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Contact and Branches

of innovative banking

As one of the young, dynamic players in the Turkish banking industry, we are proud to celebrate our 10th year within Fiba Group with our approach to banking centered on the principles of "Agile thinking, agile solutions" and "Personal customer services." By putting technology at the core of our business structure, we will continue introducing different products and services to the banking sector and our customers in the next decades.



Agile thinking, agile solutions



Our ability to provide fast and premium banking services that exceed expectations is based on a clear understanding of our customers. We are aware of the needs of different customer segments and develop specific solutions accordingly.

(2)

Technology at the core of our all business processes



We are closely monitoring the "Big Data" transformation in the world of technology and developing simpler and faster business processes. We are turning digital innovations into the future of banking.



Financial success through diverse products and services



There is no need to mention the challenges that we all faced in 2020. Despite these challenges, we achieved success by investing in technologies and implementing the right strategies. Our outstanding performance was reflected in the figures.



A young, dynamic and innovative bank



With a young team and spirit, we are one of the Turkish banking industry's dynamic innovative players. Wherever you see an innovation in the banking sector, we are there.



Our products and services are there for our customers



Life has changed considerably, and service knows no boundaries. We developed strong business partnerships to stand beside our customers wherever they are. You can benefit from the privileges of being a Fibabanka customer in different areas of life.



Diversified customer base



While customer profiles transform, we recognize the expectations and needs of customers from every age group and every segment and offer them tailored products and services to facilitate their lives accordingly.



Always ahead with investments in R&D and innovation



While the world evolves and becomes increasingly digitalized, we adapt to this transformation through the projects of our hardworking R&D employees. We turn innovative ideas into products and services that are taking our bank into the future.



Employees set the rules



Our employees recognize opportunities and change the rules of the game by using technology. They are solution-oriented. They push the limits and make a difference. They are open to change and new ideas. In short, our employees set the rules!



Strong relationships with business partners



We created a robust consumer ecosystem with business partners in different sectors. Each day, we continue to expand our sphere of influence.



Stakeholders with a leading role



Together with our employees, customers, and business partners... We are one big family. Each of them contributes to our success. We will continue to achieve even more with our stakeholders.

2020 IN FIGURES*

Capital Adequacy Ratio

19,4%

Total Kiraz Account Balance (2020):

TL 7,7 Billion

33% Increase

TL 2 Billion
20%
Increase

Shopping Loan Volume (2020):

Strong Asset Quality

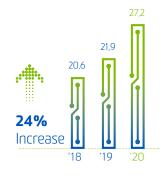
Assets (TL Billion)

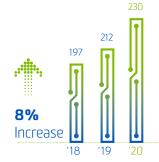
Sustainable Operational Profitability

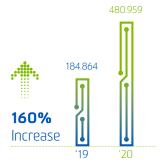
Net Profit (TL Million)

Digitalized Banking Services

Total Number of Mobile Banking Customers







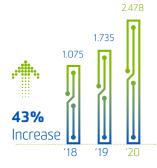
Solid Customer Base Consisting of Different Segments

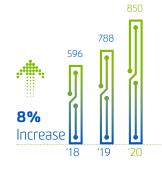
Total Number of Customers (Thousand)

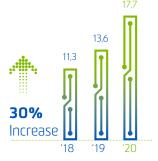
Number of Active Customers (Thousand)

Broadening Deposit Base

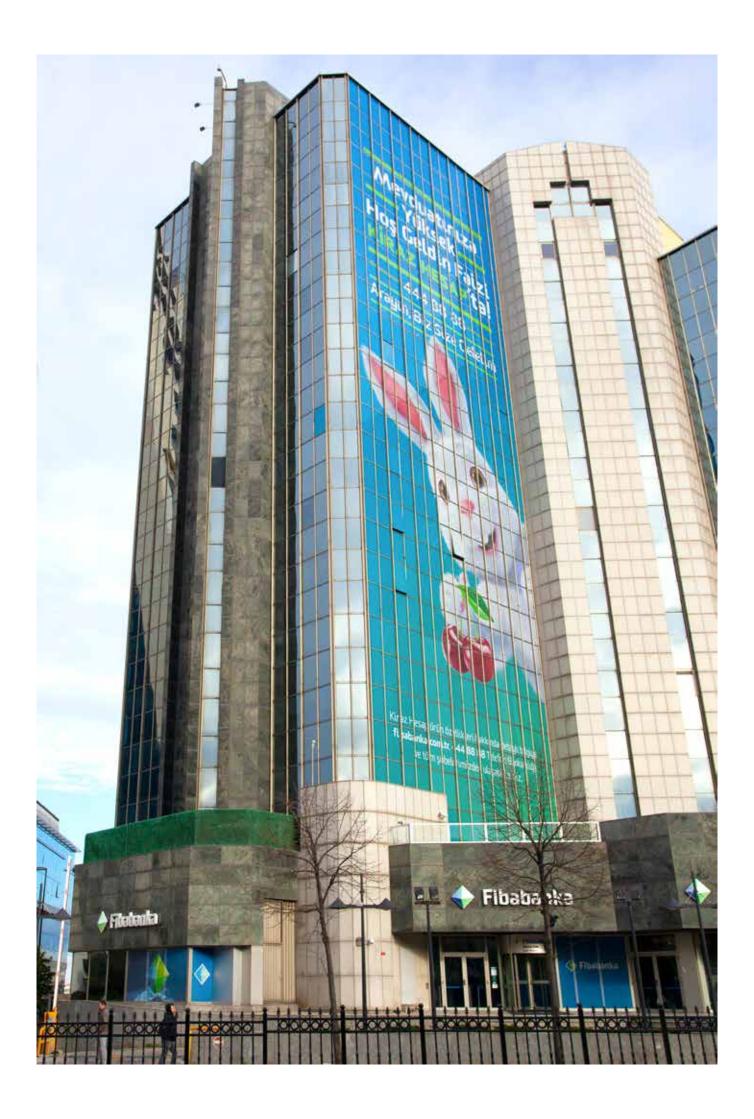
Deposits (TL Billion)







^{*}Unconsolidated 2020 year-end results. The increase rates specified represent the growth achieved during 2019-2020.



DEVELOPMENTS IN 2020

In 2020, Kiraz Account continued to be Fibabanka's most important deposit product. Kiraz Account balance with a total of TL 5,80 billion as of year-end 2019 climbed to TL 7,71 billion at year-end 2020, up 33%.



Customer Satisfaction Remained Uninterrupted during the Coronavirus Pandemic

While customer profiles evolve, we recognize the expectations and needs of customers from every age group and from every segment and accordingly offer them tailored products and services to facilitate their lives. All headquarters staff started working from home in March until the end of 2020; meanwhile, branch employees alternated working from home and at branch locations. Adjustments were also made in branch working hours. Thanks to these practices implemented across the organization, Fibabanka delivered a high level of customer satisfaction in an efficient and uninterrupted manner.

A New, Convenient Service from Fibabanka Mobile

In line with its commitment to meeting evolving customer needs and expectations, Fibabanka introduced FibaFX, which allows trading with live exchange rates. In 2020, Fibabanka moved forward with its digital transformation investments to launch FibaFX, the next-generation currency trading service that can be easily accessed via its Mobile and Internet Banking channels. Thanks to this new service, Fibabanka's personal banking customers can monitor market data and perform FX and precious metal transactions quickly and safely.





Kiraz Account: Fibabanka's Most Important Deposit Product

Kiraz Account helps customers utilize their savings, functioning as an overnight deposit product where they can perform all their banking transactions from a demand deposit account. In 2020, Kiraz Account continued to be Fibabanka's most important deposit product. Kiraz Account balances totaled TL 5,80 billion as of year-end 2019 and climbed to TL 7,71 billion at year-end 2020, up 33%. For the year, the total number of Kiraz Accounts jumped to 230 thousand, up 64% year-on-year. Focused on reaching its customers through diversified channels effectively and quickly, Fibabanka visits customers at their preferred location to open Kiraz Accounts onsite. Kiraz Account can be opened with many different channels.

Ongoing Growth with Ecosystem Banking Investments

Fibabanka significantly contributes to the sector's future development with its ecosystem banking investments. To date, the Bank has created a strong consumer finance network with business partnerships across various sectors. The "Shopping Loan," which consists of diverse operating models, established a platform that responds to the changing financial needs of both customers and business partners quickly and easily. The Instant Shopping Loan service significantly accelerates business processes by utilizing loans in just a few minutes with basic information, such as customer identity numbers or mobile phone details.





ComPay Ödeme Çözümleri A.Ş. ("ComPay") Registers Nine-fold Growth

ComPay is the payment platform of Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş. ("Finberg"), which Fibabanka launched in 2018 to support entrepreneurial activity and fintech enterprises. As of year-end 2020, ComPay introduced 20 products of 12 banks to 2.200 points of sale. Boosting its turnover nine-fold in 2020, ComPay steadily increases the number of banks, products and points where it delivers systems integration services.

A New Banking Approach for "New Normal": Video Banking

Committed to standing beside its customers at all times, Fibabanka makes a difference against its competitors with its innovative applications following the coronavirus pandemic. In line with requirements of the new normal, Fibabanka launched the Video Banking service for remote customer acquisition via Fibabanka Mobile. With Video Banking, a process was put into practice which complies with the latest regulations and communiqués, includes developed technologies for everyone who want to be a customer and that allows becoming a Fibabanka customer quickly and easily.





Instant and Continuous Transfer of Funds: FAST

Adopting the motto "Agile thinking, agile solutions," Fibabanka continued to offer rapid and efficient products to simplify customers' lives. Fibabanka offers its customers fast money transfer services by using simple personal details instead of IBAN numbers via FAST (Instant and Continuous Transfer of Funds), which is the instant payment system of the Central Bank of the Republic of Turkey (CBRT), and KOLAS (Easy Addressing). Fibabanka will continue to offer rapid and efficient products to simplify customers' lives.

ANNUAL REPORT COMPLIANCE OPINION



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CONVENIENCE TRANSLATION INTO ENGLISH OF INDEPENDENT AUDITOR'S REPORT ON THE BOARD OF DIRECTORS' ANNUAL REPORT ORIGINALLY ISSUED IN TURKISH

To the Shareholders of Fibabanka Anonim Şirketi

We have audited the annual report of Fibabanka Anonim Şirketi (the "Bank") for the period between 1 January 2020 and 31 December 2020, since we have audited the complete set consolidated

In our opinion, except for the effects of the matter described in the Basis For Qualified Opinion section of our report, the consolidated and unconsolidated financial information included in the annual report and the analysis of the Board of Directors by using the information included in the audited consolidated and unconsolidated financial statements regarding the position of the Bank are consistent, in all material respects, with the audited complete set of consolidated and unconsolidated financial statements and information obtained during the audit and provides a fair

As described in the Basis For Qualified Opinion section of Independent Auditor's Report on the complete set of audited consolidated and unconsolidated financial statements of the Bank for the period between 1 January 2020 and 31 December 2020 dated 15 February 2021; the complete set of consolidated and unconsolidated financial statements of the Bank as at 31 December 2020 include a general provision of total of TL 151.000 thousands, of which TL 106.500 thousands was recognized as expense within the current period and TL 44.500 thousands had been recognized as expense in prior periods; with a deferred tax asset amounting to TL 30.200 thousands of which TL 20.410 thousands was recognized within the current period and TL 9.790 thousands had been recognized in prior periods; for the possible effects of the negative circumstances which may arise in the economy or market conditions which is not in line with the requirements of BRSA Accounting and Financial Reporting Legislation.

We conducted our audit in accordance with "Regulation on Independent Audit of the Banks" published in the Official Gazette No.29314 dated 2 April 2015 by Banking Regulation and Supervision Agency ("BRSA Auditing Regulation") and Standards on Auditing which is a component of the Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("PDA") ("Standards on Auditing Issued by PDA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Annual Report section of our report. We declare that we are independent of the Bank in accordance with the Code of Ethics for Auditors issued by POA (PDA's Code of Ethics) and the ethical requirements in the regulations issued by POA that are relevant to audit of financial statements, and we have fulfilled our other ethical responsibilities in accordance with the POA's Code of Ethics and regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Auditor's Opinion on Complete Set of Consolidated and Unconsolidated Financial Statements

We have expressed an qualified opinion on the complete set of consolidated and unconsolidated financial statements of the Bank for the period between 1 January 2020 and 31 December 2020 on

Board of Directors' Responsibility for the Annual Report

In accordance with the Articles 514 and 516 of the Turkish Commercial Code numbered 6102 ("TCC") and Regulation on the Principles and Procedures Concerning the Preparation of and Publishing Annual Reports by the Bank ("Regulation") published in the Official Gazette dated 1 November 2006 and Numbered 26333, the Bank's management is responsible for the following regarding the

- a) The Bank's management prepares its annual report within the first three months following the date of statement of financial position and submits it to the general assembly.
 b) The Bank's management prepares its annual report in such a way that it reflects the operations of the year and the consolidated and unconsolidated financial position of the Bank accurately, completely, directly, true and fairly in all respects. In this report, the financial position is assessed in accordance with the Bank's consolidated and unconsolidated financial statements. The annual report shall also clearly indicates the details about the Bank's development and risks that might be encountered. The assessment of the Board of Directors on these matters is included in the
- c) The annual report also includes the matters below
- Significant events occurred in the Company after the reporting period,
- The Bank's research and development activities.
- Financial benefits such as wages, premiums and bonuses paid to board members and key management personnel, appropriations, travel, accommodation and representation expenses, benefits in cash and kind, insurance and similar quarantees.

When preparing the annual report, the Board of Directors also considers the secondary legislation arrangements issued by the Ministry of Trade and related institutions.

Auditor's Responsibility for the Audit of the Annual Report

Our objective is to express an opinion on whether the consolidated and unconsolidated financial information included in the annual report in accordance with the TCC and the Regulation, and analysis of the Board of Directors by using the information included in the audited consolidated and unconsolidated financial statements regarding the position of the Bank are consistent with the audited consolidated and unconsolidated financial statements of the Bank and the information obtained during the audit and give a true and fair view and form a report that includes this opinion. We conducted our audit in accordance with BRSA Auditing Regulation and Standards on Auditing issued by POA. Those standards require compliance with ethical requirements and planning of audit to obtain reasonable assurance on whether the consolidated and unconsolidated financial information included in the annual report and analysis of the Board of Directors by using the information included in the audited consolidated and unconsolidated financial statements regarding the position of the Bank are consistent with the consolidated and unconsolidated financial statements and the information obtained during the audit and provides a fair presentation

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Alper Güvenc, SMMM Partner 1 March 2021 İstanbul, Turkey

rivere

AGENDA OF ORDINARY GENERAL ASSEMBLY

- 1. Opening and Formation of the Meeting Council,
- 2. Reading and discussion of the 2020 Annual Report prepared by the Board of Directors,
- 3. Reading and discussion of the Independent Auditor's Reports,
- 4. Reading, discussion and approval of the Balance Sheet, Income Statements,
- 5. Release of Board Members and Independent Auditor,
- 6. Determination of use of the accrued profit, rate of dividend and dividend shares to be distributed, based on the 2020 balance sheet,
- 7. Determination of Board Member rights such as remuneration, attendance payment, premium and bonus,
- 8. Election of the Independent Auditor,
- 9. Reading and discussion of the 2020 Affiliation Report,
- 10. Granting permission to Board Members, pursuant to Article 395 and 396 of TCC,
- 11. Wishes and conclusion.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

No amendments were made to the Bank's Articles of Association in 2020.

ABOUT FIBA GROUP

Operating in the service sector, Fiba Group's business development efforts are focused on new areas with growth potential. In addition, the Group aims to create value through mergers and acquisitions with a professional management approach.

Founded by the business person Hüsnü M. Özyeğin in 1987, Fiba Group boasts an investment portfolio with a high brand value in different business lines in addition to the finance sector. Holding a prestigious position in the international business world with its overseas investments, Fiba Group employs more than 12 thousand employees from 43 different nations in 12 countries where it does business.

Values of Fiba Group

Fiba Group's core values shape its growth road map:

Superior Service Quality

Fiba Group's success is largely due to the importance placed on providing excellent service in order to respond effectively to customer demands and needs.

Leadership and Authorization

Fiba Group's most valuable asset is its people. Employees are empowered to take the initiative in order to achieve the best possible results. For this reason, the Group's most successful leaders rise up through the ranks of the organization.

Society

Fiba Group is committed to contributing to society as a whole by taking part in various social responsibility projects.

Efficiency and Dynamism

Fiba Group employees are expected to be dynamic in adapting to rapidly changing business conditions as well as efficient and effective in their approaches to handling business matters.

Respect and Teamwork

Fiba Group actively creates a working environment that encourages respect, teamwork and growth.

Transparency

Fiba Group assumes the responsibility of actions, decisions, products and services that may affect its shareholders.

Differentiating Business Areas

Fiba Group's investments in the financial sector include banking, asset management, leasing, factoring, pension, and life insurance, asset management. Its non-financial investments are retail, real estate investments, renewable energy, and hotel investments. Operating in the service sector, Fiba Group is focused on

business development activities in new areas with growth potential in addition to creating value through mergers and acquisitions with a professional management approach

Major investments of Fiba Holding in the financial services sector

- Banking: Fibabanka A.Ş., Credit Europe Bank N.V. (Netherlands), Credit Europe Bank Ltd. (Russia), Credit Europe Bank (Romania) S.A. (Romania), Credit Europe Bank (Suisse) S.A. (Switzerland), Public Joint Stock Company Credit Europe Bank (Ukraine), Credit Europe Bank (Dubai) Limited (Dubai)
- **Portfolio Management**: Fiba Portföy Yönetimi A.Ş.
- Leasing: Credit Europe Leasing LLC (Russia), Credit Europe Leasing LLC (Ukraine), Auto Partners LLC (Russia)
- Factoring: Fiba Faktoring A.Ş.
- Pension and Life Insurance: Fiba Emeklilik ve Hayat A.Ş., Insurance Company Credit Europe Life (Russia)
- Asset Management: Gelecek Varlık Yönetim A.Ş., Credit Europe Asset Management S.A. (Romania), Credit Plus Gulf (Dubai)
- Other: Ofishane

Major investments of Fiba Holding in non-financial services

- Retail: Marks & Spencer (Turkey, Russia, Ukraine), GAP (Turkey, Russia, Ukraine), Banana Republic (Turkey, Russia)
- **Real Estate Investments:** Shopping Malls in Turkey, Romania, Moldova and China
- Renewable Energy: Fina Enerji Holding A.Ş. (Wind Energy, Solar Energy and Coal Mines)
- **Hotel Investment:** Swissotel the Bosphorus, Istanbul
- Transportation: Fiba Air Turkey

The Permanent Value Created for Turkey

Based on the mission determined by Hüsnü M. Özyeğin, Founder and the Honorary President of Fiba Group, the Group consistently supports its investments in areas benefiting society, particularly education.

Hüsnü M. Özyeğin Foundation (HMÖV)

Established in 1990, Hüsnü M. Özyeğin Foundation aims to foster social and economic development by supporting a wide variety of efforts related to education, rural development, girls' empowerment, health and culture. As a strategic priority, the Foundation gives support to institutions that will provide the infrastructure needed for social transformation. Since its founding, HMÖV has built schools and dormitories for

girls in disadvantaged areas in addition to rehabilitation centers while also carrying out restoration works to protect Turkey's cultural heritage. To date, the Foundation has helped establish or develop 64 institutions across the country.

Mother Child Education Foundation (ACEV)

Since its founding in 1993, Mother Child Education Foundation has strived to ensure that every child in Turkey is safe, healthy, happy and learning. ACEV develops and implements scientific educational programs for children, parents and young women in need across Turkey. Reaching 1,4 million people with the support of 14.000 volunteer teachers, AÇEV aims to provide equal opportunities through early childhood interventions and protective activities with research. In addition to educational programs and field work, AÇEV conducts social awareness campaigns and engages in protective activities. AÇEV places particular emphasis on quality education in early childhood, the role of families in future generations, gender equality and lifelong learning – all of which are highlighted in the United Nations Global Development Goals. Parents are informed on the importance of the immediate environment in children's development to create a better environment that will contribute to the well-being of the country's youth.

Özyeğin University (OzU)

Özyeğin University was founded in 2007 by Hüsnü M. Özyeğin with the aim of providing world class higher education opportunities. OzU aims to produce, develop and spread knowledge while creating innovations to benefit humanity and society. The University serves as a model institution for Turkey and the region with its innovative structure, industry-oriented education approach, original course programs and advanced research activities. Boasting the first LEED Gold Certified buildings in Turkey, OzU Istanbul Çekmeköy Campus was built on an area of 280.000 square meters. In 2020, OzU enrolled a total of 14.143 students in 23 graduate and 43 post graduate programs in six faculties, two academies and three institutes.

Where is Fibabanka in life?



Anywhere with a mobile phone

With our entire range of banking products and services, we are just a phone call away from our customers.

Anywhere with internet connectivity

Regardless of where our customers are located, the Fibabanka Mobile app is available 24/7. We are there for our customers whenever they need us, whether they are sitting in a park, working at the office or during half-time of a football match.





At electronics stores

Accessing electronics has never been so convenient! We offer an interest-free and cost-free shopping experience for electronics, eliminating the need for a credit card.

At retail stores

Our customers can enjoy the instant Shopping Loan opportunity that Fibabanka provides at leading retail stores throughout Turkey.





In hospitals and schools

We are also here to support our customers' health and education needs.



At e-shopping

We are at the service of our customers on various online platforms where millions of products for different needs and tastes, from electronics to textiles, kitchenware and artisanal handicrafts, are being sold.

At grocery shopping

Grocery shopping is an integral part of our daily lives. With Shopping Loan, we offer unique advantages and convenience in grocery shopping.





In the kitchenware and tableware sector

It is quicker and easier than ever to update your kitchenware and tableware. As Fibabanka, we are pleased to offer this opportunity to our customers.

At fuel stations

We are there for our customers during their road trips as well. We offer unique advantages to our customers in collaboration with the brands that have the most extensive network of fuel stations in Turkey.





At investment transactions

As Fibabanka, we provide our customers with a complete set of advantages in their investments.

ABOUT FIBABANKA

In parallel with the rapid transformation in technology as well as the change in customer behavior, Fibabanka has put the next-generation banking approach into practice.

Designing effective business processes with the vision of becoming the "Most Loved Bank of Turkey" and the "Agile thinking, agile solutions" approach, Fibabanka's journey to success started on 27 December 2010 under the Fiba Group. Specialized in the areas of Corporate, Commercial, SME and Enterprise, Retail, Agricultural and Private Banking, Fibabanka delivers services with a young, dynamic workforce consisting of 1.550 employees at a total of 50 branches as of year-end 2020. Continuing its investments as part of the digital transformation process, the Bank focuses on unconditional customer satisfaction with its innovative products and services.

Innovative Steps toward Becoming the "Most Loved Bank of Turkey"

Driven by the long-standing history of Fiba Group in the finance sector, Fibabanka has steadily diversified its products and services to become the "Most Loved Bank of Turkey" while improving its service quality based on the needs and expectations of customers. The Bank continued to provide high quality service to its customers through its subsidiaries Fiba Portföy Yönetimi A.Ş. and Finberg.

A Brief History of the Bank

The Bank's history dates way back to Sitebank A.Ş. The Bank was transferred to SDIF with its shares thereafter being sold to Novabank in 2002. The name of the Bank was changed to Bank Europe Bankası A.Ş. in 2003. In 2006, shares owned by Novabank S.A. were transferred to Millennium BCP; the Bank's name was changed to Millennium Bank A.Ş.

Fiba Group: the Main Shareholder

After necessary permissions were obtained upon Fiba Group's application to the Banking Regulation and Supervision Agency (BRSA), Millennium Bank A.Ş. joined Fiba Group on December 27, 2010. Fibabanka commenced providing banking services upon the share transfer from Millennium Bank A.Ş. to Credit Europe Bank N.V., one of Fiba Group's major investments based in Holland. Later on, Fibabanka has taken steps to consolidate its partnership structure to strengthen its growth trend along with Fiba Holding A.Ş., Fiba Faktoring Hizmetleri A.Ş., Girişim Varlık Yönetimi A.Ş., Fiba Kapital Holding A.Ş. and Fiba Araştırma Geliştirme ve Müşavirlik Hizmetleri A.Ş. companies under Fiba Group. In 2015, the

International Finance Corporation (IFC) and European Bank for Reconstruction and Development (EBRD), two global development institutions have invested in the Bank. In 2016, TurkFinance B.V. has also invested in and became a partner of Fibabanka. Following these investments, the Bank's capital increased to TL 941.160.553,25. Fiba Group continues to retain the majority stake in Fibabanka, with 71,59% of the Bank's share capital as of year-end 2020. The ratios of shares held by other minority shareholders are 8,96%, 8,96% and 9,95%, respectively.

OUR VISION, MISSION AND VALUES

Driven by its strong vision and mission, Fibabanka moves forward with its sustainable corporate development.

Our Vision

Being the "Most Loved Bank of Turkey"

Our Mission

Delivering the fastest banking service to people

Our Values

As an organization, we embrace Corporate Governance Principles such as responsibility, transparency, accountability and fairness. We are also:

Respectful:

- To the environment
- To society
- To all differences (ethnicity, language, religion and gender)

Genuine:

- Open and straightforward
- Sincere
- Friendly

Results-Oriented:

- We are aware of our targets.
- We know the value of time.
- We take action.

SUSTAINABILITY APPROACH

Prioritizing equal opportunity in all its business processes, decisions, procedures and applications, Fibabanka formed a working group within its organizational structure as part of these efforts in 2020.



Backed by the strong reputation of Fiba Group, Fibabanka achieved its corporate objectives in terms of its comprehensive sustainability approach in a highly challenging year. The Bank effectively managed risks arising from the coronavirus pandemic with its digital transformation investments. Fibabanka significantly reduced waste generation as a result of the home working model. In 2020, the Bank successfully fulfilled its social and environmental responsibilities as a model corporate citizen while recording sustainable financial and operational results. During the year, Fibabanka also bolstered its wellrespected corporate reputation. Taking into consideration the environmental impact of its business operations,

the Bank met its environmental responsibilities, especially with regard to combating climate change. In 2020, Fibabanka further boosted the value it adds to society and the environment in the area of environmental sustainability, especially in waste management and natural resource consumption.

Equal Opportunity Model by Fibabanka

In 2020, Fibabanka took major steps to develop an equitable corporate culture with its work on gender equality. In cooperation with the Mother Child Education Foundation (AÇEV), the Bank held seminars on Gender Equality with the participation of all employees.

Prioritizing equal opportunity in all its business processes, decisions, procedures and applications, Fibabanka formed a working group within its organizational structure as part of these efforts in 2020. The Bank aims to continue these efforts in the future.

A longtime social investor in various areas, especially education, Fibabanka is among the active supporters of Mother Child Education Foundation (AÇEV), one of Turkey's leading educational nongovernmental organizations. In 2020, as a follow-up to its gender equality studies, Fibabanka instituted a corporate policy – developed in collaboration with



A longtime social investor in various areas, especially education, Fibabanka is among the active supporters of Mother Child Education Foundation (AÇEV), one of Turkey's leading educational non-governmental organizations.

Sabancı University and TÜSİAD – aimed at implementing the equal opportunity model in all its decision-making and business processes. Opposing all kinds of violence and standing by victims of every type of violent act, Fibabanka participated in the Business World against Domestic Violence initiative to create solidarity in the workplace. Fibabanka set up an e-mail address and a telephone hotline to ensure that staff members who are victimized by violence receive the support they need easily and in privacy. Details of support mechanisms and advisory issues related to this matter were also shared with all employees.

In addition, Fibabanka supported the Audio Book Reading campaign where audio books are recorded and presented to students with Disabilities Unit, and Assistive Technology and Education Laboratory for Individuals with Visual Disabilities (GETEM). The campaign, which was initiated in 2020 with the participation of 75 Fibabanka employees, is planned to continue reading sessions in 2021. The Bank also granted one business day's leave to all employees who participated in the project as volunteers.

Our financial and operational strength



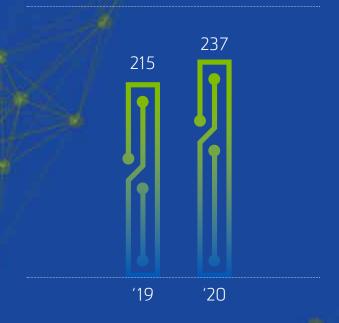


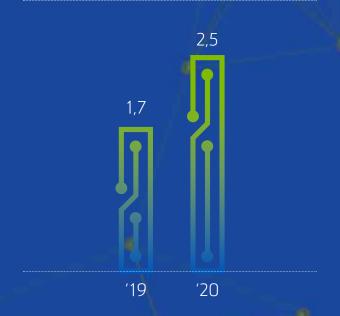
TL 237 million

Consolidated Net Profit (TL million)

2,5 million

Total Number of Customers (million)





850 thousand

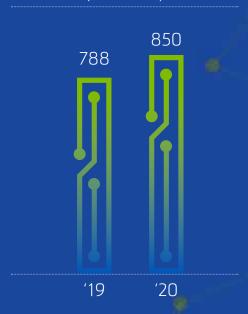
Number of Active Customers (thousand)

820 thousand

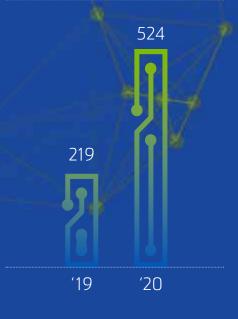
Number of Active Personal Customers (thousand)

524 thousand

Total Number of Digital Customers (thousand)



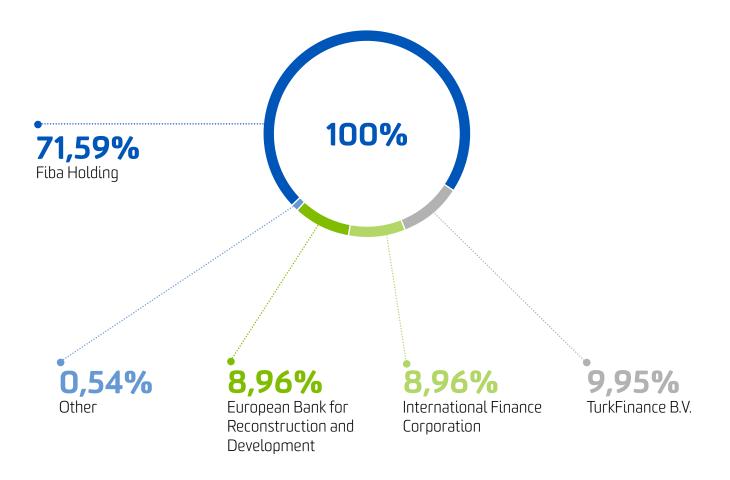




SHAREHOLDER STRUCTURE

Shareholders	Amount of Capital (TL)	Number of Shares	Share Ratio (%)
Fiba Holding A.Ş.	673.807.731,27	67.380.773.127	71,59
TurkFinance B.V.	93.645.475,05	9.364.547.505	9,95
International Finance Corporation	84.327.750,28	8.432.775.028	8,96
European Bank for Reconstruction and Development	84.327.750,28	8.432.775.028	8,96
Other	5.051.846,37	505.184.637	0,54
TOTAL	941.160.553,25	94.116.055.325	100,00

The Chairman and Members of the Board of Directors, General Manager and Assistant General Managers currently hold 505.184.637 equity shares in the Bank. amounting to TL 5.051.846,37 as of 2020.



KEY FINANCIAL AND OPERATIONAL INDICATORS

Unconsolidated Financial Results

(TL Million)	31.12.2018	31.12.2019	31.12.2020	Increase (%)
Assets	20.618	21.886	27.225	24,40
Loans (Net)	14.121	15.624	18.796	20,30
Deposits	11.313	13.567	17.667	30,22
Equity	1.322	1.656	1.874	13,16
Net Profit	197	212	230	8,49

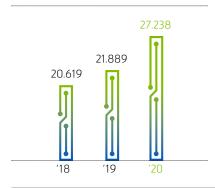
Consolidated Financial Results

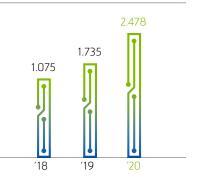
(TL Million)	31.12.2018	31.12.2019	31.12.2020	Increase (%)
Assets	20.619	21.889	27.238	24,44
Loans (Net)	14.121	15.624	18.796	20,30
Deposits	11.313	13.566	17.667	30,23
Equity	1.322	1.659	1.884	13,56
Net Profit	197	215	237	10,23

Key Operational Indicators

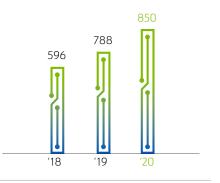
	31.12.2018	31.12.2019	31.12.2020	Increase (%)
Number of Employees	1.591	1.541	1.550	0,58
Number of Branches	72	63	50	-20,63
Number of ATMs	82	74	58	-21,62
Number of Active Customers (thousand)	596	788	850	7,87
Total Number of Customers (thousand)	1.075	1.735	2.478	42,82

Total Assets (TL Million)





Total Number of Customers (Thousand) Number of Active Customers (Thousand)





Fibabanka stands out from the competition and adds value to the lives of its customers with its innovative products and services in addition to its investments in digital transformation. During the coronavirus pandemic, Fibabanka continued its support to the real sector.

HÜSNÜ M. ÖZYEĞİN Chairman of the Board of Directors

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

Becoming popular in the sector with its products and services in the field of digital transformation in addition to ecosystem banking investments, Fibabanka carries out its activities driven by its agile organizational structure.

Capital Adequacy Ratio **19,4%**

Our capital adequacy ratio was 19,4% at 2020 year-end.

Esteemed Stakeholders,

2020 was a year in which the entire world struggled with the negative impact of the health crisis as well as the economic crisis due to the coronavirus pandemic. As the pandemic caused one of the greatest contractions in global economy over the last one hundred years by creating shocks in both supply and demand domains, central banks and governments all over the world embraced expansionary monetary policies to support and stimulate their economies in response to the economic destruction caused by the pandemic. In March 2020, central banks of developed countries, particularly the central bank of the U.S. (Fed) which cut the policy interest rate twice finally down to 0-0,25% (Fed), not only slashed their interest rates to historically low levels, but also increased their market stimulus through bond purchase programs. Governments issued financial incentive packages to avoid loss of jobs. According to IMF data, global financial incentives issued in 2020 in response to the impact of the pandemic reached USD 14 trillion in total.

As a result of the U.S. Presidential Elections, which was another significant highlight of 2020, democrat Joe Biden was elected as the new president. On the other hand, during the last days of the year, the United Kingdom and the Europe Union signed the Brexit trade deal, which had been negotiated between the parties for a long time.

News on vaccines which were released toward the end of 2020 led to a cautiously optimistic mood regarding global economic recovery when we entered 2021. While it is important how quickly and effectively the vaccination process will be executed by countries in 2021, mutation of the virus will also be a critical factor that could affect the success of the vaccination. Size of the additional stimulus package to be announced in the U.S. will be closely watched in terms of its possible effects on global markets.

Although achieving a growth rate of 4,5% in the first quarter of 2020, the Turkish economy experienced a sudden slowdown and shrank by 9,9% in the second quarter as a result of increased intensity of the pandemic, many business halting or slowing down their operations, reduced employment and reduction in consumer spending. With easing of pandemicrelated restrictions starting from May 2020, incremental steps taken towards normalization and provision of attractive loan terms, economic activity seemed to gather some momentum during the remainder of the year. The Turkish economy is estimated to have grown by 2% in 2020.

With this growth performance, Turkey is one of the few countries to achieve positive growth during that period. Although this economic growth resulted in increased import volumes, reduction in global demand, particularly in European countries, led to weak export figures

Total Assets **TL 27,2 billion**

Our total size of assets increased by 24% to TL 27,2 billion

throughout the year. With the serious reduction in service revenues due to the pandemic, especially in tourism and transportation segments, the current account balance, which had been in surplus in 2019, posted a deficit of USD 36,7 billion in 2020, and its ratio to GDP increased to 5,2%. With the serious reduction in service revenues due to the pandemic, especially in tourism and transportation segments, the current account balance, which had been in surplus in 2019, posted a deficit of USD 36,7 billion in 2020, and its ratio to GDP increased to 5,2%. Inflation rate started 2020 at 12,2% and ended the year at 14,6%.

In 2020, regulatory adjustments intended to alleviate the effects of the pandemic as well as attractive loan campaigns initiated by state-owned banks and then also embraced by the entire banking sector provided a strong support to the real sector during that challenging period. Although the high credit growth during most of the year contributed to economic growth, it resulted in negative effects on macroeconomic indicators such as current account deficit and inflation. In consideration of these effects, the economy management took action to tighten the monetary policy toward the end of the year. The Central Bank increased the policy interest rate by 675 base points, raising it to 17%, and certain normalization steps were taken for the banking sector. In this unusual year characterized with poor predictability and many variables in play, the banking sector maintained a return on equity of 11,3% at the end of 2020 compared to 11,5% at the end of 2019 and increased the capital adequacy ratio to 18,7% compared to 18,4% in 2019 thanks to its robust corporate infrastructure, effective balance

sheet management and successful risk management. 2021 is expected to witness a healthier and more balanced growth compared to 2020, and the banking sector is expected to increase its contribution to a sustainable economic growth.

Differentiating itself in the sector by adding value to the lives of its customers with innovative products and services, Fibabanka maintained its support to the real sector during the coronavirus pandemic as well. Fibabanka supports its growth with sustainable profitability and focuses on efficiency. The bank closed the year 2020 with a total size of assets of TL 27,2 billion and a net profit of TL 229,8 million, and achieved a return on equity of 13% and a capital adequacy ratio of 19.4%

Growing in popularity in the market thanks to its innovative digital products and services in addition to its forward-looking ecosystem banking investments, Fibabanka is driven by its agile organizational structure.

Celebrating its 10th anniversary in Fiba Group, the Bank is confident about the future with the ongoing support of its stakeholders. Taking this opportunity, we would like to thank our devoted employees, our business partners, our esteemed customers and all our stakeholders.

Kind regards,

H MOLYE

HÜSNÜ M. ÖZYEĞİN Chairman of the Board of Directors



Thanks to its strategic investments in digital transformation, Fibabanka effectively mobilized its organizational competency and well-qualified human resources during the coronavirus pandemic to deliver unconditional customer satisfaction.

ÖMER MERT
General Manager and Member of the Board of Directors

MESSAGE FROM THE GENERAL MANAGER

At Fibabanka, we design our activities with the goal of building the banking of the future. In this context, we continue our journey by developing a multidimensional activity model with our stakeholders.

Esteemed Stakeholders,

The coronavirus pandemic caused fiscal year 2020 to be extraordinary in every sense, negatively impacting all aspects of everyday life around the globe. Through it all, Fibabanka introduced numerous innovative products and services to its customers in pursuit of its vision of becoming the "Most Loved Bank of Turkey." The Bank's sustainable success remained uninterrupted thanks to our digital transformation journey, which carried us through the extremely challenging environment of 2020. I am proud to say that Fibabanka maintained its financial profitability and operational efficiency without compromising on customer satisfaction during this difficult year, when we also celebrated the Bank's 10th anniversary in Fiba Group.

Our Digital Transformation Investments Helped Minimize the Effects of the Coronavirus Pandemic

From day one, Fibabanka has conducted its business operations in light of its "big data" focused digital transformation journey. Thanks to our advanced technology and big data focused investments, the Bank broadened its customer base and provided even better customer service in 2020. Fibabanka reported total assets of TL 27,2 billion as of year-end 2020. We recorded solo net profit of TL 229,8 million and consolidated profit of TL 237,1 million. During the year, Fibabanka remained focused on providing ongoing support

to the real economy and customers in diverse segments. Fibabanka's total loan portfolio accounted for 69% of its total assets as of year's end. In 2020, we further expanded our customer base. Total customer deposits climbed to TL 16,7 billion. The outstanding balance of our Kiraz Account product, which played a major role in this increase, rose to TL 7,71 billion as of end-2020, jumping 33% year-on-year. Meanwhile, the number of Kiraz Accounts totaled 232 thousand, also up 64%. Fibabanka's investment funds, another key product group, reached a total fund size of TL 1,2 billion with an active customer base of 6 thousand as of year-end 2020. Backed by the sound capital structure of our main shareholder, Fiba Holding, our Bank achieved a capital adequacy ratio of 13,0% with a return on equity of 19,4% as of end-2020.

The Good Health and Wellbeing of Our Employees and Customers Come First

Affecting the entire world since the beginning of 2020, the coronavirus pandemic was a critical test for Fibabanka in terms of demonstrating the extent to which it values its stakeholders. Thanks to the investments we have made in advanced technology over a long period, we were able to take quick action and adopt the remote working model for our headquarters employees. Branch personnel continued to serve the Bank's customers by working from home and from branch locations alternately. Fibabanka has taken various measures to ensure hygiene and social distance

in order to safeguard the health of Bank customers and employees. In addition, we conducted our business operations without compromising on service quality by adjusting our working hours and directing customers to digital channels, such as Fibabanka Mobile and Internet Banking channels. I would like to express my gratitude to all our employees who have shown great effort and commitment during this difficult but necessary adaptation process.

Since March 2020, Fibabanka has performed Net Promoter Score (NPS) measurements for its digital channel customers. This effort has allowed us to strengthen the bond between the Bank and our customers. Thanks to the simultaneous experience measurements, we quickly achieved results in terms of further boosting customer satisfaction.

We Continue to Make a Difference with Innovative Products and Services

At Fibabanka, we shape our business activities with the goal of building banking of the future. We continue our journey to sustainable success by developing a multidimensional operating model in conjunction with our stakeholders. Fibabanka is a leading institution in terms of consumer finance by entering into collaborations with players in various sectors in line with its ecosystem banking approach. During the year, Fibabanka maintained its successful performance with Finberg, which was established to support entrepreneurship and fintechs.

Total Deposits **TL 17,7 billion**

We increased our total deposit size by 30,2% to TL 17,7 billion.

Despite the negative impact of the pandemic, Fibabanka recorded turnover of TL 2 billion with 600 thousand shopping loan customers while making collaborations with leading enterprises – such as ComPay, BizimHesap, Figopara, Getir – via Finberg. ComPay, a payment platform that provides remittance and consumer loan services, achieved ninefold growth in turnover as of end-2020, bringing 20 products of 12 banks to 2.200 points of sale.

Fibabanka's investments in alternative distribution channels continued throughout 2020. We provided customers with new services in line with their evolving needs. Our Kiraz Plus product, a hybrid checking-deposit account, was embraced by many customers with high balances in a short time. FibaFX, our nextgeneration currency and precious metal trading service, was launched via our Mobile and Internet Banking channels. By offering advantageous currency rates and real-time prices, FibaFX quickly became one of the most popular services among our customers.

We Are Committed to Ensuring "Happy Fibabanka Employees"

Fibabanka effectively managed the pressure of the coronavirus pandemic on its business operations without compromising on customer satisfaction. Our success is the direct result of the digital transformation we have successfully carried out in recent years. During this highly challenging period, Fibabanka maintained its focus on delivering customer satisfaction and achieving operational efficiency thanks to its dynamic organizational structure and corporate competencies. We are committed to ensuring "Happy Fibabanka Employees" by offering banking of the future.

In 2020, on the occasion of Fibabanka's 10th anniversary in Fiba Group, I would like to express my gratitude to all our stakeholders – especially our main stakeholder Fiba Holding – for their unconditional support on this journey to become the "Most Loved Bank of Turkey." With this ongoing support, we will stride into the future with confidence and determination.

Kind regards,

· Jan

ÖMER MERT
General Manager and Member of
the Board of Directors

CORPORATE BANKING/ COMMERCIAL BANKING

By offering a solution-driven service approach to its Corporate Banking clients, Fibabanka achieved results that further consolidated stakeholder trust in 2020.

Cash Loans **TL 13,1 billion**

Fibabanka boosted its cash loan volume to TL 13,1 billion, up 47% compared to the previous year.

In 2020, Fibabanka launched the e-invoice financing product. This innovative offering is designed to provide the quickest and the most appropriate solution to meet the financial needs of the Bank's customers as part of its digital transformation.

Corporate Banking

Fibabanka offered products and services that make a difference for the Corporate Banking segment in 2020. The product and service portfolio for corporate clients includes cash and non-cash loans (TL and foreign currencies); financial consulting on investment financing; mergers & acquisitions; and project finance loans. Corporate Banking also provides solution proposals for financing foreign trade, treasury and derivative products to mitigate interest and exchange rate exposure, in addition to deposit, fund and cash management services.

Solution-Driven Service Approach

By offering a solution-driven service approach to its Corporate Banking customers. Fibabanka achieved results that further consolidated stakeholder trust in 2020. The Bank maintained its customer-centered operations by effectively managing liquidity, products and services in line with Corporate Banking client needs. As of year-end 2020, Fibabanka Corporate Banking recorded 6.217 registered customers, 1.356 active customers and 758 loan customers. The Bank provided an additional cash loan of TL 4.094 billion to Corporate Banking customers during the pandemic in 2020. As a result, Fibabanka boosted its cash loan volume to TL 13.168 billion, up 47% compared to the previous year.

During the reporting period, Fibabanka Corporate Banking focused on acquiring new customers, activating dormant customers and boosting demand deposits. With these efforts, the Bank bolstered stakeholder trust. A wide variety of solutions were offered to customers, including treasury and derivative products that help eliminate currency and interest risks arising from volatility. In addition to further diversifying its products and services in the Corporate Banking segment, Fibabanka plans to support the Turkish real sector by closely monitoring its customers' liquidity needs in 2021.

Cash Management and Foreign Trade

In 2020, Fibabanka recorded significant achievements in Cash Management and Foreign Trade. The Bank posted a 20% increase in foreign trade transactions in US Dollars terms compared to the previous year. In 2020, Fibabanka launched the e-invoice financing product. This innovative offering is designed to provide the quickest and the most appropriate solution to meet the financial needs of the Bank's customers as part of its digital transformation. With this product, TL 550 million worth of invoices were funded during the year.

TL 632 Million in Supplier Financing Provided to the Real Sector

In 2020, Fibabanka helped channel funds to the real sector via the Supplier Finance System. This platform is specially designed to assist clients that have a wide network of suppliers in managing their working capital. The Supplier Finance System enables these suppliers to access financing more quickly. During the year, the Bank provided financing of TL 632 million through the system. The order transmission process with e-signature application was introduced by the Bank in 2019 to provide cost savings, security, business continuity

and mobility. With upgrades in 2020, this feature was transformed into an agile product that responded quickly to the evolving needs of customers during the coronavirus pandemic. In line with the approach to provide comprehensive and uninterrupted services to Bank's customers, the portfolio of billing institutions was expanded by 17% compared to the previous year. Offering customers 24/7 money transfer services among banks using the system, the Transfer on Duty product accounted for 2% of total EFT transactions made by personal banking customers via Mobile and Internet Banking channels.

