.2023	65	80,000,000	39.00%
BOND	06.06.2023	10.08.2023	65	150,000,000	39.00%
BOND	09.06.2023	15.08.2023	67	100,000,000	39.00%
BOND	13.06.2023	12.09.2023	91	150,000,000	39.50%
BOND	20.06.2023	19.09.2023	81	175,000,000	38.00%
BOND	23.06.2023	26.09.2023	88	25,000,000	38.00%
BOND	23.06.2023	26.09.2023	88	25,000,000	38.00%
BOND	24.01.2023	25.07.2023	25	50,000,000	23.75%
BOND	17.02.2023	18.08.2023	49	75,000,000	24.25%
BOND	02.03.2023	29.08.2023	60	160,000,000	25.00%
BOND	08.03.2023	06.09.2023	68	150,000,000	24.00%
BOND	15.03.2023	13.09.2023	75	215,000,000	24.00%
BOND	06.04.2023	05.10.2023	97	60,000,000	25.00%
BOND	12.04.2023	11.10.2023	103	100,000,000	25.00%
BOND	19.04.2023	11.10.2023	103	100,000,000	25.00%
BILL	18.01.2023	21.01.2025	734	200,000,000	25.00%
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	20.01.2023	22.08.2024	580	40,000,000	25.00%
BILL	13.09.2022	18.09.2024	736	50,000,000	21.00%
BILL	20.01.2023	31.10.2024	650	120,000,000	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 1,135,000,000 in 2023.

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 13,239 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 6,146,517 (31 December 2022: commissions collected in advance of TL 7,877, collateral received from derivative financial instruments TL 1,463,029).

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EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and notes related to consolidated liabilities (Continued)

8. General explanations regarding the criteria used in the determination of lease installments in financial leasing contracts, renewal and purchase options, and provisions that impose significant obligations on the bank in terms of restrictions in the contract

8.1 Explanations on liabilities arising from financial leasing transactions

None (31 December 2022: None).

8.2 Explanations on operating leases

As of the balance sheet date, the Bank has TRY 18,692 financial leasing debts (31 December 2022: TRY 11,109).

9. Information on hedging derivative financial liabilities

None (31 December 2022 - None).

10. Information on provisions

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

None (31 December 2022 - None).

10.2 Information on specific provisions for non-cash loans that are non-funded and non-transformed into cash

	Current Period	Prior Period
First Stage	3,688	2,703
Second Stage	2,105	984
Third Stage	5,606	3,330
Total	11,399	7,017

10.3 Obligations related to employee rights

According to the Turkish Labor Law, the Bank is obliged to pay severance pay to its personnel who has completed one year of employment and has been terminated or retired due to compulsory reasons, has completed 25 years of service (20 for women) and is entitled to retirement (58 years old for women, 60 years old for men), is called up for military service or has passed away. . After the legislative change on May 23, 2002, some transitional clauses regarding the length of service before retirement were issued.

The compensation to be paid is equal to one month's salary for each year of service and this amount is limited with TL 23,489.83 (31 December 2022: TL 15,371.40). Severance pay liability is not legally subject to any funding and there is no funding requirement.

The provision for severance pay is calculated by calculating the present value of the probable obligation that the Bank will have to pay in case of retirement of the employees. TAS 19 requires the use of actuarial valuation methods in order to calculate the liabilities of the enterprise. In determining the liability, the Bank has benefited from independent actuaries, and assumptions are made on issues such as discount rate, employee turnover and future salary increases. These assumptions are reviewed annually. In this context, the following actuarial assumptions were used in the calculation of total liabilities.

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EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and notes related to consolidated liabilities(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	1,465	4,188
Permission provision	2,545	9,552
Premium provision	15,001	15,730
Total	19,011	29,470

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 TRY 98,936 (31 December 2022: TRY 72,976 provision for lawsuits).

11. Information on taxes payable

11.1 Information on current year tax liability

11.1.1 Information on tax provision

As of 31 December 2022, the Bank's corporate tax payable is TRY 7,688 after the net period tax provision and prepaid tax amount (31 December 2021: TRY 130,089).

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 TRY 248,681 (31 December 2022: no deferred tax assets and deferred tax liability is TRY 33,384).

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	(952)	(1,276)
Provision for employee benefits	902	3,446
Valuation differences on financial assets at fair value through other comprehensive income	(24,568)	(18,937)
Derivative rediscounts	(219,233)	(8,341)
Expected loss provisions	11,252	8,136
Provisions for lawsuits	24,734	18,244
Real estate valuation differences	(29,624)	(28,388)
Other	(11,192)	(6,268)
Total	(248,681)	(33,384)

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EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and notes related to consolidated liabilities(Continued)

11.1.3 Information on taxes payable

	Current Period	Prior Period
Corporate Tax Payable (*)	7,688	130,089
Taxation on Marketable Securities	8,448	9,014
Property Tax	120	98
Banking Insurance Transaction Tax	29,946	19,269
Foreign Exchange Transaction Tax	3,031	949
Value Added Tax Payable	2,216	1,699
Other	3,474	7,232
Total	54,923	168,350

(*) 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	1,916	932
Social Security Premiums – Employer	1,636	567
Bank Social Aid Pension Fund Premium- Employee	-	-
Bank Social Aid Pension Fund Premium – Employer	-	-
Pension Fund Membership Fees and Provisions - Employee	-	-
Pension Fund Membership Fees and Provisions - Employer	-	-
Unemployment Insurance – Employee	112	74
Unemployment Insurance – Employer	148	86
Other	-	-
Total	3,812	1,659

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

None (31 December 2022 - None).

13. Information on subordinated loans

On 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 2022: 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	1,800,000	750,000
Preferred Stock	-	-

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EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and notes related to consolidated liabilities(Continued)

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

<u>Capital System</u>	<u>Paid in capital</u>	<u>Capital Ceiling</u>
Registered capital system	1,800,000	-

The Bank's Ordinary General Assembly meeting was held on March 28, 2023, and the application made to the BRSA with our Bank's letter dated April 10, 2023, numbered 1955, is expected to be approved for the distribution of 2022 profit, and no distribution has been made.

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

In the current period, the Bank's capital has been increased by TL 1,050,000 to be covered from internal resources (290,000 TL from internal resources in December 31, 2021 – 2022).

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 of TL 1,800,000 in the current period. The capital increase was met from capital reserves amounting to TL 1,050,000 (31 December 2022: increased its paid-in capital to TL 750,000. The capital increase was covered by capital reserves amounting to TL 290,000).

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 2022 - None.)

14.6 Information on the Bank's income, profitability, prior period indicators on liquidity and uncertainty on these indicators and their potential effects on the Bank's capital

None (31 December 2022 - None).

14.7 Summary information about privileged shares representing the capital

None (31 December 2022 - None).

14.8 Other

With the decision of the board of directors dated March 21, 2023 and 2808, 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 150 Million TL has been allocated from the corporate income of 2022 for venture capital (31 December 2022: 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 12 million TL has been allocated from the corporate income of 2021 for venture capital).

15. Stock issue premiums

	<u>Current Period</u>	<u>Prior Period</u>
Number of stocks (Thousand)	1,800,000	750,000
Preferred stock	-	-
Stock issue premium (*)	-	-
Stock cancellation profit	-	-
Other capital instruments	-	-

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EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

II. Explanations and notes related to consolidated liabilities(Continued)

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	(77,588)	(40,514)	48,313	12,207
Valuation difference	(77,588)	(40,514)	48,313	12,207
Exchange rate differences	-	-	-	-
Total	(77,588)	(40,514)	48,313	12,207

17. Explanations on minority shares

None (31 December 2022 - None).

III. Explanations and notes related to consolidated off-balance sheet accounts

1. Information on off-balance sheet commitments

The amount and type of irrevocable commitments

None (31 December 2022 - None).

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

None (31 December 2022 - None).

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

TRY 2,230,876 (December 31, 2022: TL 1,884,771) of the total non-cash loans given by the Bank amounting to TL 2,155,439 (31 December 2022: TL 1,875,147) consists of letters of guarantee.

Letters of guarantee

	Current Period	Prior Period
Provisional letters of guarantee	39	99
Final letters of guarantee	1,523,800	1,401,406
Letters of guarantee for advances	40,520	19,939
Letters of guarantee given to customs offices	51,608	51,608
Letter of guarantees given against cash loans	539,472	402,095
Total	2,155,439	1,875,147

2. Revocable, irrevocable guarantees and other similar commitments and contingencies

Total amount of non-cash loans

	Current Period	Prior Period
Non-cash Loans Given against Cash Loans	539,472	402,095
With Original Maturity of 1 Year or Less Than 1 Year	-	-
With Original Maturity of More Than 1 Year	539,472	402,095
Other Non-cash Loans	1,691,404	1,482,676
Total	2,230,876	1,884,771

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 30 June 2023**

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

III. Explanations and notes related to consolidated off-balance sheet accounts (Continued)

3. Information on Contingent Assets and Liabilities

None (31 December 2021 - None).

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(*)	492,616	47,564	335,167	86,197
Short-term Loans	286,884	36,604	228,690	73,125
Medium/Long-term Loans	21,087	10,960	29,372	13,072
Interest on Loans Under Follow-up	184,645	-	77,105	-
Total	492,616	47,564	335,167	86,197

(*) It also includes fees and commission incomes related to cash loans (30 June 2022: Interest income from financial leases amounting to TL 37,039 is shown in interest income from loans).

b) Information on interest income on banks

	Current Period		Prior Period	
	LC	FC	LC	FC
From the CBRT	7,332	10,002	76	-
From Domestic Banks	380,198	20,308	3,012	306
From Foreign Banks	443	5,346	-	-
Branches and Offices Abroad	-	-	-	-
Total	387,973	35,656	3,088	306

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	721,805	102,297	266,186	13,433
Financial assets measured at amortized cost	-	-	-	-
Total	721,805	102,297	266,186	13,433

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

Bank has 58,445 TL interest income from its subsidiary, Ortak Varlık Yönetimi A.Ş. (30 June 2022 – 30,050 TL).