As of end-2020, Fibabanka offered its customers fast money transfer services by using simple personal details instead of IBAN numbers via FAST (Instant and Continuous Transfer of Funds), the instant payment system of the Central Bank of the Republic of Turkey (CBRT) and KOLAS (Easy Addressing). With this new transfer method, customers no longer need to memorize complex IBAN numbers and are able to transfer Turkish lira 24/7 using basic information such as mobile number, TR ID number, e-mail address or passport number

Focused on delivering products that facilitate the lives of customers, Fibabanka plans to take additional steps toward digitalization. The Bank also aims to offer its customers fast and efficient banking solutions in Cash Management and Foreign Trade in 2021.

Commercial Banking

In fourth quarter 2020, Fibabanka Commercial Banking was restructured in order to boost market penetration, diversify its customer base and facilitate new customer acquisition. Fibabanka Commercial Banking responded to all needs of commercial enterprises with turnover up to TL 125 million with its well-skilled staff, solution-oriented approach and best-in-class agility. With its innovative products and services, Fibabanka Commercial Banking stands by its customers to meet their evolving needs. These wide-ranging offerings – including cash and non-cash loans; foreign trade finance; treasury transactions for currency and commodity fluctuations; invoice financing loans; cash management products and services - are designed to facilitate and simplify firms' day-to-day operations. In 2020, Fibabanka Commercial Banking recorded a successful performance by serving 3.235 active customers and 2.226 loan customers. At year's end, Fibabanka Commercial Banking reported total cash loans of TL 2 billion and demand deposits of TL 277 million. Commission earnings for the year amounted to TL 36,2 million. In 2021, Fibabanka Commercial Banking aims to further expand its customer base with its fast and solution-oriented approach.



RETAIL BANKING

Fibabanka Retail Banking serves artisan/farmer customers through a variety of channels, such as SMS, a dedicated website and retail stores.

Fibabanka remained committed to offering solutions that meet its customers' liquidity needs to ensure a strong and sustainable economy.

During an extremely challenging year for the entire globe, Fibabanka Retail Banking continued to facilitate the lives of both micro customers and farmers with a focus on providing quick access to financing. Fibabanka introduced SMS loan access to its micro customers via various parent company collaborations. By collaborating with many companies in the key area of supplier financing, Fibabanka raised awareness among its customer base in cities where it operates. The Bank remained committed to offering solutions that meet its customers' liquidity needs to ensure a strong and sustainable economy. Fibabanka strived to support its customers who need financial support due to the pandemic, which affected every aspect of life worldwide and in

Turkey. The Bank started providing agricultural banking services at five additional branch locations by expanding its service area. In addition, Fibabanka further broadened its POS network and boosted its total turnover by ramping up negotiations with Turkey's largest agricultural unions. In order to provide farmers with fast access to loans when needed, the Bank introduced the SMS application and retail store loans.

Fibabanka Retail Banking serves artisan/ farmer customers through a variety of channels, such as SMS, website and retail stores. During the pandemic, Fibabanka Retail Banking facilitated the lives of its customers with fast and effective solutions.

TÜM ÖDEMELER HASATI BEKLESIN

Şimdi **TarımKart** sahibi olan herkes, tarım kredisini yıl boyunca kullanma ve hasat zamanında geri ödeme fırsatından yararlanıyor!



fibabanka.com.tr | 444 88 88



PERSONAL BANKING

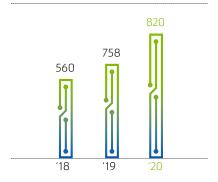
Fibabanka aims to further diversify its Personal Banking customer base by establishing new ecosystems with the experience gained from strategic business partnerships.

Total Number of Personal Customers

2,15 million

The total number of personal customers of Fibabanka reached 2,15 million by the end of 2020.

Active Personal Customer Base (Thousand)



Designing products and services to meet all the financial needs of individual customers, Fibabanka Personal Banking continued its breakthroughs in 2020. Developing its service infrastructure consistently, taking into close consideration customer needs and expectations, Fibabanka delivers services in Personal Banking via mobile and internet banking channels, website, branches, call center and non-branch sales channels thanks to its ever-expanding portfolio of business partnerships. Committed to diversification, one of the core components of its business model, Fibabanka took major steps forward in Personal Banking also in 2020. The Bank significantly expanded its personal customer base thanks to business partnerships formed in 2020. Reaching 2,15 million active personal customers as of year-end 2020, Fibabanka had more than 2.000 customer contact stores/points. Fibabanka aims to further diversify its Personal Banking customer base by establishing new ecosystems with the experience gained from business partnerships.

Digital Focus and the Approach to Quickly Integrate New Systems

Standing out from the competition by focusing on digital technology and integrating new systems quickly, Fibabanka responded quickly to the changing financial needs of its customers and business partners in 2020. Having developed effective projects very quickly after closing deals with its business partners, the Bank has become preferred for both business partners and clients. To take customer acquisition to the next level, Fibabanka has introduced new innovative services. These efforts include personal customer acquisition via Fibabanka Mobile and new product sales via video or non-video calls according to customer preference.

Strong Consumer Financing Network Created with Business Partnerships

Fibabanka significantly contributes to the sector's future development with its ecosystem banking investments. To date, the Bank has created a strong consumer finance network with business partnerships across various sectors. The Shopping Loan, which consists of different operating models, established a platform that responds to the changing financial needs of both customers and business partners quickly and easily. The Instant Shopping Loan service significantly accelerates business processes by allocating loans in just a few minutes with customer identity numbers and mobile phone details. Despite country-wide restrictions in second



Shopping Loans **TL 2 billion**

Registering 28% growth yearon-year, Fibabanka reported TL 2 billion of loans utilized both in stores and via online sales platforms in 2020. quarter 2020 in addition to the negative impact of the coronavirus pandemic on shopping malls and physical stores, Fibabanka served about 600 thousand customers and recorded 10% growth in shopping loans in 2020 compared to the previous year. Registering 28% growth year-on-year, the Bank reported TL 2 billion of loans utilized both in stores and via online sales platforms in 2020.

In 2020, Fibabanka introduced new online channels with its business partners. These efforts included digital transformation projects, diversification of alternative sales channels and the product integration across all sales channels. Online channels accounted for a 10% share of shopping loans in 2020. Meanwhile, online channel usage jumped 1.000% compared to 2019. During the year, customer traffic and turnover

grew for business partners included in the online ecosystem. Suppliers were provided the opportunity to access financial solutions such as becoming a Fibabanka customer without leaving their homes during the pandemic period, and shopping with interest-free installment payments.

Innovation and Entrepreneurship Strategy of Fibabanka

Fibabanka provides Shopping Loan services to the business partners with a large number of dealers thanks to the financial technology partnerships it has made in line with its innovation and entrepreneurship strategy. The Bank continued to expand the sectors it provides loans to include electronic, retail, food, clothing, consumer durables and e-commerce sites in 2020. Fibabanka made contact with customers at more than 2.000 points.

PERSONAL BANKING

Fibabanka is committed to developing innovative platforms that will support consumers 24/7 in line with its ecosystem banking approach.



Besides, fewer documents require a wet signature during customer onboarding thanks to the Bank's ongoing digitalization efforts. Customer acquisition processes were shortened and facilitated both for customers and business partners. In the coming year, Fibabanka aims to increase the number of points that will serve customers when they need it. The Bank is committed to developing innovative platforms that will support consumers 24/7 in line with its ecosystem banking approach.

"FibaKredi is the Solution!"

Fibabanka focuses on innovative added-value projects in light of current developments in technology. In 2020, the Bank provided effective solutions to quickly meet the cash needs of its customers. The Bank's loans can be accessed via Fibabanka Mobile and Internet Banking channels, fibabanka.com.tr corporate website, Call Center and all branch locations without

the need for additional documentation or signature. Fibabanka's business model aims to reach the right customer at the right time by using credit trend models and an analytical perspective. With the customer preferences and cost-free loan option, Bank customers have the opportunity to receive loans without paying an allocation fee. In addition to the cost-free option, the Bank added the no insurance loan option to pre-approved loans, enabling customers to enjoy loans with no insurance according to their preference. Modifications were made to pre-approved consumer loans and KrediPlus products to add loan allocation fees and insurance costs to the loan amount according to customer preference. Customers who experienced difficulty repaying their loans due to the coronavirus pandemic, that had impact in Turkey and the world, were provided the opportunity to postpone their loan payments in order to have greater flexibility.

In 2020, the Bank improved the lending process in the Fibabanka Mobile and Internet Banking channels, which were renewed in 2019. As a result, these two channels ranked among the Bank's primary loan extension sources. Fibabanka's loan related communications were consolidated around the slogan "FibaKredi is the Solution!" and positioned with the catchphrase "Find the Loan You Need at Fibabanka."

One-Stop Payment Service: Fibabanka KrediPlus

In 2019, Fibabanka introduced a new loan offering to its customers – Fibabanka KrediPlus. This innovative loan was designed to meet the extra cash needs of customers while providing the chance to make payments from a single point. With this service, the Bank allows customers

to combine loans obtained prior to t new loans at a single point with the option of paying both with one installment. In 2020, pre-approval loan and KrediPlus utilization reached 13.500 on a monthly basis while the balance of active consumer loans rose to TL 2,4 billion with 502 thousand active loans. Fibabanka diversified payment channels by paying attention to customer satisfaction after loan utilization and continued to provide loan installment collection service via business partners' retail stores.

Aiming to maintain its lending momentum from 2020, Fibabanka plans to further boost the number of transactions and loan amount for its consumer loan products in the coming year. In addition to pricing according to customer risk group, Fibabanka aims to add an affordable pricing structure and offer favorable interest rates to its loan customers in 2021

Advantageous Second Hand Auto Loan

Fibabanka aims to stand by its customers by providing funding in vehicle purchases with various advantages offered with the Second Hand Auto Loan. Presenting customers with the opportunity to buy the vehicle of their dreams under favorable financing conditions, Fibabanka provides alternative channels to its customers by establishing new business partnerships at the same time.

Overdraft Account

Fibabanka offers effective solutions for the short-term cash needs of customers with the Overdraft Account limit defined to customers' accounts. In 2020, Fibabanka identified the needs of channels where it provides Overdraft Account and initiated the necessary system development studies. With the new infrastructure, where customers can select statement dates and have a payment term after the closing date, Fibabanka aims to introduce the Installment Overdraft Account product to the infrastructure.



Deposit & Investment Products

Kiraz Account was once again the most important deposit product of Fibabanka in 2020. Kiraz Account is an overnight deposit product whereby they can perform all their banking transactions from a demand deposit account. Combining the liquidity benefits offered by a demand deposit account with the profits of a term deposit account, Kiraz Account enables customers to utilize funds without waiting for the deposit maturity.

Total Kiraz Account balance, which was TL 5,8 billion as of the end of 2019, reached TL 7,71 billion with an increase of 33% in 2020. The total number of active accounts exceeded 230 thousand, rising 64% year-on-year. Focused on reaching its customers through various channels effectively and quickly, Fibabanka visits customers at their location to open Kiraz Accounts on-site.

PERSONAL BANKING

Kiraz Account can be opened via Fibabanka Mobile and Internet Banking channels, the corporate website fibabanka.com.tr, the call center, all branches and the SMS channel.

Kiraz Account Balances **TL 7,7 billion**

In 2020, Kiraz Account balances climbed to TL 7,71 billion, up 33%.



Kiraz Account can be opened via Fibabanka Mobile and Internet Banking channels, the corporate website fibabanka. com.tr, the call center, all branches and the SMS channel. In addition to offering Kiraz Account product to its customers, Fibabanka supported its digital banking services with additional interest rate campaigns specific to Kiraz Account. In 2020, customers who open a Kiraz Account for the first time through digital banking channels enjoyed higher interest rates for their Turkish Lira and US Dollars deposits. Fibabanka started to offer detailed return simulations to its

customers with the Kiraz Account Return Calculation Tool launched in 2020. The customers who own a Kiraz Account are able to view their net earnings for the selected period through digital channels.

Following on the popularity of the Gold Kiraz Account, Fibabanka launched the Silver Kiraz Account in 2020. This new alternative was also offered to customers seeking to invest in precious metals. In addition, Kiraz Plus was introduced for customers who have deposits of more than TL 500 thousand. Customers are able to invest 50% of their savings

in overnight (O/N) account, and the remaining 50% in a standard time deposit account with a maturity of 32-60 days. The liquidity convenience offered with the Kiraz Account is now available to high-deposit customers with Kiraz Plus. The Bank offers Turkish lira and US Dollars options on the Kiraz Plus account product. In 2020, Fibabanka rolled out new services for investment customers so they can generate alternative returns to deposits with different products. Investment funds are offered to customers in different risk profiles via both branch locations and digital channels. Customers are permitted to populate their application forms on digital channels for investment funds. This feature is a major step toward providing quick access to investment funds without the need to visit a branch.

In 2020, Fibabanka introduced FibaFX, its new currency trading service. FibaFX is an investment platform where Fibabanka customers can perform foreign currency and precious metal trading transactions with favorable rates through Mobile and Internet Banking channels. FibaFX enables customers to trade with realtime exchange rates. FibaFX's main features include the following:

- Rates offered by FibaFX are favorable thanks to real-time currency rates.
 Customers are able to transact anytime they want during weekdays. FibaFX users have the opportunity to monitor real-time currency rates.
- Using the "Add Alarm" feature, FibaFX customers can receive notifications when a currency rate reaches a target level.

- Fibabanka customers can monitor currencies on FibaFX even when they are not logged in to the Mobile and Internet Banking channels. FibaFX users can perform transactions when a rate reaches a specified target level using the "Add Order" button.
- FibaFX's "News" section contains the latest current market news.

In 2021, Fibabanka plans to deliver high-quality services to customers in various risk profiles while establishing a diversified customer portfolio in deposit products. The Bank aims to provide all customers with the most appropriate products and services via digital channels while expanding the customer base. In the coming year, Fibabanka's top priorities include further diversifying its products and expanding the investment product range.

Campaign Management Focused on Customer Demands and Expectations

One of Fibabanka's biggest investments of the reporting year was renewal of its marketing infrastructure. With the renewed Marketing Platform, Fibabanka started offering the right product at the right time to its customers thanks to its multi-channel infrastructure. The platform renewed its products and services and now includes analytical models. When the systems integration of the Marketing Platform is complete in 2021, the Bank aims to offer products and services across at least 12 different channels. The infrastructure that brought success was renewed thanks to the platform. The platform is expected to help the Bank measure and analyze success and improve its analytical models.

In addition to the Bank's key product and service promotions, the renewed Marketing Platform provides notifications regarding legal and regulatory amendments, coronavirus pandemic related processes and natural disasters.

Bancassurance Services from Fibabanka

In 2020, Fibabanka offered insurance and pension products with a focus on customer satisfaction via partnerships with leading insurance companies operating in life and non-life segments. The Bank's insurance commission income, which generated approximately TL 113 million in insurance income in 2020, increased from 34,5% to 43,4% in net fee and commission income. As of 2019, unemployment/hazardous illness coverage is included to the insurance policies for pre-approval consumer loans. Fibabanka continue to provide this coverage in 2020 as well.

Fibabanka achieved these significant increases by introducing advanced technology-based insurance products that consider the everyday needs of Personal Banking customers and offering insurance coverage and the global and corporate solutions to corporate customers in line with their customer-specific risk needs. In the coming year.

Fibabanka plans to further enhance customer experience and satisfaction by offering insurance and pension products, among the income items, with innovative solutions. The Bank also aims to facilitate digital transformation via various projects, diversify alternative sales channels, and integrate products into all sales channels.

PRIVATE & PRESTIGE BANKING

Operating in line with its sustainable growth strategy, Fibabanka Private & Prestige Banking segment increased its asset size by 25% as of the end of 2020.

Fibabanka considers offering customized alternatives in this segment, based on the customer's risk profile and ROI expectations as an essential priority.

Propelled by the long-standing experience and know-how of Fiba Group in the banking sector, Fibabanka undertook major achievements in the Private & Prestige Banking segment in 2020 as well. The Bank considers offering customized alternatives in this segment, based on the customer's risk profile and ROI expectations as an essential priority. Focusing on individuals rather than institutions or enterprises, Fibabanka Private & Prestige Banking segment serves 23.386 active customers through Private & Prestige Banking Customer Representatives in 38 branches, 18 of which are in Istanbul.

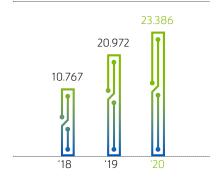
Sustainable Growth Strategy

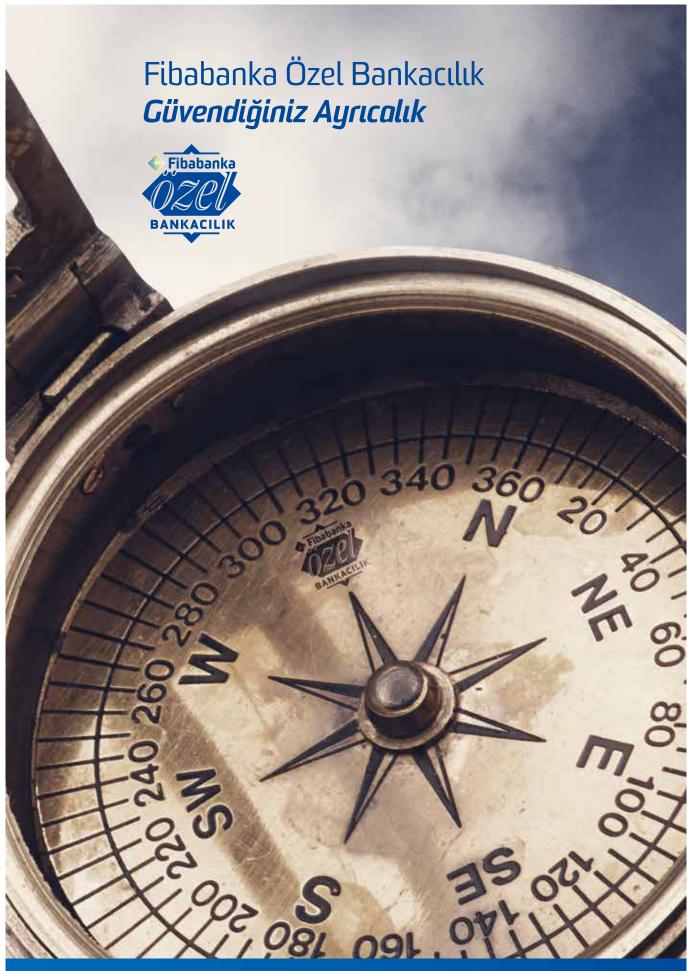
In the Private & Prestige Banking segment, Fibabanka offers a wide range of products with the support of Fiba Portföy Yönetimi A.Ş. and Fibabanka Treasury Department. In addition to term deposit accounts, fixed income securities such as treasury bills, treasury notes and private sector bills/bonds, as well as variable income securities such as mutual funds, are extended as customer portfolios are being created. Therefore,

customers can trade derivative products across over-the-counter markets, while performing their transactions at competitive prices to monetize booms and busts among parities with intraday FX and parity transactions. In 2020, Fibabanka Private & Prestige Banking increased its assets under management by 25%.

Adopting a sustainable growth strategy, Fibabanka Private & Prestige Banking segment aims to continue providing banking services that simplify customers' lives, administered by professional, experienced customer representatives, and driven by values such as mutual trust, long-term customer relations and customer privacy in 2021 as well.

Active Private & Prestige Banking Customer Base





TREASURY

The Trading ALM Unit and Treasury Marketing Strategy Unit, consisting of experienced employees of Fibabanka Treasury Department, play a strong role in helping Fibabanka reach a strong position in the financial markets.



Fibabanka Treasury
Department adopts an asset
management approach
that is responsive to
developments in Turkish and
global markets, sustainable
and predictable. The
Department aims to keep
deviations from estimated
returns at reasonable
levels and prudently seize
opportunities that arise in
the market.

Fibabanka Treasury Department's organizational structure consists of the ALM Unit and Trading Unit reporting to Trading and ALM Department as well as the Treasury Marketing Unit and Strategy and Asset Management Unit reporting to Treasury Marketing and Strategy Department.

The ALM Unit is responsible for the management of liquidity and the assets-liabilities. The Unit provides insights and recommendations to the members of the Assets and Liabilities Committee and the Risk Committee regarding current market conditions, market expectations and potential effects as well as interestmaturity management during the determination of policies and strategies.

The Treasury Asset-Liability Management Unit formulates the Bank's TL and foreign currency cash flow projections. The Unit organizes the money market, interest/money/currency swap, repo/reverse repo transactions to evaluate the liquidity surplus or to satisfy the liquidity requirement. In addition, the Unit conducts interbank market transactions by monitoring the maturity and cost structure of the balance sheet.

The Trading Unit formulates strategies in accordance with pre-determined risk parameters and limits in addition to closely monitoring domestic and international money and capital markets. The Unit aims to realize returns by making short/long term transactions/ investments in the foreign currency, bond bill and derivative markets. Furthermore, the unit performs the pricing of the customer transactions by assuming a supporting role in the Treasury Marketing Unit across various asset classes.

The Treasury Marketing Unit

understands the risks and needs of Corporate, Commercial, Private Banking and High Income Segment customers and offers products for risk protection and yield enhancement. Additionally, the Treasury Marketing Unit closely monitors developments in the global investment world and capital markets and shares scenarios regarding customers' financial positions. In addition, the Unit provides customers with various services ranging from short-term cash flow management products to long-term risk management products.

The Strategy and Asset Management Unit informs Fibabanka customers and employees on domestic and international markets as well as macroeconomic indicators via various channels and evaluates the risks and opportunities that current financial conditions may present. As a result, the Unit supports customers in making investment decisions and determining appropriate investment strategies. In addition to preparing periodic bulletins and reports on macroeconomic indicators, the Unit conducts presentations and meets with internal and external customers at various events organized by Fibabanka.

Fibabanka Treasury Department adopts an asset management approach that is responsive to developments in Turkish and global markets, sustainable and predictable. The Department aims to keep deviations from estimated returns at reasonable levels and prudentlu seize opportunities that arise in the market. Focusing on customers as a strategic priority, the Treasury Department provides both remote and face-to-face services in line with market conditions. The Department's marketing and sales team provides ongoing support to customers, branch network and Fibabanka branches. The marketing and sales team also supports and works in conjunction with the Strategy, ALM and Trading Units. Income from treasury products offered to customers are key in terms of maintaining and increasing the Bank's non-interest income. As a result, the Treasury Marketing Unit was restructured to establish closer relations with customers and provide solutions more in line with customer needs. The Strategy Unit prioritizes customer and branch notifications; meanwhile, the Trading Unit is involved in the pricing process of products to be offered by the marketing and sales team. Both these units were also restructured with a similar approach. Balance Management complements the integrity of the Unit by monitoring activities and optimization along with units that provide and prepare customer services. Balance Management is also responsible for developing strategies with a macro perspective. The aim is to eliminate risks that may arise due to Bank and customer positions and evaluate opportunities that may arise.

The Treasury Department:

- Aims to make a difference in the sector with a superior and fast service quality by offering treasury products in line with customer needs;
- Adopts a strategy and asset management approach that is designed to shed light on market price activities to support branch network and the branches:
- Conducts trading activity to provide a fast, sustainable and competitive product pricing experience for the Fibabanka marketing and sales team and the branches;
- Follows an asset-liability approach to maintain a risk-opportunity balance by setting goals in compliance with the Bank's strategy.

Agile thinking, agile solutions



I really, truly love Fibabanka a lot. You are always there when I need financing. The customer service staff is also very helpful. Thank you Fibabanka.

Şenay D.

Your internet banking service is user-friendly and has nice details. The employees in your branches are also kind and well-informed.

Ahmet S.





I have never had any problems. I have always been able to perform my transactions securely and conveniently while shopping or making a payment.

Özge B.

When I call the bank, I do not have to wait for someone to pick up the phone. I can instantly reach Fibabanka to get information and perform my transactions.

Mehmet S.





The level of service I receive is outstanding. I prefer Fibabanka because they get my transactions done in the shortest time possible, always approach me with a solution-oriented perspective, and have great employees.

Gönül D.



Fibabanka is always there for me whenever I need them; what more could I possibly want? :)

Nesrin M.

They provide very quick services and pay utmost attention to customer satisfaction.

Yaman A.





Thank you for offering great service, easy access to my account, the ability to pay my monthly mortgage installments from the convenience of my home, and receive loans with zero interest.

Müge C.

I received an interest-free loan for my phone purchase; what else could I want? :) Also, I was able to talk to a customer representative without waiting at all; I was very pleased. Thank you very much.

Yüksel H.





Although it was my first time dealing with Fibabanka, I was very satisfied. I was pleased with every aspect of the bank, including the interest with which they handled my requests, the interest shown by the customer representatives, the level of information shared with me, convenient payment methods, and the user-friendly internet branch.

Nihat R.

CUSTOMER EXPERIENCE MANAGEMENT AND COMMUNICATION ACTIVITIES



Shaping its business operations around a customer-oriented service approach and the vision of becoming the "Most Loved Bank of Turkey," Fibabanka offers tailor-made solutions to its customers and delivers a unique customer experience throughout their entire journey.

Pursuing the Vision of Becoming the "Most Loved Bank of Turkey"

Shaping its business operations around a customer-oriented service approach and the vision of becoming the "Most Loved Bank of Turkeu." Fibabanka offers tailormade solutions to its customers and delivers a unique customer experience throughout their entire journey. Fibabanka embraces the core values of "respectful," "sincere" and "solutionoriented" in its approach to banking. With its highly competent, dynamic human resources and advanced technology infrastructure, Fibabanka continuously improves its customer-oriented service approach as well as its products and services.

Maintaining its intensive and regular communication campaigns across TV, radio and outdoor advertising platforms as well as digital media platforms, Fibabanka focused its communication efforts primarily on Kiraz Account, Consumer Loan, Mobile and Internet Banking channels in 2020.

Easy Transactions via Fibabanka Mobile and Internet Banking

In 2020, Fibabanka designed its product and service development and channel experience efforts in line with the instant feedback received from customers. During the pandemic, Fibabanka enabled customers to perform various banking transactions anytime they want quickly and easily via Mobile and Internet Banking channels without having to visit a Fibabanka branch. Taking into consideration the evolving needs of its customers with the aim of providing an excellent banking experience, Fibabanka regularly upgrades and introduces new functionality to its digital channels. In 2020, Fibabanka's improvements centered around customer and user expectations while measuring and collecting customer feedback instantly within the channel.

During the year, the Bank achieved customer satisfaction by designing campaigns specific to Fibabanka Mobile. Customers were provided with tailor-made offers as a result of the Bank understanding their deposit and loan habits. Debit card and credit card passwords can be set with a faster and easier experience via Fibabanka Mobile.

For investment fund transactions, a priority in terms of digitalizing the customer experience, Fibabanka provided the opportunity to carry out transactions digitally, without the need to obtain customers' wet signatures. Thanks to this solution, customers are able to perform their transactions without visiting a Fibabanka branch to physically sign a document.

In 2021, Fibabanka aims to provide a tailor-made banking experience by continuing to improve both the interface and functionality of its Personal Mobile and Internet Banking channels.

With a special focus on investment products in 2020, Fibabanka launched FibaFX in the Mobile and Internet Banking channels to provide customers with a faster experience. With FibaFX, customers are able to conduct FX and precious metal transactions around the clock during weekdays with favorable rates.

Adapting to the changing requirements of the new normal, Fibabanka developed a process in accordance with the latest regulations and communiqués regarding remote customer acquisition where customers are able to become Fibabanka customers quickly and easily.

As of year-end 2020, Fibabanka offers its customers fast money transfer services by using simple personal details instead of IBAN numbers via FAST (Instant and Continuous Transfer of Funds), the instant payment system of the Central Bank of the Republic of Turkey (CBRT), and KOLAS (Easy Addressing). With this new transfer method, customers no longer need to memorize complex IBAN numbers and are able to perform Turkish lira transfer 24/7 using basic information, such as mobile number, TR ID number, e-mail address, or passport number.

Adding to its digital product portfolio, Fibabanka plans to offer a digital bank card – Fibabanka Hızlı Kart – for customer use in the coming year. Hızlı Kart is a digital bank card that can be created and used instantly via Fibabanka Mobile and Internet Banking. Fibabanka customers can sign up to Masterpass and use their cards in mobile application and internet shopping, or request a physical card to use in all payment transactions and ATMs.

In 2021, Fibabanka aims to provide a tailor-made banking experience by continuing to improve both the interface and functionality of its Personal Mobile and Internet Banking channels. Efforts are underway to enable customers to easily access the e-government portal and perform a variety of transactions via e-government systems integration with Fibabanka Mobile and Internet Banking. Fibabanka also plans to integrate artificial intelligence-based chatbot technology in the channels in order to provide users with the most suitable solution in the fastest way. Customers will be able to conduct transactions, receive answers to their questions and get instant support by chatting with the virtual chat assistant Fi'bot. The Bank remains focused on meeting the needs of its customers quickly by establishing various business partnerships. To this

end, Fibabanka aims to consolidate customer engagement with the next-generation markets in the Fibabanka Mobile banking application.

Call Center Infrastructure Equipped with State-of-the-Art Technology

Fibabanka Call Center undertook intensive efforts to adapt to the Electronic Banking and Call Center Regulations in 2020. Aiming to meet all needs of its customers without the requirement to visit a Fibabanka branch, Fibabanka Call Center further expanded its transaction set to ensure that customers are able to perform all their transactions without leaving their homes during the pandemic. The Call Center processed and executed all loan payment postponement requests successfully. From the start of the pandemic, Call Center teams were provided with the necessary equipment to work from home with the same level of service quality. Necessary actions were taken to ensure the health and wellbeing of customers as well as employees. In 2019, the Call Center received a monthly average of 170 thousand calls. With its staff working from home since March 2020, Fibabanka Call Center received a monthly average of 183 thousand calls. The response ratio, which was 95% in 2019, rose to 97% in 2020.

CUSTOMER EXPERIENCE MANAGEMENT AND COMMUNICATION ACTIVITIES

Fibabanka provides around-the-clock service regardless of time and location via fibabanka.com.tr to understand and meet all customer needs quickly and conveniently.

Average Calls per Month 183 thousand

Fibabanka Call Center received a monthly average of 183 thousand calls and the response ratio rose to 97% in 2020.

Serving under the Call Center, the Customer Demand Management team took into account the challenging conditions that customers experienced during the year. As a result, the team made maximum efforts to avoid any complaints and finalized all requests of Fibabanka customers within an average of one day. Net Promoter Score measurements were made to gain insight into the customer satisfaction level of the Bank's actions to meet their needs arising during the coronavirus pandemic As a result of this effort, Fibabanka extended the service and transaction range available to customers across all delivery channels. Customer surveys are conducted by the Bank to evaluate all calls received by Fibabanka Call Center and the solutions provided by Customer Demand Management. The Call Center team also placed follow-up calls to monitor customer satisfaction.

Fibabanka is focused on completing new projects to provide faster, easier and more reliable services to its customers with a professional team. To this end, the Bank established the Call Center Project Development Unit in September 2020.

In 2021, Fibabanka aims to continue its efforts to improve service diversity by analyzing its technological infrastructure and customer needs.

Just a Click Away at fibabanka.com.tr!

Fibabanka provides around-the-clock service regardless of time and location via fibabanka.com.tr to understand and meet all customer needs quickly and conveniently. The website enables customers to complete applications and perform calculations easily at their convenience. Using the Practical Transactions Menu on the home page, customers can obtain information about products and services, calculate interest rates with deposit and consumer loan calculation tools, and complete applications. With the Kiraz Account Interest Calculation Tool launched in 2020, Fibabanka enables current and potential customers to calculate their returns easily and quickly for TL, USD, EUR, GBP and Gold (XAU) deposits. Fibabanka makes sure that all customers can easily obtain information with the Application Request Form introduced in line with Turkey's Personal Data Protection Law. Pursuant to Personal Data Protection Law No.

6698, customers can exercise their right to learn whether their personal data is used by Fibabanka and from where such data is obtained. In 2021, Fibabanka plans to further develop and refine the user experience on its corporate website fibabanka.com.tr with feedback received from visitors.

Fi'bot is Online 24/7!

In September 2019, Fibabanka introduced Fi'bot, the artificial intelligence chat assistant, on fibabanka.com.tr and Facebook Messenger. Fi'bot is available in Google Assistant as of May 2020. Users can access Fi'bot quickly and easily with the command "Talk to Fibabanka" in Google Assistant. As of October 2020, website visitors may apply for loans and learn the status of their application using Fi'bot. With ongoing review and analysis of all messages on a monthly basis, Fi'bot's training and learning process continuously improves. In 2020, Fi'bot responded to 323.506 messages from 38.724 users with a coverage rate of 97%. The success rate was 94%.

Social Media Interaction

Fibabanka regularly shares content on social media in order to attract customers to its digital channels and inform about transactions available on Fibabanka Mobile and Internet Banking channels. During the pandemic, the Bank also posted special content to raise awareness and warn customers about the increased incidence of phishing attacks. Fibabanka interacted with visitors to its social media pages with colorful, creative and informative content in fiscal year 2020. In addition, the Bank fostered interactive engagement with social media contests and surveys held throughout the year. As a result, social media became an active channel for the promotion and marketing of Fibabanka products and services as well as for complaint management. In 2020, Fibabanka recorded a 12% increase in Facebook followers and a 21% rise in Twitter followers. The Bank's Instagram follower numbers increased 24% while LinkedIn followers jumped 73% during the year.



FibaKredi: The Solution for Mounting Debts!

With a commercial ad broadcast in November 2020, Fibabanka introduced FibaKredi, a loan product that is approved within three minutes via the Fibabanka Mobile app. This convenient lending product provides favorable interest rates with the motto "FibaKredi is the Solution!" The commercial was published on various media, including TV, radio, print and digital. In addition to current Bank customers, potential customers can apply for loans via Fibabanka Mobile banking app following completion of their onboarding process on the Fibabanka corporate website fibabanka.com.tr or the Call Center.

Fibabanka 2019 Annual Report Recognized with an International Award

Fibabanka 2019 Annual Report received the Honors award in the "Online Reports Video and Photograph" category at the 34th ARC Awards. The global competition is organized by the independent award organization MerComm where the world's best annual reports are recognized for their excellence.

In 2021, Fibabanka plans to further build upon its forward-looking and award-winning communication efforts.

Our digital distinction



Data Management Office

Our Data Management Office is taking major steps to increase our operational efficiency under the "Big Data Centered Transformation" project and is shaping the future of digital banking.

Mobile and Internet Banking channels

We regularly update our Mobile and Internet Banking channels with user-friendly interfaces and advanced functions to offer the next level of digital experience.





Artificial intelligence chat assistant Fi'bot

Fi'bot, our artificial intelligence chat assistant, chats with and instantly responds to inquiries from all our visitors, regardless of whether they are our customers or not, on a 24/7 basis through fibabanka.com.tr, Facebook Messenger, and Google Assistant.

"Instant Loan" when needed

Thanks to our investments in financial technologies, we are able to develop quick and convenient solutions for our personal customers and offer them the opportunity to receive an "Instant Loan" at sales points.





Accelerated business processes with Robot-X

The Robot-X platform introduced a new perspective into our business processes. We developed nearly 50 processes and achieved a workforce figure of nearly 100 FTE (full-time equivalent) hours with this platform.



R&D Center

In collaboration with Özyeğin University Technology Transfer Office, we launched the Fibabanka R&D Center to develop innovative products and services that could shape the future of the finance sector. We are continuously increasing the number of our value-added projects and academic initiatives through strong collaboration with universities and fintech companies.

Employees with high analytical literacy

We trust in our human resources. We always pay meticulous attention to recruiting the right employees, developing their skills and knowledge through training, and are building the future of banking with them.



Remote customer onboarding with Video Banking technology

Videos have become a prominent part of our lives. With our Video Banking service, we are leveraging the power of videos to enable people to become a customer of our bank in the easiest way possible.

Instant measurement of customer satisfaction with NPS

We continue to invest in instant Net Promoter Score (NPS) measurement to closely monitor the pulse of our customers and maximize the level of customer satisfaction.





Wide range of products and services through digital channels

Our customers can easily access our products and services through our digital channels. Our personal customers can trade with live exchange rates through FibaFX, our currency trading platform.

DIGITAL TRANSFORMATION

Moving forward on its digital transformation journey, Fibabanka boosted self-service data usage and improved data literacy across the organization thanks to its organizational, infrastructure and platform transformations.

Efforts on development of artificial intelligence and machine learning models for new products and business processes continued throughout 2020.

Fibabanka sees its digital transformation as a holistic journey. The Bank has successfully completed its data transformation program in line with its visionary management approach. Following the restructuring of the Data Management Office, Fibabanka established a data management team. The dedicated team is highly experienced in setting up platforms to manage data properly. The newly formed data management team provides support to all Fibabanka business units on executing the Bank's data strategies. In parallel with establishing infrastructures and platforms to effectively manage Bank data, Fibabanka commissioned nextgeneration business intelligence tools to enable its business units to perform self-service analysis. As a result, the Bank formed a community of 250 "power users" who can perform their own analyses and prepare their own reports as needed.

In 2020, Fibabanka conducted competency improvement efforts to reduce business unit dependence on information technology teams and raise data literacy across the organization. A company-wide assessment was performed to measure data science competencies of the Bank's staff. High performing employees were included in a six-month data science competency development program hosted by

instructors from Özyeğin University and foreign institutions. Following this training, the Bank administered the Demystifying Analytics program with the participation of all Fibabanka staff members to raise awareness about data science. The training program was carried out on Journey, an online training platform. Efforts to further develop artificial intelligence and machine learning models for new products and business processes were conducted throughout 2020. To scale and automate model development processes, Fibabanka established the Machine Learning Operations system (MLOps), which is integrated with the Bank's big data systems.

Innovative Work from the Data Management Office

Big data systems are currently in use to process unstructured data and system logs in Fibabanka infrastructures. Data that cannot be processed in standard databases or that take an extended amount of time to process due to its structure or size is converted for fast processing without disrupting integrity of the data and minimizing manpower required. As a result, the Bank is able to achieve more consistent and understandable results from such data. In addition, Fibabanka achieved cost savings by eliminating license costs thanks to the solutions created with open-source technologies.



In parallel with data platforms and analytical studies, a specific focus is placed on data governance efforts to ensure that data is properly managed throughout the organization

In parallel with its data platforms and data analysis, Fibabanka focuses on governance efforts to ensure that data is properly managed across the organization. The Bank procured special data governance tools and integrated these tools with other systems in the organization. In 2020, Fibabanka's data governance efforts include the following:

- Prepared and published the Bank's data governance policy,
- Prepared and published the Bank's data classification procedure,
- Identified data areas within the organization and determined data owners and representatives who will manage each area,
- Created a data dictionary and metadata and conducted data classification studies on the dictionary,
- Performed data discovery and data pedigree studies to identify the location and circulation of data within the organization,

 Commenced data quality studies to be able to conduct analysis with more accurate and higher quality data, and to ensure that more accurate decisions are taken; data quality studies are scheduled to continue in 2021.

During the year, the Data Management Office carried out R&D efforts to establish new data infrastructures. In addition, Data Management conducted various R&D projects – including Next Best Action Recommendation System, Credit Scoring with Surrogate Modelling and Sentiment and Topic Detection with Short Text – in collaboration with academics from various universities in Turkey and abroad. The results of the studies carried out were presented at a national conference as well as an international conference. The findings were distributed as a conference paper.

DIGITAL TRANSFORMATION



In line with requirements and developments of the new normal, Fibabanka launched the Video Banking feature for remote customer acquisition via Fibabanka Mobile application.

Putting people at the center of all of its operations including digital transformation, Fibabanka is committed to develop the skills of its employees and continuously improve their ways of working according to the requirements of the digitalized world.

A New Banking Approach Under the "New Normal" Conditions: Video Banking

Fibabanka accelerated its efforts to enhance the Fibabanka Mobile application in line with the requirements and developments associated with the new normal. With Video Banking, the bank leverages artificial intelligence technologies such as near field communication, face recognition and liveness detection to offer convenient options to become a customer online in accordance with new regulations and communiqués.

In 2020, the bank transformed its technological infrastructure by anticipating the banking needs in a digitalized world and accelerated projects designed to promote customer satisfaction and its priorities to create value for its customers.

With FibaFX, foreign exchange trading, precious metal trading, currency

monitoring and follow-up, chain ordering transactions can now be instantly performed 24/5 through Fibabanka Mobile and Internet Banking channels.

Fibabanka has introduced the FAST (Instant and Continuous Transfer of Funds) system which enables around-the-clock (24/7) transfer of funds. The FAST system is now available to allow customers to pair their accounts with their Easy Address details (e.g. mobile phone number, TR ID number, tax ID, passport number) in order to easily transfer funds.

In line with its vision of offering reliable, transparent and user-friendly banking services, Fibabanka also achieved increased efficiency by renewing the internal processes for the Fibabanka Call Center channel. It aims to expand financial inclusion with accessible services for everyone.

Fibabanka not only speeded up transformation of its technological infrastructure in 2020, but also continued its efforts to maximize the customer experience with banking products supported by these new technologies.

RPA (Robotic Process Automation) is one of the new technology fields that Fibabanka utilizes in the most effective and efficient manner. In 2020, Fibabanka also continued to invest in Net Promoter Score (NPS) systems in order to take the pulse of its customers and maximize the level of customer satisfaction.

It introduced the new Campaign Management Platform to better understand its customers and to more accurately address their needs, and intended to achieve a high level of customer satisfaction by effectively using and analyzing data.

Fibabanka Information Technologies organization saw a major overhaul in 2020 to allow the bank to more quickly meet customers' needs, maintain a high level of customer satisfaction and address new banking requirements in the digitalized world with better innovative solutions. This restructuring is intended to support digitalization efforts by reducing hierarchy and emphasizing agile working principles. Competencies of the Information Technologies employees have been mapped to design development programs for improving their digital competencies.

While rapid developments in digital technologies as well as various innovations such as sharing economy and platform business models are replacing traditional ways of working, Fibabanka entered into key partnerships in 2020. With successful integrations in the e-commerce domain, Fibabanka provided people with convenient ways of becoming a customer of the bank and offers many banking products, especially consumer loans.

In the Robotic Process Automation field, we continued to effectively use software robots in operational processes. Fibabanka continued its investments in this field, developed nearly 50 processes and achieved a workforce figure of nearly 100 FTE hours with this platform.



DIGITAL TRANSFORMATION

In 2019, Fibabanka took initial steps to revamp its ATM systems platform and provide faster solutions to meet customer needs, and continued its renewal and experience improvement efforts in 2020.

As part of the efforts to expand its ATM network, Fibabanka placed ATMs in its business partners' stores and signed a joint ATM agreement with Türkiye İş Bankası and PTT in 2020. In line with these efforts, Fibabanka serves its customers through over 10 thousand ATMs for quick and simple banking transactions.

Considering employee satisfaction as important as customer satisfaction, Fibabanka continued to enhance the Symphony internal mobile application in 2020, allowing the employees to perform many transactions in the digital setting.

ATM Systems Infrastructure Upgrades

In 2019, Fibabanka took initial steps to revamp its ATM systems platform and provide faster solutions to meet customer needs. The Bank continued its renewal and experience improvement efforts in 2020. Fibabanka offered customers the opportunity to perform many transactions such as cash withdrawals, deposits and loan payment through the ATMs without having a card under its Cardless Transactions project. Thanks to text-to-speech functionality specially developed for ATMs, visually impaired customers can access Fibabanka services by connecting a headphone to the ATM. The KOBIL application, launched in

accordance with the Information Systems Regulation, provides for more secure ATM usage with a new more secure card reader device that prevent cards from being copied. In addition, Fibabanka was among the leading banks that switched to the Windows 10 OS in their ATMs.

As part of efforts to expand its ATM network, Fibabanka placed ATMs in its business partners' retail stores and signed a joint ATM agreement with Türkiye İş Bankası and PTT. As a result, Fibabanka now serves its customers through over 10 thousand ATMs across the country. The Bank also ensured its retired, disabled, and 70-plus customers can withdraw cash free-of-charge from all other bank ATMs in Turkey.

As of year-end 2020, the Bank has a total of 58 ATMs: 9 at remote locations and 49 at branches. A total of 350.111 financial transactions were carried out through ATMs, and the total transaction volume was TL 268.499.666.

Number of Digital Customers **524 thousand**

Fibabanka increased the number of its digital customers by 139% to 524 thousand as of end-2020.

Digital Transformation Performance of Fibabanka	2019	2020	Increase (%)
Total Number of Digital Customers	219.186	524.316	139%
Total Number of Mobile Banking Customers	184.864	480.959	160%
Total Number of Internet Banking Customers	110.962	159.288	44%

Finberg's Fund Size Grows Further

Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş. was established by Fibabanka in 2018 to support entrepreneurial activity and fintech enterprises. Finberg increased its fund size from TL 15 million in 2019 to USD 15 million in 2020. Finberg executed its most important investment agreement with Getir Perakende Lojistik A.Ş. for the highly popular Getir app.

Finberg is part of the USD 1,5 million new investment of Garaj Sepeti, one of its previous investments which grew 12-fold in a year to TL 100 million. By facilitating access to financial products to Garaj Sepeti and Garaj Sepeti dealers, Finberg indirectly boosted the automotive industry, especially the second-hand market.

ComPay Posts Ninefold Growth

With ComPay, a payment platform that provides remittance and consumer loan services, Finberg introduced 20 products of 12 banks to 2.200 points of sale. Increasing its turnover nine-fold in 2020, ComPay continues to expand its portfolio of banks, products and points of sale.

Finberg achieved successful results with BizimHesap, its first investment among the technology companies in the SME segment. This success led Finberg to invest in Figopara. Finberg aims to serve SMEs by combining Figopara's invoice financing experience with Fibabanka's products.

2020 was a milestone year for Finberg investments. Birleşik Ödeme Hizmetleri ve Elektronik Para A.Ş. (Birleşik Ödeme)'s rapid growth attracted the attention of many individual and institutional investors. Birleşik Ödeme was purchased by OYAK Holding A.Ş. as a result of a series of negotiations. After Finberg's ownership holding became a minority stake, Birleşik Ödeme will operate under the direction of the majority group. In addition, the Venture Capital Investment Fund, in which Finberg is the main investor, was established in 2020.