2.a) Information on interest expense

	Current Period		Prior Period	
	LC	FC	LC	FC
Banks	62,634	24,293	84,632	1,998
The Central Bank of Turkey	-	-	918	-
Domestic Banks	50,687	-	67,323	-
Foreign Banks	11,947	24,293	16,391	1,998
Branches and offices abroad	-	-	-	-
Other Institutions	27,865	66,609	1,899	30,340
Total	90,499	90,902	86,531	32,338

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

**NUROL YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
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AS OF 30 June 2023**

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and notes related to consolidated income statement(Continued)

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

There is a dividend payment of TL 120,084 to Nuro1 Varlık Kiralama A.Ş., a subsidiary of the Bank. (30 June 2022: There is a dividend payment of TL 49,076).

c) Interest expense on issued marketable securities

	Current Period		Prior Period	
	LC	FC	LC	FC
Interest expense on securities issued	213,906	-	131,114	-
Total	213,906	-	131,114	-

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 30 June 2023 is TL 52,062 (30 June 2022: TL 308).

4. Information on trading income/loss

	Current Period	Prior Period
Income	18,798,847	8,991,168
Profit on trading account securities	65,338	182,581
Profit on derivative financial transactions	1,448,302	604,887
Foreign exchange gains	17,285,207	8,203,700
Loss	18,639,493	8,810,364
Losses on trading account securities	139,154	44,211
Losses on derivative financial transactions	451,470	784,177
Foreign exchange losses	18,048,869	7,981,976
Net Trading Income/Loss	159,354	180,804

5. Information on other operating income

	Current Period	Prior Period
Provision cancellations	9,390	7,806
Communication Expenses Passed on to Customers	1,525	132
Real estate sales revenues	-	-
Investment Real Estate Valuation Difference	-	-
Right to Buy Commissions	-	-
Revenues from the Right to Buy Price Increase	-	-
Income from Sale of Assets	-	-
Other (*)	124,149	3,972
	135,064	11,910

(*) For those use retirement (EYT), leave amount is TL 6,403, severance pay is TL 3,728, cancellation of provision for 2022 Corporate Tax is 37,436 TL, fund management fees are TL 65,396 and other commission income is TL 11,186 (30 June 2022: Rent income is TL 27 and other commission income is TL 3,945) .

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

**NUROL YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
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AS OF 30 June 2023**

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and notes related to consolidated income statement (Continued)

6. Provision expenses related to loans and other receivables

	Current Period	Prior Period
Expected Credit Loss	38,616	36,444
12 Month Expected Credit Loss (Stage 1)	15,011	2,798
Significant increase in credit risk (Stage 2)	4,673	148
Non-Performing Loans (Stage 3)	18,932	33,498
Marketable Securities Impairment Provision	2,208	1,107
Financial Assets at Fair Value Through Profit or Loss	-	-
Financial Assets At Fair Value Through Other Comprehensive Income	2,208	1,107
Investments in Associates, Subsidiaries and Held-to-Maturity Securities Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Other(*)	41,062	22,066
Total	81,886	59,617

(*) As of 30 June 2023, there are TL 15,000 of success premiums and TL 26,062 lawsuits (30 June 2022: TL 2,722 of leave reserves, TL 6,000 of success premiums and TL 13,344 lawsuits).

7. Information related to other operating expenses:

	Current Period	Prior Period
Reserve for employee termination benefits	41	733
Bank social aid fund deficit provision	-	-
Fixed assets impairment expense	-	-
Depreciation expenses of fixed assets	3,518	2,278
Intangible assets impairment expense	-	-
Goodwill impairment expense	-	-
Amortization expenses of intangible assets	10,453	5,585
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	114,291	23,303
Leasing expenses related to TFRS 16 exemptions	694	270
Maintenance expenses	1,182	463
Advertisement expenses	515	554
Other expenses	111,900	22,016
Loss on sales of assets	-	-
Other (*)	113,428	29,486
Total	241,731	61,385

(*) There is Tax, Duty and Duty expense amounting to TL 86,896 and other expense balance amounting to TL 26,532 (30 June 2022: Tax, Duty and Duty expense amounting to TL 21,436 and other expense balance amounting to TL 8,050).

(**) There is a balance of donations amounting to TL 12,524 and participation in common expenses amounting to TL 19,498 (30 June 2022: Donations amounting to TL 1,056 and participation balance to common expenses amounting to TL 8,243).

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

For the period ended 30 June 2023, net interest income is TL 1,322,258 (30 June 2022: TL 462,588), net fee and commission income is TL 425,052 (30 June 2022: TL 93,645) and other operating income is TL 135,064 (30 June 2022: TL 11,910).

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 30 June 2023

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

IV. Explanations and notes related to consolidated income statement (Continued)

9. 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 30 June 2023, 168,582 current tax expense (30 June 2022: 164,821 TL current tax expense) and 208,916 TL deferred tax income (30 June 2022: 22,472 TL deferred tax income) were reflected from continuing operations.