ComPay/Ödex Wins the Corporate Entrepreneurship Award

ComPay/Ödex was recognized in the Corporate Entrepreneurship Competition held by Özyeğin University, Fast Company Turkey and Bizz Consulting with the support of Istanbul Development Agency. The competition aimed to encourage new initiatives and foster corporate and entrepreneurial enterprise collaborations.

Ödex is a digital platform solution developed under the Internal Entrepreneurship Program held at Fibabanka. The platform enables consumers to perform all electronic payment transactions with different product sets. Ödex serves as a bridge between retailers, e-commerce sites, customers and banks.

FINANCIAL INSTITUTIONS

The Fibabanka Financial Institutions Department expanded its correspondent banking network by developing relations with the other banks in the field of foreign trade transactions, funding and international payments.

Number of Micro-Enterprises Supported by the EaSI Program ~3.800

As the first and only bank to implement the EaSI Program in Turkey since 2018, Fibabanka has extended loans to 3,800 micro-enterprises under this guarantee program as of the end of 2020.

In its Financial Institutions Department, Fibabanka focuses on expanding its correspondent network in parallel with the foreign trade demands of its customers. Furthermore, it substantially contributes to the Bank's funding needs by obtaining medium and long-term financing via foreign currency-denominated bond issuances as well as bilateral loan agreements with international financial institutions.

The Only Turkish Bank to Participate in EaSI Program

After signing a EUR 20 million credit guarantee agreement with European Investment Fund (EIF) as part of the European Union Program for Employment and Social Innovation (EaSI) in 2018, the limit of Fibabanka was increased to EUR 40 million by EIF in 2019. Supported by the EU, the EaSI Program particularly aims to support entrepreneurs and microenterprises willing to grow its business. As the first and only bank to implement this program in Turkey since 2018, Fibabanka has extended loans to 3.800 microenterprises under this guarantee program as of the end of 2020.

Medium and Long Term Loans from Abroad

Since joining Fiba Group, Fibabanka has prioritized expanding cooperation with international financial institutions. Loans borrowed from these institutions helped the Bank to have access to long-term loans and to diversify its funding sources. In 2019, Fibabanka received a USD 30 million loan from OFID (OPEC Fund for International Development), a development finance institution, with three-year maturity (with prepayment option at the end of each year) to support foreign trade transactions. The loan was extended for 1 more year at an amount of USD 15 million at maturity. As of 2020 year-end, the total amount of the long-term loan facilities and foreign trade funding received from international financial institutions, such as DEG, EFSE, OFID reached USD 148 million.

Correspondent Banking

The Fibabanka Financial Institutions
Department expanded its Correspondent
Banking network by developing relations
with correspondent banks in the field of
foreign trade transactions, funding and
international payments. This way the Bank
serves its customers' needs in foreign
business in an optimal manner.

Financial Institutions Credit Risk

In 2020, Fibabanka Financial Institutions Department continued to evaluate counterparty bank risks associated with local and foreign banks and established treasury and commercial limits.

HUMAN RESOURCES

In 2020, Fibabanka formed the Information Technologies and Data Science Talent Experience Unit to serve Information Technologies and the Data Management Office. The Unit reports to the Human Resources Department.

In response to the coronavirus pandemic, Fibabanka quickly implemented the remote working model. All headquarters staff started working from home. Branch employees worked from home and at branch locations alternately while adjustments were made to branch working hours.

Fibabanka continuously improves its human resources processes thanks to digitalization. In 2020, the Bank formulated its human resources policy in line with the principles below:

- Prioritizing the health and wellbeing of employees and their families by acting with agility during the coronavirus pandemic,
- Providing transparent and quick information to employees regarding practices to be performed during the pandemic,
- Establishing platforms to assist managers in closely monitoring their employees, in addition to switching to the remote working model,
- In addition to migrating all training content to online education platforms due to the pandemic, presenting such content to employees uninterruptedly and sustainably,
- Organizing online interviews in order to bring quality talent to Fibabanka and perform testing to measure behavioral and technical competencies of candidates,
- Involving Information Technology employees in the competency assessment process in order to formulate the leadership, technical and digital competence maps of existing employees and to commence the training-development planning initiative,
- Initiating the digital human resources transformation,
- Focusing on increasing the employee engagement ratio.

In 2020:

- In response to the coronavirus pandemic, Fibabanka quickly implemented the remote working model. All headquarters staff started working from home. Branch employees worked from home and at branch locations alternately while adjustments were made to branch working hours.
- Necessary measures were taken relating to the arrival and departure of branch employees during the coronavirus pandemic.
- The organizational and title structure of the Information Technologies
 Department was modified and a feedback mechanism in which employees can evaluate their managers was established.
- The Employee Engagement Survey was conducted for the first time in 2020 in conjunction with Fiba Holding.
- As a result of upgrades to the Symphony application – which provides quick solutions to the everyday occupational transactions of Bank employees such as approval, observation and report tracking – managers can now grant approvals to staff leave requests.
- To foster a data-based decision-making culture at Fibabanka, the diversified training journey is assigned to all employees on online platforms. As part of this effort, the "Demystifying Analytics" module gives employees the opportunity to understand analytics and gain knowledge on key topics, such as data, evolution of data and data flow.

HUMAN RESOURCES

The "Demystifying Analytics" module gives employees the opportunity to understand analytics and gain knowledge on key topics, such as data, evolution of data and data flow.



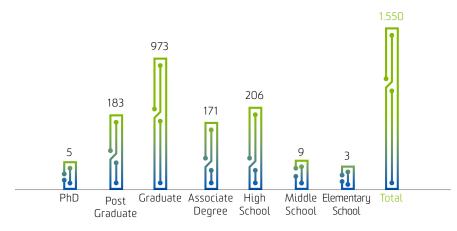
- The Data Science Training Program was launched for employees interested in data science and advanced analytics.
 The program is geared for staff who have ideas and suggestions that will create value for Fibabanka and who are passionate about continuous development in these subjects.
 27 successful candidates out of 108 employees proceeded to the interview process. 18 employees who successfully passed the interview process joined the group of training attendees.
- As part of Fibabanka's data-based transformation, the Data Science Training Program was one of the most important investments made in the Bank's human resources. The
- program aims to bring together people with diverse skill sets and equip them with advanced mathematics, statistics and programming skills. This 20-day training program is designed to develop employees who are proficient in data science methodologies in line with corporate needs.
- In the Information Technologies recruiting process, tests to measure leadership and technical competencies started to be administered to recruits.
- The HR Report prepared by the Human Resources Team was made available in digital format.

- Fibabanka became a pilot company in the Business Word Domestic Violence project, conducted in cooperation with Sabancı University and TÜSİAD.
 A policy that will cover all employees was prepared by a five-person project team. The policy was distributed to all Bank employees in 2020.
- Efforts under the Gender Equality project continued with 20-person teams staffed from the branches and headquarters.
- Development Academy program modules were designed around development areas identified in Assistant Manager-Unit Manager evaluations from previous periods. The modules continued to be administered to employees during the year.

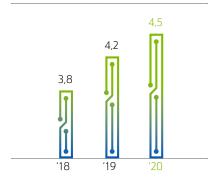
In 2020, Fibabanka formed the Information Technologies and Data Science Talent Experience Unit to serve Information Technologies and the Data Management Offices. The Unit reports to the Human Resources Department and is staffed by employees with high technical literacy and analytics skills. The Unit aims to understand the needs and expectations of Information Technologies and Data Management Office staff more accurately. Assuming the role of business partner, the Unit demonstrates a proactive approach in all processes that affect employee experience – from recruitment and training-development planning to the performance system and the promotion system.

Human Resources Profile

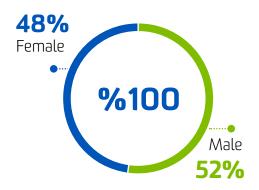
Educational Background



Seniority Rate (Years)



Female-Male Employment Breakdown (%)



Human Resources Practices

Performance Management System for All Employees

Focusing on sustainable development, Fibabanka implemented the Performance Evaluation System in 2020 to synchronize employees' individual performances and corporate goals and to spread the feedback culture.

Remuneration Based on Market and Seniority Structure

Fibabanka retained consultancy services to calculate employee wages in accordance with market conditions and the organizational position in 2020.

Excellent Onboarding Project Specific for New Employees

The Excellent Onboarding Project implemented to accelerate the orientation process for new employees joining the Bank has been continued in 2020 as well. This effort ensures that new hires have a quality onboarding experience during their first days of employment. In this context;

- Under the Excellent Onboarding project, online buddies were assigned to employees recruited during the pandemic to assist them while working remotelu.
- New employee welcome kits were sent to employees who joined Fibabanka during the pandemic.

 Employees who start working at Fibabanka are invited to an online orientation within a week of their start date; meanwhile, new managers have the opportunity to meet all Executive Board Members at a mini getacquainted meeting.

"We Are All Members of the Fibabanka Family" Internship Program

Launched in 2018, "We Are All Members of Fibabanka Family" internship program in which one-week internship opportunities are offered to the children of employees in various departments/divisions/branches of Fibabanka continued in 2020.

Significant Increase in Employee Engagement

Offering continuous development opportunities for employees, Fibabanka tracks the employees' engagement level closely through annual surveys. Attaching great importance to increasing its engagement score every year, Fibabanka increased its engagement score to 65, up by 10 points compared to the previous year.

Academy Training Sessions with a Focus on Continuous Development

Fibabanka established the Bank Academu for the continuous development of its employees. In 2020, it offered further professional training opportunities to employees on a regular basis, via the Operation Academy, the Sales Academy, the Financial Affairs Academy, the Law Academy, the Loans Academy, the Treasury Academy, the General Directorate Academy and IT Academy. Numerous e-Learning channels were created for Fibabanka employees in line with current developments in educational technologies. Competencybased trainings were completed with the microlearning program Journey. A continuous learning approach was adopted across the organization with daily videos. To mitigate family issues due to the coronavirus pandemic, awareness trainings were held with the presence of a clinical psychologist.

HUMAN RESOURCES

By using the slogan "Be Open-Minded and Brave, Push the Limits" in communications efforts in line with the "You Set the Rule" employee value proposition, Fibabanka aimed to add these values to its staff's business and private lives alike.

Communication Activities that Boost Internal Synergy

Fibabanka organized various online events throughout the year. These efforts were designed for employees to feel valued and bring together the workforce in internal/external social activities. Additionally, the Bank develops internal communication strategies and corporate culture designs to benefit employee engagement. The employee value proposition launched at the end of 2019 named "You Set the Rule" started to be used in communications to employees and employee candidates in 2020. Accordingly, Fibabanka aimed to add these values to its staff's business and private lives alike by using the slogan "Be Open-Minded and Brave, Push the Limits" in communications efforts.

During the pandemic, Fibabanka implemented various projects and initiatives to help employees adapt to the current situation and maintain their motivation level. Other internal communication activities and practices launched in fiscal year 2020 included:

- Internal information, announcements and practices across the Bank, as well as FibaSocial, platform where employees can share content such as photos, videos and messages;
- Mobile application Symphony, which includes occupational activities such as reports, approvals, training and many supplementary applications such as FibaSocial and FibaFit;
- Communication efforts undertaken for employees to commemorate special daus:
- Online internal communication efforts and social responsibility projects to bolster employee synergy;
- Leader and employee meetings to consolidate leader & employee communications;
- Online Rule-Setters Inspiration Days conferences where subject matter experts are hosted to consolidate the employee value proposition: "You Set the Rule";
- Dietitian and psychologist services, exercise sessions and Workplace
 Physician chat meetings initiated in response to the coronavirus pandemic;
- Internal Communication Committee, consisting of Fibabanka employee volunteers, that convenes regularly.

Java Bootcamp

The Istanbul Java Bootcamp initiative, organized in collaboration with "We Are Coding," aims to train software developers in line with the needs of Fibabanka. Following completion of the candidate recruitment process by "We Are Coding," the 30-person program will be administered online and total over 70 hours. Launched in December 2020, the bootcamp program gives priority to female candidates in order to increase women's employment in information technology in line with the Bank's gender equality approach.

Fintern MT Program

A two-week Fintern MT Program was designed for university students to improve their technical and personal competencies. The program was supported by informational workshops and entertaining quizzes. In the long-term internship program, students were assigned employee buddies to assist them. Students are assigned special projects and are asked to present these projects. Those who are successful are included in the MT Program if they wish to work in the banking industry.



"You Set the Rule" Manifesto

A Fibabanka employee;

Sees opportunities that adding value to the lives of customers.

Changes the rules of the game by using technology.

Focuses on solution rather than a problem.

Pushes the limits and makes a difference.

Does not say "We have always done it like that" and is open to changes and new ideas.

Does not give up on the first try. Comes up with creative solutions.

Is never afraid of challenges and always bold!

SUMMARY OF THE BOARD OF DIRECTORS' REPORT

The Bank recorded total assets of TL 27,2 billion as of December 31, 2020, on consolidated and solo bases. From the same period, on solo and consolidated bases, total equity amounted to TL 1,9 billion and paid-in capital stood at TL 941 million. Current year net profit was TL 237 million according to consolidated financial statements, and TL 230 million according to solo financial statements.

The Bank's total loans amounted to TL 18,8 billion in 2020, according to consolidated and unconsolidated financial statements, while the share of loans in total assets was 69%. The Bank's non-performing loans ratio was 3,2%.

The Bank's solo and consolidated capital adequacy ratio is 19,4% as of December 31, 2020.

BOARD OF DIRECTORS

Hüsnü M. ÖZYEĞİN

Chairman of the Board of Directors
Born in 1944, Hüsnü M. Özyeğin
graduated from Robert Academy in 1963
and then obtained his undergraduate
degree in Civil Engineering from Oregon
State University. Hüsnü M. Özyeğin
obtained his Master's degree from
Harvard Business School in 1969.

He served as General Manager and Member of the Board of Directors at Pamukbank T.A.Ş. from 1974 to 1984, and founded Finansbank A.Ş. in October 1987, after serving as Deputy Chairman, Executive Director and General Manager of Yapı Kredi Bankası A.Ş. from 1984 to 1987. Hüsnü M. Özyeğin served as Chairman at Finansbank A.Ş. from the date of its establishment until 2010. Over the years, he has made numerous social investments with exemplary social awareness.

Currently, he serves as Chairman of the Board of Directors of Fibabanka A.Ş. and Credit Europe Bank (Russia). Hüsnü M. Özyeğin is also Chairman of the Board of Trustees at Özyeğin University and a member of the Dean Advisory Board at Harvard Business School, where he is an alumnus

Fevzi BOZER

Vice Chairman of the Board of Directors, Chair of the Corporate Governance Committee and the Credit Committee and the Remuneration Committee Born in 1955, Fevzi Bozer graduated from the Department of Business Administration at Indiana University, and then he completed his MBA at Roosevelt University. Starting his banking career at Citibank in 1984, Bozer joined Finansbank A.Ş. in 1988 as a Branch Manager. He served as General Manager at Finansbank Suisse (currently called Credit Europe Bank Suisse S.A.) between 1991 and 1993, and at Finansbank A.Ş. between 1995 and 1999. Bozer has served as a Member of the Board of Directors at Fiba Group's banks abroad and at Fiba Holding A.Ş. since 1999. Fevzi Bozer serves at the Board of Directors of Fibabanka A.Ş. and Credit Europe Bank Suisse A.S.

İsmet Kaya ERDEM

Member of the Board of Directors and the Audit Committee and Substitute Member of the Credit Committee
Born in 1928, Ismet Kaya Erdem graduated from Marmara University. He served as Undersecretary of Treasury, Social Security Institution General Director, Minister of Finance, State Minister in charge of the Economy, and as Speaker of the Turkish Parliament between 1961 and 1999. Having joined Fiba Group in 2000, Ismet Kaya Erdem is a Member of the Board of Directors at Fibabanka A.Ş.

Mehmet GÜLESCİ

Member of the Board of Directors and the Remuneration Committee and the Information Security Committee

Born in 1962, Mehmet Güleşci graduated from Boğaziçi University, Department of Business Administration, where he later obtained a Master's degree. From 1984 to 1996, Güleşci worked in the Istanbul and Boston offices of Ernst & Young as an Associate Partner and received CPA certification in Turkey and the USA state of Massachusetts. As he continued working as Associate Partner, Güleşci joined Finansbank A.Ş. as Assistant General Manager in early 1997, where he served as Executive Director of the Board of Directors until year-end 2009. He currently is a Member of the Board of Directors and the Executive Board of the Fiba Group, as well as a Member of the Board of Directors in the Group's financial and non-financial investments in Turkey and abroad.

Memduh Aslan AKÇAY

Member of the Board of Directors and Corporate Governance Committee

Born in 1965, Memduh Aslan Akçay graduated from Ankara University's Faculty of Political Sciences, Department of Economics, and obtained a Master's degree in Economic Policy from the University of Illinois. He worked at Etibank between 1990 and 1993, and at the State Planning Organization between 1993 and 2000. He later worked at the Banking Regulation and Supervision Agency, as Head of the Economic Evaluations Department and Foreign Relations Department, as well as Chair of the Systemic Risk Committee between 2001 and 2004. He served as the Director-General of Foreign Economic Relations at the Undersecretariat of Treasury between 2004 and 2010.

During Akçay's tenure at the Undersecretariat of Treasury, he assumed roles on various internal executive committees (Debt Management Committee, Disciplinary Committee). He also served as Board Member for the Council of Europe Development Bank (CEB), Industrial Development Bank of Turkey (TSKB), Black Sea Trade and Development Bank (BSTDB), Economic Cooperation Organization Trade and Development Bank (ECOBANK), and as a Member of the Audit Committee at Milli Reasürans A.Ş. In addition to these roles, Akçay represented Turkey as an Alternate Governor in international financial institutions such as World Bank (WB), European Bank for Reconstruction and Development (EBRD), Asian Development Bank (ADB), and Islamic Development Bank (IDB). He served as a Member of the Board of Directors at EBRD between 2010 and 2013 in London, in addition to chairing the Budget and Administrative Affairs Committee of the EBRD Board of Directors for two terms. Then, he worked for the Undersecretariat of Treasury between 2013 and 2016. In April 2016, Memduh Aslan Akçay was appointed to his current position as a Member of the Board of Directors at Fibabanka A.S.

Hülya KEFELİ

Member of the Board of Directors and Corporate Governance Committee

Born in 1960, Hülya Kefeli graduated from Robert College and Istanbul Technical University, Department of Management Engineering. Kefeli started her career in banking at Akbank in 1983 as Assistant Specialist, followed by various positions at the Bank. Between 2007 and 2015, she served as Assistant General Manager in charge of International Banking. Having assumed Board Member roles at various Akbank subsidiaries, Hülya Kefeli has been a Member of the Board of Directors at Fibabanka since May 15, 2017 as the World Bank International Finance Corporation Nominee Director. As of November 2020, Kefeli serves as a Board Member of Bandhan Financial Services Ltd. in India as the Nominee Director of IFC.

Faik Onur UMUT

Member of the Board of Directors, the Audit Committee and Credit Committee
Born in 1962, Faik Onur Umut graduated from Boğaziçi University, Department of Industrial Engineering. He started his professional banking career at İktisat Bankası, where he worked between 1985 and 1988. Joining Fiba Group in 1988, Mr. Umut served as General Manager at Finansbank N.V. (currently called Credit Europe Bank N.V.) between 1996 and 1999 and at Finansbank A.Ş. between 1999 and 2003. He is currently a Member of the Board of Directors at Fiba Group overseas

banks, Fiba Holding A.Ş. and Fibabanka A.Ş.

Seyfettin Ata KÖSEOĞLU *Member of the Board of Directors*

Seyfettin Ata Köseoğlu was born in 1960 and graduated from Boğaziçi University, Mechanical Engineering Department. He went on to receive a Master's degree in Electrical Engineering from Lehigh University, and an MBA from Boston University. Mr. Köseoğlu started his banking career in 1986 at İktisat Bank and later worked at Finansbank. He served as Managing Director responsible for the Middle East at Bear Stearns New York and Société Générale Paris between 1994 and 1999. Seyfettin Ata Köseoğlu served as CEO at Credit Suisse First Boston (Turkey) between 2000 and 2005; Chairman of the Board and CEO at TEB Yatırım from 2006 to 2011; and Head of Strategy and Business Development at Sabancı Holding A.Ş. between 2011 and 2019. He was also Chairman of the Board of Directors and Head of the Retail Group at Cimsa and Akçansa, and Chairman of the Board at Carrefoursa and Teknosa in the period 2011 to 2019. He currently serves as Senior Advisor at Simon Kucher Partners and as board consultant at various companies.

BOARD OF DIRECTORS

Ömer MERT

General Manager and Member of the Board of Directors

Born in 1969, Ömer Mert graduated from the Industrial Engineering Department at ITU, he obtained a Master's degree in the Engineering Management program at the same university. In 1993, he embarked upon his career in the insurance industry, working for various companies. Following that, between 2003 and 2005, he worked at Fortis Emeklilik ve Hayat A.Ş.; and between 2005 and 2012, at Garanti Emeklilik ve Hayat A.Ş. as Assistant General Manager.

He served as General Manager and Member of the Board of Directors at Fiba Emeklilik ve Hayat A.Ş. between 2012 and 2017. Since January 2017, he has served as a Member of the Board of Directors and General Manager at Fibabanka. Additionally, Ömer Mert is Chairman of the Board of Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş., Deputy Chairman of the Fiba Portföy Yönetimi A.Ş. and a Member of the Board of Directors at Fiba Emeklilik ve Hayat A.Ş.

Chairman and Members of the Board

NAME CUDNAME	DOLE	APPOINTMENT	FDUCATION	PROFESSIONAL EXPERIENCE IN BANKING AND BUSINESS
NAME SURNAME	ROLE	DATE	EDUCATION	ADMINISTRATION
Hüsnü M. ÖZYEĞİN	Chairman of the Board of Directors	27.12.2010	Post Graduate	46
Fevzi BOZER	Deputy Chairman of the Board of Directors	27.12.2010	Post Graduate	38
İsmet Kaya ERDEM	Member of the Board of Directors	11.02.2013	Graduate	70
Mehmet GÜLEŞCİ	Member of the Board of Directors	27.12.2010	Post Graduate	36
Memduh Aslan AKÇAY	Member of the Board of Directors	13.04.2016	Post Graduate	30
Hülya KEFELİ	Member of the Board of Directors	15.05.2017	Graduate	35
Faik Onur UMUT	Member of the Board of Directors	23.01.2019	Graduate	35
Seyfettin Ata KÖSEOĞLU	Member of the Board of Directors	23.01.2020	Post Graduate	31
Ömer MERT	General Manager and Member of the Board of Directors	19.01.2017	Post Graduate	25

SENIOR MANAGEMENT







Ömer MERT General Manager and Member of the Board of Directors

Born in 1969, Ömer Mert graduated from the Industrial Engineering Department at ITU, he obtained a Master's degree in the Engineering Management program at the same university. In 1993, he embarked upon his career in the insurance industry, working for various companies. Following that, between 2003 and 2005, he worked at Fortis Emeklilik ve Hayat A.Ş.; and between 2005 and 2012, at Garanti Emeklilik ve Hayat A.Ş. as Assistant General Manager. He served as General Manager and Member of the Board of Directors at Fiba Emeklilik ve Hayat A.Ş. between 2012 and 2017. Since January 2017, he has served as a Member of the Board of Directors and General Manager at Fibabanka. Additionally, Ömer Mert is Chairman of the Board of Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş., Deputy Chairman of the Fiba Portföy Yönetimi A.Ş. and a Member of the Board of Directors at Fiba Emeklilik ve Hayat A.Ş.

Elif Alsev UTKU ÖZBEY Deputy General Manager

Born in 1971, Elif Alsev Utku Özbey graduated from Boğaziçi University Business Administration and obtained a Master's degree at Rotterdam School of Management, Erasmus University. Utku Özbey worked at PwC in 1994-1995, and then at Finansbank A.Ş., assuming various roles in the Financial Control and Reporting departments between 1995 and 2009. Later, she served as Assistant General Manager in charge of Financial Reporting and Planning. Utku Özbey was appointed Financial Affairs Director at Fiba Holding in 2009 and then Assistant General Manager in charge of Financial Control and Financial Reporting at Fibabanka in January 2011. Since January 2017, she has served as the Deputy General Manager at Fibabanka. Utku Özbey is also a Member of the Executive Board at Fibabanka A.Ş. In addition to her aforementioned roles, Elif Alsev Utku Özbey is a Member of the Board of Directors at both Fiba Portföy Yönetimi A.Ş. and Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş.

Ahu DOLU Assistant General Manager

Born in 1975, Ahu Dolu graduated from Marmara University, Economics Department. She started her banking career in 1997 in the International Relations Department at Finansbank A.Ş. and held several positions there until 2007, followed by her appointment as Director in charge of International Relations and Financing at Fiba Holding. Ahu Dolu is still a Member of the Executive Board and Assistant General Manager in charge of Financial Institutions and Project Finance at Fibabanka A.Ş.

SENIOR MANAGEMENT







Sezin ERKEN *Assistant General Manager*

Born in 1977, Sezin Erken graduated from the Business Administration Department of Middle East Technical University. She later earned an MBA from Columbia University. Starting her career at McKinsey & Company in 1998 as Business Analyst, Erken went on to hold various managerial positions at Capital One Bank - New York between 2003 and 2014, after which she served as Assistant General Manager of Retail Banking at ABank between 2014 and 2017. Joining Fibabanka in 2017, Sezin Erken is currently a Member of the Executive Board and Assistant General Manager in charge of Retail Banking and Resource Management, as well as a Board Member at Fiba Portföy Yönetimi A.Ş.

Turgay HASDİKER Assistant General Manager

Born in 1969, Turgay Hasdiker graduated from Istanbul University, Faculty of Economics in 1991. His banking career started at Yapı Kredi Bankası A.Ş. in 1991, where he worked as a Specialist, Assistant Specialist and Unit Manager in the Corporate & Commercial Loans and Credit Allocation Departments until 2003. He served in the Corporate and Commercial Credits Allocation Department at Oyakbank A.Ş. between 2003 and 2006, and as Group Manager (Director) of the Commercial and Marketing Department at ING Bank A.Ş., until 2011. Having joined Fibabanka in 2011, Turgay Hasdiker is a Member of the Executive Board and Assistant General Manager in charge of Credits.

Kerim L. KURİŞ Assistant General Manager

Born in 1973, Kerim L. Kuriş graduated from American University, Business Administration Department. He started to work at Finansbank A.Ş. as a Management Trainee in 1998. He worked in the Corporate Banking Department of Finansbank Holland N.V. (currently named Credit Europe Bank N.V.) between 1999 and 2004. He returned to Finansbank A.S. for the period of 2005-2008, and held various positions in the Department of Corporate and Commercial Marketing, including Branch Manager. He assumed roles in Corporate Banking for Credit Europe Bank N.V. between 2008 and 2010. Having joined Fibabanka in 2011, Kerim L. Kuriş is a Member of the Executive Board and Assistant General Manager in charge of Corporate and Commercial Banking.







Gerçek ÖNAL Assistant General Manager and Chief Legal Counsel

Born in 1975, Gerçek Önal graduated from Ankara University, Department of Law. He obtained a Master's degree from International Business Law at Yeditepe University. He started his career at a private law firm, after which he worked as a Lawyer at T. Garanti Bankası A.S. between 2001 and 2008, and as a Legal Counsel at Garanti Ödeme Sistemleri A.Ş. between 2008 and 2012. Having begun working for Fibabanka in 2012, Gerçek Önal is a Member of the Executive Board, as well as Chief Legal Counsel and Corporate Secretary in charge of Legal Consultancy Services, Execution Proceedings Services, Claims Services, and Legal Operations Services at Fibabanka A.Ş. Önal is also a Member of the Board in Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş.

İbrahim TOPRAK Assistant General Manager

İbrahim Toprak was born in 1975 and graduated from Middle East Technical University, Civil Engineering Department. He obtained an MBA from the same university. In 2003, Mr. Toprak started his professional career as an Assistant Dealer at Akbank A.Ş. in the Fixed Yield Security Department. He went on to serve as a Dealer in the Treasury Marketing Department between 2004 and 2005. Mr. Toprak worked in Akbank's Derivative Financial Instruments Department in 2005; he served as Manager in the Derivative Financial Instruments Trading Department from 2005 to 2010. After working as Manager in Akbank's Asset Liability Management & Funds Transfer Pricing Department between 2011 and 2018, Mr. Toprak served as Manager in the bank's Balance Sheet Management Department. In 2020, İbrahim Toprak joined Fibabanka A.Ş. where is currently a Member of the Executive Board and Assistant General Manager in charge of Treasury. In addition, he is a Member of the Board of Directors at Fiba Portföy Yönetimi A.Ş.

Serdar YILMAZ Assistant General Manager

Serdar Yılmaz was born in 1973 and graduated from Middle East Technical University, Electrical and Electronic Engineering Department in 1995. He went on to complete his Master's degree at the same university in Electric and Electronic Engineering in 1998. Mr. Yılmaz later earned an MBA from Istanbul Bilgi University in 2014. He started his professional career as Software Specialist at Türkiye İş Bankası in the Software Development Department in 1995. While at Türkiye İş Bankası, he served as Application Architect and Project Manager between 1998 and 2004, Program Manager at Softtech from 2004 to 2008, IT Architecture and Business Intelligence Manager between 2008 and 2011, IT Architecture and Data Management Manager from 2011 until 2015, Chief Data Officer and Data Management Department Manager between 2015 and 2019, and Artificial Intelligence Area Leader from 2019 to 2020. Mr. Yılmaz was also a Board Member at Anadolu Hayat Emeklilik between 2015 and 2020. In September 2020, Serdar Yılmaz joined Fibabanka where he is currently Assistant General Manager in charge of Information Technologies and Banking Operations. In addition, Mr. Yılmaz is a Board Member at Finberg Arastırma Gelistirme Danışmanlık Yatırım Hizmetleri A.Ş.

SENIOR MANAGEMENT

General Manager and Assistant General Managers

		APPOINTMENT		PROFESSIONAL EXPERIENCE IN BANKING AND BUSINESS
NAME SURNAME	ROLE	DATE	EDUCATION	ADMINISTRATION
Ömer MERT	General Manager and Member of the Board of Directors	19.01.2017	Post Graduate	25
Elif Alsev UTKU ÖZBEY	Deputy General Manager - Financial Control and Financial Reporting	07.01.2011	Post Graduate	26
Ahu DOLU	Assistant General Manager - Financial Institutions and Project Finance	01.12.2015	Graduate	23
Sezin ERKEN	Assistant General Manager - Retail Banking and Resource Management	10.08.2017	Post Graduate	20
Turgay HASDİKER	Assistant General Manager - Loans	01.12.2015	Graduate	29
Kerim L. KURİŞ	Assistant General Manager - Corporate and Commercial Banking	01.12.2015	Graduate	22
Gerçek ÖNAL	Assistant General Manager and Chief Legal Counsel	01.02.2016	Post Graduate	20
İbrahim TOPRAK	Assistant General Manager - Treasury	01.04.2020	Post Graduate	19
Serdar YILMAZ	Assistant General Manager - Information Technologies and Banking Operations	01.09.2020	Post Graduate	25

MANAGERS IN INTERNAL SYSTEMS

Ahmet Cemil BORUCU

Head of the Inspection Board

Born in 1975, Ahmet Cemil Borucu graduated from Bilkent University, Business Administration Department. Subsequently, he obtained a Master's degree in Business Administration at Istanbul Technical University and a Ph.D. in Financial Economics from Yeditepe University. Borucu started his banking career as Inspector in 1997 at Dışbank A.Ş. and worked in the Credits Department at Türk Ekonomi Bankası A.Ş. between 2004 and 2006. After working for Deloitte - DRT Denetim A.Ş. between 2006-2007, he worked in the Risk Management Department at Fortis Bank (Türk Ekonomi Bankası) A.Ş. between 2007 and 2011. Ahmet Cemil Borucu has served as Head of the Inspection Board at Fibabanka A.Ş. since February 7, 2011.

Ayşe TULGAR AYÇA Head of the Risk Management Department

Born in 1977, Ayşe Tulgar Ayça graduated from Marmara University, Business Administration Department. She obtained a Master's degree in Financial Engineering and Risk Management from Özyeğin University. She started her banking career as an Inspector in the Inspection Board at İktisat Bankası A.Ş. in 1999. She went on to work in Treasury Profitability Unit at Alternatif Bank A.Ş. between 2000 and 2002, and worked in Treasury Control Department at Oyak Bank A.Ş. between 2002 and 2004. Having assumed managerial roles at Financial Control, Risk and Treasury Profitability departments at Finansbank A.Ş. starting from 2004, Ayşe Tulgar Ayça joined Fibabanka A.Ş. on 15 March 2011, and serves as Head of the Risk Management Department.

Serdal YILDIRIM

Head of the Legislation and Compliance Department

Born in 1973, Serdal Yıldırım graduated from Ankara University, Business Administration Department of and obtained a Master's degree in Banking and Stock Exchange at Çukurova University. He worked as Inspector at Türkbank and TSKB between 1996 and 2002; he went on to work for Fortis Bank as Manager in the Internal Control, Legislation & Compliance and Risk Departments between 2002 and 2009. Yıldırım served as a Member of the Executive Board in charge of Risk

Management and Internal Control at Fortis Bank Malta between 2009 and 2010. Having joined Fibabanka A.Ş. in 2011, Serdal Yıldırım is the Head of Legislation, Compliance and Fraud Prevention units under Fibabanka A.Ş. He is also a Member of the Board of Corporate Governance.

Kansu PULULAR

Head of the Internal Control and Operational Risk Department

Born in 1976, Kansu Pulular graduated from Boğaziçi University, Civil Engineering Department. He obtained an MBA from Boğaziçi University and a Master's degree in Financial Engineering and Risk Management from Özyeğin University. He started his banking career on the Inspection Board of Akbank T.A.Ş. in 2003 and served as Manager in the Internal Control and Operational Risk Department of Fortis Bank A.S. between 2007 and 2011. Kansu Pulular took office as Manager of Operational Risk Unit at Fibabanka A.Ş. on March 22, 2011. Since 2 January 2017, he has served as Head of the Internal Control and Operational Risk Department.

				PROFESSIONAL EXPERIENCE IN BANKING
		APPOINTMENT		AND BUSINESS
NAME SURNAME	ROLE	DATE	EDUCATION	ADMINISTRATION
Ahmet Cemil BORUCU	Head of Department - Inspection Board	07.02.2011	PhD	23
Ayşe TULGAR AYÇA	Head of Department - Risk Management	15.03.2011	Post Graduate	21
Serdal YILDIRIM	Head of Department - Legislation and Compliance	06.04.2011	Post Graduate	24
Kansu PULULAR	Head of Department - Internal Control and Operational Risk	02 01 2017	Post Graduate	17

INFORMATION REGARDING BOARD OF DIRECTORS' COMMITTEES AND MEMBER ATTENDANCE AT MEETINGS

Board of Directors

The Board of Directors of the Bank convenes at the Head Office of the Bank, or at an appropriate place in or out of Turkey at the times when required by the business and transactions of the Bank and in accordance with the provisions of the Turkish Commercial Code.

Committees

Committees which carried out activities in 2020 and their duties are as follows:

1-Corporate Governance Committee

Corporate Governance Committee Chair:

1. Fevzi Bozer (Deputy Chairman of the Board of Directors)

Members:

- 2. Ömer Mert (General Manager and Board Member)
- 3. Memduh Aslan Akçay (Board Member)
- 4. Hülya Kefeli (Board Member)
- 5. Elif Alsev Utku Özbey (Deputy General Manager)
- 6. Serdal Yıldırım (Head of Legislation and Compliance)

The Corporate Governance Committee has been established under the chairmanship of Fevzi Bozer to monitor the Bank's compliance with Corporate Governance Principles, undertake improvement efforts, and submit proposals to the Board of Directors. The Committee convenes at least four times in a year.

2-Audit Committee

Audit Committee Members:

1. İsmet Kaya Erdem (Board Member) 2. Faik Onur Umut (Board Member)

The Audit Committee has been established by the Board of Directors to assist in the performance of audit and oversight activities of the Board of Directors. The Committee convenes at least four times a year.

The Audit Committee meetings were held on January 14, February 11, May 11, August 11 and November 10 in the applicable fiscal period.

3-Credit Committee

Credit Committee Chair:

1. Fevzi Bozer (Deputy Chairman of the Board of Directors)

Permanent Members:

 Faik Onur Umut (Board Member)
 Ömer Mert (General Manager and Board Member)

Substitute Members:

4. İsmet Kaya Erdem (Board Member)

The Credit Committee has been established to perform the duties to be designated by the Board of Directors relating to credits. Credit Committee is the second highest body of the Bank following the Board of Directors. It is authorized to extend credits and it gives credit approvals within the framework of authorization given by the Board of Directors in compliance with the provisions of the Bank's credit policy. The Credit Committee convenes regularly once in a week, chaired by Fevzi Bozer.

4-Risk Management Committee

Risk Management Committee Members:

- Ömer Mert (General Manager and Board Member) (Committee Chair)
- Elif Alsev Utku Özbey (Deputy General Manager) (Member)
- Sezin Erken (Assistant General Manager) (Member)
- 4. Turgay Hasdiker (Assistant General Manager) (Member)
- 5. Kerim L. Kuriş (Assistant General Manager) (Member)
- İbrahim Toprak (Assistant General Manager) (Member)
- 7. Ayşe Tulgar Ayça (Head of Risk Management) (Member)

The Risk Management Committee has been established to determine the risk management policies and implementation procedures thereof according to opinion and within the knowledge of the Board of Directors and to ensure their implementation. Chaired by the General Manager, the Committee convenes monthly.

5-Assets and Liabilities Committee

Assets and Liabilities Committee Members:

- 1. Ömer Mert (General Manager and Board Member) (Committee Chair)
- 2. Elif Alsev Utku Özbey (Deputy General Manager) (Member)
- 3. Ahu Dolu (Assistant General Manager) (Member)
- 4. Sezin Erken (Assistant General Manager) (Member)
- 5. Turgay Hasdiker (Assistant General Manager) (Member)
- 6. Kerim L. Kuriş (Assistant General Manager) (Member)
- 7. İbrahim Toprak (Assistant General Manager) (Member)
- 8. Ayşe Tulgar Ayça (Head of Risk Management) (Member)

Authorized by the Board of Directors and convening regularly once in a week and chaired by the General Manager, the Assets and Liabilities Committee performs the following activities:

- Carrying out the administrative activities regarding the assets and liabilities of the Bank and define policies for all fund transactions of the Bank:
- Taking decisions to be implemented for managing the Bank's balance sheet and profitability;
- Monitoring the practices undertaken as per the resolutions of executive units and the outcomes thereof regarding the balance sheet and profitability of the Bank;
- Managing and implementing risk strategies in line with the Bank's risk appetite;
- Deciding to start and stop the Bank's hedge accounting, and reporting to the Board of Directors regularly on these decisions and outcomes.

6-Remuneration Committee

Remuneration Committee Members:

- Fevzi Bozer (Deputy Chairman of the Board of Directors)
- 2. Mehmet Güleşci (Board Member)

The Committee convenes at regular intervals a year.

7-Information Security Committee

Information Security Committee Chair:

1. Mehmet Güleşci (Board Member)

Members:

- 2. Ömer Mert (General Manager and Board Member)
- 3. Elif Alsev Utku Özbey (Deputy General Manager)
- 4. Gerçek Önal (Assistant General Manager and Chief Legal Counsel)
- 5. Serdar Yılmaz (Assistant General Manager)
- Tolga Durdu (Executive Advisor to CEO)
- 7. Yavuz Çelik (Human Resources Director)
- Rıfat Deregözü (Information Security, Governance and Compliance Department Manager)
- Kansu Pulular (Head of the Internal Control and Operational Risk Department)
- Özge Seyhan (Data Governance Director)
- Serdal Yıldırım (Head of Legislation and Compliance)

The Information Security Committee was established to develop and implement Fibabanka's Information Security Policy. The Committee is responsible for ensuring that the Information Security Strategy complies with Fibabanka's requirements and best practices, and for monitoring compliance with the Information Security Policy, applicable standards, legal and regulatory requirements. The Information Security Committee convenes at least two times a year.

8-Information Technologies Strategy and Steering Committee

Information Technologies Strategy and Steering Committee Chair:

Serdar Yılmaz (Assistant General Manager)

Memhers:

- 2. Ömer Mert (General Manager and Board Member)
- Elif Alsev Utku Özbey (Deputy General Manager)
- 4. Ahu Dolu (Assistant General Manager)
- Sezin Erken (Assistant General Manager)
- Turgay Hasdiker (Assistant General Manager)
- 7. Kerim L. Kuriş (Assistant General Manager)
- 8. Gerçek Önal (Assistant General Manager and Chief Legal Counsel)
- 9. İbrahim Toprak (Assistant General Manager) (Member)
- 10. Tolga Ďurdù (Executive Advisor to
- Yavuz Çelik (Human Resources Director)
- Rtfat Deregözü (Information Security, Governance and Compliance Department Manager)
- 13. Hakan Menderes (Sr. Principal Software Engineer)
- 14. Nazife Neslihan Erten (Project Management Office Manager)
- Serdal Yıldırım (Head of Legislation and Compliance)

The Information Technologies Strategy and Steering Committee was formed to ensure that Fibabanka's IT strategies are compliant with the overall strategies and goals of the Bank. The Committee prioritizes IT investments, ensures sure that the Bank's IT investments are made in accordance with the IT strategy and budget, and monitors compliance of the Bank's IT architecture, projects and service levels with the prescribed definitions. The Committee convenes on a quarterly basis.

9-Information Systems Sustainability Committee

Information Systems Sustainability Committee Chair

 Kansu Pulular (Head of the Internal Control and Operational Risk Department)

Members:

- Gerçek Önal (Assistant General Manager and Chief Legal Counsel)
- Serdar Yılmaz (Assistant General Manager)
- 4. Tolga Durdu (Executive Advisor to CEO)
- 5. Ayşe Akdaş (Financial Control and Financial Reporting Director)
- 6. Çağatay Avşar (System Infrastructure Director)
- 7. Yavuz Çelik (Human Resources Director)
- Rıfat Deregözü (Information Security, Governance and Compliance Department Manager)
- Engin Eker (Customer Analytics, Campaign Management and Call Center Director)
- 10. Erman Eltut (Branch and Head Office Operations Director)
- 11. Erkan Erdir (Corporate Banking Director)
- 12. Hakan Menderes (Sr. Principal Software Engineer)
- Sertaç Polat (Corporate Loans Director)
- 14. Özge Seyhan (Data Governance Director)
- 15. Serdal Yıldırım (Head of Legislation and Compliance)

Established to address continuity studies holistically across the organization, to ensure internal coordination and to carry out other functions pursuant to regulatory requirements. Convenes when needed, at least once annually.

AUDITOR

Title: KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Duty: Auditor

Elected General Assembly: 27.03.2020

Term of Office: 1 year Tax ID No: 5890269940

AUDIT COMMITTEE'S EVALUATIONS ON THE FUNCTIONING OF INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT SYSTEMS AND INFORMATION REGARDING THE ACTIVITIES DURING THE ACCOUNTING PERIOD

1- Risk Management Department

The main purpose of the Risk Management Department is to establish the methods, instruments and implementation procedures required to determine, measure, follow and control the risks carried by the Bank. Periodic assessment, measurement, reporting and control activities are conducted on a daily, weekly, monthly, quarterly and annual basis to this end. At the Assets and Liabilities Committee meetings, held once a week, and at the Risk Committee meetings, held once a month, an analusis of the details of trading portfolios, liquidity, market, interest rates and credit risks are made, and reporting activities are conducted accordingly. The Risk Management Department carries out its tasks based on a structure by which all Risk Management activities and calculations are performed using relevant systems and infrastructure.

Risk Management Department is composed of three units, including Market Risk, Capital Planning, Modeling and Validation, and Retail Decision Support.

a. Market Risk Unit: The aim is to manage the possible losses to which the Bank may be exposed due to general market risk, currency risk, specific risk, commodity risk and settlement risk,

and the structural interest risk as well as liquidity risk arising from banking accounts. At Assets and Liabilities Committee meetings, held once a week, and at Risk Committee meetings, held once a month, an analysis of the details of trading portfolios, liquidity, market, interest rates and credit risks are made, and reporting activities are conducted accordingly. Moreover, for transactions performed to manage the interest rate risk arising from banking accounts subjected to hedge accounting, analyses are carried out to identify the presence of the related hedge; its effectiveness is measured periodically; and regular analyses are performed to identify the presence of necessary circumstances for such a relation to be terminated.

In the work carried out by the Market Risk Unit, the testing stages of the software that will ensure the establishment of a qualified risk database which includes the assets-liabilities, off-balance-sheet commitment and derivative transactions and systematic calculation of the Liquidity Coverage Ratio, calculated pursuant to the "Regulation on Calculation of Liquidity Coverage Ratio of Banks," have been finalized.

b. Capital Planning & Modeling and Validation Unit: The aim is to manage the possible losses to which the Bank may be exposed due to the failure of

credit customers to comply with the requirements of the concluded contract and failure to fulfill the obligations partially or completely. In addition to IFRS 9 provision modeling, the tasks of the Unit include management and regular validation of the scoring models used in the legal person loan portfolio of the Bank. The ICAAP (Internal Capital Adequacy Assessment Process) carried out annually, monthly reports pursuant to the "Regulation on Measurement and Assessment of Capital Adequacy of Banks" under Basel II, and all the risks borne by the Bank are tracked to the extent allowed by law and the Fibabanka Risk Appetite Policy approved by the Board of Directors. Applicable reports are presented and information regarding the risk profile of the Bank is provided to the Board on a monthly basis.

c. Retail Decision Support Unit: This Unit is intended to integrate credit policies in the Retail, Agricultural and Micro segments into the decision support system and independently manage the decision tree models. Furthermore, information regarding the Bank's risk profile in this segment is provided by this Unit, with reports and analyses via implementation, allocation, follow-up and collections in the portfolio that fall under retail loans.

In 2020, a project was carried out for redesigning the internal rating system for corporate customers, and a specific focus was placed on modeling studies for all corporate customer segments.

2- Internal Control and Operational Risk Department

For the operational risks to be managed more effectively under best practices and in integration with the Bank's control systems, the Internal Control and Operational Risk Department is organized in three separate units, Internal Control, Operational Risk and Information Systems Internal Control, and directly reports to the Audit Committee. The Internal Control and Operational Risk Department is comprised of 11 people.

The Internal Control Unit conducts its activities for the purposes of protecting the Bank's assets; ensuring maintenance of the Bank's activities in an efficient and productive manner in compliance with the Law and other related regulations, internal policies and rules of the Bank and general banking practices; and ensuring the reliability and integrity of accounting and financial reporting systems and having access to relevant information on time. The Internal Control Unit conducts auditing activities at the Head Office and at branches, and also performs the Management Declaration studies relating to banking processes.

The Operational Risk Unit is charged with determining operational risks defined as actual losses - incurred due to inadequate or failed internal processes, people and systems or from external events - differ, can differ, or may differ from projected losses, and their impacts, and managing them within the scope of the limits set by the Bank Risk Appetite Policy applied by the Bank, via methods such as prevention, mitigation and transfer. The activities related to the services received within the scope of the Business Continuity Management of the Bank, the "Regulation on Banks" Information Systems and Electronic Banking Services" and the "Regulation on Banks' Information Systems and Electronic Banking Services" are also carried out by this unit.

The Information Systems Internal

Control Unit was formed within the scope of "Regulation on Banks' Information Systems and Electronic Banking Services." The Unit aims to support business units in the establishment of controls within the framework of the relevant regulation, COBIT and best practices and to ensure that developments are made by testing the effectiveness of the controls in place.

3- Board of Inspection

Internal auditors holding 'Certified Internal Auditor', 'Certified Information Systems Auditor', 'Certified Fraud Examiner', and 'Independent Accountant and Financial Advisor' certification are on the Fibabanka Inspection Board, comprising 14 members. The organizational layout of the Internal Audit Department is designed to address the Banking Processes and Information Technologies processes separately.

The Annual Internal Audit Program is prepared in parallel with the risk level determined as a result of risk assessment studies performed by the Internal Audit Department.

Within the scope of annual process and the Branch Audit Program of the Internal Audit Department, the Banking Process, COBIT Information Technologies Process within the scope of BRSA (Banking Regulation and Supervision Agency) Governance Statement, branch audits and other examinations are performed. Findings in these fields are submitted to the Audit Committee for assessment and evaluation.

4- Legislation and Compliance Department

The Legislation and Compliance
Department operates with a total of four
different units and a team of 20 persons.
The Department reports to the Audit
Committee.

Legislation Unit: Responsible for ensuring that all current and prospective activities, products and services of the Bank comply with applicable laws, internal policies and procedures. The Legislation Unit is also directly in charge of governing and monitoring the Bank's corporate governance structure, processes and principles.

Compliance Unit: Responsible for activities to be performed under the Bank in compliance with national and international regulations, within the scope of Prevention of Money Laundering and Financing of Terrorism. In addition, the Compliance Unit is responsible for determining the Ethics Policy of the Bank and ensuring compliance of Bank employees with this policy.

Digital Security Unit: Responsible for the security of all kinds of electronic banking services where Fibabanka customers can carry out their banking transactions or instruct the Bank to do so without the need to visit a branch, such as Internet Banking, Mobile Banking, Telephone Banking, Television Banking, open banking services, ATM and kiosk devices provided by the Bank.

Application Fraud Prevention Unit: Responsible for the security of all

Responsible for the security of all customer acceptance channels of the Bank.

INFORMATION REGARDING THE RISK POLICIES IMPLEMENTED BY RISK TYPES

Market Risk Arising from Trading Portfolio

Various efforts are undertaken to ensure compliance with BRSA legislation in defining, measuring, reporting and tracking the market risk of the Bank; to minimize the losses that may be caused by the market risk of the Bank; and to improve the processes and standards.

The Bank cannot carry any positions exceeding the legal limits determined by BRSA. Additionally, Value at Risk limits has been determined for the risk due to the relevant portfolio maintained by the Bank within the scope of the Trading Portfolio Policy. Compliance with these limits is tracked daily by the Risk Management Department.

Interest Rate Risk Arising from Banking Accounts

Pursuant to the Assets & Liabilities Policy, all components included in the assets and liabilities of the Bank sensitive to interest are divided into maturity tranches based on remaining maturity periods by way of repricing, and predetermined interest shocks are applied to calculate the change in net economic value. By the stress tests made on the interest risk maintained by the Bank through the Interest Risk Analysis, sensitivity of the risk level intended to be carried out is tested against crisis scenarios and studies are performed to keep them under control.

Liquidity and Funding Risk

The Bank determines its policies for defining, measuring, reporting and controlling the liquidity risk according to international best practices and the rules and regulations set by the Banking Regulation and Supervision Agency.

When considering the liquidity position of the Bank; existing and expected assets quality, existing and future profitability capacity, funding needs based on previous experiences, existing liquidity position, and funding needs estimating to occur in the future, funding resources and cash flows are taken into account.

The organization, duties and responsibilities of the Bank's Liquidity Risk Management have been defined in detail within the scope of the Liquidity and Funding Risk Policy and the basic principles, implementations, limits and reporting activities to be adopted for Liquidity Risk Management are specified. The short- and long-term liquidity risks carried by the Bank and the scenario analyses on the current positions of the Bank are presented to the Management via Liquidity Reports.

Credit Risk

The Bank has set model development and validation standards to anticipate, determine, measure, monitor, eliminate, mitigate and manage credit risk. These standards are developed for the purpose of correctly defining reliable credit clients with regards to credit policies.

Various internal limits are determined for the management of credit risk and are regularly monitored. Relevant reports are prepared, and controls are undertaken to determine, measure, report and control the credit risk. Loan provisions are calculated via an IFRS9-compliant model and based on the applicable legislation. Limits have been set for the Bank regarding the credit risk arising from transactions performed by the Treasury Department with other banks. Counterparty credit risk is also tracked via stress tests conducted monthly.

Concentration and risk limits developed for the Bank's loan portfolio are reviewed through the Credit Risk Reports.

TRANSACTIONS MADE WITH THE RISK GROUP IN WHICH THE BANK IS INVOLVED

Loans and other receivables within the scope of the risk group, in which the Bank is involved (According to consolidated data - TL Thousand)

Current Period:						
Risk Group in which the Bank is Involved*	and Joint	ies, Affiliates Ly Controlled iidiaries		t and Indirect nolders	Other Real Persons in the	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables **						
Opening Balance		-	-	20	331.014	61.073
Closing Balance	<u>-</u>	-	-	20	635.851	70.760
Income Received on Interests and Commissions	-	-	-	-	36.884	126

^{*}As defined in Article 49 of the Banking Law No. 5411.

Information on deposits of the risk group, in which the Bank is involved (According to consolidated data - TL Thousand)

Risk Group in which the Bank is Involved*	Subsidiaries, Affiliates and Jointly Controlled Subsidiaries			ect and Indirect eholders		nd Legal Persons Risk Group
	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period
Deposits						
Opening Balance	7.685	1.774	57.840	80.750	231.137	460.871
Closing Balance	2.544	7.685	18.479	57.840	512.953	231.137
Deposit Interest Expens	728	408	4.778	20.577	20.532	49.554

^{*}As defined in Article 49 of the Banking Law No. 5411.

^{**}Includes all transactions accepted as loans under Article 48 of the Banking Law No. 5411

TRANSACTIONS MADE WITH THE RISK GROUP IN WHICH THE BANK IS INVOLVED

Information regarding the funds the Bank borrowed from its risk group (according to consolidated data - TL Thousand)

There are no non-deposit funds borrowed by the Bank from the real and legal persons included in its risk group as of December 31, 2020 (December 31, 2019: None).

Information relating to forward transactions and options contracts and other similar contracts made by the Bank with parties in the risk group, in which the Bank is involved (according to consolidated data - TL Thousand)

Risk Group in which the Bank is Involved*	the state of the s			ect and Indirect eholders	Other Real and Legal Persons in the Risk Group		
	Current Period	Previous Period	Current Period	Previous Period	Current Period	Previous Period	
Financial Assets at Fair Value Through Profit or Loss:							
Opening Balance		-			741.741	780.609	
Closing Balance	_	-	-	-	1.181.279	741.741	
Total Profit/(Loss)		-	-	-	578	(37.471)	
Transactions for Hedging Purposes:							
Opening Balance	-	-	-	-	-	-	
Closing Balance	-	-	-	-	-	-	
Total Profit/(Loss)	-	-	-	-	-	-	

^{*}As defined in Article 49 of the Banking Law No. 5411.

FINANCIAL STATUS, PROFITABILITY AND SOLVENCY ASSESSMENT

Fibabanka's asset size increased by 24% to TL 27,2 billion as of year-end 2020 on solo and consolidated bases.

According to consolidated and unconsolidated financial statements, the volume of loans amounted to TL 18,8 billion as of year-end 2020, up from TL 15,6 billion in 2019. The share of loans in total assets was 69%.

The creditworthiness of loans and other receivables is monitored at certain intervals, under applicable legislation. For new loans, the Bank complies with the limits determined under the Banking Laws and Regulations. Collateral is taken for loans disbursed to reduce risk. According to consolidated and unconsolidated financial statements, non-performing loans as of year-end 2020 amounted to TL 619 million, for which a provision of TL 389 million was set aside.

According to consolidated and unconsolidated financial statements, the securities portfolio was TL 2,4 billion at 2020 year-end, while the ratio of securities to total assets was 8,7%.

The consolidated and unconsolidated deposit volume totaled TL 17,7 billion as of year-end 2020.

As per the consolidated financial statements, there was a pre-tax profit of TL 325,5 million in 2020. After tax provision amounting to TL 88,4 million, net profit increased by 10% compared to last year to TL 237,1 million.

The Bank's net interest income for 2020 was TL 956,1 million and its operating gross profit was TL 1.337,1 million, with an increase of 6%.

These figures were TL 956,0 million and TL 1.353,2 million, respectively, on a consolidated basis.

Operating expenses for 2020, including personnel expenses, were TL 624,5 million on a solo basis, and TL 631,3 million on a consolidated basis.

In 2020, a total provision expense of TL 396,5 million was written off on a solo and consolidated basis.

As of December 31, 2020, the standard ratio of the Bank's solo and consolidated capital adequacy was 19,4%. The Bank's share capital is not unpaid and it suffers no insolvency.

There are no measures required to be taken to improve the financial structure of the Bank. The Bank continues to grow profitably according to its targets.

The bank's profit distribution statement for 2020 is included in the independent audit reports. The decision on dividend distribution for 2020 will be taken at the first Ordinary General Assembly meeting to be held.

The currency risk, interest rate risk and liquidity risk borne by the Bank are measured and monitored with several risk management systems, and the balance sheet is managed accordingly, within the framework of predetermined risk limits and legal limits.

To protect against market risks, for purposes of financial risk management, the Bank has identified market risk management activities and taken necessary measures under the "Regulation on Internal Systems and Internal Capital Adequacy Assessment

Process of Banks" published in the Official Gazette dated July 11, 2014 with no. 29057 and the "Regulation on Measurement and Assessment of Capital Adequacy of Banks" published in the Official Gazette dated September 6, 2014 with No. 29111.

Market risk calculations are made monthly, and the obtained results of measurements are taken into account for the calculation of the Capital Adequacy Standard Ratio. The value at market risk as of 31.12.2020 is TL 597 million.

The Standard Method and Value at Risk Method are used in measuring the exchange rate risk encountered by the Bank. Legal position limits are used for the purpose of limiting the encountered exchange rate risk. As of 31.12.2020, TL 260 million foreign currency long position is carried.

Against the liquidity risk, attention is paid to ensure consistency of maturity between assets and liabilities, and liquid assets are maintained to completely meet the liquidity needs that may occur as a result of fluctuations in the market.

Efforts in this regard are supported through TL and FX cash flow projections, while changes in the maturity structure, cost and total amount of TL and FX deposits are tracked daily. Developments in previous periods and expectations regarding future developments are also taken into consideration as part of these efforts. Based on the cash flow projections, measures are taken to meet the need for liquidity by differentiating the pricing in various maturities, and alternative sources of liquidity are determined by estimating the liquidity that may be needed in exceptional circumstances.

FIVE-YEAR SUMMARY OF FINANCIAL INFORMATION INCLUDING THE REPORTING PERIOD

Consolidated and unconsolidated financial statements and information regarding the financial structure of the Bank are incorporated in the Independent Auditor's Report section of this report.

Five-Year Summary of Unconsolidated Financia	al Information				
(TL Thousand)	2016	2017	2018	2019	2020
Total Assets	15.393.509	20.116.206	20.618.271	21.885.760	27.224,995
Loans	11.441.272	15.088.157	14.121.417	15.624.411	18.796.219
Deposits	9.621.503	12.272.743	11.313.226	13.566.698	17.667.425
Fund Borrowed	1.536.663	2.084.851	1.339.212	859.381	1.155.142
Securities Issued	991.975	1.255.066	1.842.585	1.718.332	1.480.900
Subordinated Loans and Borrowing Instruments	397.278	1.194.561	1.596.143	1.789.018	2.127.599
Equity	1.289.866	1.464.590	1.321.872	1.655.804	1.873.904
Profit Before Tax	160.917	200.386	237.823	250.130	316.169
Net Profit	114.915	167.002	196.659	212.044	229.835
Five-Year Summary of Consolidated Financial I	nformation				
(TL Thousand)	2016	2017	2018	2019	2020
Total Assets	15.388.872	20.111.668	20.619.176	21.889.207	27.237.631
Loans	11.441.272	15.088.157	14.121.417	15.624.411	18.796.219
Deposits	9.616.738	12.267.905	11.313.141	13.565.688	17.667.408
Fund Borrowed	1.536.663	2.084.851	1.339.212	859.381	1.155.142
Securities Issued	991.975	1.255.066	1.842.585	1.718.332	1.480.900
Subordinated Loans and Borrowing Instruments	397.278	1.194.561	1.596.143	1.789.018	2.127.599
Equity	1.289.761	1.464.612	1.322.249	1.659.092	1.884.412
Profit Before Tax	161.020	200.545	238.278	253.866	325.455
Net Profit	114.997	167.129	197.014	214.956	237.055

CREDIT RATINGS

The Bank holds the following credit ratings from the credit rating agency Fitch.

Fitch Ratings	Rating	Outlook	
	Long-Term	Short Term	
Foreign Currency	B+	В	Negative
Local Currency	B+	В	Negative
National	A-(tur)		

IMPORTANT DEVELOPMENTS REGARDING 2020 ACTIVITIES

Other matters to be explained pursuant to the provisions of the Customs and Trade Ministry's "Regulation on Determination of Minimum Content of Annual Report of Companies" promulgated in the Official Gazette on 28 August 2012 with No. 28395, and "Regulation on the Principles and Procedures for Preparation of Annual Reports by Banks" on the basis of Article 516, 518, 565 and 610 of the Turkish Commercial Code No. 6102:

Trade Name of the Company:

Fibabanka Anonim Şirketi

Trade Registry No.: 272902

Preferred Shares

The Bank does not have any preferred shares

Relations with the Controlling Company, Its Affiliated Companies and Controlling Shareholder

On the date of realization of legal transactions made with the controlling company, affiliated companies of the controlling company and the controlling initiative, details of which are given in the Affiliation Report, according to the terms and conditions known to us as of the date when the legal transactions

specified in the report, are executed appropriate consideration has been provided for each transaction. There is no measure taken or refrained for being taken nor any loss incurred by our Bank in this context. As a result of examination of financial transactions conducted by Fibabanka with its controlling initiative, controlling company and the affiliated companies of the controlling company, according to article 199 of the Turkish Commercial Code, it is understood that all transactions conducted by the Bank are made exactly according to the market conditions and the precedents/applicable prices, prevailing at the time when the related transaction is conducted, as if they were concluded with third persons.

With regards to the transactions made with Fiba Holding A.Ş., the direct controlling company of Fibabanka and its other affiliated companies, there is no measure taken or refrained for being taken in favor of Fibabanka. Likewise, with regards to transactions made with Mr. Hüsnü M. Özyeğin, the controlling entrepreneur of Fibabanka, there is also no measure taken or refrained for being taken in favor of Fibabanka. In all legal transactions, details of which are given in the Affiliation Report, the agreements have been subject to similar procedures, principles and terms and conditions, as if they were made with third parties

outside the group companies. No measure has been implemented to the detriment of Fibabanka, according to an attempt or for interests of the Fibabanka's controlling initiative, controlling company or its affiliated companies.

Financial Benefits Provided to the Board of Directors and Senior Executives

In 2020:

- The total amount of financial benefits such as attendance fee, salary, premium, bonus, profit share, etc. provided to the Board of Directors and senior managers of the Bank, is TL 21.134.114 on a solo basis, and TL 21.892.328 on a consolidated basis.
- The total amount of allowances, travel, accommodation and representation costs and benefits in rem and cash, insurances and similar warranties given to the Board of Directors and senior managers of the Bank, is TL 1.650.284.

Investments Made during the Accounting Period

The Bank's transactions related to investments in 2020 are on Article 12 and 13 of the Independent Auditor's Report-Section 5/I. Explanations and Disclosures Related to the Assets.

Subsidiaries and Shares Held in Them

The Bank holds shares of Kredi Garanti Fonu A.Ş. in the amount of TL 4.896.642,32. This amount corresponds to 1,54% of the shares at the said subsidiary.

Affiliates and Shares Held in Them

1, "Fiba Portföy Yönetimi Anonim Şirketi" has the share capital of TL 5.500.000, 99% of which is held by Fibabanka A.Ş. and 1% by Fiba Holding A.Ş. The company was incorporated to form and manage investment funds in accordance with the provisions of the applicable legislation. Its field of activity also includes management of investment trusts, the private pension funds under the Law on Personal Pension Savings and Investment System dated 28 March 2001 with no. 4632, and the equivalent foreign organizations' portfolios of mutual funds.

2, The Bank has an affiliate with the trade name "Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş." with the amount of

TL 112.500.000. Fibabanka A.Ş. holds 100% of the share capital of the said company. Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş. was incorporated to undertake entrepreneurial activities, create new fields of activity and technologies, make investments in fin-techs, and provide consulting services for mobile payments, P&L follow-ups, and money transfers.

Information Regarding the Bank's Acquired Shares

There are no shares of the Bank, which have been acquired.

Remarks on the Independent Audit and Public Supervision Conducted in the Statement Period

The Bank is audited by an independent audit firm at the end of each quarterly period in a limited scope and at the end of each year comprehensively. Furthermore, the Bank is subject to constant monitoring and supervision by the Banking Regulation and Supervision Agency pursuant to banking laws and regulation.

Information Regarding Lawsuits Filed Against the Bank and Potential Effects There is no lawsuit filed against the Bank which may affect the financial situation and activities of the Bank.

Administrative and Penal Sanctions

The amount of penalties paid by the Bank due to practices in breach of related laws and regulations is TL 1.381.436.

Targets Set in the Previous Reporting Period and Execution of General Assembly Resolutions

The Bank reached its targets and executed General Assembly resolutions in 2020.

Extraordinary General Assembly Meetings Held in the Reporting Period

No Extraordinary General Assembly Meetings were held in 2020.

Aid and Donations

The total amount of donations and aid made by the Bank in 2020 and the expenses incurred under social responsibility projects are TL 4.724.105.

SUPPORT SERVICES PROVIDERS

Information on the Fields of Activity of Support Services Received and Persons and Organizations from which the Service is Received Pursuant to the "Regulation on Support Services Received by Banks" and the "Regulation on Banks' Information Systems and Electronic Banking Services"

1)Banking Operating Systems

Trade Name of the Company	Services Procured/Field of Activity
Alterna Yazılım Danışmanlık ve Eğitim Ticaret A.Ş.	Software Service
Arksoft Bilişim Teknoloji Ticaret Sanayi A.Ş.	Software Inventory Tracking Application
Basistek Bilgi Teknolojileri San. ve Tic. A.Ş.	License and Installation Service
Bilgi Birikim Sistemleri Elektronik ve Bilgisayar Endüstrisi	System Support, Hardware Repair and Maintenance Services
Mühendislik Hizm. San. ve Tic. Ltd. Şti.	-5
ComPay Ödeme Çözümleri A.Ş.	Software Service
CRIF Enformasyon Derecelendirme ve Danışmanlık Hizmetleri A.Ş.	Risk-meter Rating Software Solution Application
DDI Teknoloji ve Bilişim Çözümleri Araştırma ve Geliştirme	Software Development
Hizmetleri Ltd. Şti.	
Dengage İnteraktif Dijital Teknoloji Hizmetleri ve Pazarlama A.Ş.	Messaging Service
Dilişim Bilgi Bilgisayar İletişim Tek. San. Tic. Ltd. Şti.	Data Systems Maintenance and Support Services
Eretim Bilgisayar Hizm. ve Danışmanlık Ltd. Şti.	Campaign Automation Platform
Finastra Global Ltd. Şti.	Software Service
Fineksus Bilişim Çözümleri Ticaret A.Ş.	SWIFT Service
Globit Global Bilgi Teknolojileri A.Ş.	Software Service
IBM Global Services İş ve Teknoloji Hiz. ve Tic. Ltd. Şti.	Extraordinary Situation Server and Maintenance Services
IDVLABS Yazılım ve Danışmanlık Hizmetleri A.Ş.	Software Service
İHS Kurumsal Teknoloji Hizmetleri A.Ş.	Remote Identification Infrastructure
Innova Bilişim Çözümleri A.Ş.	Corporate Transaction Center Service Study
Innovance Bilgi Teknolojileri Danışmanlık Yazılım Geliştirme İnş. ve Otom. Ltd. Şti.	Analysis Consulting and Software Development
İdeal Bilişim Hizmetleri San. ve Tic. Ltd. Şti.	FX Matching/FX Nostro Settlement Software
JForce Bilişim Teknolojileri A.Ş.	System Monitoring and Management, Software and
	Consulting Services
Mapa Global Bilgisayar Yazılım Dan. San. Ltd. Şti.	Kasbox and TCMB IBS Software Pack Maintenance Service
Netsec Bilişim Çözümleri San. ve Tic. Ltd. Şti.	Access Authorization Definition and Automatic Profiling of
	Devices in the Network
Özyeğin University	Software and Consulting Services
Paycore Ödeme Hizmetleri Takas ve Mutabakat Sistemleri A.Ş.	Debit Card/Credit Card and ATM Operation Support Services
Platin A.Ş.	SIEM Product
Postkom Basım Posta ve İletişim Hizmetleri A.Ş	Account Statement Printing and Enveloping Service
Secure Future Bilgi Teknolojileri ve Hizmetleri Ticaret A.Ş	Monitoring Application Maintenance and Support Services
Soitron Siber Güvenlik Servisleri A.Ş.	Firewall Services
Servicium Bilgisayar Hizm. San. ve Dış Tic. A.Ş.	Core Banking Analysis Consulting
SR Bilişim Yönetim Hizm. Tic. A.Ş.	Management Center of Capsule-Mail Application
Superonline İletişim Hizmetleri A.Ş.	Data Center Hosting Service
Telcoset İleri Teknoloji Stratejik İş Geliştirme Dan. A.Ş.	Product Maintenance Service
Tümsaş Teknolojik End. Bilgisayar Ürün. Müh. ve Paz. A.Ş.	Q-matic Algorithm and Code Support, Maintenance Repair and Screen Development Service

2) Telephone Banking

Trade Name of the Company	Services Procured/Field of Activity
UCS Bilişim Sistemleri Ltd. Şti.	Replacing Infrastructure of the Call Centre

3) Internet Banking

Trade Name of the Company	Services Procured/Field of Activity
V.R.P Veri Raporlama Programlama Bilişim Yazılım ve	Internet Banking Software and Operating Systems Services
Danışmanlık Hizm. Tic. A.Ş.	

4) Services Other Than Information Technologies

Trade Name of the Company	Services Procured/Field of Activity
Austria Card Turkey Kart Operasyonları A.Ş.	Debit Card Printing and Enveloping Services
Birleşik Ödeme Hizmetleri ve Elektronik Para A.Ş.	Intermediary Services for "Transfer on Duty" Services
Brinks Güvenlik Hizmetleri A.Ş.	Precious Goods Transportation Services
Bizim Hesap Bilgi Sistemleri San. ve Tic. A.Ş.	Credit API Integration
DESMER Güvenlik Hizmetleri Tic. A.Ş.	Money Transportation Services
ETCBASE Yazılım ve Bilişim Teknolojileri A.Ş.	Application Support Services for Monitoring Companies in
	Follow-Up and Past Due
Figo Ticari Bilgi ve Uygulama Patformu A.Ş.	Software Interface Service
FU Gayrimenkul Yatırım Danışmanlık A.Ş.	Execution of Land Registry Transactions by Proxy
	Ekspertiz Yazılım Hizmeti
Key İnternet Hizmetleri Bilgisayar Yazılım Donanım	Appraisal Software Services
Mühendislik Müşavirlik San. ve Tic. Ltd. Şti.	
Kurye Net Motorlu Kuryecilik ve Dağ. Hiz. A.Ş.	Debit/Credit Card Distribution Service
MTM Holografi Güvenlikli Basım	Checkbook Printing Services
ve Bilişim Teknolojileri San. ve Tic. A.Ş.	
NCR Bilişim Sistemleri Ltd. Şti.	ATM Money Depositing NCR Banknote Recognition Template
	Services
Nemesis Alarmsis Teknoloji San. Tic. A.Ş.	Alarm Control Center Support
Reisswolf Doküman Yönetim Hizmetler A.Ş.	Secure Document Destruction and Archiving Service
Tele Kurye Dağıtım ve Kurye Hizm. A.Ş.	Courier Services for Signing Agreements
Webhelp Çağrı Merkezi ve Müşteri Hizmetleri A.Ş.	Call Center Staff Support
268 Contracted Firms	Customer Contract Signing and Delivery

STATEMENT ON ANNUAL REPORT 2020

Fibabanka A.Ş. 2020 Annual Report was prepared and submitted in accordance with the principles and procedures stipulated in the "Regulation on Principles and Procedures Concerning the Preparation and Publication of Annual Reports by Banks" promulgated in the Official Gazette no. 26333 on 1 November 2006 and Customs and Trade Ministry's "Regulation on Determination of Minimum Content of Annual Report of Companies," promulgated in the Official Gazette on 28 August 2012 with no. 28395.

Hüsnü Mustafa Özyeğin

Chairman of the Board of Directors

H MOLLEY

Ömer Mert

General Manager and Member of the Board of Directors

İsmet Kaya Erdem

Member of the Board of Directors, Committee and Substitute Member of the Credit Committee

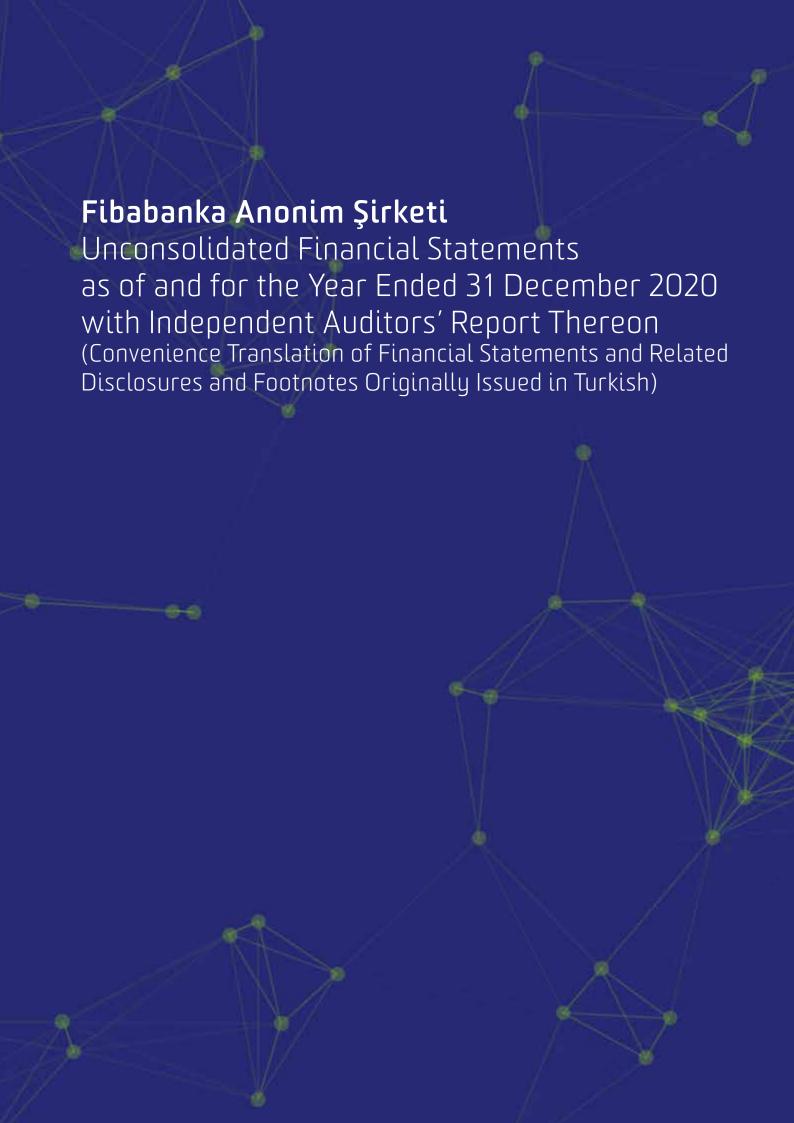
Elif Alsev Utku Özbey

Deputy General Manager

Faik Onur Umut

Member of the Board of Directors, Member of the Audit Committee and Credit Committee Ayşe Akdaş

Director of the Financial Control and Financial Reporting Department





KPMG Bagımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. İş Kuleleri Kule 3 Kat:2-9 Levent 34330 İstanbul Tel +90 212 316 6000 Fax +90 212 316 6060 www.kpmg.com.tr

Convenience Translation of the Independent Auditors' Report Originally Prepared and Issued in Turkish to English

To the Shareholders of Fibabanka Anonim Şirketi

A) Report on the Audit of the Unconsolidated Financial Statements

Qualified Opinion

We have audited the unconsolidated financial statements of Fibabanka Anonim Şirketi ("the Bank") which comprise the unconsolidated balance sheet as at 31 December 2020 and the unconsolidated statement of profit or loss, unconsolidated statement of profit or loss and other comprehensive income, unconsolidated statement of changes in shareholders' equity, unconsolidated statement of cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, except for the effect of the matter described in the *Basis For Qualified Opinion* section of our report, the accompanying unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of Fibabanka Anonim Şirketi as at 31 December 2020, and its unconsolidated financial performance and its unconsolidated cash flows for the year then ended in accordance with the "Banking Regulation and Supervision Agency ("BRSA") Accounting and Reporting Legislation" which includes the "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 BRSA and circulars and interpretations published by BRSA and requirements of Turkish Financial Reporting Standards ("TFRS") for the matters not regulated by the aforementioned legislations.

Basis for Qualified Opinion

As stated in Note 2.8.3.1 of Section Five, the accompanying unconsolidated financial statements as at 31 December 2020 include a general provision of total of TL 151.000 thousands, of which TL 106.500 thousands was recognized as expense within the current period and TL 44.500 thousands had been recognized as expense in prior periods; with a deferred tax asset amounting to TL 30.200 thousands of which TL 20.410 thousands was recognized within the current period and TL 9.790 thousands had been recognized in prior periods; for the possible effects of the negative circumstances which may arise in the economy or market conditions which is not in line with the requirements of BRSA Accounting and Financial Reporting Legislation.



We conducted our audit in accordance with the "Regulation on Independent Audit of the Banks" ("BRSA Auditing Regulation") published in the Official Gazette No.29314 dated 2 April 2015 by BRSA and Standards on Auditing which is a component of the Turkish Auditing Standards published by the Public Oversight Accounting and Auditing Standards Authority ("POA") ("Standards on Auditing issued by POA"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements* section of our report. We declare that we are independent of the Bank in accordance with the Ethics for Auditors issued by POA ("POA's Code of Ethics") and the ethical requirements in the regulations issued by POA that are relevant to audit of unconsolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the POA's Code of Ethics and other regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for Qualified Opinion* section we have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment of loans measured at amortised cost

The details of accounting policies and significant estimates and assumptions for impairment of loans measured at amortised cost are presented in Section III, No: VIII of the unconsolidated financial statements.

Key audit matter

As of 31 December 2020, loans measured at amortised cost comprise 72% of the Bank's total assets

The Bank recognizes its loans in accordance with the Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside (the "Regulation") published on the Official Gazette No. 29750 dated 22 June 2016 and TFRS 9 Financial Instruments standard ("Standard").

The Bank applies the "expected credit loss model" in determining the impairment of financial assets in accordance with the Regulation and Standard. The model which contains significant assumptions and estimates is reviewed by the Bank management annually.

The significant assumptions and estimates of the Bank's management are as follows:

- significant increase in credit risk;
- incorporating the forward looking macroeconomic information in calculation of credit risk; and
- design and implementation of expected credit loss model.

How the matter is addressed in our audit

Our procedures for testing the impairment of loans included below:

- We tested the design and operating effectiveness of the controls on lending, collateralization, collection, follow-up, classification and impairment procedures are tested with the involvement of information risk management specialists.
- We evaluated the adequacy of the subjective and objective criteria that is defined in the Bank's impairment accounting policy compared with the Regulation and Standard.
- We evaluated the Bank's business model and methodology and the evaluation of the calculations were carried out with the control testing and detailed analysis by the involvement of specialist.
- We performed loan reviews for selected loan samples which include a detailed examination of loan files and related information and testing their classification. In this context, the current status of the loan customer has been evaluated by including the impact of COVID-19 on prospective information and macroeconomic variables.



The determination of the impairment of loans measured at amortised cost depends on the (i) credit default status, (ii) the model based on the change in the credit risk at the first recognition date and (iii) the classification of the loans measured at amortised cost according to the model. Establishing an accurate classification is a significant process as the calculation of expected credit loss varies to the staging of the financial assets.

The Bank calculates expected credit losses on both an individual and a collective basis. Individual provisions consider the estimated future performance of the business and the fair value of the collateral provided for credit transactions.

The collective basis expected credit loss calculation is based on complex processes which are modelled by using current and past data sets and expectations. The completeness and accuracy of data sets in the model are also considered and the forward looking expectations are reflected by macroeconomic models.

Impairment on loans measured at amortised cost was considered to be a key audit matter, due to the significance of the estimates, assumptions including the impact of COVID-19, the level of judgements and its complex structure as explained above.

- We evaluated the accuracy of the expected credit loss calculations by selecting sample for the loans which are assessed on individual basis and discussed the assumptions and estimates with the Bank management.
- We tested the accuracy completeness of the data in the calculation models for the loans which are assessed on collective basis. expected credit loss calculation was tested through recalculation. The models used for the calculation of the risk parameters were examined and the risk parameters for the selected sample portfolios were recalculated.
- We assessed the macroeconomic models which are used to reflect forward looking expectations and tested the effect of the risk parameters by recalculation method.
- We evaluated the qualitative and quantitative assessments which are used in determining the significant increase in credit risk.
- We also evaluated the adequacy of the unconsolidated financial statements' disclosures related to impairment provisions.



Responsibilities of Management and Those Charged with Governance for the Unconsolidated Financial Statements

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

In preparing the unconsolidated financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

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

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

Responsibilities of auditors in an audit are as follows:

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing issued by POA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with BRSA Auditing Regulation and Standards on Auditing issued by POA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B) Report on Other Legal and Regulatory Requirements

- 1) Pursuant to the fourth paragraph of Article 402 of the Turkish Commercial Code ("TCC") numbered 6102; no significant matter has come to our attention that causes us to believe that the Bank's bookkeeping activities for the period 1 January 31 December 2020 are not in compliance with TCC and provisions of the Bank's articles of association in relation to financial reporting.
- 2) Pursuant to the fourth paragraph of Article 402 of the TCC; the Board of Directors provided us the necessary explanations and required documents in connection with the audit.

Additional paragraph for convenience translation to English:

The accounting principles summarized in Note I Section Three, differ from the accounting principles generally accepted in countries in which the accompanying unconsolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS"). Accordingly, the accompanying unconsolidated financial statements are not intended to present the financial position and results of operations in accordance with accounting principles generally accepted in such countries of users of the unconsolidated financial statements and IFRS.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Alper Güvenç, SMMM Partner

15 February 2021 İstanbul, Türkiye

THE UNCONSOLIDATED FINANCIAL REPORT OF FİBABANKA A.Ş. FOR THE YEAR ENDED 31 DECEMBER 2020

Address : Esentepe Mah. Büyükdere Caddesi No:

129 Şişli 34394 İstanbul-Türkiye

Telephone : (212) 381 82 82 Fax : (212) 258 37 78

Web Site : www.fibabanka.com.tr

Contact E-Mail: deniz.turunc@fibabanka.com.tr

The unconsolidated year-end financial report prepared in accordance with the communiqué of Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE CORRESPONDING ACCOUNTING POLICIES APPLIED IN THE **RELATED PERIOD**
- INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE BANK
- EXPLANATORY DISCLOSURES AND FOOTNOTES TO UNCONSOLIDATED FINANCIAL **STATEMENTS**
- OTHER DISCLOSURES
- INDEPENDENT AUDITORS' REPORT

The unconsolidated financial statements and the explanatory footnotes and disclosures, unless otherwise indicated, are prepared in thousands of Turkish Lira, in accordance with the Communiqué on Banks' Accounting Practice and Maintaining Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, related communiqués and the Banks' records, have been audited and presented as attached.

Hüsnü Must Özyeğin Chairman of the

Board of Directors smet Kaya Erdem

Member of the Audit Committee

Umut Member of the

Audit Committee

aik Onur

General Manager and Member of the Board of

Directors

Omer

Mert Utku Özbey Deputy

General Manager

Elif Alsev

Director Financial Control and Reporting

Akdas

Information related to personnel to whom questions related to this financial report may be directed:

Name-Surname/Title : Ayse Akdas / Financial Control and Reporting Director

: (212) 381 84 88 Telephone Number Fax Number : (212) 258 37 78

SECTION ONE

General Information History of the Bank Including Its Incorporation Date, Initial Status and Amendments to the Initial Status ı. Shareholder Structure, Shareholders Having Direct or Indirect, Joint or Individual Control Over the Management and Internal Audit of the Bank, Changes in Shareholder Structure During the Current Period, if any and Information on the Bank's Risk Group Explanations Regarding the Shares of the Bank Owned by and Areas of Responsibility of the Chairman and the Members of Board of Directors, Audit Committee Ш Members, Chief Executive Officer, Executive Vice Presidents Individuals and Institutions That Have Qualified Shares in the Bank Summary Information on the Bank's Services and Activity Areas VI. Other Information VII. Current or Likely Actual or Legal Barriers to Immediate Transfer of Equity or Repayment of Debts Between the Bank and Its Subsidiaries SECTION TWO Unconsolidated Financial Statements П. Statement of Off-Balance Sheet Items III. Statement of Profit or Loss Statement of Profit or Loss and Other Comprehensive Income IV. Statement of Changes in Shareholders Equity VI. Statement of Cash Flows 10 VII. Profit Distribution Table 11 SECTION THREE **Accounting Principles** Explanations on the basis of presentation 12 II. Explanations on the usage strategy of financial instruments and on foreign currency transactions 12 III. Explanations on equity investments 13 Explanations on forward transactions, options and derivative instruments 13 Explanations on interest income and expenses VI. Explanations on fees and commission income and expenses 14 VII. Explanations on financial assets 14 Explanations on expected credit loss 15 VIII. $\stackrel{\cdot}{\text{Explanations}} \text{ on offsetting financial instruments}$ IX. Χ. Explanations on sale and repurchase agreements and securities lending transactions 17 ΧI Explanations on noncurrent assets held for sale and discontinued operations and the related liabilities 17 Explanations on goodwill and other intangible assets 17 XII. Explanations on tangible assets 18 XIV. Explanations on leasing transactions ΥV Explanations on provisions and contingent liabilities 19 XVI. Explanations on contingent assets 19 XVII. Explanations on liabilities for employee benefits 20 XVIII. Explanations on taxation Additional explanations on borrowings 21 XIX. XX. Explanations on share certificates issued 22 XXI. Explanations on bank acceptances and bills of guarantee 22 Explanation on government incentives XXII. 22 XXIII. Explanations on segment reporting XXIV. Profit reserves and distribution of the profit 23 XXV. Earnings per share 23 Cash and cash equivalent assets XXVI. 23 XXVII. Other Disclosures 23 SECTION FOUR Information on Financial Position and Risk Management Information related to the components of shareholders' equity 25 Explanations on credit risk III. Explanations on currency risk 47 IV. Explanations on interest rate risk 49 Explanations on position risk of equity securities resulted from banking book 52 VΙ Explanations on liquidity risk and liquidity coverage ratio 53 VII. Explanations on leverage level VIII. Explanation on presentation of assets anl liabilities at their fair values 59 IX. Explanation on transactions carried out on behalf of customers and fiduciary activities 59 Explanations on securitisations positions 59 XI. Explanations on risk management objectives and policies 60 SECTION FIVE Explanations and Notes on the Unconsolidated Financial Statements Explanations and disclosure related to the assets 79 11. Explanations and disclosures related to liabilities 95 Explanations and disclosures related to off-balance sheet contingencies and commitments 102 Explanations and disclosures related to the statement of profit or loss 105 Explanations and disclosures related to statements of changes in consolidated shareholders' equity 110 VI. Explanations and disclosures related to the consolidated statement of cash flows VII. Explanations and disclosures on the risk group of the Bank 112 VIII Explanations on the Bank's domestic, foreign, off-shore branches or investments in associates and foreign representative offices 114 IX. Events after balance sheet date 114 SECTION SIX Other Disclosures Other disclosures on activities of the Bank 114 SECTION SEVEN Disclosures on Auditors' Report Disclosures on independent auditor's report 115 Disclosures and footnotes prepared by independent auditors 115

FİBABANKA A.Ş. NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2020 - 31 DECEMBER 2020

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

SECTION ONE

GENERAL INFORMATION

I. History of the Bank Including Its Incorporation Date, Initial Status and Amendments to the Initial Status

On 21 December 2001, Share Transfer Agreement was signed with Novabank S.A. for the sale of all shares of Sitebank A.Ş. under the control of SDIF and the sale transaction was approved by the decision of Banking Regulation and Supervision Agency ("BRSA") No: 596 on 16 January 2002.

In the General Assembly held on 4 March 2003, the name of Sitebank A.Ş. was amended as BankEuropa Bankası A.Ş.

In the extraordinary General Assembly held on 28 November 2006, the name of Bank Europa Bankası A.Ş. was amended as Millennium Bank A.Ş.

On 27 December 2010, acquisition of the Bank by Credit Europe Bank N.V., which is an affiliate of Fiba Holding A.S., was realized.

In the extraordinary General Assembly held on 25 April 2011 the name of Millennium Bank A.Ş. was amended as Fibabanka A.Ş. ("the Bank").

II. Shareholder Structure, Shareholders Having Direct or Indirect, Joint or Individual Control Over the Management and Internal Audit of the Bank, Changes in Shareholder Structure During the Current Period, if any and Information on the Bank's Risk Group

On 10 February 2010, Banco Comercial Portugues S.A. and Credit Europe Bank N.V., which is an affiliate of Fiba Group, signed a share purchase agreement to transfer 95% of the Bank's shares to Credit Europe Bank N.V. and the legal approval process was completed as of 27 December 2010.

Credit Europe Bank N.V.'s share of capital increased from 95% to 97,6% after the capital increases during 2011 and 2012. Fiba Holding A.Ş. became the ultimate parent of the Bank after acquiring 97,6% of the shares from Credit Europe Bank N.V. on 3 December 2012 and 2,4% of the shares from Banco Comercial Portugues S.A. on 7 December 2012. There were sales of equity shares to the management of the Bank in 2013. As of 31 December 2020 the total shares held by the Bank's Management represent 0,54% of the Bank's Capital.

The Bank applied to the BRSA on 14 January 2015 for permission of the subordinated loan provided from Fiba Holding A.Ş. in the amount of USD 50 million to be converted to share capital. Following the authorization of the BRSA on 4 March 2015, the Board of Directors decision was taken on 5 March 2015 regarding share capital increase from TL 550.000 to TL 678.860. TL 127.045 of the increase was provided by the subordinated loan granted by Fiba Holding A.Ş. which had been approved to be converted to capital and TL 1.815 of total capital was paid in cash by the other shareholders, capital increase was recognised in financial statements following the completion of the legal procedures on 7 May 2015.

The Bank's paid-in capital amounting to TL 678.860 was increased to TL 847.515 on 23 December 2015 with equal contributions from International Finance Corporation ("IFC") and European Bank for Reconstruction and Development ("EBRD") amounting TL 168.655 in total. In addition, share issuance premium of TL 73.379 was recognised in the shareholders' equity.

The Bank's paid-in capital amounting to TL 847.515 was increased to TL 941.161 on 7 September 2016 with the capital contribution of TurkFinance B.V. by TL 93.646. In addition, TL 55.299 was recorded to the equity as share premium.

As of 31 December 2020, paid-in capital of the Bank is TL 941.161 and all paid in.

FİBABANKA A.Ş. NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2020 - 31 DECEMBER 2020

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

III. Explanations Regarding the Shares of the Bank Owned by and Areas of Responsibility of the Chairman and the Members of Board of Directors, Audit Committee Members, Chief Executive Officer, Executive Vice Presidents

Name Surname	<u>Title</u>	Assignment Date
Board of Directors (*)		
Hüsnü Mustafa Özyeğin	Chairman	27-Dec-10
Fevzi Bozer	Deputy Chairman	27-Dec-10
Mehmet Güleşci	Member	27-Dec-10
İsmet Kaya Erdem	Member	11-Feb-13
Memduh Aslan Akçay	Member	13-Apr-16
Hülya Kefeli	Member	15-May-17
Faik Onur Umut	Member	23-Jan-19
Seyfettin Ata Köseoğlu	Member	23-Jan-20
Ömer Mert	General Manager - Member	18-Jan-17

^(*) Bank's Board Member Mr. Mevlüt Hamdi Aydın has resigned as of 31 January 2020. Mr. Seyfettin Ata Köseoğlu has been assigned as Bank's Board Member as of 23 January 2020.

Audit Committee(*)

Addit Committee()		
İsmet Kaya Erdem	Member	27-Dec-19
Faik Onur Umut	Member	14-Jan-20

^(*) Bank's Audit Commitee Member Mr. Mevlüt Hamdi Aydın has resigned as of 31 January 2020. Mr. Faik Onur Umut has been assigned as Audit Commitee Member as of 14 January 2020.