9.2 Explanations on operating profit/loss after tax

None (30 June 2022: None).

10. 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 1,302,897 (30 June 2022 - TL 457,608 profit). There is no net profit/loss from discontinued operations (30 June 2022: None).

11. Information on net income/(loss) for the period

11.1. If the disclosure of ordinary banking transactions and the composition of income and expense items is necessary to understand the annual performance of Bank, the composition and amount of these items

None (31 December 2022 - None).

11.2. If an accounting estimate change significantly affects the profit/loss in the current period or has a probability to significantly affect the profit/loss in the subsequent periods, the overall effect is disclosed

None (31 December 2022 - None).

11.3. There is no profit/loss related to minority rights in the accompanying consolidated financial statements.

11.4. 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.

12. 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	96,102	44,697
Profit Share – Securities	4,184	3,292
Other	76	199
Other Interest Income	100,362	48,188
Profit Share – Securities	120,085	49,076
Paid to Other Financial Institutions	828	19
Other	195	28
Other Interest Expenses	121,108	49,123

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 30 June 2023**

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

V. Explanations and notes related to the bank’s risk group

1. The volume of transactions relating to the Bank’s risk group, outstanding loan and deposit transactions and profit and loss of the period

Current Period

Bank’s Risk Group (*)	Investments in Associates, subsidiaries		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group (**)	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Beginning of the Period	-	10,624	-	34,248	-	-
End of the Period	-	20,641	1,460,233	42,295	-	-
Interest and Commission Income Received	-	16	19,662	17	-	-

(*) Defined in Article 49 of the Banking Law No. 5411.

(**) It also includes loans given to the Bank’s indirect subsidiaries.

Prior Period

Bank’s Risk Group (*)	Investments in Associates, subsidiaries		Direct and indirect shareholders of the Bank		Other real and legal persons that have been included in the risk group (**)	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Beginning of the Period	-	-	718,935	27,214	-	-
End of the Period	-	10,624	-	34,248	-	-
Interest and Commission Income Received(***)	-	-	60,302	100	-	-

(*) 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 30 June 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 2,041,815 (December 31, 2022: TL 2,230,931 TL) 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

None (31 December 2022; None).

**CONVENIENCE TRANSLATION OF THE AUDITOR’S REPORT ORIGINALLY
ISSUED IN TURKISH**

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

V. 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	3,244,846	%43
Cash Loans	1,460,233	%21
Non-Cash Loans	42,295	%2
Borrowed Funds	2,041,815	%37
Other Operating Expenses	19,498	%13
Prior Period	Balance	Share %
Financial assets at fair value through other comprehensive income	28,530	%11
Cash Loans	844,284	%26
Non-Cash Loans	27,214	%3
Borrowed Funds	2,230,931	%35
Other Operating Expenses	8,243	%13

VI. Explanations and notes related to subsequent events:

None.

**CONVENIENCE TRANSLATION OF THE AUDITOR’S REPORT ORIGINALLY
ISSUED IN TURKISH**

**NUROL YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES
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AS OF 30 June 2023**

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

SECTION SIXTH

Independent Audit Report

I. Matters to be disclosed regarding the independent audit report

Consolidated financial statements as of 30 June 2023 and for the period ending on the same date are prepared by PwC Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. and the independent audit report dated 4 August 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.

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 30 June 2023

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

CHAPTER SEVEN

I. Explanations on the Interim Activity Report

CHAIRMAN OF THE BOARD OF DIRECTORS EVALUATION AND EXPECTATIONS (*)

The fact that the data released in April presented a mixed outlook on global economic activity caused a fluctuating course in the commodity market. In its April World Economic Outlook Report, the IMF revised its global growth forecasts for 2023 and 2024 downwards due to the high course of inflation, uncertainties regarding the financial sector and the ongoing effects of the Russia-Ukraine war. In the US, where concerns about the debt ceiling and financial stability persisted, the Fed continued to raise interest rates by increasing the policy rate by 25 basis points at its May meeting. In the Euro Area, which grew by 1.3% on an annual basis in the first quarter of the year, annual CPI inflation stood at 7% in April, according to leading data. It is possible to say that the Euro Area economy, which shrank by 0.1% in the same period compared to the previous quarter, entered a technical recession by contracting for two consecutive quarters.

In May, the global risk appetite remained under pressure due to the uncertainties regarding the debt ceiling in the US. The approval of the said bill in the House of Representatives at the beginning of June supported the markets. In the minutes of the Fed's meeting held on May 2-3, disagreements on the monetary tightening path came to the fore. In addition, OECD and World Bank raised their growth forecasts for 2023 for the global economy in their reports published in June. Although annual CPI inflation decreased to 4% and 5.5% in the US and Euro Area, respectively, in June, it remained far from the medium-term targets of the Fed and ECB. In June, the Fed suspended the rate hike cycle and kept the policy rate between 5%-5.25%, while the ECB increased the reference interest rates by 25 basis points. On the Asian side, the People's Bank of China reduced the 1-year and 5-year main loan interest rates by 10 basis points. The barrel price of Brent crude oil, which followed a fluctuating course in June, closed the month at 74.9 USD with an increase of 3.1%.