Assistant General Managers

Elif Alsev Utku Özbey	Deputy GM - Financial Control & Reporting	07-Jan-11
Sezin Erken	AGM - Consumer Banking & Funding Resource Management	10-Aug-17
Kerim Lokman Kuriş	AGM - Corporate & Commercial Banking	01-Dec-15
Turgay Hasdiker	AGM - Credits	01-Dec-15
Ahu Dolu	AGM - Financial Institutions and Project Finance	01-Dec-15
Gerçek Önal	AGM - Chief Legal Officer	01-Feb-16
İbrahim Toprak	AGM - Treasury	01-Apr-20
Serdar Yılmaz	AGM - Information Technologies and Banking Operations	01-Sep-20

The Bank's equity shares owned by the individuals listed above are not material.

FİBABANKA A.Ş. NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY 2020 - 31 DECEMBER 2020

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

IV. Individuals and Institutions That Have Qualified Shares in the Bank

Name Surname/ Commercial Title	Share Amount (Nominal)	Share Ratios	Paid in Capital (Nominal)	Unpaid Shares
Fiba Holding A.Ş.	673.808	71,59%	673.808	
Hüsnü Mustafa Özyeğin (*)	667.088	70,88%	667.088	

(*) States indirect share of Hüsnü Mustafa Özyeğin in the Bank due to his direct share in Fiba Holding A.Ş.

٧. Summary Information on the Bank's Services and Activity Areas

The Bank was incorporated as a privately owned bank authorized for customer deposit acceptance and the Head Office of the Bank is located in Istanbul, Turkey. As of 31 December 2020, the Bank serves with 50 domestic branches and 1.550 employees.

VI. Other Information

The Bank's Commercial Title : Fibabanka Anonim Şirketi

The Bank's General Directorate Address : Esentepe Mah. Büyükdere Caddesi

No:129 Şişli 34394 İstanbul

The Bank's Phone and Fax Numbers Telephone: (0212) 381 82 82

: (0212) 258 37 78 Fax

The Bank's Web Site Address : www.fibabanka.com.tr The Bank's E-Mail Address : malikontrol@fibabanka.com.tr

Reporting Period : 1 January 2020 - 31 December 2020

The financial statements, related disclosures and notes in this report are presented, unless otherwise indicated, in thousands of Turkish Lira (TL).

VII. Current or Likely Actual or Legal Barriers to Immediate Transfer of Equity or Repayment of Debts Between Parent Bank and Its Subsidiaries

None.

SECTION TWO UNCONSOLIDATED FINANCIAL STATEMENTS

FİBABANKA A.Ş. UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

AS AT 31 DECEMBER 2020

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

			CURRENT PERIOD			PRIOR PERIOD			
	ASSETS	Footnotes	(01) 12/2020)				(31/12/2019)		
			TL	FC	Total	TL	FC	Total	
l.	FINANCIAL ASSETS (Net)		2.109.314	3.970.228	6.079.542	3.399.454	3.418.554	6.818.00	
1.1	Cash and Cash Equivalents	(5.1.1)	1.269,815	2.950.698	4,220,513	633,116	2.595.084	3.228.20	
1.1.1	Cash and Balances at Central Bank		466.014	2.455.668	2.921.692	200.986	2.506.889	2.707.87	
1.1.2	Banks	(5.1.3)	465.564	422.967	888.531	402.621	88.195	490.81	
1.1.3	Money Market Placements		340.168	72.063	412.231	30.010	•	30.01	
1.1.4	Expected Credit Loss (-)		1.941	-	1.941	501	-	50	
1.2	Financial Assets Measured at Fair Value Through Profit or Loss	(5.1.2)	124.135	3	124.138	2.037.723	718	2.038.44	
1.2.1	Government Debt Securities		27.480	3	27.483	24.835	706	25.54	
1.2.2	Equity Securities		-	-	-	-	-		
1.2.3	Other Financial Assets		96.655	-	96.655	2.012.888	12	2.012.90	
1.3	Financial Assets Measured at Fair Value Through Other Comprehensive Income	(5.1.4)	18.405	1.009,121	1.027.526	16.849	795.616	812.46	
1.3.1	Government Debt Securities		13.508	381.334	394.842	11.952	177.546	189.4	
1.3.2	Equity Securities		4.897	5.466	10.363	4.897	3.800	8.69	
1.3.3	Other Financial Assets		-	622.321	622.321	-	614.270	614.2	
1.4	Derivative Financial Assets	(5.1.2)	696,959	10.406	707.365	711.766	27.136	738.90	
1.4.1	Derivative Financial Assets Measured at Fair Value Through Profit and Loss		696.959	10.406	707.365	711.766	27.136	738.9	
1.4.2	Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income		-		-				
II.	FINANCIAL ASSETS MEASURED AT AMORTISED COST (NET)	(5.1.6)	11.759.762	8.243.953	20.003.715	6.656.778	7.594.623	14.251.40	
2.1	Loans	(5.1.5)	12.302.304	7.218.181	19.520.485	7.270.746	7.206.662	14.477.4	
2.2	Lease Receivables	(5.1.10)	-						
2.3	Factoring Receivables	(5.1.5)	100.322	5.529	105.851	1.723	1.369	3.0	
2.4	Financial Assets Measured at Amortised Cost	(5.1.6)	187.659	1.020.243	1.207.902	188.506	386.592	575.0	
2.4.1	Government Debt Securities	(******,	187.659	1.006.930	1.194.589	188,506	386,592	575.0	
2.4.2	Other Financial Assets			13.313	13.313			0,010	
2.5	Expected Credit Losses (-)		830.513		830.513	804.197		804.1	
III.	ASSETS HELDFOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(5.1.16)	102.748	_	102.748	63.247	_	63.2	
3.1	Assets Held for Sale	(5.1.10)	102.748	-	102.748	63.247	-	63.2	
3.2	Related to Discontinued Operations		102.740	-	102.770	03.241	-	03.2	
5.2 IV.	EQUITY INVESTMENTS		117.945	•	117.945	36.945	•	36.9	
4.1	•	(5.1.7)	117.743	-	117.743	30.743	-	30.7	
	Investments in Associates (Net)	(3.1.7)	-	-	-	-	-		
4.1.1	Associates Accounted by Using Equity Method		•	•	•	-	•		
4.1.2	Unconsolidated Associates	(5.1.5)	447.045	-	447.045	2/ 0/5	-	24.0	
4.2	Investments in Subsidiaries (Net)	(5.1.8)	117.945 5.445	-	117.945	36.94 5 5.445	-	36.9 5.4	
4.2.1	Unconsolidated Financial Subsidiaries			-	5.445		-		
4.2.2	Unconsolidated Non-financial Subsidiaries	(5.1.0)	112.500	•	112.500	31.500	•	31.5	
4.3	Joint Ventures (Net)	(5.1.9)	-	-	-	-	-		
4.3.1	Joint Ventures Accounted by Using Equity Method		-	-	•	-	-		
4.3.2	Unconsolidated Joint Ventures	45 4 40 1		-	350 340	202 /54	-	202 /	
٧.	TANGIBLE ASSETS (Net)	(5.1.12)	359.768	-	359.768	323.651	-	323.65	
VI.	INTANGIBLE ASSETS (Net)	(5.1.13)	90.977	-	90.977	69.877	-	69.8	
6.1	Goodwill		-	-	-		-	, n	
6.2	Other		90.977	-	90.977	69.877	-	69.8	
VII.	INVESTMENT PROPERTY (Net)	(5.l. 1 4)	-	-		-	-	_	
VIII.	CURRENT TAX ASSET		1.264	-	1.264	3,509	-	3,5	
IX.	DEFERRED TAX ASSET	(5.1.15)	191.700	-	191.700	54.427	-	54.4	
Χ.	OTHER ASSETS	(5.1.17)	252,281	25.055	277.336	236.034	28.661	264,69	
	TOTAL ASSETS		14.985.759	12,239,236	27,224,995	10,843,922	11.041.838	21,885.7	

FİBABANKA A.Ş. UNCONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION)

AS AT 31 DECEMBER 2020

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

			(CURRENT PERIOD			PRIOR PERIOD	
	LIABILITIES	Footnotes		(31/12/2020)			(31/12/2019)	
			TL	FC	Total	TL	FC	Total
l.	DEPOSITS	(5.11.1)	9.286.215	8.381.210	17.667.425	6.658.925	6.907.773	13.566.6
II.	FUNDSBORROWED	(5.11.3)	20.370	1.134.772	1.155.142	16.773	842.608	859.3
III.	MONEY MARKET FUNDS		-	610.160	610.160	-	733.257	733.2
IV.	SECURITIES ISSUED (Net)	(5.11.4)	-	1.480.900	1.480.900	383.937	1.334.395	1.718.3
4.1	Bills			-	-	383.937	-	383.9
4.2	Asset Backed Securities			-	-	-		
4.3	Bonds		-	1.480.900	1.480.900	-	1.334.395	1.334.
٧.	FUNDS		-	-	-	-	-	
5.1	Borrower funds		-		-	-		
5.2	Other			-	-	-		
VI.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS		-	-	-	-	-	
VII.	DERIVATIVE FINANCIAL LIABILITIES	(5.11.2)	1.097.100	10.392	1.107.492	761.112	27.093	788.
7.1	Derivative Financial Labilities at Fair Value Through Profit or Loss	,	1.097.100	10.392	1.107.492	761.112	27.093	788
7.2	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income							
YIII.	FACTORING LIABILITIES			-	_	-	_	
IX.	LEASE LIABILITIES (Net)	(5.11.6)	52.635	767	53.402	63.465	4.929	68
Х.	PROVISIONS	(5.11.8)	205.252	-	205.252	96.772		96
10.1	Provisions for Restructuring	(5.11.0)			-			
10.2	Reserve for Employee Benefits		36.894		36.894	29.588		29
10.3	Insurance Technical Provisions (Net)		_		-			_
	Other Provisions		168.358		168.358	67.184		67
XI.	CURRENT TAX LIABILITIES	(5.11.9)	186.711	_	186.711	40.580	_	40
XII.	DEFERRED TAX LIABILITIES	(5.11.9)	_	_	_	-	_	
	LIABILITIES FOR ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)		_	_	_	_	_	
13.1	Held for Sale	(5.II.10)	_		_	_	_	
13.2	Related to Discontinued Operations		_		_			
	SUBORDINATED DEBTS	/E II 44\	-	2.127.599	2.127.599	_	1.789.018	1.789
14.1	Loans	(5.11.11)]	2.127.177	2.127.377		1.707.010	1.707
	Other Debt Instruments		_	2.127.599	2.127.599		1.789.018	1.78
	OTHER LIABILITIES	(5 U.D.	E70 000			202.024		569
		(5.11.5)	579.002	178.006	757.008	382.924	186.395	
XVI.	SHAREHOLDERS' EQUITY	(5.11.12)	1.855.491	18.413	1.873.904	1.643.063	12.741	1.655
16.1	Paid-in Capital		941.161	-	941.161	941.161	-	94
	Capital Reserves		213.775	-	213.775	210.253	-	210
	Equity Share Premium		128.678	-	128.678	128.678	-	128
	Share Cancellation Profits		-	-	-	-	-	
	Other Capital Reserves		85.097	-	85.097	81.575	-	8
	Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		(10.787)	-	(10.787)	(7.777)	-	(7
	Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		3.850	18.413	22.263	3.033	12.741	15
	Profit Reserves		496.393	-	496.393	284.349	-	284
	Legal Reserves		42.321	-	42.321	31.719	-	31
	Statutory Reserves		-	-	-	-	-	
	Extraordinary Reserves		454.072	-	454.072	252.630	-	25
	Other Profit Reserves		-	-	-	-	-	
	Profit or Loss		211.099	-	211.099	212.044	-	21
	Prior Periods' Profit or Loss		(18.736)	-	(18.736)	-	-	
16.6.2	Current Period Net Profit or Loss		229.835	-	229.835	212.044	-	21
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		13.282.776	13.942.219	27.224.995	10.047.551	11.838.209	21.885

FİBABANKA A.Ş. UNCONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS

AS AT 31 DECEMBER 2020

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

		Footnotes	^c	URRENT PERIOD (31/12/2020)			PRIOR PERIOD (31/12/2019)	
			TL	FC	Total	TL	FC	Total
OFF-	BALANCE SHEET COMMITMENTS (I+II+III)		12.056.855	28.621.078	40.677.933	8.357.010	31.229.346	39.586.3
	GUARANTIES AND WARRANTIES	(5.III.1)	606.591	659.971	1.266.562	432.859	591.809	1.024.6
1.	Letters of guarantee		584.041	277.530	861.571	432.859	317.754	750.6
1.1	Guarantees Subject to State Tender Law		-	-	-	-	-	
1.2	Guarantees Given for Foreign Trade Operations		- EB4 044	277 520	9/4 574	477 850	247.754	750 /
1.3 2.	Other Letters of Guarantee Bank Acceptances		584.041 22.550	277.530 134.217	861.571 156.767	432.859	317.754 105.847	750.6 105.8
2.1	Import Letter of Acceptances		22.550	134.217	156.767]	105.847	105.8
2.2	Other Bank Acceptances		22.330	134.217	130.707]	103.647	103.6
3.	Letters of Credit			248.224	248.224	_	168.208	168.2
3.1	Documentary Letters of Credit			248.224	248.224	_	168.208	168.2
3.2	Other Letters of Credit		-			-	-	
4.	Prefinancing Given as Guarantee		-	-	-	-	-	
5.	Endorsements		-	-	-	-	-	
5.1	Endorsements to the Central Bank of Turkey		-	-	-	-	-	
5.2	Other Endorsments		-	-	-	-	-	
ò.	Purchase Guarantees for Securities Issued		-	-	-	-	-	
7.	Factoring Guarantees		-	-	-	-	-	
В.	Other Guarantees		-	-	-	-	-	
9.	Other Collaterals							
	COMMITMENTS		1.952.794	611.413	2.564.207	1.400.659	4.244.481	5.645.1
1.	Irrevocable Commitments	(5.111.1)	1.952.794	611.413	2.564.207	1.400.659	4.244.481	5.645.
1.1	Asset Purchase Commitments		385.008	611.413	996.421	282.771	4.244.481	4.527.2
1.2	Deposit Purchase and Sales Commitments		-	-	-	-	-	
1.3	Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	
1.4	Loan Granting Commitments		1.332.248	-	1.332.248	876.316	-	876.
1.5	Securities Issue Brokerage Commitments		-	-	-	-	-	
1.6	Commitments for Reserve Requirements		494.000	-	184.000	107 570	-	407
1.7 1.8	Commitments for Cheque Payments Tax and Fund Liabilities from Export Commitments		184.090 8.878	-	184.090 8.878	187.578 5.940	-	187. 5.
1.9	Commitments for Credit Card Limits		27.643	-	27.643	32.901	-	32.
1.10	Commitments for Credit Cards and Banking Services Promotions		27.043		27.043	32.901]	32.
1.11	Receivables from Short Sale Commitments of Marketable Securities]		-	
1.12	Payables for Short Sale Commitments of Marketable Securities			_	_	_	_	
1.13	Other Irrevocable Commitments		14.927	-	14.927	15.152	-	15.
2.	Revocable Commitments		-	-	-		-	
2.1	Revocable Loan Granting Commitments		-	-	-	-	-	
2.2	Other Revocable Commitments		-	-	-	-	-	
	DERIVATIVE FINANCIAL INSTRUMENTS	(5.111.5)	9.497.470	27.349.694	36.847.164	6.523.492	26.393.056	32.916.5
1	Hedging Derivative Financial Instruments		-	-	-	1.009.479	1.188.040	2.197.
1.1	Fair Value Hedges		-	-	-	1.009.479	1.188.040	2.197.
1.2	Cash Flow Hedges		-	-	-	-	-	
1.3	Foreign Net Investment Hedges		-	-	-	-	-	
2	Trading Derivative Financial Instruments		9.497.470	27.349.694	36.847.164	5.514.013	25.205.016	30.719.0
2.1	Forward Foreign Currency Buy/Sell Transactions		1.217.875	2.804.384	4.022.259	789.133	3.670.515	4.459.6
2.1.1	Forward Foreign Currency Transactions - Buy		681.994	1.321.999	2.003.993	300.839	1.919.936	2.220.7
2.1.2	Forward Foreign Currency Transactions - Sell		535.881	1.482.385	2.018.266	488.294	1.750.579	2.238.8
2.2	Swap Transactions Related to Foreign Currency and Interest		6.150.641	20.122.986	26.273.627	2.351.909	17.281.148	19.633.0
	Foreign Currency Swap- Buy		869.791	10.611.464	11.481.255	1.305.805	8.192.207	9.498.0
	Foreign Currency Swap-Sell		2.905.626	8.987.200	11.892.826	996.104	8.494.921	9.491.
2.2.3	Interest Rate Swap- Buy Interest Rate Swap- Sell		1.187.612 1.187.612	262.161 262.161	1.449.773 1.449.773	25.000 25.000	297.010 297.010	322.4 322.4
2.3	Foreign Currency, Interest Rate and Securities Options		2.128.954	4.001.488	6.130.442	2.372.971	3.096.321	5.469.
	Foreign Currency Options- Buy		846.789	2.191.355	3.038.144	1.186.485	1.568.157	2.754.
	Foreign Currency Options- Sell		1.282.165	1.810.133	3.092.298	1.186.486	1.528.164	2.714.
	Interest Rate Options- Buy		1.202.105	1.010.153	3.072.270	1.100.400	1.520.104	2.714.
	Interest Rate Options- Sell]]		
	Securities Options- Buy						-	
	Securities Options: Sell			-	-	-	-	
2.3.6	Foreign Currency Futures			-	7	-	-	
2.4.1	Foreign Currency Futures- Buy]]]]]	
	Foreign Currency Futures- Sell]]]]]	
2.5	Interest Rate Futures]]]	-	
2.5.1	Interest Rate Futures- Buy			_	_	_	_	
2.5.2	Interest Rate Futures- Sell			-	-	-	-	
2.6	Other		-	420.836	420.836	-	1.157.032	1.157.
CUST	ODY AND PLEDGES RECEIVED (IV+V+VI)		158.917.049	92.617.634	251.534.683	139.427.639	69.316.021	208.743.6
	ITEMS HELD IN CUSTODY		1.137.729	1.562.121	2.699.850	2.589.824	486.973	3.076.7
1	Customer Fund and Portfolio Balances		258.104	-	258.104	1.464.433	-	1.464.
2	Investment Securities Held in Custody		122.153	1.212.528	1.334.681	295.983	320.411	616.
3	Cheques Received for Collection		543.222	297.648	840.870	374.930	150.636	525.
4	Commercial Notes Received for Collection		100.955	51.945	152.900	119.792	15.926	135.
5 5	Other Assets Received for Collection		-	-	-	-	-	
7	Assets Received for Public Offering Other Items Under Custody		113.295	-	113.295	334.686	-	334.
, B	Custodians		113.273	-	113.273	334,000	-	JJ4,
•	PLEDGES RECEIVED		157.779.320	91.055.513	248.834.833	136.837.815	68.829.048	205.666.8
1	Marketable Securities		231.872	76.641	308.513	299.004	90.954	389.
2	Guarantee Notes		157.024	252.321	409.345	277.294	231.955	509.
3	Commodity			72.414	72.414		46.554	46.
4	Warranty		-	-	-	-	-	
5	Immovables		7.510.940	17.144.696	24.655.636	9.517.452	12.306.034	21.823.
6	Other Pledged Items		149.879.484	73.509.441	223.388.925	126.744.065	56.153.551	182.897.
7	Pledged Items - Depository		-	-	-	-	-	
	ACCEPTED BILL, GUARANTEES AND WARRANTEES		-	-	-	-	-	
	TOTAL OFF_BALANCE SHEET COMMITMENTS (A+B)	1	170.973.904	121.238.712	292.212.616	147.784.649	100.545.367	248.330.

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD BETWEEN 1 JANUARY 2020-31 DECEMBER 2020

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

	INCOME AND EXPENSE ITEMS	Footnotes	CURRENT PERIOD	PRIOR PERIOD
			(01/01/2020 -	(01/01/2019 -
			31/12/2020)	31/12/2019)
i	INTEREST INCOME		2.179.521	2.496.581
1.1	Interest on Loans	(5.IV.1)	2.018.195	2.232.296
1.2	Interest on Reserve Requirements		3.496	24.574
1.3	Interest on Banks	(5.IV.1)	25.153	117.175
1.4	Interest on Money Market Placements		15.180	28.968
1.5	Interest on Marketable Securities Portfolio	(5.IV.1)	112.395	89.228
1.5.1	Financial Assets Measured at Fair Value Through Profit or Loss		8.520	17.803
1.5.2	Financial Assets Measured at Fair Value Through Other Comprehensive Income		46.300	42.829
1.5.3	Financial Assets Measured at Amortized Cost		57.575	28.596
1.6	Financial Lease Income		-	-
1.7	Other Interest Income		5.102	4.340
II.	INTEREST EXPENSE (-)		1.223.461	1.680.551
2.1	Interest on Deposits	(5.IV.2)	810.441	1.276.701
2.2	Interest on Funds Borrowed	(5.IV.2)	208.688	184.436
2.3	Interest on Money Market Borrowings	(5.075)	19.477	21.760
2.4	Interest on Securities Issued	(5.IV.2)	138.708	179.864
2.5	Lease Interest Expense		17.886	16.975
2.6 III.	Other Interest Expenses		28.261	815
1	NET INTEREST INCOME (I - II)		956.060	816.030
IV. 4.1	NET FEES AND COMMISSIONS INCOME		150.342	199.787 234.079
4.1.1	Fees and Commisions Received Non-cash Loans		184.654 16.504	12.697
4.1.2	Other	(5.IV.12)	168.150	221.382
4.2	Fees and Commissions Paid (-)	(3.14.12)	34.312	34,292
4.2.1	Non-cash Loans		77	226
4.2.2	Other	(5.IV.12)	34.235	34.066
v	DIVIDEND INCOME	(5.IV.3)	5 1.255	51.000
vı.	TRADING INCOME / LOSS (Net)	(5.IV.4)	146.735	71.978
6.1	Trading Gain / Loss on Securities	(3)	42.649	61.235
6.2	Gain / Loss on Derivative Financial Transactions		72.351	(441)
6.3	Foreign Exchange Gain / Loss		31.735	11.184
VII.	OTHER OPERATING INCOME	(5.IV.5)	83.997	171.685
VIII.	TOTAL OPERATING INCOME! (III+IV+V+V!+VII)		1.337.134	1.259.480
ıx.	EXPECTED CREDIT LOSS (-)	(5.IV.6)	285.864	489.872
x.	OTHER PROVISION EXPENSES (-)	(5.IV.6)	110.595	98
XI.	PERSONNEL EXPENSES (-)		299.730	258.683
XII.	OTHER OPERATING EXPENSES (-)	(5.IV.7)	324.776	260.697
XIII.	NET OPERATING INCOME / LOSS (VIII-IX-X-XI-XII)		316.169	250.130
XIV.	AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-
XV.	INCOME FROM INVESTMENTS UNDER EQUITY ACCOUNTING		-	-
XVI.	GAIN / LOSS ON NET MONETARY POSITION		[-
XVII.	P/L BEFORE TAXES FROM CONTINUING OPERATIONS (XIII++XVI)	(5.IV.8)	316.169	250.130
XVIII.	TAX PROVISION FOR CONTINUING OPERATIONS (±)	(5.IV.9)	(86.334)	(38.086)
18.1	Current Tax Provision		(224.323)	(22.747)
18.2	Deferred Tax Expense Effect (+)		(101.288)	(15.339)
18.3	Deferred Tax Income Effect (-)	(F.D(40)	239.277	242.044
XIX.	NET PROFIT / LOSS FROM CONTINUING OPERATIONS (XVII±XVIII) INCOME FROM DISCONTINUED OPERATIONS	(5.IV.10)	229.835	212.044
20.1	Income From Non-current Assets Held for Sale		-	-
20.1	Profit from Sales of Associates, Subsidiaries and Joint Ventures		-	-
20.3	Income From Other Discontinued Operations		<u> </u>	
XXI.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		<u> </u>	_
21.1	Expenses on Non-current Assets Held for Sale		_	_
21.2	Losses from Sales of Associates, Subsidiaries and Joint Ventures		_	_
21.3	Expenses From Other Discontinued Operations		_	_
XXII.	PROFIT / LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (XX-XXI)		_	_
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		_	_
23.1	Current Tax Provision		_	_
23.2	Deferred Tax Expense Effect (+)		-	-
23.3	Deferred Tax Income Effect (-)		-	-
XXIV.	NET PROFIT / LOSS FROM DISCONTINUED OPERATIONS (XXII-XXIII)		-	-
xxv.	NET PROFIT / LOSS (XIX+XXIV)	(5.IV.11)	229.835	212.044
	Earnings per share		0,00244	0,00225

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD BETWEEN 1 JANUARY 2020-31 DECEMBER 2020

		CURRENT PERIOD (01/01/2020 - 31/12/2020)	PRIOR PERIOD (01/01/2019 - 31/12/2019)
l.	CURRENT PERIOD PROFIT / LOSS	229.835	212.044
II.	OTHER COMPREHENSIVE INCOME	3.479	40.312
2.1	Not Reclassified Through Profit or Loss	(3.010)	(2.034)
2.1. 1	Property and Equipment Revalution Increase/Decrease	-	-
2.1.2	Intangible Assets Revalution Increase/Decrease	-	-
2.1.3	Defined Benefit Pension Plan Remeasurements Gain/Loss	(3.763)	(2.542)
2.1.4	Other Comprehensive Income Items Not Reclassified Through Profit or Loss	-	-
2.1.5	$Tax\ Related\ Other\ Comprehensive\ Income\ Items\ Not\ Reclassified\ Through\ Profit\ or\ Loss$	753	508
2.2	Reclassified Through Profit or Loss	6.489	42.346
2.2.1	Foreign Currency Conversion Differences Valuation and/or Reclassification Income/Expense of Financial Assets Measured at Fair Value Through Other	-	-
2.2.2	Comprehensive Income	7.958	52.393
2.2.3	Cash Flow Hedge Income/Loss	-	-
2.2.4	Foreign Net Investment Hedge Income/Loss	-	-
2.2.5	Other Comprehensive Income Items Reclassified Through Profit or Loss	-	-
2.2.6	Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	(1.469)	(10.047)
III.	TOTAL COMPREHENSIVE INCOME (I+II)	233.314	252.356

UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY FOR THE PERIOD BETWEEN 1 JANUARY 2020-31 DECEMBER 2020

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

STATEMENT OF CHANGES IN SHAREHOLDENS EQUITY PARTICLE PROOF PRIOD PRIOR PRIOD (Corrections and beginning of the period Corrections and seed and TATA Residents (Corrections and State Residents)				_	That Will Yot be Reclassified in Profit and Loss			That Will Be Reclassified in Profit and Loss	THEO IN PROPERTY AND LE					
l ţ	Paid-in Capital	Share	Share Certificate	Other Capital Reserves	-	2	~	4	20	9	Profit Reserves	Prior Period Net Income / Loss	Prior Period Current Period Net Income / Loss	Total
Balances at beginning of the period Correction made as nor TAS &														
	941.161	128.678		1 1		(5.743)			(26.572)	1 1	410.286	(322.597)	196.659	1.321.872
.1 Effect of corrections 2. Effect of changes in accounting policies	1 1	1 1	1 1	1 1	1 1	1 1	1 1	1 1	1 1	1 1			1 1	1 1
Adjusted balances at beginning of the period (I+II) Total Commencering Income	941.161	128.678				(5.743)			(26.572)		410.286	(322.597	196.659	1.321.872
Capital Increase in Cash	,						1	•		1				
Capital Increase through Internal Reserves Capital reserves from inflation adjustments to paid-in capital	1 1			1 1						1 1	1 1			1 1
III. Convertible Bonds	1		•				1		1	1	1		•	1
. Subordinated bebt increase/Decrease by Other Changes	1 1			61.5/2										61.5/5
I. Profit distribution			•				1			1	(125.938)	322.597	(196.659)	1
1.1 Dividends 1.2 Transfers to reserves		1 1	1 1		1 1	1 1			1 1		(125.938)	322.597	(196.659)	
1.3 Others	1	1	1	1	1	1	•	1	1	•	•	'	ı	1
Balances at the end of the period (III+IV+X+XI)	941.161	128.678		81.575	ľ	(777.7)			15.774		284,349		212.044	1.655.804
(\$200ZZL/LE)														
Prior pariod ending balance Correctionmade as per TAS 8	941.161	128.678		81.575		(777.7)			15.774		284,349		212,044	1.655.804
1 Effect of corrections	•		1	•	1	1	1			1	•	'	1	
.2 Effect of changes in accounting policies . Activeted balance (1+(i)	941.161	128.678	1 1	81.575	1 1	- (777.1)	1 1		15.774	1 1	284.349	1 1	212.044	1.655.804
. Total Comprehensive Income	'		•	1		(3.010)	1	•	6.489		1		229.835	233,314
Capital increase in cash Canital increases through internal reserves	1 1													
II. Capital reserves from inflation adjustments to paid-in capital	1						1						1	
III. Convertable Bonds	*	•	•	1 3	1		1	•	1	1	1		•	1 47
Suboronated beot (*) Increase / decrease due to other changes				(18.736								(18.736		(15.214)
1. Profit Distribution				1	1	1					212.044		(212.044)	
1.1 Dividends	•	1	1	1	1	1	į	1	į	1		'	1	•
1.2 Transfers to reserves		1	1	1	1	1	1	ı	į.	1	212.044	'	(212.044;	
isino ci														
Balances at the end of the period (III+V*X-XI) 941.161 128.678 . 85.097 . (10.787)	941.161	128.678		85.097		(10.787)			22.263		496.393	(18.736)	229.835	1.873.904

UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD BETWEEN 1 JANUARY 2020-31 DECEMBER 2020

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

			CURRENT PERIOD	PRIOR PERIOD
		Dipnot	(01/01/2020 - 31/12/2020)	(01/01/2019 - 31/12/2019)
Α.	CASH FLOWS FROM BANKING OPERATIONS			
	Annalis of the Control of the Contro		4.454.773	F20 224
1.1	Operating profit before changes in operating assets and liabilities		1.156.772	539.236
1.1.1	Interest received (+)		2.080.456	2.278.792
1.1.2	Interest paid (-)		(1.180.251)	(1.640.347)
1.1.3	Dividend received (+)		-	-
1.1.4	Fees and commision received (+)		187.921	233.865
1.1.5	Other income (+)		222.844	245.044
1.1.6	Collections from previously written off loans and other receivables (+)		386.881	170.638
1.1.7	Cash payments to personnel and service suppliers (-)		(548.629)	(457.523)
1.1.8	Taxes paid (-)		(80.452)	(30.243)
1.1.9	Other (+/-)	(5.VI.3)	88.002	(260.990)
1.2	Changes in Operating Assets and Liabilities		2.012.948	(146.131)
				/ 450 DD II
1	Net (increase) / decrease in financial assets at fair value through profit or loss (+/-)		1.914.300	(450.384)
	Net (increase) / decrease in due from banks (+/-)		129.128	(165.633)
	Net (increase) / decrease in loans (+/-)		(2.581.383)	(1.229.672)
1.2.4	Net (increase) / decrease in other assets (+/-)	(5.VI.3)	(7.458)	(118.315)
1.2.5	Net (increase) / decrease in bank deposits (+/-)		951.422	(601.599)
1.2.6	Net (increase) / decrease in other deposits (+/-)		1.321.151	2.923.305
1.2.7	Net (increase) / decrease in financial liabilities at fair value through profit or loss (+/-)		-	-
1.2.8	Net (increase) / decrease in funds borrowed (+/-)		289.648	(477.854)
1.2.9	Net (increase) / decrease in matured payables (+/-)		-	-
1.2.10	Net (increase) / decrease in other liabilities (+/-)	(5.VI.3)	(3.860)	(25.979)
ı.	Net Cash Provided from Banking Operations (+/-)		3.169.720	393.105
в.	CASH FLOWS FROM INVESTMENT ACTIVITIES			
11.	Net Cash Flow Provided from Investment Activities (+/-)		(1.039.176)	(318.407)
2.1	Cash paid for the purchase of associates, subsidiaries and joint ventures (-)		(81.000)	(10.000)
2.2	Cash obtained from the sale of associates, subsidiaries and joint ventures (+)		(61.555)	(10.000)
2.3	Cash paid for the purchase of tangible and intangible assets (-)		(290.415)	(109.011)
2.4	Cash obtained from the sale of tangible and intangible assets (+)		82.906	6.101
2.5	Cash paid for the purchase of financial assets at fair value through other comprehensive income (-)		(205.382)	(203.590)
2.6	Cash obtained from the sale of financial assets at fair value through other comprehensive income (+)			257.817
2.7	Cash paid for the purchase of financial assets at amortised cost (-)		(493.935)	(275.476)
2.8	Cash obtained from the sale of financial assets at amortised cost (+)		-	63.410
2.9	Other (+/-)	(5.VI.3)	(51.350)	(47.658)
c.	CASH FİOWS FROM FINANCING ACTIVITIES			
ш.	Net Cash Provided from Financing Activities (+/-)		(668.477)	35.502
3.1	Cash obtained from funds borrowed and securities issued (+)		_	191.995
3.2	Cash outflow from funds borrowed and securities issued (-)		(654.317)	(233.788)
3.3	Equity instruments issued (+)		(05.1.517)	77.295
3.4	Dividends paid (-)		_	77.275
3.5	Payments for financial leases liabilities (-)		(17.886)	_
3.6	Other (+/-)		3.726	-
IV.	Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-)		(754.560)	(75.064)
v.	Net Increase (Decrease) in Cash and Cash Equivalents (I+II+III+IV)		707.507	35.136
VI.	Cash and Cash Equivalents at the Beginning of the Period (+)	(5.VI.1)	2.122.993	2.087.857
VI.	Cash and Cash Equivalents at the beginning of the refloo (+)	(3.41.1)	2.122.993	2.067.857
VII.	Cash and Cash Equivalents at the End of the Period (V+VI)	(5.VI.1)	2.830.500	2.122.993

UNCONSOLIDATED PROFIT DISTRIBUTION TABLE FOR THE PERIODS ENDED 31 DECEMBER 2020 AND 2019

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

		CURRENT PERIOD (*) (01/01/2020-31/12/2020)	PRIOR PERIOD (01/01/2019-31/12/2019)
ı.	DISTRIBUTION OF CURRENT YEAR INCOME		
1,1	CURRENT YEAR INCOME	316.169	250.13
1.2	TAXES AND DUTIES PAYABLE (-)	86.334	38.08
	Corporate Tax (Income Tax)	224.323	22.7
	Income witholding tax		
	Other taxes and duties	(137.989)	15.3
A.	NET INCOME FOR THE YEAR (1.1-1.2)	229.835	212.04
1.3	PRIOR YEARS LOSSES (-)	_	
1.4	FIRST LEGAL RESERVES (-)		10.6
1.5	OTHER STATUTORY RESERVES (-)	-	
В.	NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5)]	229.835	201.4
1.6	FIRST DIVIDEND TO SHAREHOLDERS (-)		
1.6.1	To owners of ordinary shares		
1.6.2	To owners of privileged shares		
1.6.3	To owners of preferred shares	-	
1.6.4	To profit sharing bonds	-	
1.6.5	To holders of profit and loss sharing certificates	-	
1.7	DIVIDENDS TO PERSONNEL (-)	-	
1.8	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	
1.9	SECOND DIVIDEND TO SHAREHOLDERS (-)		
1.9.1	To owners of ordinary shares		
1.9.2	To owners of privileged shares		
1.9.3	To owners of preferred shares		
1.9.4	To profit sharing bonds		
1.9.5	To holders of profit and loss sharing certificates		
1.10	STATUTORY RESERVES (-)		
1.11	EXTRAORDINARY RESERVES		201.4
1.12	OTHER RESERVES		
1.13	SPECIAL FUNDS	-	
II.	DISTRIBUTION OF RESERVES		
2.1	APPROPRIATED RESERVES	_	
2.2	DIVIDENDS TO SHAREHOLDERS (-)		
2.2.1	To owners of ordinary shares		
2.2.2	To owners of privileged shares		
2.2.3	To owners of preferred shares		
2.2.4	To profit sharing bonds		
2.2.5	To holders of profit and loss sharing certificates		
2.3	DIVIDENDS TO PERSONNEL (-)	_	
2.4	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	
III.	EARNINGS PER SHARE		
3.1	TO OWNERS OF ORDINARY SHARES	0,00244	0,000
3.2	TO OWNERS OF ORDINARY SHARES (%)	0,24%	0,2
3.3	TO OWNERS OF PRIVILEGED SHARES		
3.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	
IV.	DIVIDEND PER SHARE		
4.1	TO OWNERS OF ORDINARY SHARES		
4.2	TO OWNERS OF ORDINARY SHARES (%)		
4.3	TO OWNERS OF PRIVILEGED SHARES		
4.4	TO OWNERS OF PRIVILEGED SHARES (%)		

(*) The decision on profit distribution of 2020 will be given at the General Assembly.

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

SECTION THREE

ACCOUNTING PRINCIPLES

I. Explanations on the basis of presentation

 Preparation of the financial statements and the accompanying footnotes in accordance with Turkish Accounting Standards and the Communiqué on Principles and Procedures on the Accounting Practice and Documentation of Banks

The Bank prepares its financial statements in accordance with the BRSA Accounting and Reporting Regulation which includes the regulation on "The Procedures and Principles Regarding Banks' Accounting Practices and Maintaining Documents" published in the Official Gazette dated 1 November 2006 with No. 26333, and other regulations on accounting records of banks published by the Banking Regulation and Supervision Board ("BRSB") and circulars and pronouncements published by the BRSA and Turkish Financial Reporting Standards ("TFRS") published by the Public Oversight Accounting and Auditing Standards Authority (POA) for the matters not regulated by the aforementioned legislations.

The financial statements are prepared in thousands of TL based on the historical cost, except for the financial assets and liabilities carried at fair value.

2. Accounting policies and valuation principles applied in preparation of financial statements

The accounting policies and valuation principles applied in the preparation of the accompanying financial statements are explained in Notes II and XXVII below.

The Bank showed the amount of TL 4.897 under the "Financial Assets at Fair Value Through Other Comprehensive Income" in the current period which was presented under the item of "Subsidiaries" in the balance sheet in the prior period, and the comparative information has been reclassified accordingly.

3. Other

The new coronavirus disease (COVID-19), which emerged in Wuhan Province of the People's Republic of China in late December 2019 and spread to other countries, was declared a pandemic by the World Health Organization on 11 March, 2020. In order to kept to a minimum the negative economic impact of the epidemic, both in Turkey has taken a number of measures worldwide. The effects of these developments on the Bank's financial status and operations are closely monitored by the relevant units and the Bank's Top Management.

Covid-19 impact is explained in footnote XXVII "Other Issues".

II. Explanations on the usage strategy of financial instruments and on foreign currency transactions

1. Usage strategy of the financial instruments

The major factor in managing interest rate and liquidity risk at the balance sheet is parallel movement of asset and liability side.

Exchange rate risk, interest rate risk and liquidity risk are controlled and measured by various risk management systems, and the balance sheet is managed under the limits set by these systems and the limits legally required. Value at risk models are used for this purpose.

Purchase-sale transactions of short and long-term financial instruments are realized within predetermined risk limits that are allowed for the purpose of increasing risk-free return on capital.

The foreign currency position is carried based on a currency basket to minimize the foreign exchange risk.

2. Foreign currency transactions

2.1 Foreign currency exchange rates used in converting transactions denominated in foreign currencies and their presentation in the financial statements

The Bank recognizes the foreign currency transactions in accordance with TAS 21 "The Effects of Changes in Foreign Exchange Rates". Foreign exchange gains and losses arising from the foreign currency transactions are converted into Turkish Lira by using the exchange rates at the date of the transaction and recognized in accounting records. At the end of the periods, foreign currency assets and liabilities are converted into Turkish Lira by using the spot foreign currency exchange rates of the Bank and the related currency conversion differences are recognized as foreign exchange gains and losses.

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

II. Explanations on the usage strategy of financial instruments and on foreign currency transactions (continued)

As at the end of the related periods, the Bank's foreign currency exchange rates are as follows in full TL:

31 December 2020	31 December 2019
------------------	------------------

US Dollar	7,3405	5,9402
Euro	9,0079	6,6506

III. Explanations on Equity Investments

In the unconsolidated financial statements; subsidiaries and affiliates are accounted for in accordance with "TAS 27 - Separate Financial Statements" and recognized at acquisition cost in financial statements.

IV. Explanations on forward transactions, options and derivative instruments

The Bank's derivative transactions mainly consist of currency swaps, interest rate swaps, currency options and currency forward purchase/sale contracts. The Bank does not have any embedded derivatives separated from the host contract.

The Bank's derivative instruments held for trading are classified as "Derivative Financial Assets Measured at Fair Value Through Profit and Loss" or "Derivative Financial Assets Measured at Fair Value through Other Comprehensive Income" in accordance with "TFRS 9". In choosing accounting policy, TFRS 9 gives the option to postpone the acceptance of TFRS 9 financial hedging accounting and continue using TAS 39 financial hedging accounting. In accordance with this, Bank is continuing to use TAS 39 for financial hedging accounts.

The liabilities and receivables arising from the derivative transactions are recorded as off-balance sheet items at their contractual values.

Derivative transactions are measured at their fair values subsequent to their acquisition. In accordance with the classification of derivative financial instruments, if the fair value is positive, the amount is classified as "Derivative Financial Assets at Fair Value Through Profit or Loss" or "Derivative Financial Assets at Fair Value Through Other Comprehensive Income", if the fair value is negative, the amount is classified as "Derivative Financial Liabilities at Fair Value Through Profit or Loss" or "Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income". The fair value differences of derivative financial instruments are recognized in the statement of profit or loss under trading profit/loss line as profit/loss from derivative financial transactions.

Explanations on derivative financial instruments held for hedging

The Bank enters into cross currency interest rate swap transactions in order to hedge the change in fair values of fixed-rate financial instruments. While applying fair value hedge accounting, the changes in fair values of hedging instrument and hedged item are recognised in statement of profit or loss.

If the hedging is effective, the changes in fair value of the hedged item, which is fixed rate TL denominated loans, are presented in statement of financial position together with the hedged item. Subsequently, derivative transactions are valued at their fair values and the changes in their fair values are recorded on balance sheet under "Derivative Financial Assets at Fair Value Through Profit or Loss" or "Derivative Financial Liabilities at Fair Value Through Profit or Loss", respectively depending on the fair values being positive or negative. Fair value changes are recorded under statement of profit or loss.

The Bank performs effectiveness tests at the beginning of the hedge accounting period and at each reporting period.

The hedge accounting is discontinued when the hedging instrument expires, is exercised, sold or no longer effective. When discontinuing fair value hedge accounting, the cumulative fair value changes in carrying value of the hedged item arising from the hedged risk are amortized to statement of profit or loss over the life of the hedged item from that date of the hedge accounting is discontinued.

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

V. Explanations on interest income and expenses

Interest income and expenses are recognized on accrual basis by using internal rate of return for financial assets and liabilities with given future cash payments and collections.

VI. Explanations on fee and commission income and expenses

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 on accrual basis throughout the service period.

VII. Explanations on financial assets

Financial assets include cash on hand, contractual rights to receive cash or another financial asset from the counterparty or the right to exchange of financial instruments or equity instrument transactions of the counterparty. Financial assets are classified into three groups as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, and financial assets measured at amortized cost.

1. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or 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 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 statement of profit or loss.

Loans measured at fair value through profit or loss are subject to valuation in accordance with fair value principles and profit or losses, emerging as a result of valuation, are recognized under profit/loss accounts.

2. Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Financial assets at fair value through other comprehensive income are recognized by adding transaction costs to acquisition cost reflecting the fair value of the financial asset. After the 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 statement of profit or loss. "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 statement of profit or loss 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. When these securities are collected or disposed of, the accumulated fair value differences reflected in the equity are recognized in the statement of profit or loss.

Equity securities, which are classified as financial assets at fair value through other comprehensive income can be measured are carried at fair value. However, in some exceptional cases, cost may be an appropriate estimation method for determining fair value. The cost is estimated to be the case fair value is reflected in the best way possible.

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

VII. Explanations on financial assets (continued)

3. 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 method. Interest income obtained from financial assets measured at amortized cost is accounted in statement of profit or loss.

4. Loans

Loans are financial assets generated by providing cash, commodity or service to the borrower. These loans and receivables are recorded by acquisition cost reflecting fair value and afterwards measured at amortized cost by using effective interest rate (internal rate of return) method. Fees and other costs paid for the assets taken as collateral for those loans are not recognized as cost of operation and accounted in expense accounts. Bank's loans are presented in "Financial Assets Measured at Amortized Cost" and "Financial Assets at Fair Value Through Profit or Loss" accounts.

VIII. Explanations on expected credit loss

The Bank recognizes expected credit loss allowance for financial assets measured at amortized cost and measured at fair value through other comprehensive income.

As of 1 January 2018, the Bank recognizes 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 September 2016 numbered 29750.

Calculation of expected credit loss

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.

Expected credit loss is calculated by using following components: "Exposure at Default", "Probability of Default" and "Loss Given Default".

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 that do not have a significant increase in credit risk since initial recognition. Impairment for credit risk will be recorded in the amount of 12-month expected credit losses.

Stage 2

In the event of a significant increase in credit risk since initial recognition, the financial asset will be transferred to Stage 2. Impairment for credit risk will be determined on the basis of the instrument's lifetime expected credit losses.

Stage 3

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit losses are recognized.

As part of TFRS 9, expected credit loss models are improved in process of exposure at default, probability of default and loss given default. These models are formed by taking into consideration internal ratings systems, past data and prospective expectations and considering below factors;

- Costumer type (individual, corporate, commercial and SME)
- Product type
- Ratings used as part of internal ratings systems (for corporate segment)
- Collaterals
- Collection period
- Exposure at default
- Time passed since loan disbursement
- Time to maturity

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

VIII. Explanations on expected credit loss (continued)

If the existing provision model is not able to reflect the situation, individual assessment is possible by using the cash flow expectations of Credits Monitoring and Collection Department.

Exposure at Default: Expresses the exposure amount when debtor defaults. It accounts along with the maturity of the borrower. The amount of additional risk that may occur in case of default is added to the amount of risk and included in the calculations by using the credit conversion rates (CCR) for irrevocable commitments.

Probability of Default: Refers to the probability of default due to the inability of the debtor to fulfill its obligations. 12-month or lifetime estimation is performed according to whether there is an increase in credit risk or not.

Loss Given Default: In the default of the borrower, it is calculated as the expected credit loss to exposure at default. Loss given default models include inputs such as product type, customer segment, collateral structure, customer payment performance.

Macroeconomics Factors: Macroeconomics indicators are taken into account in determining the probability of default component in the expected credit loss calculation. Future macroeconomics forecasts are reflected in the expected credit loss calculations using more than one scenario.

While macroeconomics information is included, models and estimates reflecting the relationships between model risk parameters and macroeconomics variables are taken into consideration. The main macroeconomics indicators that make up these estimation models are the Gross Domestic Product (GDP) and the unemployment rate. Macroeconomics estimation models include more than one scenario and the related scenarios are taken into account in the expected credit loss calculations.

Future expectations are determined based on 2 scenarios, base and negative. Each scenario has predetermined weights, and the final provisions are calculated by weighting on these probabilities.

The Bank's macro-economic forecasting for forward-looking perspective, the current economic conditions, according to the New Economy Program (YEP) and expert opinions, it calculates the expected credit loss with two scenarios: base and negative. The macroeconomic value estimates taken into account are presented below;

	Base	e Scenario	Negati	ve Scenario
	Growth	Unemployment	Growth	Unemployment
1st year	5,80%	12,90%	3,70%	13,90%
2st year	5,00%	11,80%	2,90%	12,80%
3st vear	5.00%	10,90%	2.90%	11,90%

Calculation of Expected Loss Period: In determining the lifetime expected credit loss, the period in which the Bank will be exposed to credit risk is taken into consideration. Behavioural maturity analysis was performed on credit cards and overdraft accounts. The maximum period for which credit losses are to be recognized, except for credit cards and other revolving loans, is the contractual life of the financial instrument unless a legal right is required to recall the loan.

Significant Increase in Credit Risk: Due to the significant increase in credit risk, the Bank performs quantitative and qualitative assessments to determine the financial assets to be classified as Stage 2 (Significant Increase in Credit Risk)

Within the scope of the quantitative assessments made for the corporate segment, the Bank compares the change between the starting date and the date of the report by taking into account the time passed since the opening date. In order to make this comparison, the Bank specifies threshold values to determine which changes are accepted as significant change. The decision to classify financial assets with a significant increase in credit risk by exceeding these threshold values as Stage 2 is taken by the opinion of the Credits Department.

Also, credit risk with an overdue period between 30 and 90 days is classified as Stage 2. However, in accordance with the decision of BRSA dated 17 March 2020 with the number 8948, due to the effects of COVID-19 on economic and trading activities, credit risk up to 180 days past due is also classified as Stage 2, temporarily.

Within the scope of qualitative evaluations, financial assets under close monitoring as of the reporting date are classified as Stage 2.

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

IX. Explanations on offsetting financial instruments

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 the related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

X. Explanations on sale and repurchase agreements and securities lending transactions

Securities subject to repo (repurchase agreements) are classified as "Financial assets at fair value through profit or loss", "Financial assets at fair value through other comprehensive income" or "Financial assets measured at amortized cost" according to their purposes to be held in the Bank's portfolio and evaluated within the principles of the relevant portfolio. Funds obtained from repurchase agreements are followed under the "Funds from repo transactions" account in liabilities, and interest expense accruals are calculated using the effective interest rate (internal rate of return) method on the difference between the sales and repurchase prices corresponding to the period designated by a repurchase agreement.

Securities purchased under agreements to resell ("Reverse repo") transactions are accounted under the "Money market placements" in the balance sheet.

XI. Explanations on noncurrent assets held for sale and discontinued operations and the related liabilities

A tangible asset (or a disposal group) classified as "asset held for sale" is measured at the lower of the carrying value or fair value less costs to sell. Assets held for sale are not depreciated and presented in the financial statements separately. An asset (or a disposal group) is regarded as "asset held for sale" only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. For a highly probable sale, there must be a valid plan prepared by the management for the sale of asset including identification of possible buyers and completion of sale process. Furthermore, the asset should be actively marketed at a price consistent with its fair value.

Events or circumstances may extend the period to complete the sale beyond one year. An extension of the period required to complete a sale does not preclude an asset (or disposal group) from being classified as held for sale if the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset (or disposal group).

A discontinued operation is part of the Bank's business classified as disposed or held-for-sale. The operating results of the discontinued operations are disclosed separately in the statement of profit or loss.

The Bank does not have any discontinued operations.

XII. Explanations on goodwill and other intangible assets

As at the balance sheet date, there is no goodwill in the accompanying financial statements. The intangible assets of the Bank consist of software, intangible rights and other intangible assets.

The costs of the intangible assets purchased before 1 January 2005 are recognized at their inflation adjusted costs as of 31 December 2004 and intangible assets purchased after 1 January 2005 are recognized at their acquisition cost less accumulated amortization and impairment, if any.

Estimated useful lives of the intangible assets are 3 to 10 years, and amortization rates are 10% to 33,3%.

If there is objective evidence of impairment, the asset's recoverable amount is estimated in accordance with the Turkish Accounting Standard 36 (TAS 36) "Impairment of Assets" and if the recoverable amount is less than the carrying value of the related asset, an allowance for impairment is recognized.

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

XIII. Explanations on tangible assets

Tangible assets are measured at cost in accordance with the Turkish Accounting Standard 16 (TAS 16) "Tangible Assets".

The costs of the tangible assets purchased before 1 January 2005 are recognized at their inflation adjusted costs as of 31 December 2004 and tangible assets purchased after 1 January 2005 are recognized at their acquisition cost less accumulated depreciation and impairment, if any.

If there is objective evidence of impairment, the asset's recoverable amount is estimated in accordance with the Turkish Accounting Standard 36 (TAS 36) "Impairment of Assets" and if the recoverable amount is less than the carrying value of the related asset, an allowance for impairment is recognized.

Gains/losses from the sale of the tangible assets are calculated as the difference between the net book value and the net sales price.

Maintenance and repair costs incurred for tangible assets are recorded as expense.

There are no restrictions such as pledges, mortgages or any other restriction on tangible assets.

There are no changes in the accounting estimates that are expected to have an impact in the current or subsequent periods.

Depreciation rates and estimated useful lives used for the tangible assets are as follows:

Tangible Assets	Estimated Useful Lives (Years)	Depreciation Rates (%)
Safe Boxes	50	2
Vehicles	5	20
Real Estate	50	2
Other Tangible Assets	4-20	5-25

Explanations about Leases Standard TFRS 16

The Bank has started to implement TFRS 16 Leases, which was published in the Official Gazette dated 16 April 2018 and numbered 29826 in its unconsolidated financial statements and became effective as of 1 January 2019, for the first time.

TFRS 16 "Lease" Standard

The Bank as a lessee according to "Lease" Standard:

The Bank assesses whether the contract has the characteristic of a lease or whether the Contract includes a lease transaction at the beginning of a contract. In case the contract is transferred for a certain period of time to control the use of the asset defined for a price, it is either leased or includes a lease. The Bank reflects a right of use and a lease liability to the financial statements at the effective date of the lease.

Right to use asset:

The right to use asset is first recognized by cost method and includes:

- a) the initial measurement amount of the lease obligation,
- b) the amount obtained by deducting all the rental incentives received from all lease payments made at or before the beginning of the lease;
- c) all initial direct costs incurred by the Bank.

When applying the cost method, the Bank measures the right to use as follows:

- a) deducts accumulated depreciation and accumulated impairment losses and
- b) measures the restatement of the lease obligation at the restated cost.

Bank applies depreciation clauses of TAS 16 Tangible Assets standard when measuring the depreciation of the right to use.

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

Explanations about Leases Standard TFRS 16 (continued)

Lease liabilities:

At the effective date of the lease, the Bank measures its leasing liability at the present value of the lease payments not paid at that time. Lease payments are discounted using the implied leasing transaction rate, if easily identified. Otherwise Bank's incremental borrowing interest rates are used.

The lease payments included in the measurement of the lease liability consist of the payments to be made for the right of use during the lease term of the underlying asset and the unpaid payments at the effective date of the lease.

After the effective date of the lease, the Bank measures the leasing liability as follows:

- a) Increases the book value to reflect the interest on the lease obligation
- b) Reduces the book value to reflect the lease payments made and
- c) The book value is measured to reflect reassessments and restructuring, or reflect to fixed lease payments as of revised nature.

The interest on the lease liability for each period in the lease period is the amount calculated by applying a fixed periodic interest rate to the remaining balance of the lease liability.

XIV. Explanations on leasing transactions

As "TFRS 16 Leases" standard is valid starting on 1 January 2019, difference between operational lease and financial lease disappeared so that leasing transactions will be recognized as right-of-use assets and will be recognized under "Tangible Assets" and corresponding liability under "Lease Liabilities".

XV. Explanations on provisions and contingent liabilities

Provisions and contingent liabilities are accounted in accordance with TAS 37 "Provisions, Contingent Liabilities and Contingent Assets". In the financial statements, a provision is made if there is a present obligation that arises from past events as of the balance sheet date, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and if a reliable estimate can be made of the amount of the obligation. If the amount is not reliably estimated and there is no probability of cash outflow from the Bank to settle the liability, the related liability is considered as "contingent" and disclosed in the notes to the financial statements.

Provisions recognized during the period are recognized within "other operating expenses"; reversals of provisions recognized in the prior periods are recognized within "other operating income".

XVI. Explanations on contingent assets

The contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the Bank. If an inflow of economic benefits has become probable, then the contingent asset is disclosed in the notes to the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs.

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

XVII. Explanations on liabilities for employee benefits

As per the existing labour laws and agreements in Turkey, entities are required to pay severance for the employees retired or fired. These payments are qualified as recognized retirement benefit plan according to revised TAS 19 Employee Benefits. Severance payment liability recognized in the balance sheet is calculated according to the net present value of expected amount in the future arising from all employees' retirements and represented in represented in financial statements. All actuarial losses and gains are accounted for as other comprehensive income.

The major assumptions used in the actuarial calculation are as follows:

- Calculation is based on discount rate of 13,00%, inflation rate of 8,50%.
- Effective as of 31 December 2020, ceiling salary amount is considered as TL 7.117,17 (full TL).
- Individuals' earliest retirement age is considered as retirement age.
- CSO 1980 mortality table is used for the death probabilities of male and female employees.

There are no employee foundation fund or similar institutions.

XVIII. Explanations on taxation

1. Current Tax

Effective from 1 January 2006, statutory income is subject to corporate tax at 20%, on the other hand as per the provisional article 91 of Law numbered 7061, which is added to Corporate Tax Law numbered 5520 corporate tax rate regarding 2018, 2019 and 2020 fiscal periods (accounting periods starting within the related period for companies which are assigned special accounting period) has changed as 22%. This rate is applied to accounting income modified for certain exemptions (like dividend income) and deductions (like investment incentives), and additions for certain non-tax deductible expenses and allowances for tax purposes.

If there is no dividend distribution planned, no further tax charges are made. Dividends paid to the resident institutions and the institutions working through local offices or representatives are not subject to withholding tax. As per the decisions no.2009/14593 and no.2009/14594 of the Council of Ministers published in the Official Gazette no.27130 dated 3 February 2009, certain duty rates included in the articles no.15 and 30 of the new Corporate Tax Law no.5520 are revised. Accordingly, the withholding tax rate on the dividend payments other than the ones paid to the non-resident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions is 15%. In applying the withholding tax rates on dividend payments to the non-resident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

The prepaid taxes are calculated and paid at the rates valid for the earnings of the related years. The prepayments can be deducted from the annual corporate tax calculated for the whole year earnings.

In accordance with the tax legislation, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from prior periods.

In Turkey, there is no procedure for a final and definite agreement on tax assessments. Companies file their tax returns with their tax offices by the end of 25th of the fourth month following the close of the accounting period to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

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

2. Deferred Tax

The Bank calculates and recognizes deferred tax for taxable temporary differences arising between the carrying values of assets and liabilities in the financial statements and their corresponding balances considered in the calculation of the tax base according to the Turkish Accounting Standard 12 (TAS 12) "Income Taxes".

In accordance with the provisional article, added to Corporate Tax Law, corporate tax which is 20%, shall be applied as 22% for the profit of company belonging to 2018, 2019 and 2020 fiscal periods. In accordance with this provisional article, 22% tax rate has been calculated for 2018 and 2019, in which the deferred tax assets and liabilities emerges and liabilities are met, while it is calculated with 20% for 2021 and following periods. As of the end of 2020, the rate for all items was taken into account as 20%.

Deferred tax liabilities are generally recognized for all taxable temporary and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax rate calculation has started to be applied over temporary expected credit losses as per TFRS 9 articles from 1 January 2018. The Bank calculates deferred tax also for provisions for possible loss.

As of 31 December 2020, the deferred tax asset is TL 191.700 (31 December 2019: TL 54.427 deferred tax asset). The deferred tax asset is calculated as the net of taxable and deductible temporary differences.

Deferred tax income/(expense) is recognized within "Deferred Tax Income Effect" and "Deferred Tax Expense Effect" in the statement of profit or loss; deferred tax income is TL 239.277 and deferred tax expense is TL 101.288 for the current period (1 January - 31 December 2019: TL 15.339 expense). The part of the deferred tax related to assets directly associated with equity is recognized in equity, this amount is TL 716 of expense (1 January - 31 December 2019: TL 9.539 expense).

3. Transfer Pricing

The article 13 of the Corporate Tax Law describes the issue of transfer pricing under the title of "disguised profit distribution" by way of transfer pricing. "The General Communiqué on Disguised Profit Distribution by Way of Transfer Pricing" published at 18 November 2007, explains the application related issues on this topic.

According to this Communiqué, if the taxpayers conduct transactions like purchase and sale of goods or services with the related parties where the prices are not determined according to the arm's length principle, then it will be concluded that there is a disguised profit distribution by way of transfer pricing. Such disguised profit distributions will not be deducted from the corporate tax base for tax purposes.

As stated in the "7.1 Annual Documentation" section of this communiqué, the taxpayers are required to fill out the "Transfer Pricing, Controlled Foreign Entities and Thin Capitalization" form for the purchase and sale of goods or services conducted with their related parties in a taxation period, attach these forms to their corporate tax returns and submit to the tax offices. Related forms are submitted to tax offices on time.

XIX. Additional explanations on borrowings

The Bank provides resources from domestic and foreign individuals and institutions both by borrowing funds and issuing bills and bonds.

Borrowing instruments are initially measured at acquisition cost and subsequently measured at amortized cost with the effective interest method. In the accompanying financial statements, foreign currency denominated borrowing funds are converted to Turkish Lira with the Bank's spot foreign exchange buy rates and interest expenses incurred during the period relating to the borrowing funds are recognized in statement of profit or loss.

Additional Tier I Capital

The Bank has recognised the issued Tier 1 securities of TL 100.000 nominal and related interest expenses for 2020, as "other capital reserves" under equity within the scope of "TAS 32 Financial Instruments: Presentation". Interest expenses before 2020 are recognized under "prior years profit or loss" in the balance sheet. It has recognised the issued Tier 1 of USD 30.000 nominal and related interest accrual as "subordinated debt".

Information on debt instruments to be included in the equity calculation is explained under the on equity items in the fourth section, information on financial structure and risk management.

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

XX. Explanations on share certificates issued

None.

XXI. Explanations on bank acceptances and bills of guarantee

Bank acceptances and bills of guarantee are presented within off-balance sheet liabilities as being possible liabilities and commitments. Cash transactions relating to bank acceptances and bills of guarantee are realized concurrently with the customer payments.

As of the balance sheet date, there are no bank acceptances and bills of guarantee recognized as liability against an asset.

XXII. Explanation on government incentives

As of the balance sheet date, the Bank does not have any government incentives.

XXIII. Explanations on segment reporting

The Bank operates in consumer banking services, current accounts, deposit accounts, long term investment products, clearing and custody services, credit and atm services, retail loans, long term mortgage loans, and all other kinds of consumer banking services and commercial services.

	Retail Banking	Corporate & Commercial Banking	Treasury & Headquarters	Total Operations of the Bank
Current Period -1 January - 31 December 2020	<u></u>			
Operating Income	326.870	813.087	197.177	1.337.134
Operating Profit	50.677	280.339	(14.846)	316.169
Taxation				(86.334)
Net Profit/(Loss) for the Period				229.835
Current Period -31 December 2020				
Segment Assets	3.777.473	15.229.438	8.218.084	27.224.995
Total Assets				27.224.995
Segment Liabilities	12.673.602	3.993.327	8.684.162	25.351.091
Shareholders' Equity				1.873.904
Total Liabilities				27.224.995

			Treasury &	Total
	Retail			Operations
	Banking(*)		Headquarters	of the Bank
Prior Period -1 January - 31 December 2019			•	
Operating Income	231.332	879.290	148.859	1.259.481
Operating Profit	(176.072)	259.912	166.290	250.130
Taxation				(38.086)
Net Profit/(Loss) for the Period				212.044
Prior Period -31 Aralık 2019				
Segment Assets	2.066.449	13.441.734	6.377.577	21.885.760
Total Assets				21.885.760
Segment Liabilities	11.018.021	2.499.553	6.712.382	20.229.956
Shareholders' Equity				1.655.804
Total Liabilities		-		21.885.760

(*) SME segment which is transferred to commercial segmet as of March due to the new segmentation study has been reported under retail banking for first two months.

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

XXIV. Profit reserves and distribution of the profit

In financial tables, except legal reserves, retained earnings can be distributed on condition that it has legal reserve requirement explained below.

Legal reserves are consisted of first and second reserves as determined in Turkish Commercial Code (TCC). First legal reserve, is appropriated by TCC at the rate of 5%, until the total reserve is equal to 20% of issued and fully paid-in share capital. Second legal reserve, appropriated at the rate of 10% of distributions in excess of 5% of issued and fully paid-in share capital, but holding companies are not subject to such transaction. According to the Turkish Commercial Code, legal reserves can only be used to compensate accumulated losses and cannot be used for other purposes unless they exceed 50% of paid-in capital.

In the Ordinary General Assembly Meeting of the Bank, which was held on 27 March 2020, it was decided to allocate the 2019 net profit amounting TL 212.044 as legal reserve of TL 10.602 and as extraordinary reserves of TL 201.442.

XXV. Earnings Per Share

Earnings per share disclosed in the statement of profit or loss are calculated by dividing net profit for the year by the weighted average number of shares outstanding during the related period concerned

	31 December 2020	31 December 2019
Net Profit / (Loss) distributable to Common Shares	229.835	212.044
Average Number of Issued Common Shares (Thousand)	94.116.055	94.116.055
Earnings Per Share (Amounts presented as full TL)	0,00244	0,00225

In Turkey, companies can increase their share capital by distributing "bonus shares" to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them a retroactive effect for the year in which they were issued and for each earlier period. In case bonus shares are distributed after the balance sheet date but before the preparation of the financial statements, earnings per share is calculated considering the new number of shares.

There are no bonus shares issued by the Bank in 2020 (31 December 2019: None).

XXVI. Cash and Cash Equivalent Assets

Cash, cash in transit, purchased bank cheques and demand deposits including balance with Central Bank are considered as "Cash"; interbank money market placements time deposits at banks with original maturity periods of less than three months and receivables from reverse repo are considered as "Cash Equivalents". Required reserves kept in Central Bank under blocked account are not "Cash Equivalents" in the statement of cash flow.

XXVII. Other Disclosures

BRSA has announced a series of measures to limit the negative effects of the worldwide uncertainty created by COVID-19 pandemic observed in Turkey and all over the world. The possible effects of these measures on the Bank's financial statements are closely monitored by the Bank's Management, and necessary measures are taken to keep the possible negative effects under control.

With the Decision No. 9312 dated 8 December 2020 of the Banking Regulation and Supervision Agency;

As a result of the re-evaluation of Board Resolutions and instructions taken in the past, which brought temporary regulations on banks' obligations, in order to support the real sector, bank customers and banks in a period when uncertainties and risks in global markets are high due to the pandemic, in the current period it would be appropriate to extend those regulations with the same purposes, thus within this framework until 30 June 2021:

-In accordance with the Regulation on Measurement and Assessment of Capital Adequacy of Banks, in calculation of amount subject to credit risk, to calculate the amount of the non-monetary and monetary assets, excluding the items in foreign currencies in accordance with Turkey Accounting Standards and the amount of related spesific provisions, it is possible to use simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date,

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

XXVII. Other Disclosures (continued)

-If the net valuation diffrences of the securities owned by banks in the "Securities with Fair Value Differences Reflected in Other Comprehensive Income" portfolio are negative, these differences may not be taken into account in the amount of equity to be calculated in accordance with the Regulation On Own Funds Of Banks and used fort he capital adequacy ratio (The Bank does not have any negative valuation difference within the scope as of 31 December 2020.),

- As stated in the Board Decision dated March 17, 2020 and numbered 8948, the 90-day delay period foreseen for the non-performing loan classification within the scope of Articles 4 and 5 of Regulation on Procedures and Principles for Classification of Loans and the Provisions to be Set Aside, for these loans it shall be applied as 180 days and continuing to allocate provisions for loans that are still classified in the Second Group despite the delay, according to the banks' own risk models in the calculation of expected credit losses within the scope of TFRS 9,
- As stated in the Board Decision dated March 27, 2020 and numbered 8970, within the scope of Article 4 of the Regulation on the Procedures and Principles Regarding the Classification of Loans and the Provisions to be Set Aside, the 30 days delay period for the classification of the loans in the Second Group shall be applied as 90 days for the loans followed in the First Group and provisions for loans that continue to be classified in the First Group despite the 30-day delay, shall be continued to allocate according to the banks' own risk models in the calculation of expected credit losses within the scope of TFRS 9.

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

SECTION FOUR

INFORMATION ON FINANCIAL POSITION AND RISK MANAGEMENT

Total capital and capital adequacy ratio have been calculated in accordance with the "Regulation on Equity of Banks" and "Regulation on Measurement and Assessment of Capital Adequacy of Banks".

As of 31 December 2020, the Bank's total capital has been calculated as TL 4.163.418 and the capital adequacy ratio is 19,39% (As of 31 December 2019, the Bank's total capital amounted to TL 3.664.995 and the capital adequacy ratio was 19,55%).

I. Information related to the components of shareholders' equity:

	Current Period (31/12/2020) Amount	Amount as per the regulation before 1/1/2014 *
TIER I CAPITAL		
Paid-in capital to be entitled for compensation after all creditors	941.161	
Share Premium	128.678	
Reserves (**)	652.414	
Other comprehensive income according to TAS	22.263	
Profit	229.835	
Current period profit	229.835	
Prior period profit		
Bonus shares from associates, subsidiaries and joint-ventures not accounted in current period's profit		
Tier I Capital Before Deductions	1.974.351	
Deductions From Tier I Capital		
- Deductions 11 of 11 capital		
Valuation adjustments calculated as per the article 9. (i) of the Regulation on Bank Capital		
Current and prior periods' losses not covered by reserves, and losses accounted under equity according to TAS (***)	44.426	
Improvement costs for operational leasing	9.422	
Goodwill and other intangible assets and related deferred taxes		
Other intangibles other than mortgage-servicing rights (net of related tax liability)	153.888	
Excess amount arising from deferred tax assets from temporary differences	30.200	
Differences arise when assets and liabilities not held at fair value, are subjected to cash flow hedge accounting		
Total credit losses that exceed total expected loss calculated according to the Regulation on Calculation of Credit Risk by Internal Ratings Based Approach		
Securitization gains		
Unrealised gains and losses due to the changes in own credit risk on fair valued liabilities		

^(**)The difference between the expected credit loss calculated in accordance with TFRS 9 and the total provision amount calculated with the method before TFRS 9 has been recorded in the "Retained Earnings" account; in accordance with Provisional Article 5 of the Regulation on Equity of Banks, related amount is shown net by adding back 40% of the provision difference, net of tax.

(***) Based on the decision of BRSA, dated 23 March 2020 and numbered 3397, if the net valuation differences of the securities held by banks in the portfolio of "Financial Assets at Fair Value through Other Comprehensive Income" are negative, they are not included in the equity calculation.

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

	Current Period (31/12/2020) Amount	Amount as per the regulation before 1/1/2014 *
Net amount of defined benefit plans		
Direct and indirect investments of the Bank on its own Tier I Capital		
Shares obtained against Article 56, Paragraph 4 of the Banking Law Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital		
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of above Tier I Capital		
Mortgage servicing rights exceeding the 10% threshold of Tier I Capital Net deferred tax assets arising from temporary differences exceeding the 10% threshold of Tier I Capital		
Amount exceeding 15% threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks		
The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital not deducted from Tier I Capital		
Excess amount arising from mortgage servicing rights		
Excess amount arising from deferred tax assets from temporary differences		
Other items to be defined by the BRSA		
Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals		
Total Deductions From Common Equity Tier I Capital	237.936	
Total Common Equity Tier I Capital	1.736.415	
ADDITIONAL TIER I CAPITAL Preferred stock not included in Tier I capital and the related share premiums		
Debt instruments and the related issuance premiums defined by the BRSA	320.215	
Debt instruments and the related issuance premiums defined by the BRSA (Covered by Temporary Article 4)		
Additional Core Capital before Deductions	320.215	
Deductions from Additional Core Capital		
Direct and indirect investments of the Bank on its own Additional Tier I Capital		
Investments in equity instruments issued by Banks or financial institutions invested in Bank's Additional Tier I Capital and having conditions stated in the Article 7 of the Regulation		

The total of net long position of the direct or indirect investments in Additional Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued

	Current Period (31/12/2020) Amount	Amount as per the regulation before 1/1/2014 *
The total of net long position of the direct or indirect investments in Additional Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital	<u></u>	
Other items to be defined by the BRSA		
Items to be Deducted from Tier I Capital during the Transition Period	_	
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier I capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)		
Net deferred tax asset/liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)		
Deduction from Additional Tier I Capital when there is not enough Tier II Capital (-)		
Total Deductions from Additional Tier I Capital		
Total Additional Tier I Capital	320.215	
Total Tier Capital (Tier Capital=Common Equity+Additional Tier Capital)	2.056.630	
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	1.868.480	
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)		
Provisions (Article 8 of the Regulation on the Equity of Banks)	238.308	
Tier II Capital before Deductions	2.106.788	
Deductions from Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)		
Investments in equity instruments issued by banks and financial institutions invested in Bank's Tier II Capital and having conditions stated in the Article 8 of the Regulation		
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital (-)		
. ,,		
Total of net long position of the direct or indirect investments in Additional Tier I Capital and Tier II Capital of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of Tier I Capital (-)		
Other items to be defined by the BRSA (-)		-
Total Deductions from Tier II Capital		-
Tatal Tian II Canital	2.106.788	

	Current Period (31/12/2020) Amount	Amount as per the regulation before 1/1/2014 *
Total Tier I Capital and Tier II Capital (Total Equity)	4.163.418	
Loans granted against the Articles 50 and 51 of the Banking Law		
Net book values of movables and immovable exceeding the limit defined in the Article 57, Clause 1 of the Banking Law and the assets acquired against overdue receivables and held for sale but retained more than five years		
Other items to be defined by the BRSA		
Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period		
The portion of total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital not deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation		
The portion of total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital exceeding the 10% threshold of above Tier I Capital not deducted from Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation		
The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital, of the net deferred tax assets arising from temporary differences and of the mortgage servicing rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation		
EQUITY	4.163.418	
Total Capital (Total of Tier I Capital and Tier II Capital)	4.163.418	
Total Risk Weighted Assets (****)	21.472.702	
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	8,09	
Tier I Capital Adequacy Ratio (%)	9,58	
Capital Adequacy Ratio (%)	19,39	
BUFFERS		
Total Additional Core Capital Requirement Ratio (a+b+c)	2,58	
a)Capital Conservation Buffer Requirement (%)	2,50	
b)Bank-specific Counter-Cyclical Buffer Requirement(%)	0,08	

	Current Period (31/12/2020) Amount	Amount as per the regulation before 1/1/2014 *
The ratio of Additional Common Equity Tier I capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital Buffers to risk weighted assets (%)	3,58	
Amounts lower than Excesses as per Deduction Rules		
Remaining total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital	<u></u>	_
Remaining total of net long positions of the investments in Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% or less of the Tier I Capital		
Remaining mortgage servicing rights		
Net deferred tax assets arising from temporary differences		
Limits for Provisions Used in Tier II Capital Calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	451.871	
Up to 1,25% of total risk-weighted amount of general provisions for receivables where the standard approach used	238.308	
Total loan provision that exceeds total expected loss calculated according to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach		
Total loan provision that exceeds total expected loss calculated according to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, limited by 0,6% risk weighted assets		
Debt Instruments Covered by Temporary Article 4 (effective between 01/01/2018-01/01/2022)		
Upper limit for Additional Tier I Capital items subject to Temporary Article 4		
Amount of Additional Tier I Capital items subject to Temporary Article 4 that exceeds upper limit		
Upper limit for Additional Tier II Capital items subject to Temporary Article 4		
Amount of Additional Tier II Capital items subject to Temporary Article 4 that exceeds upper limit		

 $[\]ensuremath{^{\star}}$ The amounts to be considered under the transitional provisions

	Prior Period (31/12/2019) Amount	Amount as per the regulation before 1/1/2014*
TIER I CAPITAL		
Paid-in capital to be entitled for compensation after all creditors	941.161	
Share premium	128.678	
Reserves	518.380	
Other comprehensive income according to TAS	15.774	
Profit	212.044	
Current period profit	212.044	
Prior period profit		
Bonus shares from associates, subsidiaries and joint-ventures not accounted in current period's profit		,
Tier I Capital Before Deductions	1.816.037	
Deductions From Tier I Capital		
Valuation adjustments calculated as per the Article 9 (i) of the Regulation on Bank Capital		
Current and prior periods' losses not covered by reserves, and losses accounted under equity according to TAS (**)	26.202	
Improvement costs for operational leasing	11.199	
Goodwill and other intangible assets and related deferred taxes		
Other intangibles other than mortgage-servicing rights (net of related tax liability)	100.046	
Excess amount arising from deferred tax assets from temporary differences	9.790	
Differences arise when assets and liabilities not held at fair value, are subjected to cash flow hedge accounting		
Total credit losses that exceed total expected loss calculated according to the Regulation on Calculation of Credit Risk by Internal Ratings Based Approach		
Securitization gains		
Unrealised gains and losses due to the changes in own credit risk on fair valued liabilities		

^(**)The difference between the expected credit loss calculated in accordance with TFRS 9 and the total provision amount calculated with the method before TFRS 9 has been recorded in the "Retained Earnings" account; in accordance with Provisional Article 5 of the Regulation on Equity of Banks, related amount is shown net by adding back 60% of the provision difference, net of tax.

	Prior Period (31/12/2019) Amount	Amount as per the regulation before 1/1/2014*
Net amount of defined benefit plans		
Direct and indirect investments of the Bank on its own Tier I Capital		
Shares obtained against Article 56, Paragraph 4 of the Banking Law		
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital		
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of above Tier I Capital		
Mortgage servicing rights exceeding the 10% threshold of Tier I Capital		
Net deferred tax assets arising from temporary differences exceeding the 10% threshold of Tier I Capital		
Amount exceeding the 15% threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks		
The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital not deducted from Tier I Capital		
Excess amount arising from mortgage servicing rights		
Excess amount arising from deferred tax assets from temporary differences		
Other items to be defined by the BRSA		
Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals		
Total Deductions From Common Equity Tier Capital	147.237	
Total Common Equity Tier I Capital	1.668.800	
ADDITIONAL TIER I CAPITAL		
Preferred stock not included in Tier I capital and the related share premiums		
Debt instruments and the related issuance premiums defined by the BRSA	278.206	
Debt instruments and the related issuance premiums defined by the BRSA (Covered by Temporary Article 4)		
Additional Core Capital before Deductions	278.206	

	Prior Period (31/12/2019) Amount	Amount as per the regulation before 1/1/2014*
The total of net long position of the direct or indirect investments in Additional Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital		
Other items to be defined by the BRSA		<u></u>
Items to be Deducted from Tier I Capital during the Transition Period		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier I capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)		 _
Net deferred tax asset/liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)		
Deduction from Additional Tier I Capital when there is not enough Tier II Capital (-)		
Total Deductions from Additional Tier I Capital		
Total Additional Tier I Capital	278,206	
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	1.947.006	
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	1.577.984	
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)		
Provisions (Article 8 of the Regulation on the Equity of Banks)	140.016	
Tier II Capital before Deductions	1.718.000	
Deductions from Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital		
Investments in equity instruments issued by banks and financial institutions invested in Bank's Tier II Capital and having conditions stated in the Article 8 of the Regulation	11	
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital		
Total of net long position of the direct or indirect investments in Additional Tier I Capital and Tier II Capital of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of Tier I Capital		
Other items to be defined by the BRSA		
Total Deductions from Tier II Capital	11	
Total Tier II Capital	1.717.989	
Total Equity (Total Tier I and Tier II Capital)	3.664.995	

	Prior Period (31/12/2019) Amount	Amount as per the regulation before 1/1/2014*
Total Tier I Capital and Tier II Capital (Total Equity)	3.664.995	
Loans granted against the Articles 50 and 51 of the Banking Law		
Net book values of movables and immovable exceeding the limit defined in the Article 57, Clause 1 of the Banking Law and the assets acquired against overdue receivables and held for sale but retained more than five years		
Other items to be defined by the BRSA		
Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period		
The portion of total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank Owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital not deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation		
The portion of total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the bank owns more than 10% of the issued share capital exceeding the 10% threshold of above Tier I Capital not deducted from Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation		
The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital, of the net deferred tax assets arising from temporary differences and of the mortgage servicing rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation		
EQUITY	3.664.995	
Total Capital (Total of Tier I Capital and Tier II Capital)	3.664.995	
Total Risk Weighted Assets	18.749.737	
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	8,90	
Tier I Capital Adequacy Ratio (%)	10,38	
Capital Adequacy Ratio (%)	19,55	
BUFFERS		
Total Additional Core Capital Requirement Ratio (a+b+c)	2,61	
a) Capital Conservation Buffer Requirement (%)	2,50	
b) Bank-specific Counter-Cyclical Buffer Requirement(%)	0,11	
c) Systemically Important Banks Buffer Requirement Ratio (%)		

	Prior Period (31/12/2019) Amount	Amount as per the regulation before 1/1/2014*
The ratio of Additional Common Equity Tier I capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to risk weighted assets (%)	4,38	
Amounts lower than Excesses as per Deduction Rules		
Remaining total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital		
Remaining total of net long positions of the investments in Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% or less of the Tier I Capital		
Remaining mortgage servicing rights		
Net deferred tax assets arising from temporary differences		
Limits for Provisions Used in Tier II Capital Calculation		
General reserves for standard based receivables (before tenthousandtwentyfive limitation)	298.165	
Up to 1,25% of total risk-weighted amount of general reserves for receivables where the standard approach used	140.016	
Total loan provision that exceeds total expected loss calculated according to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach		
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, Limited by 0,6% Risk Weighted Assets		₋
Debt Instruments Covered by Temporary Article 4 (effective between 1.1.2018-1.1.2022)		
Upper Limit for Additional Tier I Capital Items subject to Temporary Article 4		
Amount of Additional Tier I Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit		
Upper Limit for Additional Tier II Capital Items subject to Temporary Article 4		
Amount of Additional Tier II Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit		

^{*} The amounts to be considered under the transitional provisions

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

Explanations on reconciliation of shareholder's equity items to balance sheet:

The difference between "Equity" in equity table and "Shareholder's Equity" in the unconsolidated balance sheet mainly arises from the subordinated bonds, general provisions and TFRS 9 transition effect. In the calculation of Total Capital, general reserve up to 1,25% of credit risk is taken into consideration as Tier II Capital.

On the other hand, in the calculation of the "Equity", improvement costs for operational leases presented under tangible assets in the balance sheet, together with related deferred tax liabilities and deferred tax assets calculated for provision for possible losses and other items defined by the regulator are taken into consideration as amounts deducted from Total Capital.

Debt instruments included in shareholder's equity calculation:

Issuer	Fibabanka A.Ş.	Fibabanka A.Ş.	Fibabanka A.Ş.
Code of debt instrument (CUSIP, ISIN etc.)	XS1386178237	TRSFIBA10016	XS2096028571
Regulation of debt instrument	BRSA's "Regulation on Equities of Banks" dated 1 November 2006" and English Law	BRSA's "Regulation on Equities of Banks" dated 1 November 2006"	BRSA's "Regulation on Equities of Banks" dated 1 November 2006" and English law
Consideration Status in Shareholders' Equity Calcu	lation		
Situation of being subject to practice of being taken into consideration with 10% deduction after 1/1/2015	No	No	No
Eligible at unconsolidated / consolidated	Unconsolidated and Consolidated	Unconsolidated and Consolidated	Unconsolidated and Consolidated
Type of debt instrument	Subordinated Security	Subordinated Security	Subordinated Security
Recognized amount in shareholders' equity calculation (As of the most recent reporting date - Thousand TL)			
	1.868.480	100.000	220.215
Nominal value of debt instrument (Thousand TL)	2.202.150	100.000	220.215
Related account of debt instrument	Subordinated Debt Instruments	Shareholders' Equity	Subordinated Debt Instruments
Issuing date of debt instrument	24/03/16-10/05/17	20/03/19	31/12/19
Maturity structure of debt instrument (Demand/Time)	Time	Demand	Demand
Initial term of debt instrument	11 years		
Issuer call subject to prior BRSA approval	Has pre-payment right	Has pre-payment right	Has pre-payment right
Optional call date, reimbursement amount	24/11/2022; USD 300 million	13/03/2024; TL 100 million	31/12/2024; USD 30 million
Subsequent call date, if any	None	At the end of every 5th year following	On each interest payments date after first 5 years

Interest/Dividend Payments			
Fixed or floating interest/dividend payments	Floating interest Up to pay back option date 7,75% (5 years mid-swap rate+5,758%);	Floating interest	Floating interest
	afterwards current 5 years mid-swap	8% additional	10% additional
Interest rate or index value of interest rate	rate+5,758%	return on TRLibor	return on Libor
Whether there is any restriction to stop dividend payments or not	None	None	None
Feature of being fully optional, partially optional or obligatory	Obligatory	Optional	Optional
Whether there is any stimulant to repayment like interest rate hike or not	None	None	None
Feature of being cumulative or noncumulative			
Feature of being convertible bonds			
If there are convertible bonds, trigger incidents cause this conversion			 _
If there are convertible bonds, feature of full or partially conversion			
If there are convertible bonds, rate of conversion			<u></u> ,
If there are convertible bonds, feature of conversion - obligatory or optional-		<u></u>	<u></u>
If there are convertible bonds, types of convertible instruments		·	
If there are convertible bonds, exporter of convertible debt instruments			
Feature of value reducement			
		Under the condition that unconsolidated and/or consolidated Tier I capital adequacy	Under the condition that unconsolidated and/or consolidated Tier I capital adequacy
If there are a feature of value reducement, trigger incidents cause this reducement	<u></u>	ratio drop below BRSA's ratio	ratio drop below BRSA's ratio
If there are a feature of value reducement, feature of full or partially reducement of value		Partially and totally	Partially and totally
If there are a feature of value reducement, feature of being constant of temporary			
If there are a feature of value reducement, mechanism of value incrementation			
Claiming rank in case of winding up (Instrument that is just above debt instrument)	After the other borrowers except depositors	After depositors, other borrowers and Tier II capital	After depositors, other borrowers and Tier II capital
	Meets the conditions defined by 8th article, does not meet the	Meets the conditions defined by 7th article, does not meet the	Meets the conditions defined by 7th article, does not meet the
Whether meeting the conditions defined by 7th or 8th articles of Shareholders' Equity of Banks Regulation	conditions defined by 7th article.	conditions defined by 8th article.	conditions defined by 8th article.
The conditions not met which were defined by 7th or 8th of the 7th or 8th articles of Shareholders' Equity of Banks Regulation		Cannot be converted to stock.	Cannot be converted to stock.

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

Explanations on TFRS 9 Transition Process

	2020	2021	2022
EQUITY ITEMS			
Common Equity	1.736.415	1.658.407	1.580.397
Common Equity if transition process not implemented a	1.580.397	1.580.397	1.580.397
Tier 1 Capital	2.056.630	1.978.622	1.900.612
Tier 1 Capital if transition process not implemented b	1.900.612	1.900.612	1.900.612
Total Capital	4.163.418	4.085.410	4.007.400
Equity if transition process not implemented ^C	4.007.400	4.007.400	4.007.400
TOTAL RISK WEIGHTED AMOUNTS			
Total Risk Weighted Amounts	21.472.702	21.472.702	21.472.702
CAPITAL ADEQUACY RATIO			
Common Equity Adequacy Ratio (%)	8,09	7,72	7,36
Common Equity Ratio if transition process not implemented ^d (%)	7,36	7,36	7,36
Tier 1 Capital Adequacy Ratio (%)	9,58	9,21	8,85
Tier 1 Capital Adequacy Ratio if transition process not implemented $^{ m d}$ (%)	8,85	8,85	8,85
Capital Adequacy Ratio (%)	19,39	19,03	18,66
Capital Adequacy Ratio if transition process not implemented ^d (%)	18,66	18,66	18,66
LEVERAGE			
Leverage Ratio Total Risk Amount ^(*)	29.791.264	29.791.264	29.791.264
Leverage (%)	6,90	6,64	6,38
Leverage Ratio if transition process not implemented ^e (%)	6,38	6,38	6,38

^a Common Equity if "Provisional Article 5 of the Regulation on Banks' Own Funds" not implemented

^b Tier 1 Capital if "Provisional Article 5 of the Regulation on Banks' Own Funds" not implemented

^C Equity if "Provisional Article 5 of the Regulation on Banks' Own Funds" not implemented

d Capital Adequacy Ratio calculated with Equity Items if "Provisional Article 5 of the Regulation on Banks' Own Funds" not implemented

e Leverage Ratio calculated with Equity Items if "Provisional Article 5 of the Regulation on Banks' Own Funds" not implemented

^(*) It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.

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

II. Explanations on Credit Risk

Credit risk is defined as risks and losses that may occur if the counterparty fails to comply with the agreement's requirements and cannot perform its obligations partially or completely on the terms set.

The debtors or group of debtors are subject to credit risk limits. The debtors' or group of debtors' and industrial risk limitations are monitored weekly. Industry concentration is followed monthly.

Credit risk limits and breakdowns for daily transactions are followed daily. Risk concentrations of off-balance sheet risks are followed by remote and on-site control activities.

Credit worthiness of both commercial loans' and all other debtors are being regularly monitored in accordance with the regulations. By utilizing risk rating models which were developed for these purposes, in case the debtors' risk level increases, credit lines are readjusted and additional collaterals are received if needed. The necessary documentation for utilized loans is taken in compliance with the related legislation.

In accordance with the Bank's lending policies, the debtor's creditworthiness is analysed and the adequate collateral is obtained based on the financial position of the company and the type of loan; such as cash collateral, bank guarantees, mortgages, pledges, bills and corporate guarantees.

There are control limits based on VaR over the positions of the Bank which are held as futures, option contracts and other similar contracts. The credit risks carried for such instruments are managed together with the risks arising from market fluctuations.

Indemnified non-cash loans are subject to the same risk weight with overdue loans.

The Bank performs foreign trade finance and other interbank credit transactions through widespread correspondent network. Accordingly, the Bank assigns limits periodically to domestic banks, foreign banks and other financial institutions based on review of their credit worthiness.

Within the Bank's risk appetite policy, the following concentrations are measured. They are presented to the Asset and Liability Committee weekly and to the Risk Committee monthly.

As per Customer Group Concentration, Top 20 corporate debtor's / risk group's credit risk sum shall not exceed 30% of the Bank's total credit risk.

Within the industry concentration, the Bank has set its risk appetite as "reasonable", not to exceed 10% of total loans per sector except the industries listed below.

Industry	<u>Proportional Limit</u>
Construction	20%
Tourism	20%
Factoring	15%
Wholesale and Retail Busir	ness 15%

Within the framework of risk appetite policy, the sum of long-term loans which have a maturity more than 1 year, shall not exceed 45% of the bank's total loans. This ratio is monitored on a weekly basis at the Asset and Liability Committee and on a monthly basis at the Risk Committee.

The Bank's largest 100 and 200 cash loan customers compose 59% and 69% of the total cash loan portfolio, respectively (31 December 2019: 65% and 74%, respectively).

The Bank's largest 100 and 200 non-cash loan customers compose 87% and 96% of the total non-cash loan portfolio, respectively (31 December 2019: 85% and 95%, respectively).

The Bank's largest 100 and 200 cash and non-cash loan customers represent 57% and 67% of the total "on and off balance sheet" assets, respectively (31 December 2019: 61% and 72%, respectively).

Expected credit loss for total credit risk (Stage 1 and Stage 2) amounts to TL 447.960 (31 December 2019: TL 296.663).

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

· · · · · · · · · · · · · · · · · · ·	Current Period	Average
	Risk Amount *	Risk Amount * *
Exposure Categories		
Conditional and Unconditional Exposures to Central Governments or Central Banks	4.116.994	3.767.653
Conditional and Unconditional Exposures to Administrative Units and Non-Commercial Enterprises	199.815	53.845
Conditional and Unconditional Exposures to Banks and Brokerage Houses	3.087.089	2.589.079
Conditional and Unconditional Exposures to Corporates	12.215.782	11.343.045
Conditional and Unconditional Retail Exposures	5.415.227	3.861.471
Conditional and Unconditional Exposures Secured by Real Estate Property	1.577.214	1.551.653
Past Due Receivables	247.397	318.170
Receivables Defined in High Risk Category by BRSA	28.001	23.745
Exposures in the Form of Collective Investment Undertakings	89.461	77.060
Equity share investments	9.764	4.853
Other Receivables	1.172.068	1.057.611
Total	28.158.812	24,648,185

^{(*)-} Includes total risk amounts before the effect of credit risk mitigation but after credit conversions.

^(***)It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.

	Prior Period	Average
	Risk Amount *	Risk Amount * *
Exposure Categories		
Conditional and Unconditional Exposures to Central Governments or Central Banks	3.273.949	3.171.676
Conditional and Unconditional Exposures to Administrative Units and Non-Commercial Enterprises		
Conditional and Unconditional Exposures to Banks and Brokerage Houses	2.508.203	3.031.935
Conditional and Unconditional Exposures to Corporates	11.309.687	9.844.832
Conditional and Unconditional Retail Exposures	3.551.221	3.705.244
Conditional and Unconditional Exposures Secured by Real Estate Property	1.563.502	1.638.160
Past Due Receivables	356.201	300.081
Receivables Defined in High Risk Category by BRSA	54.222	24.055
Exposures in the Form of Collective Investment Undertakings	83.713	65.647
Other Receivables	988.747	962.545
Total	23.689.445	22.744.175

^{(*)-} Includes total risk amounts before the effect of credit risk mitigation but after credit conversions.