It is possible to say that the leading domestic data indicate that the recovery in economic activity gained momentum in April. Manufacturing PMI came in at 51.5 in April. In this period, the production index realized at the highest rate since August 2021, while the increase in exports and total new orders gained momentum. In April, consumer prices increased by 2.39% on a monthly basis, while annual CPI inflation fell to 43.68% due to the base effect. We can say that D-PPI also displayed its slowest annual increase since October 2021 with 52.11 percent. BIST-100 index, which displayed a fluctuating outlook throughout April, decreased by 4.1% compared to the end of March. In this period, the Turkish lira continued to depreciate against the US dollar and euro. The central government budget deficit reached 382.5 billion TL in the first four months of the year, reaching 58% of the year-end target. In June, when the new economy administration gave gradual normalization messages, the CBRT increased the policy rate from 8.5% to 15%. While the BIST-100 index increased by 17.9% in June, the Turkish lira depreciated rapidly against the US dollar and the euro.

As Nurolbank, I have strong belief and confidence that we will get through the process in a healthy and successful manner, within the framework of our effective risk management principles, which we have implemented in a timely manner by carefully reading the functioning of the markets in this active period. I hope that the days ahead will bring health and happiness to everyone in our vision, where we increase our profitability and make sustainable growth our basis.

On behalf of the Board of Directors, I would like to thank our customers for their unwavering support and all our employees for showing their best performance in these difficult days.

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 30 June 2023

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

I. Explanations on the Interim Activity Report (Continued)

GENERAL MANAGER EVALUATION AND EXPECTATIONS(*)

Dear Shareholders, Customers, Employees and Business Partners of Nurobank,

Leaving the half of the year behind us, the downward trend in energy prices made global inflation paint a relatively positive picture, while core indicators announced in the US and Euro Zone indicated that the rigidity in inflation may last longer than expected. In this context, the Fed, which increased the policy rate by 25 basis points in its meeting held at the beginning of May, in line with the expectations, signaled that it might take a break from the rapid tightening cycle that it started in March 2022 to observe the results. In an environment where the ongoing effects of the Russia-Ukraine war and the uncertainties regarding the financial sector put pressure on growth expectations, it was observed that international institutions revised their global growth forecasts downwards. In May, developments regarding the debt ceiling limit in the USA constituted the main agenda item in the global markets, while the global risk appetite remained under pressure due to the negotiations that continued throughout the month, the approval of the draft law on raising the debt ceiling at the beginning of June enabled the risk appetite to start the new month with a rise. In addition, the continuation of the global debt stock's rise in this process also contributed to the cautious attitude of the investors.

Annual inflation in advanced economies continued to decline in June due to the high base effect as well as the horizontal course of energy prices. While the Fed did not change the policy rate in line with expectations, the messages given after the meeting and the forecasts of Fed members underlined that the monetary tightening would continue until the end of the year. Although the global stock market indices started June with a positive outlook with the resolution of the debt ceiling crisis in the USA, the continuing hawkish messages of the major central banks regarding the continuation of the interest rate hike process kept the global risk appetite under pressure throughout the month.

While the leading indicators for the second quarter point out that economic activity gained momentum compared to the first quarter, it is considered that recession concerns in our main export markets may put pressure on growth through net exports. Leading data released in our country indicate that the recovery in economic activity gained momentum in April. On the other hand, exports contracted the fastest since the pandemic in April due to the high base and the long festive holiday, while the foreign trade deficit remained high despite the decline in global commodity prices. The CBRT, which did not change the policy rate at its April meeting, did not revise its inflation forecasts in the second inflation report of the year. According to leading data, the foreign trade deficit narrowed by 34.5% on an annual basis due to the effect of the long holiday in June, when confidence indices presented a mixed outlook. Although the current account deficit is expected to improve in the upcoming period with the start of the tourism season, the recession in our main export markets stands out as an important risk factor in terms of export revenues and current account balance outlook. After the election uncertainty is left behind and the new Cabinet is formed, the policies to be announced by the new economy management will be followed closely in the upcoming period. The steps to be followed by the new economy administration, which has started to take normalization steps in monetary policy, micro and macro regulations and gives the message that these steps will be continued gradually, will be the main agenda item of the domestic markets in the coming period.

As Nurobank, we will continue to create value for our customers and stakeholders, contribute to sustainable growth, and stand by our customers in the upcoming period. I would like to take this opportunity to thank our valued customers, our stakeholders who trusted us, and my entire team who contributed to our successful performance.

(*) The amounts in the annual report are expressed in full Turkish Lira (TL) unless otherwise stated

Information on the Bank's first quarter realizations

Our debt instrument issuances, which are an important item from our funding sources, continue. We continue to diversify our resources with non-deposit resources and to diversify our resource structure with long-term and low-cost resources. By expanding our correspondent banking network day by day, we are developing collaborations that will increase our Bank's funding opportunities. Our Treasury Department, on the other hand, will continue to manage the exchange rate, interest and liquidity risk within the limits set by our Board of Directors and the principles of asset-liability management, and will continue to make the best use of our resources by closely following the developments in both foreign and domestic markets.