 $^{(\}ensuremath{^{**}})$ Represents the arithmetical average of quarterly reports.

 $^{(\}ensuremath{^{**}})$ Represents the arithmetical average of quarterly reports.

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

Profile of significant exposures in major regions: 1.

		Conditional										
		and										
		unconditional										
	Conditional and	exposures to	Conditional and	Conditional		Conditional		Receivables				
	unconditional	administrative	unconditional	and	Conditional	and		defined in high				
		units and		unconditional	andunconditi			risk				
	exposures to central		exposures to				B . J		Callanda			
	•	noncommercial	banks and	exposures to	onal retail		Past due	category by	Collective			
	or central banks	enterprises	brokerage houses	corporates		secured by real	receivables	BRSA	investment	Other .	Equity share	
						estate properly			undertakings	receivables	investments	Total
Current Period *												
Domestic	4,184,030	199,815	1,508,432	11,356,031	5,378,422	1,568,434	241,745	6,308	89,461	1,172,068	4,8%	25.709.642
EU Countries		••	1,516,245	243.957	14	274		21,693			4.868	1,787,051
OECD Countries **			37.502		61							37,563
Off-Shore Banking Region				419,099								419.099
USA, Canada			13.280	28.297								41,577
Other Countries			11.630	152,159	56	35						163,880
Associates, Subsidiaries and												
Joint-Ventures												
Unallocated Assets/Liabilities			••					••	••			
Total	4,184,030	199,815	3,087,089	12.199.543	5,378,553	1,568,743	241.745	28,001	89,461	1,172,068	9.764	28,158,812

(*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.
(**) Includes OECD countries other than EU countries, USA and Canada.
(***) Includes assets and liability items that cannot be allocated on a consistent basis.

		Conditional									
		and									
		unconditional									
	Conditional and	exposures to	Conditional and	Conditional		Conditional		Receivables			
	unconditional	administrative	unconditional	and	Conditional	and		defined in high			
	exposures to central	units and	exposures to	unconditional	and unconditi	unconditional		risk			
	governments	noncommercial	banks and	exposures to	onal retail	exposur e s	Past due	category by	Collective		
	or central banks	enterprises	brokerage houses	corporates	exposures	secured by real	receivables	BRSA	investment	Other	
						estate property			undertakings	receivables	Total
Prior Period*											
Domestic	3,589,913		1,040,245	10,493,460	3,344,639	1,513,509	356,201	53,735	83,713	988,747	21.464.162
EU Countries	-		1,116,960	192,220	36	307	-		-	-	1,309,523
OECD Countries **	-		308.236	-	105		_	••	-	-	308,341
Off-Shore Banking Region	-			402.193			_	••	-	-	402,193
USA, Canada	-		29.818	23.987			_		-	-	53.805
Other Countries	-		12.944	137.694	20	276	-	487	-	-	151,421
Associates, Subsidiaries and Joint -Ventures	-			_			-		-	-	-
Unallocated Assets/Liabilities	-			-			-		-	_	-
Total	3,589,913	-	2,508,203	11,249,554	3,344,800	1,514,092	356,201	54,222	83,713	988.747	23,689,445

^(*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

^(**) Includes OECD countries other than EU countries, USA and Canada.
(***) Includes assets and liability items that cannot be allocated on a consistent basis.

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

2. Risk profile by sectors or counterparties

Current Period	1	2	3	4	5	6	7	8	9	10	11	TL	FC	Total
Agricultural	13.012			99,472	124.653	16.310	22,217	688				255.955	20.397	276.352
Farming and Stockbreeding	11.215			94.864	112.507	15.767	20.862	685				237.184	18.716	255.900
Forestry	1.468			4.608	9.852	543	1.237	3				17.506	205	17.711
Fishing	329				2.294		118					1.265	1.476	2.741
Manufacturing	16.917			3.375,608	883.486	179,212	51,302	986				2,707.826	1.799.685	4,507,511
Mining and Quarrying	1.070			206.222	27.439		850					53.565	182.016	235.581
Production	15.847			2.209.409	851.345	178.777	49.866	818				2.199.184	1.106.878	3.306.062
Electricity, Gas and Water				959.977	4.702	435	586	168				455.077	510.791	965.868
Construction	4.183			1.637.925	2.889.302	183,231	61,184	2,104				3.924.527	853.402	4,777,929
Services	4,145,648		3.087.089	5.296,907	976,758	1.164.262	68,988	24,051		1,172,068	9,764	6.193.796	9.751.739	15,945,535
Wholesale and Retail Trade	7.152			1.167.209	723.757	70.996	34.976	1.546				1.624.262	381.374	2.005.636
Accomodation and Dining	6.238			1.863.605	47.262	697.508	5.262	681				494.837	2.125.719	2.620.556
Transportation and Telecom.	12.644			825.422	104.184	217.521	6.628	21.693				294.459	893.633	1.188.092
Financial Institutions	4.117.052		3.087.089	478.833	12.384		242			1.172.068	9.764	2.860.929	6.016.503	8.877.432
Real Estate and Rental Services	310			340,508	16.843	17.098	6.063					210,000	170,822	380,822
Self-Employment Services	15			718	5.033	3	597					6,366		6,366
Educational Services	1,176			271,994	4,999	160,721	3,663	4				281,694	160,863	442,557
Health and Social Services	1,061			348,618	62,296	415	11.557	127				421,249	2,825	424,074
Other*	4.270	199,815		1.789.631	504.354	25,728	38.054	172	89.461			2.300.147	351.338	2.651,485
Total*	4.184.030	199,815	3.087.089	12.199.543	5.378.553	1.568.743	241.745	28.001	89.461	1.172.068	9.764	15.382.251	12.776.561	28.158.812
(*) Includes risk amounts before the effect of														
(**)It is used simple arithmetic mean of Centra				252 business days fro	m the calculation c									
1: Conditional and unconditional exposures to														
 Conditional and unconditional exposures to Conditional and unconditional exposures to 														
4: Conditional and unconditional exposures to		1100303												
5: Conditional and unconditional retail exposu														
6: Conditional and unconditional exposures se	ecured by real estate p	property												
7: Past due receivables														
8: Receivables defined in high risk category by														
9: Exposures in the form of collective investm	ent undertakings													
10: Other receivables 11: Equity Share Invesments														
11: Ednith Suits in sezugging														

Prior Period	1	2	3	4	5	6	7	8	9	10	TL	FC	Total
Agricultural	51.883		_	50.003	110.059	49.428	18.948	5.121		_	247.004	38.438	285,442
Farming and Stockbreeding	48-451		_	34-471	101.617	47.784	17.708	5-093		_	232-394	22.730	255-124
Forestry	2.858		_	-	5.330	1.644	1.134	28		_	10.818	176	10.994
Fishing	574		_	15.532	3.112		106			_	3.792	15.532	19.324
Manufacturing	92,533		_	2,758,909	549,664	225,823	78,061	20,226		_	1,898,833	1,826,383	3,725,216
Mining and Quarrying	4.887		_	239.278	30.203	714	6.286	59		_	110.790	170.637	281.427
Production	87.238		_	1.690.266	512.319	224.589	70.982	20.063		_	1.457.815	1.147.642	2.605.457
Electricity, Gas and Water	408		_	829.365	7.142	520	793	104		_	330.228	508.104	838.332
Construction	28.630		_	2.295.539	1.696.156	510.869	56.258	10.690		_	2.955.670	1.642.472	4.598.142
Services	3.395.313		2.481.870	4.690.432	636,993	687,227	163,234	12.188		988,747	4.341.020	8,714.984	13.056.004
Wholesale and Retail Trade	53.738		_	673-857	362.643	64.951	53.713	3.821		_	807-063	405.660	1.212.723
Accomodation and Dining	28.423		_	1.735.039	58.739	419.795	79.571	3.662		_	428.542	1.896.687	2.325.229
Transportation and Telecom.	15.661		_	824.610	68.987	70.103	10.135	339		_	196.782	793.053	989.835
Financial Institutions	3.274.397		2.481.870	452_622	42.866		57	509		988.747	1.960.206	5.280.862	7.241.068
Real Estate and Rental Services	3.422		_	485.654	15.777	2.191	8.533	6		_	313.039	202.544	515.583
Self-Employment Services	585		_	-	5.570	2.600	740	2		_	9.157	340	9.497
Educational Services	6.649		_	167.120	27.411	126.647	3.693	12		_	203.946	127.586	331.532
Health and Social Services	12.438		_	351.530	55.000	940	6.792	3.837		_	422_285	8.252	430.537
Other*	21.554		26.333	1.454.671	351.928	40.745	39.700	5.997	83.713	_	1.412.581	612.060	2.024.641
Total*	3.589.913		2.508.203	11.249.554	3.344.800	1.514.092	356.201	54.222	83.713	988.747	10.855.108	12.834.337	23.689.445

Total* 3.589.913 - 2.508.20
(7) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.
15 Conditional and unconditional exposures to central governments or central banks
2: Conditional and unconditional exposures to administrative units and non-commercial enterprises
3: Conditional and unconditional exposures to banks and brokerage houses
4: Conditional and unconditional exposures to corporates
5: Conditional and unconditional retail exposures
6: Conditional and unconditional retail exposures
6: Conditional and unconditional retail exposures
6: Conditional and unconditional exposures secured by real estate property
7- Past (the receipables

^{7:} Past due receivables 8: Receivables defined in high risk category by BRSA 9: Exposures in the form of collective investment undertakings 10: Other receivables

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

3. Analysis of maturity-bearing exposures according to remaining maturities

Francisco Company (Company)		Term to N	laturity		
Exposure Categories / Current Period*	Up to 1 Month	1-3 Months	3 - 6 Months	6-12 Months	Over 1 year
Conditional and Unconditional Exposures to Central Governments or Central Banks	2.620.130	78.861	224971	86.658	975.142
Conditional and Unconditional Exposures to Administrative Units and Non-Commercial Enterprises			14.447	4.104	181.264
Conditional and Unconditional Exposures to Banks and Brokerage Houses	1.842.867	51.840	115.806	178.806	897.751
Conditional and Unconditional Exposures to Other Corporates					
Conditional and Unconditional Exposures to SME Corporates					
Conditional and Unconditional Exposures to Corporales	824.956	1.543.326	1.543.149	1.993.313	6.270.891
Conditional and Unconditional Retail Exposures	361.184	993.356	1.080.329	1.133.283	1.563.996
Conditional and Unconditional Exposures Secured by Real Estate Property	92.664	95.589	42.679	30.076	1.306.927
Past Due Receivables					
Receivables Defined in High Risk Category by BRSA	23.109	736	247	782	3.127
Exposures in the Form of BondsSecured by Mortgages					
Short term Exposures to Banks, Brokerage Houses and Corporales					
Exposures in the Form of Collective Investment Undertakings					
Other Receivables		-		-	
Total**	5,764,910	2,763,708	3,021,628	3,427,022	11,199,098

^{*} Items with determined maturities are classified according to remaining maturities

^{****}It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.

Francisco (Balan Barda M		Term to N	aturity		
Exposure Categories / Prior Period*	Up to 1 Month	1 - 3 Months	3 - 6 Months	6-12 Months	Over 1 year
Conditional and Unconditional Exposures to Central Governments or Central Banks	2.441.738	6.195	102.282	23.467	938.172
Conditional and Unconditional Exposures to Administrative Units and Non-Commercial Enterprises					
Conditional and Unconditional Exposures to Banks and Brokerage Houses	1.585.010	54.894	29.674	76.704	761.914
Conditional and Unconditional Exposures to Other Corporates					
Conditional and Unconditional Exposures to SME Corporates					
Conditional and Unconditional Exposures to Corporates	1.011.186	1.037.506	1.136.771	1.667.593	6.383.099
Conditional and Unconditional Retail Exposures	299.620	450.232	832.010	728.814	870.809
Conditional and Unconditional Exposures Secured by Real Estate Property	44.468	81.430	59.187	96.503	1.231.802
Past Due Receivables					
Receivables Defined in High Risk Category by BRSA	24.665	3.488	1.335	3.569	21.165
Exposures in the Form of BondsSecured by Mortgages					
Short term Exposures to Banks, Brokerage Houses and Corporates					
Exposures in the Form of Collective Investment Undertakings					
Other Receivables		-	-	-	-
Total**	5.406.707	1.633.745	2.161.259	2.596.650	10.206.961

^{*} Items with determined maturities are classified according to remaining maturities

The Bank uses long-term credit ratings announced by an international rating firm, The Islamic International Ratings Agency (IIRA). Such ratings are used in compliance with regulation on "The Licencing and Operations of the Rating Firms". For the Bank's capital adequacy calculation, only the latest credit ratings are used that are currently accepted as valid by the issuing Credit Rating Agency.

Credit ratings are used for the receivables from banks and brokerage houses. The securities in the trading book have credit ratings. Therefore, no credit ratings is used for issuer or issue.

Based on "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" Appendix 1, The Islamic International Ratings Agency (IIRA)'s credit ratings corresponds to credit grades below:

	BRSA Credit Quality Grades	IIRA Risk Rating
Long Term Credit	1	AAA and AA-
Quality Grades	2	A+ and A-
	3	BBB+ and BBB-
	4	BB+ and BB-
	5	B+ and B-
	6	CCC+ and below

^{**}Items without determined maturities are not included: TL 198, 266 central bank receivables, TL 313,017 cash and equivalents, TL 5,528 credit card limits, TL 301,541 non-cash loan limits ve payment commitments, TL 822,233 other receivables, TL 241,745 overdue receivables, TL 89,761 investment funds, TL 9,764 stook investment and TL 889 sundry receivables.

[&]quot;Items without determined meturities are not included: TL 78,099 central bank receivables, TL 259,795 cash and equivalents, TL 6,781 credit card limits, TL 277,339 non-cash loan limits ve payment commitments, TL 691,436 other receivables, TL 356,201 overdue receivables, TL 83,713 investment funds and TL 999 sundry receivables.

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

4. Exposures by risk weights

Risk Weights / Current Period	0%	10%	20%	35%	50%	75%	100%	150%	Deductions from Equity	Total
Exposures										
Before Credit	4.551.998		2.033.110		1.387.605	5.520.841	14.5%.251	69.007		28,158,812
Risk Mitigation										
Exposures After										
Credit Risk	5.598.772		1.401.051	51,251	2.204.927	5.376.870	13.462.586	63.355		28.158.812
Mitigation										

*It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.

Risk Weights /Prior Period	0%	10%	20%	35%	50%	75%	100%	150%	Deductions from Equity	Total
Exposures Before Credit Risk Mitigation	2.552.016	-	971.944		2.835.467	3.825.703	13.422.671	81.674		23,689,445
Exposures After Credit Risk Mitigation	3.998.933	-	634.032	136.021	3.344.610	3.341.825	12.152.350	81.674		23,689,445

5. Information by major sectors and type of counterparties

As per TFRS;

Significant Increase in Credit Risk (Stage 2); when the loan is not under default yet, but there is a significant increase in the credit risk since origination date, the life time expected credit losses are calculated for these loans.

Credit Impaired (Stage3); includes financial assets whose probability of default is considered to be 100%. The life time expected credit losses are recognized for impaired loans.

Current Period	Loans		Provisions
Impaired (TFRS 9)	Impaired (TFRS 9)		Expected
	Significant		Credit
	Increase in Credit	Impaired	Losses
Major Sector / Counterparties	Risk (Stage 2)	(Stage 3)	(TFRS 9)
Agriculture	22.058	53.394	32.469
Farming and Stockbreeding	21,739	46.668	28.236
Foresty	319	6.726	4.233
Fishery			
Manufacturing	441.805	114.951	84,228
Mining and Quarrying	28.064	33.264	26.454
Production	95.781	76.758	54.405
Electricity, Gas and Water	317.960	4.929	3.369
Construction	611.825	130.322	188.880
Services	1.749.996	264.969	251.585
Wholesale and Retail Trade	419 <u>.</u> 581	131,745	111,071
Accommodation and Dining	586.114	11,438	33 .81 5
Transportation and Telecommunication	398.674	72.496	71.669
Financial Institutions	2_322	438	285
Real Estate and Rental Services	100.694	15.763	11.300
Self-Employment Services	228.891	3.040	6.263
Educational Services	2.954	8.991	5.817
Health and Social Services	10.766	21.058	11.365
Other	259.695	55.789	117.211
Total	3.085.379	619.425	674.373

or Period Loans			Provisions	
Impaired (TFRS 9)	Impaired (TFRS 9)	Impaired (TFRS 9)		
	Significant		Credit	
	Increase in Credit	Impaired	Losses	
Major Sector / Counterparties	Risk (Stage 2)	(Stage 3)	(TFRS 9)	
Agriculture	84.994	60.781	35.955	
Farming and Stockbreeding	81_802	48.260	27.445	
Foresty	3.192	12.521	8.510	
Fishery				
Manufacturing	106.834	201.682	123.367	
Mining and Quarrying	31.444	62.585	40.076	
Production	74.804	133.484	79.332	
Electricity, Gas and Water	586	5.613	3.959	
Construction	630.492	144.241	178.827	
Services	883,661	417,420	275,825	
Wholesale and Retail Trade	295.624	220.831	155.203	
Accommodation and Dining	125.524	112.285	38.749	
Transportation and Telecommunication	154.102	27.748	41.551	
Financial Institutions	4.177	98	261	
Real Estate and Rental Services	240.931	20.616	15.917	
Self-Employment Services	1.389	4.712	3.624	
Educational Services	7.580	8.018	4.450	
Health and Social Services	54_334	23.112	16.070	
Other	117.753	96.214	72.762	
Total	1,823,734	920,338	686,736	

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

6. Information on movements in value adjustments and provisions

Current Period	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments (*)	Closing Balance
Specific Provisions(Stage 3)	515.118	117.829	(1.78	4) (242.413)	388.750
General Provisions (Stage 1 ar	nd 2) 288.992	164.426	(12.0	52)	441.366

(*)Write-off items and the sales from the NPL portfolio are disclosed here.

Prior Period	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments (*)	Closing Balance
Specific Provisions(Stage 3)	295.835	468.497		(249.214)	515.118
General Provisions (Stage 1 a	nd 2) 273.944	18.355	(3.30	08)	288.992

^(*)Write-off items and the sales from the NPL portfolio are disclosed here.

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

7. Exposures subject to countercyclical capital buffer

Current Period			
Country	RWAs of Banking Book for Private	RWAs of	Tatal
	Sector Credit Exposures	Trading Book	Total
Turkey	17.753.514	160.569	17.914.083
Russia	160.918	62	160.980
Malta	186.571		186.571
Marshall Islands	419.099		419.099
England	52.267	189.227	241.494
Germany	2.928	40	2.968
France	3.016	1. 525	4.541
Others	54.067	7.079	61.146
Total	18.632.380	358.502	18.990.882

^{*}It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.

Prior Period			
Country	RWAs of Banking Book for Private	RWAs of	Tatal
	Sector Credit Exposures	Trading Book	Total
Turkey	15.457.788	133.555	15.591.343
Russia	143.178	67	143.245
Malta	175.121		175.121
Marshall Islands	402.193		402.193
England	8.904	213.440	222.344
Germany	2.466	13.556	16.022
France	931	4.091	5.022
Others	25.899	46.760	72.659
Total	16.216.480	411.469	16.627.949

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

8. Information on collaterals, impairment, rating and maturity related to loans granted to individuals and corporates

Details of collaterals of standard and close monitoring loans granted to individuals and corporates are as follows:

Cash loans granted to individuals and corporates	Standa	ard Loans	Loans and Other Receivables Under Close Monitoring		
Cash loans granted to individuals and corporates	Current Period	Prior Period		Prior Period	
Secured Loans:	15.729.548	13.300.077	3.084.348	1.810.865	
Secured by Cash Collateral	234.132	411.093			
Secured by Mortgages	2.613.302	2.870.874	1.210.727	938.407	
Secured by Treasury Guarantees or Securities Issued by Public Sector					
Guarantees Issued by Financial Institutions					
Other Collaterals (being on the pledges, corporate and personal					
guarantees, promissory notes)	12.882.114	10.018.110	1.873.622	872.458	
Non-Secured Loans	191.983	384.371	1.031	12.869	
Total	15.921.532	13.684.448	3.085.379	1.823.734	

Non each loans granted to individuals and corporates	Standard Loans	Lo	Loans and Other Receivables Under Close Monitoring		
Non-cash loans granted to individuals and corporates	Current Period	Prior Period	Current Period	Prior Period	
Secured Loans:	1,205,145	941.317	61.417	31.350	
Secured by Cash Collateral					
Secured by Mortgages	36.616	58.046	20.203	778	
Secured by Treasury Guarantees or Securities Issued by Public Sector					
Guarantees Issued by Financial Institutions					
Other Collaterals (being on the pledges, corporate and personal					
guarantees, promissory notes)	1.168.529	883.271	41.214	30.572	
Non-Secured Loans		52.001			
Total	1.205.145	993.318	61.417	31.350	

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

III. Explanations on Currency Risk

Position limit on currency risk is determined in line with net general position standard ratio on foreign currency. The Bank does not take material foreign exchange and parity risk; transactions are usually hedged. Measurable and manageable risks are taken within legal limits.

As of 31 December 2020, the Bank's net long position is TL 260.389 (31 December 2019: TL 33.387 net long position) resulting from short position on the balance sheet amounting to TL 1.652.981 (31 December 2019: TL 690.786 short position) and long position on the off-balance amounting to TL 1.913.370 (31 December 2019: TL 724.173 long position). The Bank uses "Standard Method" in legal reporting to measure the foreign exchange risk.

The announced foreign exchange buying rates of the Bank at balance sheet date and the previous five working days in full TL are as follows:

US Dollar purchase rate as at the balance sheet date	TL 7,3405
Euro purchase rate as at the balance sheet date	TL 9,0079

Date	USD	EURO
25 December 2020	7,6190	9,2948
28 December 2020	7,5517	9,2037
29 December 2020	7,4738	9,1370
30 December 2020	7,4062	9,0697
31 December 2020	7,3405	9,0079

The US Dollar and EUR buying rates are TL 7,7211 and TL 9,3842 (in full TL amounts) respectively, according to simple arithmetic average on December 2020.

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

III. Explanations on currency risk (continued)

Current Period	EUR	USD	Other	Total
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit,				
Cheques Purchased, Precious Metal) and Balances with the	=			
CBRT	748.122	1.564.671	142.875	2.455.668
Due From Banks	163.968	233.598	25.401	422.967
Financial Assets at Fair Value through Profit/Loss (*)		3		3
Money Market Placements	72.063			72.063
Financial Assets Measured at Fair Value through Other				
Comprehensive Income (FVOCI)	261.966	747.155		1.009.121
Loans and Receivables(**)	6.154.515	1.112.897	9.870	7.277.282
Investments in Assoc., Subsidiaries and Entities under Common				
Financial Assets Measured at Amortized Cost	704.701	315.542		1.020.243
Derivative Financial Assets Hedging Purposes				
Tangible Assets				
Intangible Assets				
Other Assets (***)	1.429	1.276	380	3.085
Total Assets	8.106.764	3.975.142	178.526	12.260.432
Liabilities				
Bank Deposits	36.092	518.782	20.669	575.543
Foreign Currency Deposits	996.741	5.871.621	937.305	7.805.667
Money Market Borrowings	20.841	589.319		610.160
Funds Provided from Other Financial Institutions	353 .7 50	781.022		1.134.772
Securities Issued(****)		3.608.499		3.608.499
Sundry Creditors	4.841	124.048		128.889
Derivative Fin. Liabilities for Hedging Purposes				
Other Liabilities(*****)	24,701	25,183		49.884
Total Liabilities	1.436.966	11.518.474	957.974	13.913.414
Net Balance Sheet Position	6.669.798	(7.543.332)	(779.448)	(1.652.982)
Net Off-Balance Sheet Position	(6.521.053)	7.601.889	832.534	1.913.370
Financial Derivative Assets (******)	2.804.595	10,922,254	1.209.021	14,935,870
Financial Derivative Liabilities (******)	9,325,648	3.320.365	376,487	13.022.500
Non-Cash Loans (******)	298,514	358.375	3.082	659.971
Prior Period				
Total Assets	7.201.478	3.653.616	252.495	11.107.589
Total Liabilities	1.479.068	10.217.863	101.444	11.798.375
Net Balance Sheet Position	5.722.410	(6.564.247)	151.051	(690.786)
Net Off-Balance Sheet Position	(5.718.363)	6.593.739	(151.203)	724,173
Financial Derivative Assets (******)	3.783.231	11.210.249	683,591	15.677.071
Financial Derivative Liabilities (******)	9.501.594	4.616.510	834.794	14.952.898
Non-Cash Loans (*******)	269.674	322.135		591.809
TOTI GUSTI EGUIS (207.0/4	724,133	 -	371.307

The following table demonstrates prospective increase and decrease in equities and profit/loss as of 31 December 2020 and 2019 (excluding tax effect) in case of a 10% decrease of TL against the currencies below. This analysis has been prepared under the assumption that all other variables, especially interest rates, are constant.

	Curre	nt Period	Prio	Period
	Profit/Loss	Equity	Profit/Loss	Equity
USD	5.856	7.085	2.949	3.660
Euro	1 4. 875	15.486	405	969
Other FC	5.309	5.309	(15)	(15)
Total (Net)	26.039	27.880	3.339	4.613

^(*) Accruals of trading derivative financial assets amounting to TL 10.406 are not included.
(**) Includes foreign currency indexed loans and accruals amounting to TL 53.572.
(***) TL 21.970 of prepaid expenses are not included.
(****) Securities issued as subordinated loan classified under "Subordinated debt instruments - Other debt instruments" in the balance sheet

^(****) Securities issued as supplimated to TL 316.665 (31 December 2019: TL 10.392 of accruals of derivative financial liabilities are not included.
(*****) In the current period, foreign currency purchase commitments within the financial derivative assets amounted to TL 316.665 (31 December 2019: TL 2.115.194), foreign currency sale commitments within the derivative financial liabilities amounted to TL 294.748 (31 December 2019: TL 2.2020)

^{2.129.285). (********)} There is no effect on the net off-balance sheet position.

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.) Explanations on interest rate risk

IV.

Interest sensitivity of assets, liabilities and off-balance sheet items are evaluated weekly by considering market developments in the Asset-Liability Committee.

Standard method and Asset-Liability risk measurement methods are used to measure the Bank's interest rate risk.

Measurements by the standard method are carried out monthly by using maturity ladder. Bank applies interest rate shock analysis to interest rate sensitive assets and liabilities considering historic economic crisis. Change in the net present value of the net assets of the Bank are monitored within the limits set by the Board of Directors.

Interest rate sensitivity of assets, liabilities and off-balance sheet items (Based on repricing dates):

Current Period	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing	Total
Assets							
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit,							
Cheques Purchased) and Balances with the Central Bank of							
Turkey	1.866.495					1.055.197	2.921.692
Banks	436,226					452.305	888.531
Financial Assets at Fair Value Through Profit or Loss(*)	287.554	24.185	102.834	416.930			831.503
Interbank Money Market Placements	412.231						412.231
Financial Assets Measured at Fair Value through Other							
Comprehensive Income	192.033	22.533	356.369	411.077	35.151	10.363	1.027.526
Loans(**)	2.561.382	4.601.714	4.968.879	5.456.936	1.417.999	(210.691)	18.7%.219
Financial Assets Measured at Amortized Cost	21.376	52.051	231.707	406.955	495.407		1.207.496
Other Assets(***)						1,139,797	1.139.797
Total Assets	5.777.297	4.700.483	5.659.789	6.691.898	1.948.557	2.446.971	27.224.995
Liabilities							
Bank Deposits	576.032	373.840				50.624	1.000.496
Other Deposits	11.963.450	2.574.787	90.603	3.136	86.968	1.947.985	16.666.929
Interbank Money Market Received	362.845	247.315					610.160
Sundry Creditors						454.351	454.351
Marketable Securities Issued(****)	37.310	38.843	61	3.312.070	220,215		3.608.499
Funds Borrowed From Other Institutions	519	591.837	560.968	1.818			1.155.142
Other Liabilities(*****)	384.731	263.522	129.222	383.419		2.568.524	3.729.418
Total Liabilities	13,324,887	4.090.144	780,854	3.700.443	307.183	5.021.484	27,224,995
Balance Sheet Long Position		610.339	4.878.935	2.991.455	1.641.374		10.122.103
Balance Sheet Short Position	(7.547.590)					(2.574.513)	(10.122.103)
Off-Balance Sheet Long Position	10.000	215.000	524.130	700.641		17.256.366	18.706.137
Off-Balance Sheet Short Position	(10.000)	(215.000)	(524.130)	(700.641)		(17.687.677)	(19.137.448)
Total Position	(7.547.590)	610.339	4.878.935	2.991.455	1.641.374	(3.005.824)	(431,311)

^(*) Includes derivative financial assets.

⁾ Non-performing loans TL 619.425, net-off related stage 3 loans expected credit losses TL 388.750 and expected losses for stage 1 TL 155.743 and for stage 2 TL 285.623 are presented in "non-interest bearing" column (Includes factoring receivables amounting to TL 105.851.

(***) Non-interest bearing column includes TL 117.945 investments in subsidiaries, TL 359.768 tangible assets, TL 90.977 intangible assets, TL 192.964 tax asset, TL 102.748

assets held for sale, 277.336 other assets and TL 1.941 of expected credit losses on financial assets.

(****) Securities issued as subordinated loan classified under "Subordinated debt instruments - Other debt instruments" in the balance sheet are included.

(*****) Non-interest bearing column includes TL 1.873.904 shareholders' equity, TL 757.008 other liabilities, TL 205.252 provisions and TL 186.711 tax liabilities.

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

IV. Explanations on interest rate risk (continued)

Interest rate sensitivity of assets, liabilities and off-balance sheet items (Based on repricing dates):

Prior Period	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years n-	interest Bearing	Total
Assets							
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit,							
Cheques Purchased) and Balances with the Central Bank of							
Turkey	1.793.051					914.824	2.707.875
Banks	379.617					111.199	490.816
Financial Assets at Fair Value Through Profit or Loss(*)	133.111	64.695	158.441	472.922	154		829.323
Interbank Money Market Placements	30.010						30.010
Financial Assets Measured at Fair Value through Other							
Comprehensive Income	98.944	1.027	23.741	664.919	15.137	8.697	812.465
Loans(**)	2.418.490	3.444.489	3.760.128	4.436.418	1.448.658	116.228	15.624.411
Financial Assets Measured at Amortized Cost	20.983			144.239	409.788		575.010
Other Assets(***)						815.850	815.850
Total Assets	4.874.206	3.510.211	3.942.310	5.718.498	1.873.737	1.966.798	21.885.760
Liabilities							
Bank Deposits	12.262	14.705				22.159	49.126
Other Deposits	9.766.155	2.214.981	277.179	619		1.258.638	13.517.572
Interbank Money Market Received	267.655	465.602					733.257
Sundry Creditors						358.628	358.628
Marketable Securities Issued(****)	363.510	86.980	57	2.878.597	178.206		3.507.350
Funds Borrowed From Other Institutions	3.032	337.501	208.036	310.812			859.381
Other Liabilities(*****)	138.489	61.742	150.741	505.627		2.003.847	2.860.446
Total Liabilities	10.551.103	3.181.511	636.013	3.695.655	178.206	3.643.272	21.885.760
Balance Sheet Long Position		328.700	3.306.297	2.022.843	1.695.531		7.353.371
Balance Sheet Short Position	(5.676.897)					(1.676.474)	(7.353.371)
Off-Balance Sheet Long Position				322.010		18.462.430	18.784.440
Off-Balance Sheet Short Position				(322.010)		(18.337.350)	(18.659.360)
Total Position	(5.676.897)	328.700	3.306.297	2.022.843	1.695.531	(1.551.394)	125.080

^(*) Includes derivative financial assets.

(**) Non-performing loans TL 920.338, net-off related stage 3 loans expected credit losses TL 515.118 and expected losses for stage 1 TL 117.374 and for stage 2 TL 171.618 are presented in "non-interest bearing" column (Includes factoring receivables amounting to TL 3.092 and loans at fair value through profit or loss amounting to TL 1.948.020).

(***) Non-interest bearing column includes TL 36.945 investments in subsidiaries, TL 323.651 tangible assets, TL 69.877 intangible assets, TL 57,936 tax assets, TL 63.247 assets held for sale, TL 264.695 other assets and TL 501 of expected credit losses on financial assets.

(*****) Securities issued as subordinated loan classified under "Subordinated debt instruments - Other debt instruments" in the balance sheet are included.

^(*****) Non-interest bearing column includes TL 1.655.804 shareholders' equity, TL 210.691 other liabilities, TL 96.772 provisions and TL 40.580 tax liabilities.

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

IV. Explanations on interest rate risk (continued)

Average interest rates applied to financial instruments

e Dudud	EUR	USD	JPY	TL
Current Period	%	%	%	%
Assets				
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit,				
Cheques Purchased) and Balances with the Central Bank of				
Turkey				
Banks				17,50
Financial Assets at Fair Value Through Profit/Loss		3,15		11,74
Interbank Money Market Placements	0,01			18,08
Financial Assets Measured at Fair Value through Other				
Comprehensive Income	3,12	5,65		13,81
Loans	5,91	4,76		18,13
Financial Assets Measured at Amortized Cost	4,52	6,70		9,04
Liabilities				
Bank Deposits		1,17		16,87
Other Deposits	0,85	1,85		16,52
Interbank Money Market Received	1,47	2,17		
Sundry Creditors				
Marketable Securities Issued(*)		7,19		
Funds Borrowed from Other Financial Institutions	2,38	1,27		10,66

(*) Includes subordinated debts, which are classified under "Subordinated Debts- Other Debt Instruments" in Balance Sheet, as well.

n t - N. J. J	EUR	USD	JPY	TL
Prior Period	%	%	%	%
Assets				
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit,				
Cheques Purchased) and Balances with the Central Bank of				
Turkey				
Banks				11,00
Financial Assets at Fair Value Through Profit / Loss	2,43	6,68		31,29
Interbank Money Market Placements				12,21
Financial Assets Measured at Fair Value through Other				
Comprehensive Income	3,28	5,55		8,79
Loans	6,03	6,14		18,47
Financial Assets Measured at Amortized Cost	5,22			9,10
Liabilities				
Bank Deposits		1,75		10,09
Other Deposits	0,36	2,66		12,10
Interbank Money Market Received	0,47	3,45		
Sundry Creditors				
Marketable Securities Issued(*)		7,25		14,59
Funds Borrowed from Other Financial Institutions	2,62	4,44		11,84

^(*) Includes subordinated debts, which are classified under "Subordinated Debts- Other Debt Instruments" in Balance Sheet, as well.

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

Interest rate on banking book

As per the "Regulation on Measurement and Evaluation of Interest Rate Risk Resulted from Banking Book as per Standard Shock Method" published by the BRSA on 23 August 2011, the Bank analyses and reports to the Bank's senior management the interest rate sensitivity of equity on a monthly basis by applying positive and negative shocks to the interest sensitive on balance sheet and off-balance sheet positions which are distributed into groups based on their cash flows.

Interest rate sensitivity of equity as of 31 December 2020:

-			Gains/
Current Period			Equity
	Shocked Applied	Gains/	- Losses
	(+/- x bps)	Losses	/Equity
TRY	500	(258.372)	-6,21%
TRY	-400	234.459 ~	5,63%
USD Dollar	200	11.716	0,28%
USD Dollar	-200	(8.815) *	-0,21%
Euro	200	(155.789)	-3,74%
Euro	-200	171.514	4,12%
Total (For Positive Shocks)		(402.445)	-9,67%
Total (For Negative Shocks)		397.158	9,54%

		Gains/
		Equity
Shocked Applied	Gains/	- Losses
(+/- x bps)	Losses	/Equity
500	(107.159)	-2,92%
-400	94.296	2,57%
200	96.116	2,62%
-200	(102.254)	-2,79%
200	(193.924)	-5,29%
-200	215.017	5,87%
	(204.967)	-5,59%
	207.059	5,65%
	(+/- x bps) 500 -400 200 -200 200	(+/- x bps) Losses 500 (107.159) -400 94.296° 200 96.116° -200 (102.254)° 200 (193.924)° -200 215.017° (204.967)°

Explanations on position risk of equity securities resulted from banking book

The Bank has position of equity shares amounting to TL 9.764 as of 31 December 2020 (31 December 2019: None).

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

VI. Explanations on liquidity risk and liquidity coverage ratio

The Board of Directors reviews the liquidity and funding risk management policy weekly or in case of necessity. Liquidity risk is managed by Asset and Liability Committee (ALCO) in line with risk management policy as short and long term liquidity risk.

Liquidity Risk is managed by ALCO in order to take the necessary measures in a timely and correct manner against possible liquidity shortages. Treasury department manages cash inflows and outflows in line with strategies determined by ALCO. As deemed necessary by the ALCO members, liquidity meetings are performed for the purposes of close monitoring. Treasury department manages short term liquidity by adhering to the ALCO strategy and ensuring compliance with legal liquidity limits and stress testing.

In the context of TL and foreign currencies liquidity management, the Bank monitors the cash flows weekly and action plan is made based on ALCO decisions. The funding balance is directly monitored and compensated by making the risk-return-cost evaluation.

For long-term liquidity "Maturity Mismatch Report" is prepared and presented to ALCO on a weekly basis. The Bank, resulting from the general structure of Turkish banking sector, has a liquidity gap at the 1 year maturity period. The Bank intends to eliminate liquidity mismatch shifting focus to long-term funding alternatives. Such decisions of the risk of incompatibility are taken by ALCO. The Bank diversifies its funding sources among customer deposits, domestic and foreign borrowings, bills and bonds issued, taking into consideration the maturity match between its assets and liabilities and keeps liquid assets in order to fully meet the liquidity requirements that may emerge in case of market volatility.

Information on the use of stress testing

Department of Risk Management implements stress testing according to Liquidity and Funding Risk Policy approved by the Board of Directors on a weekly basis. These stress tests are based on the scenarios of the deposit outflow, funds obtained from bonds issued will outflow and banks limits will not be used during a 14-day period, the results are included in the presentation of ALCO on a weekly basis and in the Presentation of Risk Committee on a monthly basis. In this way, the Bank's funding structure is closely monitored and actions are taken on behalf of existing risk management.

Alternative funding sources are identified in case of need. ALCO members are responsible for taking actions against short-term liquidity shocks. In the case of a crisis or if deemed necessary, ALCO summon a meeting and take necessary actions immediately. These action plans are approved by the Board of Directors under the ICAAP. The Bank reviews resources that are available in any emergency situation constantly and takes into consideration the results of the above-mentioned stress testing and scenario analysis by the early warning system.

According to BRSA's "Legislation on Measurement and Assessment of Liquidity Adequacy of the Banks"; published in the Official Gazette numbered 28948, dated 21 March 2014; liquidity ratio is required to be 80% for foreign currency assets/liabilities and 100% for total assets/liabilities in the calculation of the banks' weekly and monthly reporting effective from 1 January 2019. In accordance with the BRSA Decision No. E.3520 dated 26 March 2020, due to the COVID-19 pandemic process, Until 31 December 2020, in order to provide flexibility for banks to meet the minimum rates for liquidity levels, it was decided that deposit and participation banks would be exempted from the mentioned ratios regarding there liabilities to meet that liquidity coverage ratios.

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

VI. Explanations on liquidity risk and liquidity coverage ratio (continued)

	Total Unweighted Val	ue *	Total Weighted Va	lue *
ent Period	TL+FC	FC	TL+FC	FC
-QUALITY LIQUID ASSETS				
Total high-quality liquid assets (HQLA)			3.871.763	3.454.865
ASH OUTFLOWS				
Deposits from natural persons and retail deposits	13.443.587	7.787.753	1.250.430	778.775
Stable deposits	1.878.584		93.929	
Less stable deposits	11.565.003	7.787.753	1.156.500	778.775
Unsecured funding except for retail deposits and deposits from natural persons, of				
which:	3.698.768	1.781.162	2.100.637	1.087.082
Operational deposits				
Non-Operational deposits	2.615.663	1.136.152	1.046.265	454.461
Other unsecured funding	1.083.105	645.010	1.054.372	632.621
Secured funding			303.472	279.062
Other cash outflows	3.143.418	1.033.621	760.049	547.628
Outflows related to derivative exposures and other collateral requirements	488.506	467.146	488.506	467.146
Outflows related to restructured financial instruments				
Payment commitments granted for debts to financial markets and other off- balance sheet commitments	2.654.912	566.475	271.543	80.482
Other revocable off-balance sheet commitments and other contractual obligations				
Other irrevocable or conditionally revocable off-balance sheet obligations	9.32 9	56	9.329	56
TOTAL CASH OUTFLOWS			4.423.918	2.692.603
ASH INFLOWS				
Secured receivables	30.623	25.205	30.623	25.205
Unsecured receivables	2.242.825	868.534	1.626.647	763.528
Other cash inflows	246.404	230.374	246.404	230.374
TOTAL CASH INFLOWS	2.519.852	1.124.114	1.903.674	1.019.108
TOTAL HQLA			3.871.763	3.454.865
TOTAL NET CASH OUTFLOWS			2.520.244	1.675.171
LİQUIDITY COVERAGE RATIO (%)			153,63	206,24
	ASH OUTFLOWS Deposits from natural persons and retail deposits Stable deposits Less stable deposits Unsecured funding except for retail deposits and deposits from natural persons, of which: Operational deposits Non-Operational deposits Other unsecured funding Secured funding Other cash outflows Outflows related to derivative exposures and other collateral requirements Outflows related to restructured financial instruments Payment commitments granted for debts to financial markets and other off-balance sheet commitments Other revocable off-balance sheet commitments and other contractual obligations Other irrevocable or conditionally revocable off-balance sheet obligations TOTAL CASH OUTFLOWS Secured receivables Unsecured receivables Other cash inflows TOTAL CASH INFLOWS TOTAL CASH INFLOWS	ent Period TL+FC I-QUALITY LIQUID ASSETS Total high-quality liquid assets (HQLA) ASH OUTFLOWS Deposits from natural persons and retail deposits 1.878.584 Less stable deposits 1.878.584 Less stable deposits 11.565.003 Unsecured funding except for retail deposits and deposits from natural persons, of which: 3.698.768 Operational deposits Non-Operational deposits 2.615.663 Other unsecured funding 1.083.105 Secured funding Other cash outflows 3.143.418 Outflows related to derivative exposures and other collateral requirements 488.506 Outflows related to restructured financial instruments Payment commitments granted for debts to financial markets and other off-balance sheet commitments Other revocable off-balance sheet commitments and other contractual obligations Other revocable off-balance sheet commitments and other contractual obligations Other irrevocable or conditionally revocable off-balance sheet obligations 9.329 TOTAL CASH OUTFLOWS ASH INFLOWS Secured receivables 30.623 Unsecured receivables 30.623 Unsecured receivables 2.242.825 Other cash inflows 246.404 TOTAL CASH INFLOWS LiQUIDITY COVERAGE RATIO (%)	In Processing Secured Funding	Page Page

^{*}The average of last three months' liquidity coverage ratio calculated by weekly simple averages.

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

VI. Explanations on liquidity risk and liquidity coverage ratio (continued)

		Total Unweighted Val	ue *	Total Weighted Va	lue *
Prior	Period	TL+FC	FC	TL+FC	FC
HIGH-	QUALITY LIQUID ASSETS				
1	Total high-quality liquid assets (HQLA)			3.133.402	2.368.071
CA	SH OUTFLOWS				_
2	Deposits from natural persons and retail deposits	10.935.0 97	5.035.24 1	1.006.981	503.565
3	Stable deposits	1.729.90 9	-	86.493	-
4	Less stable deposits	9.205.188	5.035.241	920.488	503.565
5	Unsecured funding except for retail deposits and deposits from natural persons, of				
	which:	3.326.774	2.055.377	2.265.367	1.564.407
6	Operational deposits	-	-	-	-
7	Non-Operational deposits	1.438.703	786.008	575.117	313.806
8	Other unsecured funding	1.888.07 1	1.269.368	1.690.250	1.250.60 1
9	Secured funding	-	-	125.765	125.765
10	Other cash outflows	2.257.072	768.783	491.818	294.347
11	Outflows related to derivative exposures and other collateral requirements	275.511	237.497	275.294	237.281
12	Outflows related to restructured financial instruments	-	-	-	-
13	Payment commitments granted for debts to financial markets and other off-				
	balance sheet commitments	1.981.562	531.286	216.524	57.066
14	Other revocable off-balance sheet commitments and other contractual obligations	-	-	-	-
15	Other irrevocable or conditionally revocable off-balance sheet obligations	40.684	31	40.685	31
16	TOTAL CASH OUTFLOWS			3.930.617	2.488.116
CA	SH INFLOWS				_
17	Secured receivables	27.580	27.580	13.953	13.953
18	Unsecured receivables	2.036.936	847.627	1.557.400	706.939
19	Other cash inflows	45.611	31.923	45.648	31.960
20	TOTAL CASHINFLOWS	2.110.127	907.130	1.617.001	752,852
21	TOTAL HQLA			3,133,402	2,368,071
22	TOTAL NET CASH OUTFLOWS			2.313,616	1.735.264
	LiQUIDITY COVERAGE RATIO (%)			135,43	136,47

 $[\]hbox{* The average of last three months' liquidity coverage ratio calculated by weekly simple averages.}$

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

VI. Explanations on liquidity risk and liquidity coverage ratio (continued)

The table below shows the lowest, highest and average Liquidity Coverage Ratio in the last three months of the 1 October - 31 December 2020 period.

Current Period	Highest	Date	Lowest	Date	Average
	-				-
TL+FC	205,85%	06/10/2020	108,85%	30/11/2020	155,08%
FC	517,79%	14/12/2020	163,22%	23/10/2020	222,74%
Prior					
Period	Highest	Date	Lowest	Date	Average
TL+FC	220,20%	23/12/2019	108,91%	02/12/2019	140,28%
FC	229,35%	25/12/2019	107,14%	26/11/2019	141,26%

The Bank implements the calculation in accordance with the Regulation of Liquidity Coverage Ratio Calculation of Banks dated 21 March 2014 and numbered 28948 published in the Official Gazette. As per the related regulation high quality liquid assets are mainly securities portfolio, cash assets and reserve requirements. The important factors affecting the results of the liquidity coverage ratio are the changes in the remaining maturities of the items and changes in the amounts of deposits and money market transactions, the remaining maturities of which are less than 30 days. Deposits form a significant portion of the Bank's sources of funds, on the other hand bonds issued, money market borrowings, funds provided from abroad are other important sources of funding.