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 30 June 2023

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

I. Explanations on the Interim Activity Report (Continued)

As Nurobank, we will continue to create value for our customers and stakeholders, contribute to sustainable growth, and stand by our customers in the upcoming period. I would like to take this opportunity to thank our valued customers, our stakeholders who trusted us, and my entire team who contributed to our successful performance.

CHANGES REGARDING THE MEMBERS OF THE BANK'S BOARD OF DIRECTORS DURING THE PERIOD (*)

There was no change in the shareholding structure of our Bank during the period.

NUROLBANK SHAREHOLDERS STRUCTURE		
Shareholders's Title	Nominal Share Amount (TL)	Ratio (%)
Nurol Holding A.Ş.	1,722,354,682	95.6864
Nurol Otelcilik ve Tur. İşl. A.Ş.	11,645,335	0.6470
Nurettin Çarmıklı	11,733,331	0.6519
Figen Çarmıklı	11,733,331	0.6519
Mehmet Oğuz Çarmıklı	11,733,331	0.6519
Eyüp Sabri Çarmıklı	10,266,664	0.5704
Oğuzhan Çarmıklı	10,266,664	0.5704
Gürhan Çarmıklı	5,133,331	0.2852
Gürol Çarmıklı	5,133,331	0.2852
TOTAL	1,800,000,000	100

As of 30 June2023, the members of our Bank's Board of Directors are listed in the table below:

NUROLBANK BOARD OF DIRECTORS		Nominal Share Amount (TL)	Ratio (%)
Ziya Akkurt	Chairman of the Board	-	-
M. Oğuz Çarmıklı	Vice Chairman of the Board	11,733,331	0.6519
Yusuf Serbest	Board Member	-	-
Ahmet Şirin	Board Member	-	-
Mehmet Mete Başol	Board Member	-	-
A. Kerim Kemahlı	Board Member	-	-
Eyüp Sabri Çarmıklı	Board Member	10,266,664	0.5704
Gürhan Çarmıklı	Board Member	5,133,331	0.2852
Özgür Altuntaş	Board Member – General Manager	-	-

CHANGES MADE TO THE MAIN AGREEMENT DURING THE PERIOD

There was no change in the Articles of Main Agreement of our Bank during the period.

(*) The amounts in the annual report are expressed in full Turkish Lira (TL) unless otherwise stated.

EXPLANATIONS ON THE NUMBER OF BRANCHES, THE BANK'S SERVICE TYPE AND THE NATURE OF ACTIVITIES.

Our bank continues to serve with its Ankara branch.

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 30 June 2023

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

I. Explanations on the Interim Activity Report (Continued)

THE SECOND QUARTER 2023 ECONOMIC EVALUATION AND OUR EXPECTATIONS Developments in the Turkish Economy and Our Bank's Expectations:

In the domestic market, preliminary data indicated that the recovery in economic activity gained momentum in April. Manufacturing PMI, which was 50.9 in March, rose to 51.5 in April, marking the most significant improvement in the industry since December 2021. According to the sub-items of the index, production, new orders and export growth in the manufacturing sector, which continued to recover after the earthquake in February, gained momentum in April, while the expansion in production was at the highest level of the last 20 months. After April and May, it was realized at the level of 51.5 in June. pointed out that the moderate recovery in the sector continues. On the other hand, the difficulties encountered in the supply of raw materials due to the earthquake caused the increase in delivery times to be carried over to the fourth month in a row. Despite the fact that some companies started the second quarter by increasing the number of employees, layoffs due to the effect of the early retirement law caused employment to remain flat in April.

According to the seasonally and calendar adjusted data, the consumer confidence index increased by 9.2 points on a monthly basis in April and reached its highest value since August 2018 with 87.5. According to seasonally adjusted data, the consumer confidence index, which reached its highest level since July 2018 before the elections in May, decreased by 6.5% on a monthly basis to 85.1 in June. While it is observed that the expectations for the next 12-month period have deteriorated across the sub-items of the index, the sub-index regarding the financial situation of the household decreased by 2.2% in the current period compared to the previous month. While the sectoral confidence index increased in the services sector in April, it decreased in the retail trade and construction sectors. Thus, the economic confidence index, calculated by weighting the consumer, real sector and sectoral confidence indices, took the value of 102.2 in April and exceeded the 100 threshold for the first time since January 2022. . In April, CPI increased by 2.39%, below market expectations. In this period, the domestic producer price index (D-PPI) also increased by 0.81%. In the same month, annual CPI inflation continued to decline with the effect of high base and realized at 43.68%, the lowest level since December 2021. During this period, producer prices also recorded the slowest annual increase since October 2021, with 52.11 percent. The gap between annual CPI and D-PPI inflation continued to narrow and dropped to single digits as of April. In June, the monthly increase in CPI was realized as 3.92%, below the market expectation of 4.84%, but at the highest level of the last 5 months. In this period, the domestic producer price index (D-PPI) also increased by 6.5% on a monthly basis, displaying its fastest increase since October 2022.

In the Monetary Policy Committee meetings in April and May, the CBRT kept the one-week repo rate unchanged at 8.5% in line with market expectations, and in the second inflation report of the year, the CPI inflation forecasts for the end of 2023 and 2024 remained unchanged at 22.3% and 8.8%, respectively. At its meeting held on June 22, it increased the policy rate from 8.5% to 15%. Although the CBRT made the highest rate hike in recent years, the increase was below the average market expectations. In the text published after the meeting, it was stated that it was decided to start the monetary tightening process in order to establish disinflation as soon as possible, to anchor inflation expectations and to control the deterioration in pricing behavior.

According to the weekly banking data published by the BRSA, as of April 20, total deposit volume increased by 68% compared to the same period of the previous year and reached TL 10.3 trillion. In this period, TL deposit volume increased by 131.2% yoy and reached 6.1 trillion TL, while FX deposit volume in USD terms decreased by 8.8% to 217 billion USD. While the increase in TL deposits has been 27% since the end of the year, it has been observed that the USD denominated FX deposits contracted by 0.8%. The total loan volume of the banking sector increased by 57.3% on an annual basis and reached TL 8.8 trillion as of April 20. In this period, TL loan volume increased to 6.2 trillion TL with an annual increase of 86.8%, while the share of TL loans in total loans was 71%, the highest level since January 2015. While the increase in TL loans since the end of the year was 22.2%, FX loans in USD decreased by 0.5% in this period.

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 30 June 2023

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

I. Explanations on the Interim Activity Report (Continued)

Election agenda was influential in the course of domestic markets in May. Having difficulty in finding direction throughout the month, the BIST-100 index finished May at 4,887 with an increase of 5.8%. Turkey's 5-year CDS premium, which fell below 500 basis points for the first time since December 2022 on May 11, followed a fluctuating course in the following days and reached 597 basis points at the end of the month. In May, USD/TL increased by 6.9% on a monthly basis, while EUR/TL increased by 3.8%. In this period, the interest rate of the 2-year bond decreased by 519 basis points to 11.95%. With the announcement of the new economy management, the BIST-100 index, which rose rapidly due to the expectations that normalization steps would be taken in economic policies, continued to rise with the effect of the reaction purchases that took place after the CBRT's interest rate hike decision fell below expectations. Thus, the BIST-100 index closed the month at 5,759 with an increase of 17.8%.

In May, interest expenses increased by 473.4% yoy and reached 102.7 billion TL. Current transfers, with the effect of transfers to Elektrik Üretim A.Ş. in the assignment expenses item (12.2 billion TL), increased by 133.8% on an annual basis and constituted 35% of the budget expenditures. While no payment was made to BOTAS in May, expenses related to KKM accounts were limited to 1.6 billion TL.

With the new cabinet announced at the beginning of June, the last month of the second quarter, Cevdet Yılmaz, the former Minister of Development, was appointed as the vice-president, and Mehmet Şimşek was appointed as the Minister of Treasury and Finance. Hafize Gaye Erkan was appointed as the CBRT President, while Şahap Kavcıoğlu, the previous president of the CBRT, became the BRSA President. After the appointments, the new economy management gave messages of gradual normalization.

Although the relative improvement in inflation indicators continued in April due to the reductions in electricity tariffs, it was observed that the increase in core inflation and service prices continued. While the reducing effect of the base effect on annual inflation will diminish in the coming months, the course of global energy prices and exchange rates seems to continue to be influential on the inflation outlook. Despite the rigidity in services prices, inflation indicators improved in May due to the "zero price" implementation in natural gas. In the upcoming period, public subsidies for households' consumption of 25 cubic meters of natural gas are expected to continue to limit the rise in inflation, albeit at a low level.

Developments in the World Economy and Our Bank's Expectations(*):

Global financial markets presented a mixed outlook for all of us in April. Data indicating that the rigidity in global inflation may last longer than expected, as well as the expectations that interest rate increases in developed countries may continue suppressed the global risk appetite and started the second quarter.

In its World Economic Outlook report published in April, the IMF revised its global growth forecasts from 2.9% to 2.8% for 2023, and from 3.1% for 2024 due to the high course of inflation, uncertainties regarding the financial sector, and the ongoing effects of the Russia-Ukraine war. reduced it to 3. At its meeting, which ended on May 3, the Fed increased the policy rate by 25 basis points to 5 – 5.25%, in line with market expectations. In the country, which has been increasing interest rates for the 10th time in a row, the policy rate has reached its highest level since August 2007. In May, developments regarding the debt ceiling in the USA were the main agenda item in the global markets, and the concerns that the country might go into default and trigger a global financial crisis if the debt ceiling was not increased or suspended until the beginning of June caused the risk appetite to remain under pressure throughout the month. After long negotiations, it was announced that the draft law, which envisages raising the US debt ceiling of 31.4 trillion USD and making cuts in spending on new federal programs, was approved in the House of Representatives on 1 June. In its meeting held on 13-14 June, the Fed did not change the policy rate in line with market expectations, keeping it in the range of 5%-5.25%. In the statement made after the meeting, it was underlined that the economic activity and the labor market data showed a positive outlook, but the decline in inflation was not at the desired level, and it was underlined that the decision taken should not be interpreted as the final end of the monetary tightening process.

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NUROL YATIRIM BANKASI ANONİM ŞİRKETİ AND ITS SUBSIDIARIES NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 June 2023

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I. Explanations on the Interim Activity Report (Continued)

In the Euro Area, on the other hand, according to leading data, CPI increased by 0.7% on a monthly basis and 7% on an annual basis in April, in line with the expectations. The annual core CPI inflation remained high with 5.6%, despite a slight decline, which strengthened the expectations that the ECB will continue to raise interest rates for a while. Despite the expectations, the increase in the region in May followed a flat course compared to the previous month, and annual CPI inflation fell to 6.1% from 7% in April, reaching its lowest value since February 2022. In its meeting held on May 4, the European Central Bank (ECB) increased the reference interest rates by 25 basis points, in line with market expectations. In the "Spring 2023 Economic Forecasts" report of the EU Commission, it was stated that the European economy performed above expectations despite being under pressure due to the energy crisis caused by the interest rate hikes and the Russia-Ukraine war. increased from 1.5% to 1.6% in 2024.

On the Asian side, the Central Bank of China did not change the indicative interest rates at its May meeting.

The barrel price of Brent crude oil, which fell to its lowest level since December 2021 with 70.96 USD in the commodity market in March, tested the level of 87 USD in April after the OPEC+ countries decided to cut production by 1.66 million barrels with a surprise decision at the beginning of April. has done. On the other hand, the ounce price of gold, which rose to the level of 2,040 USD in April due to the demand for safe investment instruments after bank bankruptcies, closed the month at 1,989 USD with an increase of 1% on a monthly basis.

In the last month of the 2nd quarter, OECD revised its global growth expectation for 2023 from 2.6% to 2.7% in its June Economic Outlook Report, citing the expected recovery in the Chinese economy and the slowdown in inflation. In the report, the 2023 growth forecasts for the USA and China were increased by 0.1 points to 1.6% and 5.4%, respectively, and underlined that core inflation is still high and the global recovery will take a long time. The organization maintained its global growth expectation for 2024 at the level of 2.9%. The World Bank also increased its global growth forecast for 2023 from 1.7% to 2.1% in its Global Economic Prospects Report, and decreased its growth expectation for 2024 from 2.7% to 2.4% due to the ongoing monetary tightening process and geopolitical risks. In the report, in which the 2023 growth expectation for developed countries was revised as 0.7%, it was emphasized that the economic growth in these countries would be weak in 2024 as well. Institutions revised their GDP growth forecasts for 2023 upwards for the Turkish economy as well. On the other hand, while the OECD decreased its growth forecast for 2024 from 3.8% to 3.7%, the World Bank increased it from 4% to 4.3%.

Referring to Nurobank's Consolidated Financial Statements for the Second Quarter of 2023;

Net profit was 1 Billion 303 Million TL. In line with the legal regulations and international practices, a total of 43 million TL provision has been made, including loans and other provisions. Asset size increased by 59.3% compared to the end of 2022 and reached 27 Billion 808 Million TL. As of 30 June 2023, Equity has reached 3 Billion 304 Million TL with an increase of 41.8% compared to the end of 2022. Total cash loans increased by 94% compared to the end of 2022 and reached 7 Billion 242 Million TL. The capital adequacy ratio was realized as 15.12%.

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 30 June 2023**

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

I. Explanations on the Interim Activity Report (Continued)

Nurolbank Selected Unconsolidated Financial Indicators

30 June 2023	TL (Thousand)
Gross Profit Before Taxes and Provisions	1,762,281
Profit Before Tax	1,680,395
Net profit	1,302,897
Cash Loans	7,241,577
Non-Cash Loans	2,230,876
Total Assets	27,807,732
Equity	3,304,110

(*) The amounts in the annual report are expressed in full Turkish Lira (TL) unless otherwise stated.

Explanations on Important Developments Regarding the Issuance and Redemption of Debt Instruments Between 01.01.2023 - 30.06.2023

Our bank issued a total of 2,345 million TL bank bills in the second quarter of the year, and as of 30 June 2023, our total nominal issuance of Turkish Lira in circulation amounted to 2,795 million TL.

CHANGES IN MANAGEMENT AND CORPORATE GOVERNANCE PRACTICES

There has been no change in our Bank's Board of Directors.

CHANGES OCCURRED DURING THE PERIOD

No changes occurred during the period.

DEVELOPMENTS IN INVESTMENTS, BENEFIT FROM INCENTIVES, AND TO THE EXTENT IF IT HAS BEEN USED.

There has been no change during the period.