The Bank calculates cash outflows and transactions that are complete collateral arising from derivative transactions, taking into account the 24-month averages in accordance, with The Bank implements with the Regulation of Liquidity Coverage Ratio Calculation of Banks published in the Official Gazette dated 21 March 2014 and numbered 28948.

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.) Explanations on liquidity risk and liquidity coverage ratio (continued) VI.

Presentation of assets and liabilities according to their remaining maturities:

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Years and Over	Unallocated*	Total
Assets								
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques								
Purcheased) and Balances with the Central Bank of Turkey	1.526.247	1.395.445	-					2.921.692
Banks	452.305	436.226	-					888.531
Financial Assets at Fair Value Through Profit or Loss(*)		287.557	24.139	102.990	416.814	. 3		831.503
Interbank Money Market Placements		412.231	-					412.231
Financial Assets Available-for-Sale	10.363	192.033	22.533	353.440	414.006	35.151		1.027.526
Loans (**)		2.122.271	3.731.833	6.664.467	5.713.625	774.714	(210.691)	18.796.219
Financial Assets Measured at Amortizec Cost			52.051	231.707	406.955	516.783		1.207.496
Other Assets(***)			-				1.139.797	1.139.797
Total Assets	1,988,915	4.845.763	3.830.556	7.352.604	6.951.400	1.326.651	929.106	27,224.995
Liabilities								
Bank Deposits	50.626	576.030	373.840					1.000.496
Other Deposits	1.947.985	11.963.450	2.574.787	90.603	3.136	86.968		16.666.929
Funds Borrowed from Other Financial Institutions		1.505	178.776	723.339	251.522			1.155.142
Interbank Money Market Received		362.845	247.315					610.160
Marketable Securities Issued(****)		37.310	38.843	61	1.443.590	2.088.695		3.608.499
Sundry Creditors		454.351						454.351
Other Liabilities (*****)		472.826	429.176	145.409	404.089	2.602	2.275.316	3.729.418
Total Liabilities	1,998.611	13.868.317	3.842.737	959,412	2.102.337	2.178.265	2.275.316	27,224,995
Net Liqudity Surplus / (Gap)	(9.696)	(9.022.554)	(12.181)	6.393.192	4.849.063	(851.614)	(1.346.210)	
Net Off-Balance Sheet Position		(132.550)	(248.246)	(87.296)	37.180			(430.912)
Derivative Financial Assets		6.895.549	5.241.626	3.619.924	2.056.419			17.813.518
Derivative Financial Liabilities		7.028.099	5.489.872	3.707.220	2.019.239			18.244.430
Non-Cash Loans	-	70,868	169,508	520,054	96.829	409,303	_	1,266,562
Prior Period								
Total Assets	1.186.323	4.158.192	2.423.536	5.790.719	6.020.781	1.369.234	936.975	21.885.760
Total Liabilities	1,280,797	10,805,993	3,110,813	840.399	2,289,668	1,756,925	1,801,165	21,885,760
Net Liquidity Gap	(94.474)	(6.647.801)	(687.277)	4,950.320	3.731.113	(387.691)	(864.190)	
Net Off-Balance Sheet Position	-	15.048	10.035	5.928	94.533			125,544
Derivative Financial Assets		4.174.644	5.037.678	3.140.414	4.168.309			16.521.045
Derivative Financial Liabilities		4.159.596	5.027.643	3.134.486	4.073.776			16.395.501
Non-Cash Loans		60.914	193,352	337,775	125.390	307.237	_	1.024.668

^(*) Includes derivatives financial assets.

Contractual maturity analysis of liabilities according to remaining maturities

		Gross Nominal						5 Years and
Current Period	Carrying Values	Outflows	Demand	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	Over
Bank Deposit	1.000.496	1.002.033	50.626	576.744	374.663			
Other Deposit	16.666.929	16.758.718	1.947.983	11,992,441	2.615.113	95.128	3.585	104.468
Money Market Funds	610,160	611,843		363,104	248,739			
Securities Issued	1.480.900	1.660.129		43.308		43.308	1.573.513	
Funds Borrowed	1,155,142	1.197.536		521	168,932	768.225	259.858	
Subordinated Debts	2.127.599	2.906.266			72,404	72.404	579.229	2.182.229
Total	23.041.226	24.136.525	1.998.609	12.976.118	3.479.851	979.065	2.416.185	2.286.697

		Gross Nominal						5 Years and
Prior Period	Carrying Values	Outflows	Demand	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	Over
Bank Deposit	49.126	49.282	22,159	12.263	14.860			
Other Deposit	13.517.572	13.562.692	1.258.638	9.780.215	2.232.550	290.484	805	
Money Market Funds	733.257	735.252		267.977	467.275			
Securities Issued	1.718.332	1.957.608		139.018	283.867	39.018	1.495.705	
Funds Borrowed	859.381	955.232		3.038	30,678	428.540	492,976	
Subordinated Debts	1.789.018	2.576.717			61.147	61.147	489,175	1.965.248
Total	18-666-686	19.836.783	1.280.797	10.202.511	3-090-377	819.189	2.478.661	1.965.248

^(**) Non-performing loans net-off related provision for expected credit losses of stage 3 loans and expected credit losses for stage 1 and stage 2 loans are presented in "unallocated" column. (***) Certain assets on the balance sheet that are necessary for the banking operations but not convertible into cash in the short term such as tangible assets, stationary supplies and

prepaid expenses are included in this column.

^(****) Securities issued as subordinated loan classified under "Subordinated debt- Other debt instruments" in the balance sheet are also included. (*****) Shareholders' equity and provisions are classified in other liabilities in unallocated column.

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

VII. Explanations on leverage level

The table of leverage level calculated in accordance with the Regulation on Assessment and Calculation of Banks' Leverage Level published in the Official Gazette numbered 28812 and dated 5/11/2013 shown below.

Bank's unconsolidated leverage ratio calculated in accordance with the "Regulation on Assessment and Calculation of Banks' Leverage Level" is 6,90%. Minimum leverage ratio has to be 3% according to the regulation.

	Balance sheet assets	Current Period(*)	Prior Period(*)
1	Balance sheet items (excluding derivative financial instruments and credit derivatives but including collaterals)	23.568.598	22.018.765
2	(Assets deducted in determining Tier 1 capital)	(242.440)	(147.849)
3	Total balance sheet risks (sum of lines 1 and 2)	23.326.158	21.870.916
	Derivative financial instruments and credit derivatives		
4	Replacement cost associated with all derivative financial instruments and credit derivatives	343.256	156.336
5	Potential credit risk associated with all derivative financial instruments and credit derivatives	188.771	285.715
6	Total risks of derivative financial instruments and credit derivatives (sum of lines 4 to 5)	532.027	442.051
	Securities or commodity financing transactions (SCFT)		
7	Risks from SCFT assets (except for on-balance sheet)	363.552	1.217.268
8	Risks from brokerage activities related exposures		
9	Total risks related with securities or commodity financing transactions (sum of lines 7 to 8) $$	363.552	1.217.268
	Off-balance sheet transactions		
10	Gross notional amounts of off-balance sheet transactions	3.556.402	5.028.249
11	(Adjustments for conversion to credit equivalent amounts)		
12	Total risks of off-balance sheet items (sum of lines 10 and 11)	3.556.402	5.028.249
	Capital and total risks		
13	Tier 1 capital	2.043.970	1.806.880
14	Total risks (sum of lines 3, 6, 9 and 12)	27.778.139	28.558.484
	Leverage ratio		
15	Leverage ratio	7,37	6,32

(*)Represents three-month average amounts.

(**) It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.

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

VII. Explanation on presentation of assets and liabilities at their fair values

Valuation methods of the financial instruments valued with their fair value are shown below.

	Book Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Current Period				
Financial assets	22.332.409	17.532.800	22.291.301	17.715.250
Money market placements	412.231	30.010	412.231	30.010
Due from banks	888.531	490.816	888.531	490.816
Financial assets at fair value through other comprehensive income	1.027.526	812.465	1.027.526	812.465
Financial assets measured at amortized cost	1.207.902	575.098	1.278.001	605.709
Loans	18.796.219	15.624.411	18.685.012	15.776.250
Financial liabilities	22.885.417	18.292.057	22.885.417	18.292.057
Interbank deposits	1.000.496	49.126	1.000.496	49.126
Other deposits	16.666.929	13.517.572	16.666.929	13.517.572
Funds provided from other financial institutions	1.155.142	859.381	1.155.142	859.381
Marketable securities issued (*)	3.608.499	3.507.350	3.608.499	3.507.350
Miscellaneous payables	454.351	358.628	454.351	358.628

(*)Securities issued as subordinated loan classified under "Subordinated debt - Other debt instruments" in the balance sheet are included. Fair values of "Financial Assets at Fair Value Through Other Comprehensive Income" and "Financial Assets Measured at Amortised Cost" are identified either by their market prices or, when the market price is not available, market prices of similar securities in the respect of interest rate, maturity and similar other conditions. Fair value of fixed rate loans is calculated by discounting the future cash flows with current market prices. Book value of floating rate loans refer to their fair value. Fair value of other asset and liabilities is measured as amortised cost of the financial asset or liability calculated by effective interest rate method.

Current Period	Level 1 TL		Level 2 TL		Level 3 TL	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Financial Assets						
Financial Assets Measured at Fair Value through Profit and Loss	124.138	90.421				-
Financial Assets Measured at Fair Value through Other Comprehensive						
Income	1.027.526	812.465				
Derivative Financial Assets			707.365	738.902		
Loans Measured at Fair Value through Profit and Loss				1.948.020		
Total	1.151.664	902.886	707.365	2.686.922		
Financial Liabilities						
Derivative Financial Liabilities			1.107.492	788.205		
Total			1.107.492	1.516.253		

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

IX. Explanation on transactions carried out on behalf of customers and fiduciary activities

X. Explanations on securitisations positions

The Bank does not have any securitization positions as of balance sheet date.

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

XI. Explanations on risk management objectives and policies The Bank's risk management approach:

The Bank does not apply any netting on balance sheet and off-balance sheet. Guarantees and derivatives are not used as credit mitigation techniques; but only financial collaterals consisting of cash blockages are used.

Risk Management System refers to the Board of Directors, the Audit Committee, the Risk Management Committee, the Asset-Liability Committee and the Risk Management Department which have been composed in order to manage systemic risks that the Bank is exposed to. The Board of Directors is the owner of the Bank's Risk Management System and ensures the establishment of an effective, sufficient and appropriate risk management system as well as the continuity of the system. The main objective of the Bank's Risk Management System is to identify, measure, monitor and control the risks that the Bank is exposed to, by determining the policies, limits and procedures to control, to monitor, and if necessary to change the risk-return structure of the Bank's future cash flows, the level and the quality of related activities.

As part of the Risk Management System, the Asset and Liability Committee presentation is prepared on a weekly basis and the Risk Committee and the Board of Directors presentations are prepared on a monthly basis. The presentations mainly consist of the Bank's financial statements, profit and loss analysis, credit risk, market risk, liquidity risk, concentration risk, interest rate risk due to banking book, and operational risk as well as the risk that the Bank is currently exposed to or possible risks.

The Board of Directors of the Bank delegated the authorization related to the hedge accounting to the Asset and Liability Committee with the condition of providing regular information. At the same time the Bank has organized credit policies and risk mitigation policies due to credit risk. All processes of the Bank are controlled by the Bank's Internal Control Department's control matrices regularly and are subject to supervision by the Internal Audit Department at the same time.

The Bank uses credit rating models and/or decision trees and rating systems using financial and non-financial data for loan customers as a risk measurement system. Market risk measures are calculated within the scope of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks and using only internal model and market data for intrabank use. In addition to these, risks are measured and reported with regular stress tests. Three stress tests (base, negative, extremely negative) are performed on a yearly basis, stress tests are performed on a monthly basis for market risk and counter party credit risk, stress tests are performed on a weekly basis for interest rate risk and liquidity risk by Risk Management Department of Bank and then they are shared with senior management in the ALCO and the Risk Committee meetings.

Periodic reports about liquidity risk, interest risk, securities portfolio, credit risk, customer concentration, sectorial concentration, collateral structure and capital adequacy are reported to the Board of Directors and senior management.

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

XI. Explanations on risk management objectives and policies (continued)

Notes and explanations in this section have been prepared in accordance with the "Communiqué on Disclosures about Risk Management to Be Announced to Public by Banks" that have been published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016. As the Bank uses the standard approach for the calculation of capital adequacy, the following tables those have to be disclosed in accordance with the Communiqué on an annual basis were not presented by the Bank as of 31 December 2020:

- RWA flow statements of credit risk exposures under IRB (Internal Ratings Based)
- RWA flow statements of CCR exposures under the Internal Model Method (IMM)
- RWA flow statements of market risk exposures under an Internal Model Approach (IMA)
- Qualitative disclosures related to IRB models
- IRB Credit risk exposures by portfolio and PD range
- IRB Effect on RWA of credit derivatives used as CRM techniques
- IRB Backtesting of probability of default (PD) per portfolio
- IRB (specialised lending and equities under the simple risk weight method)
- CCR exposures by portfolio and PD scale
- Quantitative disclosures related to IRB models
- Internal model approach for trade account

a) - Overview of Risk Weighted Assets:

		Risk Weighted Amounts		Minumum Capital Requirements
		Current Period	Prior Period	Current Period
1	Credit risk (excluding counterparty credit risk) (CCR)	18.542.919	16.132.769	1.483.434
2	Of which standardised approach (SA)	18.542.919	16.132.769	1.483.434
3	Of which internal rating-based (IRB) approach			
4	Counterparty credit risk	432.266	499.911	34.581
5	Of which standardised approach for counterpary credit risk (SA-CCR)	432.266	499.911	34.581
6	Of which internal model method (IMM)			
7	Equity position in banking book under basic risk weighting or internal rating-based			
8	Equity investments in funds - look-through approach	89.461	83.713	7.157
9	Equity investments in funds - mandate-based approach			
10	Equity investments in funds - 1250% risk weighting approach			
11	Settlement risk			
12	Securitisation exposures in banking book			
13	Of which IRB ratings-based approach (RBA)			
14	Of which IRB supervisory formula approach (SFA)			
15	Of which SA/simplified supervisory formula approach (SSFA)			
16	Market risk	596.750	552.463	47.740
17	Of which standardised approach (SA)	596 .75 0	552.463	47.740
18	Of which internal model approaches (IMM)			
19	Operational risk	1.811.306	1.480.881	144.904
20	Of which basic indicator approach	1.811.306	1.480.881	144.904
21	Of which standardised approach			
22	Of which advanced measurement approach			
23	Amounts below the thresholds for deduction from capital (subject to 250% risk weight)			
24	Floor adjustment			
25	Total (1+4+7+8+9+10+11+12+16+19+23+24)	21.472.702	18.749.737	1.717.816

*It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.

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

- XI. Explanations on risk management objectives and policies (continued)
 - b) Differences and matching between asset and liabilities' carrying values in financial statements and risk amounts in capital adequacy calculation

Current Period Assets Cash (Cash On Hand, Money in Transit, Purchased Cheques) and Balances Cash (Cash On Hand, Money in Transit, Purchased Cheques) and Balances Cash (Cash On Hand, Money in Transit, Purchased Cheques) and Balances Cash (Cash On Hand, Money in Transit, Purchased Cheques) and Balances Cash (Cash On Hand, Money in Transit, Purchased Cheques) and Balances Cash (Cash On Hand, Money in Transit, Purchased Cheques) and Balances Cash (Cash On Hand, Money in Transit, Purchased Cheques) Cash On Hand, Money in Transit, Purchased Cheques) Cash On Hand, Money in Transit, Purchased Cheques) Cash On Hand, Money in Transit, Purchased Cheques) Cash On Hand, Money in Transit, Purchased Cheques) Cash On Hand, Money in Transit, Purchased Cheques) Cash On Hand, Money in Transit, Purchased Cheques) Cash On Hand, Money in Transit, Purchased Cheques) Cash On Hand, Money in Transit, Purchased Cheques) Cash On Hand, Money in Transit, Purchased Cheques) Cash On Hand, Money in Transit, Purchased Cheques) Cash On Hand, Money in Transit, Purchased Cheques) Cash On Hand, Money in Transit, Purchased Cheques) Cash On Hand, Money in Transit, Purchased Cheques) Cash On Hand, Money in Transit, Purchased Cheques Cash On Hand, Money in Transit, Purchased Cheques Cash On Hand, Money in Transit, Purchased Cheques Cash On Hand, Money in Transit, Purchased Cheques Cash On Hand, Money in Transit, Purchased Cheques Cash On Hand, Money in Transit, Purchased Cheques Cash On Hand, Money in Transit, Purchased Cheques Cash On Hand, Money in Transit, Purchased Cheques Cash On Hand, Money in Transit, Purchased Cheques Cash On Hand, Money in Transit, Purchased Cheques Cash On Hand, Money Market Funds Cash On Hand, Money Market Funds Cash On Hand, Money Market Funds Cash On Hand, Money Market Funds Cash On Hand, Money Market Funds Cash On Hand, Money Market Funds Cash On Hand, Money Market Funds Cash On Hand, Money Market Funds Cash On Hand, Money Market Funds Cas	_	Carming values of items in accordance with Turkish Associating Chandreds						
Current Period Pe		_						
Current Period Assets As		financial statements	•	counterparty		market risk (**)	capital requirements or subject to	
Assets Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances Cash (Cash on Hand, Money in Transit, Purchased Cheques) and 88.85.31		TAS					deduction from capital	
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances 2.921.692								
With Central Bank of Turkey 2.91.692 2.91.692								
Banks 888.51 888.531 <t< td=""><td></td><td>2 024 402</td><td>2 024 602</td><td></td><td></td><td></td><td></td></t<>		2 024 402	2 024 602					
Money Markets Placements	•							
Financial Assets Measured at Fair Value through Other Comprehensive Financial Assets Measured at Fair Value through Other Comprehensive Financial Assets Measured at Fair Value through Other Comprehensive Financial Assets Measured at Fair Value through Other Comprehensive Financial Assets Measured at Fair Value through Other Comprehensive Financial Assets Measured at Fair Value through Other Comprehensive Financial Assets Measured at Fair Value through Other Comprehensive Financial Assets Measured at Fair Value Through Profit or Loss Financial Assets Measured at Fair Value Through Profit or Loss Financial Assets Measured at Fair Value Through Profit or Loss Financial Assets Measured at Fair Value Through Profit or Loss Financial Assets Measured at Fair Value Through Profit or Loss Financial Assets Measured at Fair Value Through Profit or Loss Financial Assets Measured at Fair Value Through Profit or Loss Financial Assets Measured at Fair Value Through Profit or Loss Financial Assets Measured at Fair Value Through Profit or Loss Financial Assets Measured at Fair Value Through Profit or Loss Financial Assets Measured at Fair Value Through Profit or Loss Financial Assets Measured at Fair Value Through Profit or Loss Financial Labilities Financial Labil				170.094				
Financial Assets Measured at Fair Value through Other Comprehensive Income 1,027,526 1,027,526 668,431	•							
Financial Assets Measured at amortized cost 1,207,902 1,207,902 290,103		124.130	90.000					
Derivative financial assets 707.365 205.281 707.365 Expected Credit Losses (-) (2.347) (2.347) (3.347)	Income							
Expected Credit Losses (-) (2.347) (2.34			1.207.902					
Loans (net)	Derivative financial assets	707.365		205.281		707.365		
Assets Held for Sale and Assets of Discontinued Operations (net Investment in Associates (net)	Expected Credit Losses (-)							
Investment in Associates (net) 17-945 11	Loans (net)	18.796.219	18.796.219					
Investment in Subsidiaries (net)	Assets Held for Sale and Assets of Discontinued Operations (net)	102.748	102.748					
Joint-Ventures (net)	Investment in Associates (net)							
Tangible Assets (net) 359.768 359.768	Investment in Subsidiaries (net)	117.945	117.945					
Intangible Assets (net) 90.977	Joint-Ventures (net)							
Investment Property (net)	Tangible Assets (net)		359.768					
Tax Asset 192.964 192.964	Intangible Assets (net)	90.977					90.977	
Define Assets 17.336 277.336 278.33899 279.336 279.336 279.33899 279.3365 279.3365 279.33899 279.3365 279.338999 279.3389999999999999999999999999999999999								
Total Assets 27.224.995 26.229.086 1.333.899 707.365 107.365								
Total Assets Liabilities	Other Assets							
Deposits 17.667.425 17.75 Funds Borrowed 11.155.142 1.25 Money Market Funds 610.160 610.160 1.25 Securities Issued 1.480.900 <	Total Assets	27.224.995	26.229.086	1.333.899		707.365	90.977	
Funds Borrowed 1.155.142 1. Money Market Funds 610.160 610.160 610.160 1. 1. 1. 1. 1. 1. 1.								
Money Market Funds 610.160 610.160 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. <							17.667.425	
Securities Issued 1.480.900 1.2 Funds <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td>1.155.142</td></t<>							1.155.142	
Funds	•			610,160			610.160	
Financial Assets at Fair Value Through Profit or Loss		1.480.900					1.480.900	
Derivative financial liabilities 1.107.492 - - 1.107.492 1. Factoring Payables -								
Factoring Payables -								
Lease Payables 53.402							1,107.492	
Provisions 205.252 Tax Liability 186.711 Liabilities for Assets Held for Sale and Assets of Discontinued Operations (net) <t< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td></t<>								
Tax Liability 186.711	*	******					53.402	
Liabilities for Assets Held for Sale and Assets of Discontinued Operations (net) 1- </td <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>								
(net)		186.711					42.840	
Subortinated Debts 2.127.599								
Other liabilities 757.008		2,127,599						
							757.008	
							1.873.904	
	· ·			610.160		1.107.492	24.748.273	

^(*) Disclosec based on gross amounts of the securities.

(**)Disclosed based on gross position amounts subject to general market risk and specific risk.

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

XI. Explanations on risk management objectives and policies (continued)

b) Differences and matching between asset and liabilities' carrying values in financial statements and risk amounts in capital adequacy calculation

_	Carrying values in Carrying values of items in accordance with Turkish Acco					counting Standards	
	financial statements prepared as per TAS	Subject to credit risk	Subject to counterparty credit risk(*)	Securitisation exposures	Subject to market risk (**)	Not subject to capital requirements or subject to	
Prior Period						deduction from	
Assets						ital	
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances							
With Central Bank of Turkey	2.707.875	2.707.875					
Banks	490.816	490.816					
Money Markets Placements	30.010		30.010				
Financial Assets Measured at Fair Value Through Profit or Loss	90.421	64.868					
Financial Assets Measured at Fair Value through Other Comprehensive							
Income	807.568	807.568	632.282				
Financial Assets Measured at amortized cost	575.098	575.098	419.376				
Derivative financial assets	738.902		160.284		738.902		
Non-performing Financial Assets	(589)	(589)					
Loans (net)	15,624,411	15,624,411					
Assets Held for Sale and Assets of Discontinued Operations(net)	63.247	63.247					
Investment in Associates (net)	4.897	4.897					
Investment in Subsidiaries (net)	36.945	36.945					
Joint-Ventures (net)							
Tangible Assets (net)	323.651	323.651					
Intangible Assets (net)	69.877	323.031				69.877	
Investment Property (net)						07.077	
Tax Asset	57.936	57.936					
Other Assets	264.695	264.695					
Total Assets	21,885,760	21,021,418	1,241,952		738,902	69,877	
Total Assets	21.003.700	21.021.416	1,241,732	_	730.702	07.077	
Liabilities							
Deposits	13,566,698					13,566,698	
Funds Borrowed	859.381					859.381	
Money Market Funds	733.257		733.257			733,257	
Securities Issued	1,718,332					1,718,332	
Funds							
Financial Assets at Fair Value Through Profit or Loss							
Derivative financial liabilities	788.205				788,205	788,205	
Factoring Payables	700.205				700.203	700,203	
Lease Payables	68.394					68.394	
Provisions	96.772				 	00,374	
	40.580					40 E90	
Tax Liability	40.380					40.580	
Liabilities for Assets Held for Sale and Assets of Discontinued Operations							
(net)	4 700 040						
Subortinated Debts	1.789.018					 F(0.240	
Other liabilities	569.319					569.319	
Shareholders' Equity	1.655.804					1.655.962	
Total Liabilities	21.885.760		733.257		788.205	20.000.128	

^(*) Disclosed based on gross amounts of the securities.
(**)Disclosed based on gross position amounts subject to general market risk and specific risk.

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

XI. Explanations on risk management objectives and policies (continued)

c) The main sources of the differences between the risk amounts and the amounts assessed in accordance with TAS in the financial statements

	Current Period	Total	Credit risk	Subject to the securitization	Counterparty	Market risk(*)
•	Carrying Value of Assets in Accordance with					
1	Communiqué "Preparation of Financial Statements"	27.224.995	26.229.085		1.333.899	707.365
	Carrying value of liabilities that are					
2	subjected				610.160	1.107.492
	to counterparty credit risk as per TAS					
3	Total Net Amount	27.224.995	26.229.085		723.739	(400.127)
4	Off-balance sheet amounts(**)	21.172.856	3.736.469		17.436.387	17.436.387
5	Valuation differences					
6	Differences due to different netting rules					(16.439.510)
7	Differences due to consideration of provisions					
8	Differences resulted from the BRSA's applications				(17.235.065)	
9	Differences due to risk mitigation				610.160	
10	Risk Amounts	48.397.851	29.965.554	-	1.535.221	596.750

(*)Risk amounts include financial instruments in trading accounts as per to the "Regulation on Measurement and Assessment of Capital Adequacy of Banks" and market risk due to calculated capital requirement for currency risk.

(**)Off-balance sheet amounts subject to capital adequacy ratio calculation.

		Total	Credit risk	Subject to the securitization	Counterparty	Market risk(*)
	Prior Period					
1	Carrying Value of Assets in Accordance with Communiqué "Preparation of Financial Statements"	21.815.883	21.021.418	-	1.241.952	738.902
2	Carrying value of liabilities that are subjected to counterparty credit risk as per TAS			-	733.257	788.205
3	Total Net Amount	21.815.883	21.021.418	-	508.695	(49.303)
4	Off-balance sheet amounts(**)	23.806.134	6.671.862	-	17.134.271	17.134.271
5	Valuation differences			-	-	
6	Differences due to different netting rules			- -	-	(16.532.505)
7	Differences due to consideration of provisions			-	-	
8	Differences resulted from the BRSA's applications			-	(16.843.709)	
9	Differences due to risk mitigation			-	733.257	
10	Risk Amounts	45.622.017	27.693.280	-	1.532.514	552.463

(*)Risk amounts include financial instruments in trading accounts as per to the "Regulation on Measurement and Assessment of Capital Adequacy of Banks" and market risk due to calculated capital requirement for currency risk.

(**)Off-balance sheet amounts subject to capital adequacy ratio calculation.

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

Explanation on the differences between the risk amounts and the amounts assessed in accordance With TAS in the financial statements:

Disclosures regarding differences between amounts valued according to TAS and risk exposures

The differences between the amounts assessed under TAS and the amounts after risk reduction in transactions subject to counterparty credit risk stem from the addition of potential risk amounts to the renewal costs of derivative transactions subject to the CPR and the volatility adjustments for repo / reverse repo transactions. Funds provided to differences arising from risk reduction are also included by opening separate line for them.

Valuations of securities subject to market risk in accordance with TAS represent the fair value of held for trading financial instruments. On the other hand, the values in the risk amount line represents the amount subject to market risk based on the capital requirements calculated for the losses arising due factors such as interest rate risk of the market risk, equity price risk, currency risk in accordance with the "Regulation for Measurement and Evaluation of Banks' Capital Adequacy Ratio".

If financial instruments that are accounted for at their fair value are traded in an active market, the valuation is based on that market price. The TL borrowing instruments in the held for trading securities portfolio comprise of government securities. These securities are evaluated at the weighted average trading price in the Istanbul Stock Exchange. For TL securities that are not traded, the market price is calculated based on the CBRT prices. For the FX securities in the same portfolio, the average of purchase and sale quotations in the market are considered as the market price. Derivative financial instruments are evaluated using the discounted cash flow model using market data. Input data used in evaluations using market value and/or valuation methods are periodically checked for validity and independence.

Information on Credit Risk

General Qualitative Information on Credit Risk:

The Bank's credit risk management policies are established in line with the strategy approved by the Board of Directors in accordance with the related regulations and are based on prudence, sustainability and the customers' credit worthiness principles.

The limits are set in accordance with the Risk Policies by the Board of Directors based on the Bank's risk appetite. In accordance with the determined risk limits, the authorizations and sub-authorizations are done by the Credit Policies which is in line with the determined limits. Special attention is given to ensure that the limits are in line with market expectations and the Bank's strategies.

Credit rating models and decision trees are used in the credit underwriting processes in accordance with the risk appetite, credit policies set by the Bank and the targets of the Bank. The grading of all customers except for individual credit customers by the Bank is essential. The individual loan portfolio is managed via an automated decision trees.

Customer selection is carried out in accordance with policies and strategies of the Bank and is based on the ability to pay on time and the cash flows expected to be received from its operations independent from guarantees, sureties and pledged assets. When needed; it is mandatory for the Bank to obtain appropriate collateral in line with the source of the payment for the repayment of the credit from the customers to ensure that their obligations arising from the credit are met on time and in full. The main purpose of collateralization of any loan is to minimize the credit, foreign exchange and maturity risks. In this context, a minimum collateral margin is determined by taking into account the collateral quality and the collection expectations given default and it is ensured that the appropriate collateral is obtained based on the credit type. Before a credit relationship is established with a customer, an analysis and intelligence collection are carried out in order to measure the creditworthiness of the customers. Before the credit decisions; the customer is examined and evaluated with an analysis for factors that have affected its past, present and future performances and any other factors (financial and non-financial data) that may affect its past, present and future performances.

Credit risk is encountered when the counterparty is unable to fulfill its obligations defined with the agreement. All credit risk bearing banking products are managed with prudent credit policies and procedures in the Bank. The credit quality of the counterparty is evaluated with an internal rating score in all corporate, commercial and SME credit transactions. In order to monitor the credit risk, internal limits are determined on the basis of sector, maturity, customer and internal rating to avoid the risk of concentration.

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

General Qualitative Information on Credit Risk (continued):

Credit risk management is a process in which credit risks are assessed and monitored in a consistent manner, besides all credit portfolios are included on a consolidated basis. Credit risk is managed on the basis of portfolios, risk / return balance and asset quality of the Bank, and the credit risk is governed by the principles contained in the policy documents. In addition, credit-based evaluation, underwriting and follow-up are carried out by the units in the Loans group within the framework of the relevant processes. Loans proposals are evaluated by the credit units of the Headquarters, if necessary, within the framework of the level of authority based on the determined amount and finalized the loan proposal by the Credit Committee and the Board of Directors.

The units carry out their risk management activities in accordance with the risk appetite and capacity of the Bank through the use of risk measurement and management tools within the policies established by the Board of Directors. In this context, the organizational structure for credit risk management and control functions is detailed as follows the units included in the scope of Credit Risk Management are Corporate Loans, Commercial Loans Allocation, Credit Monitoring and Collection Department and Risk Analysis Department. Decisions on credit policies are taken by the Credit Committee.

Allocated credit limits and usages, exceeded limits, assessments of large risks and overdue loans are regularly reported to the senior management.

In the course of credit risk management, the Risk Management Department conducts monitoring and reporting of internal concentration limits. It is ensured that the policies related to the concentration risk management are prepared and processed within the policies of allocation, monitoring, limit monitoring and management. Regular reporting on the cost of the loan and the development of the following loans is made. In addition, stress test and scenario analysis studies related to the loan portfolio are carried out within the scope of ICAAP.

The evaluation of the internal systems established to cover all branches and units and the maintenance of the continuity of functioning, competence and efficiency are among the highest priorities of the Bank's Board of Directors. Within the scope of internal systems, the duties and responsibilities of the Board of Directors, Internal Audit, Internal Control and Operational Risk and Risk Management activities are carried out by the Audit Committee.

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

General Qualitative Information on Credit Risk (continued):

Credit Quality of Assets

	Gross carrying values i Turkish Accounting S financial statements pre with statutory c	tandards (TAS) in pared in accordance	Allowances/ amortisation and impairments	Net value
Current Period	Defaulted	Non-defaulted		
1 Loans	619.425	19.006.911	830.116	18.796.220
2 Debt securities		2.349.203	3.369	2.345.834
3 Off-balance sheet exposures	8,591	3.822.178	11.077	3.819.692
4 Total	628.016	25.178.292	844.562	24.961.746
	Gross carrying values in Turkish Accounting S financial statements pre with statutory c	tandards (TAS) in pared in accordance	Allowances/ amortisation and impairments	Net value
Prior Period	Defaulted	Non-defaulted		
1 Loans	920.338	15.508.182	804.110	15.624.410
2 Debt securities		1.469.287	2.528	1.466.759
3 Off-balance sheet exposures	19.003	6.650.805	19.121	6.650.687
4 Total	939,341	23,628,274	825,759	23,741,856

Changes in stock of default loans and debt securities

		Current Period	Prior Period
1	Defaulted loans and debt securities at end of the previous reporting period	920.338	621.863
2	Loans and debt securities defaulted since the last reporting period	328.380	718.328
3	Receivables back to non-defaulted status		
4	Amounts written off(*)	242.412	249.214
5	Other changes (**)	(386.881)	(170.639)
6	Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)	619.425	920.338

^(*) Sales of non-performing loan portfolios are disclosed.

^(**) Other changes include collections during the period.

:

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

Breakdown of receivables by geographical area, sectors and outstanding maturity:

Breakdown by geographical area

Loans and Other Receivables	Current Period	Prior Period
Domestic	18.080.629	14.737.586
European Union (EU) Countries	269.060	175.043
OECD Countries	60	105
Off-Shore Banking Regions	458.198	402.193
USA, Canada	29.644	23.987
Other Countries	169.320	169.268
Total	19.006.911	15.508.182

Sectoral Breakdown:

Loans and Other Receivables	Current Period	Prior Period
Agriculture	281,562	292.098
Farming and Stockbreeding	236.486	249.587
Forestry	45.076	42.511
Fishery		
Manufacturing	4.071.734	3.052.932
Mining and Quarrying	559.653	507.039
Production	2.288.954	1.656.486
Electricity, Gas and Water	1.223.127	889.407
Construction	2.312.369	2.957.739
Services	8.818.018	6.763.379
Wholesale and Retail Trade	2.108.454	1.359.296
Accomodation and Dining	2.859.089	2.318.262
Transportation and Telecommunication	1.744.724	975.185
Financial Institutions	166.516	240.621
Real Estate and Rental Services	386.059	479.302
Self-Employment Services	961.846	761.672
Educational Services	227.415	198.509
Health and Social Services	363.915	430.532
Others	3.523.228	2.442.034
Total	19.006.911	15.508.182

Breakdown by outstanding maturity:

Breakdown by outstanding maturity:

	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	5 years and over	Total
Current Period	2.122.272	3.731.833	6.664.467	5.713.625	774.714	19.006.911
Prior Period	1.904.238	2.357.855	5.611.010	4.714.373	920.706	15.508.182

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

Exposures provisioned against by major regions and sectors and write-offs:

Current Period	Non-performing loans	Specific Provisions	Write-offs
Domestic	619.425	388.750	242.412
European Union (EU) Countries			
OECD Countries			
Off-Shore Banking Regions			
USA, Canada			
Other Countries			
Total	619,425	388,750	242,412

Prior Period	Non-performing loans	Specific Provisions	Write-offs
Domestic	920.338	515,118	249.214
European Union (EU) Countries			
OECD Countries			
Off-Shore Banking Regions			
USA, Canada			
Other Countries			
Total	920.338	515.118	249.214

Current Period	Non-performing loans	Specific Provisions	Write-offs
Agriculture	53.394	31.684	16.517
Farming and Stockbreeding	46.668	27 .4 67	11.558
Forestry	6.726	4. 217	4.959
Fishery			
Manufacturing	114.951	79,779	74,238
Mining and Quarrying	33.264	24.606	18.376
Production	76.758	52.668	55. <i>7</i> 52
Electricity, Gas and Water	4.929	2.505	110
Construction	130.322	81.292	20.188
Services	264.969	162,429	91.902
Wholesale and Retail Trade	131.745	83.442	79.088
Accomodation and Dining	11 .4 38	6.981	2.697
Transportation and Telecommunication	72 .4 96	43.622	6.507
Financial Institutions	438	258	
Real Estate and Rental Services	15.763	9.737	305
Self-Employment Services	3.040	1.690	354
Educational Services	8.991	5.72 4	295
Health and Social Services	21.058	10.975	2.656
Others	55,789	33,566	39.567
Total	619.425	388.750	242.412

Prior Period	Non-performing loans	Specific Provisions	Write-offs
Agriculture	60.781	33.729	5.515
Farming and Stockbreeding	48.260	25.352	3.295
Forestry	12.521	8.377	2.143
Fishery	0	0	77
Manufacturing	201.682	120.638	70.888
Mining and Quarrying	62.585	39.068	17.127
Production	133.484	77.645	53.523
Electricity, Gas and Water	5613	3925	238
Construction	144.241	78,496	32,460
Services	417.420	220.459	110.907
Wholesale and Retail Trade	220.831	139.919	76.912
Accomodation and Dining	112.285	29.436	19.712
Transportation and Telecommunication	27.748	16.355	6.078
Financial Institutions	98	74	36
Real Estate and Rental Services	20.616	12.077	307
Self-Employment Services	4. 712	3.567	3667
Educational Services	8.018	4348	677
Health and Social Services	23.112	14.683	3.518
Others	96.214	61.796	29.444
Total	920,338	515.118	249.214

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

Aging analysis:

Aging analysis:

	Current	Prior
Days past due	Amount	Amount
0-30	18.802.229	15.307.058
31-60	42.201	82.355
61-90	120.917	118.770
90+	660.989	920.338
Total	19.626.336	16.428.520

Breakdown of restructured receivables based on whether or not provisions are allocated:

 $\label{prop:continuous} \textbf{Breakdown of restructured receivables based on whether or not provisions are allocated:}$

Current Period	Performing	Loans under	Non-performing
Current Period	loans	follow-up	loans
Provisioned			4.305
Not provisoned (*)	2.059.527	2.761.574	
Total	2.059.527	2.761.574	4.305

 $^{(\}begin{tabular}{l} (\be$

Prior Period	Performing loans	Loans under follow-up	Non-performing loans
Provisioned			24.322
Not provisoned (*)	56.505	1.100.594	
Total	56.505	1.100.594	24.322

 $^{(\}begin{tabular}{l}(\begin{tab$

Credit risk mitigation techniques-Overview

Collateral Exposures unsecured: Exposures amount of carrying amount as per TAS Collateral TAS Collateral Exposures unsecured by collateral Exposures amount of secured by exposures secured financial secure by collateral Financial secure ob y collateral by collateral guarantees financial guarantees financial secure financial	tof Exposures res secured by by credit tial derivatives	exposures secured by
1Loans 17.293.854 1.219.130 1.152.094 67.036 67	036	
2 Debt Securities 2.345.834		
3 Total 19.639.688 1.219.130 1.152.094 67.036 67		-
40f which defaulted 160.395 70.280 70.280		
*Exchangerates as at 31 December 2019 were used in the reporting as at 30 June 2020.		
Prior Period Exposures unsecured: Exposures amount of secured by amount of secured by carrying amount as per TAS collateral by collateral by collateral by collateral guarantees	t of Exposures res secured by by credit tial derivatives	Collateralize d amount of exposures secured by credit derivatives
1Loans 14.405.387 1.508.015 1.192.051 315.964 315	964	
2 Debt Securities 1.466.759		
3 Total 15.872.146 1.508.015 1.192.051 315.964 315		
40f which defaulted 301.507 103.713 103.713		

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

Credit risk exposure and credit risk mitigation techniques

Current Period	Exposures before CCF	and CRM	Exposures post-CCF a	nd CRM	RWA and RWA density		
Risk classes	On-balance sheet amount Off-balanc		On-balance sheet Of amount	RWA	RWA density		
1 Exposures to sovereigns and their central banks	4.116.994		4.184.030			%0,0	
2 Exposures to regional and local governments	199.815		199.815		99.908	%50,0	
3 Exposures to adm. bodies and non-commercial entities						%0,0	
4 Exposures to multilateral development banks						%0,0	
5 Exposures to international organizations						%0,0	
6 Exposures to banks and brokerage houses	3.039.599	84.034	3.039.599	47.490	746.851	%24,2	
7 Exposures to corporates	11.636.049	987.347	11.619.810	579.733	11.984.494	%98,2	
8 Retail exposures	5.050.336	1.440.118	5.013.662	364.891	4.032.652	%75,0	
9 Exposures secured by residential property	152.068	1.815	151.639	528	118.854	%78,1	
10 Exposures secured by commercial property	1.385.231	46.874	1.377.189	39.387	942.441	%66,5	
11 Past-due items	246.057	1.340	240.405	1.340	203.080	%84,0	
12 Exposures in high-risk categories	26.256	3.489	26.256	1.745	26.313	%94,0	
13 Exposures in the form of bonds secured by mortgages						%0,0	
14Short term exposures to banks, brokerage houses and corp.						%0,0	
15 Exposures in the form of coll. investment undertakings(*)	89.461		89.461		89.461	%100,0	
16 Other exposures	1.107.128	1.171.451	1.107.128	64.940	737.064	%62,9	
17 Equity share investments	9.764		9.764		9.764	%100,0	
18 Total	27.058.758	3.736.468	27.058.758	1.100.054	18.990.882	%67,4	

(")Content management methodology is used to calculate the risk-weighted amount of investments in the form of collective investment undertakings, table above contains final values that obtained by using the content methodology.

(**)Itis u	sed simple arithm	etic mean of Central Ba	nk's foreign currency buying rates belonging to the last 252 business days from th	e calculation date.

Prior Period	Exposures before CCF	posures before CCF and CRM Exposures post-CCF and CRM RWA and RWA density		Exposures post-CCF and CRM		density
Risk classes	On-balance sheet amount	Off-balance sheet	On-balance sheet Off	-balance sheet	RWA	RWA density
NISA CIASSES	OII-Datalice sheet amount	amount	amount	amount	MA	KHA delisity
1 Exposures to sovereigns and their central banks	3.273.949	-	3.589.913		554.50C	%15,4
2 Exposures to regional and local governments						%0,0
3 Exposures to adm. bodies and non-commercial entities						%0,0
4 Exposures to multilateral development banks						%0,0
5 Exposures to international organizations						%0,0
6 Exposures to banks and brokerage houses	2.473.858	57.992	2.473.858	34.345	687.579	%27,4
7 Exposures to corporates	10.875.898	772.631	10.815.675	433.879	10.838.666	%96,3
8 Retail exposures	3.272.470	1.020.155	3.066.049	278.751	2.506.369	%74,9
9 Exposures secured by residential property	271.085	1.851	267.589	777	179.952	%67,1
10 Exposures secured by commercial property	1.255.880	44.625	1.209.966	35.760	801.550	%64,3
11 Past-due items	356.201		356.201		294.493	%82,7
12 Exposures in high-risk categories	49.506	9.432	49.506	4.716	33.380	%61,6
13 Exposures in the form of bonds secured by mortgages						%0,0
14Short term exposures to banks, brokerage houses and corp.						%0,0
15 Exposures in the form of coll. investment undertakings(*)	83.713		83.713		83.713	%100,0
16 Other exposures	912.762	4.765.176	912.762	75.985	647.747	%65,5
17 Equity share investments						%0,0
18 Total	22.825.232	6,671.862	22,825,232	864,213	16.627.949	%70,1

(")Content management methodology is used to calculate the risk-weighted amount of investments in the form of collective investment undertakings, table above contains final values that obtained by using the content methodology.

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

Exposures by asset classes and risk weights

	Current Period											
	Risk classes / Risk weight	0%	10%	20%	%35(*)	50%	%50(*)	75%	100%	150%	200%	Total Risk Amount
1	Exposures to sovereigns and their central banks	4.184.030										4.184.030
2	Exposures to regional and local governments					199.815						199.815
3	Exposures to adm. bodies and non-commercial entities											
4	Exposures to multilateral development banks											••
5	Exposures to international organizations											••
6	Exposures to banks and brokerage houses	763.006		1.401.051		912.782			10.250			3.087.089
7	Exposures to corporates	215.049							11.984.494			12.199.543
8	Retail exposures	1.683						5.376.870				5.378.553
9	Exposures secured by residential property		••		51.251	••	••	••	100.916			152.167
10	Exposures secured by commercial property		••		••	••	948.269	••	468.307			1.416.576
11	Past-due items					140,449			38.177	63,119		241.745
12	Exposures in high-risk categories		••		••	3.612	••	••	24.153	236		28.001
	Exposures in the form of bonds secured by mortgages		••		••	••	••	••				
	Short term exposures to banks, brokeragehouses and corp.		••		••	••	••	••				
15	Exposures in the form of coll. investment undertakings		••		••	••	••	••	89.461			89.461
16	Equity share investments		••		••	••	••	••	9.764			9.764
17	Other Exposures	435.004							737.064			1.172.068
18	Total	5.598.772		1.401.051	51.251	1.256.658	948.269	5.376.870	13.462.586	63.355		28.158.812

17 Other Exposures	435.004				••			737.064			1.172.068
18 Total	5.598.772		1.401.051	51.251	1.256.658	948.269	5.376.870	13.462.586	63.355		28.158.812
(*) Coloreralized by yeal estatemortgages: (**) After CCF and CRM: (**) Contain management methodology is used to calculate the risk-weighted amount of time (***) It was used simple an ithmetic mean of Central Bank's foreign currency buying rates.	stments in the form of collective investment und	dertakirgs, finalvalue	obtainedby using the con	tentmethodology.							
Prior Period											
Risk classes/ Risk weight	0%	10%	20%	%35(*)	50%	%50(*)	75%	100%	150%	200%	Total Risk Amoun **
1 Exposures to sovereigns and their central banks	2.480.9′3		••		1.109.000						3.589.913
2 Exposures to regional and local governments											
3 Exposures to adm. bodies and non-commercial entities			••								
4 Exposures to multilateral development banks											
5 Exposures to international organizations											
6 Exposures to banks and brokerage houses	763.157		634.032		1.100.483			10.531			2.508.203
7 Exposures to corporates	410.888							10.838.666			11.249.554
8 Retail exposures	2.975						3.341.825				3.344.800
9 Exposures secured by residential property				136.021				132.345			268.366
10 Exposures secured by commercial property						888.351		357.375			1.245.726
11 Past-due items					199.622			80.374	76.205		356.201
12 Exposures in high-risk categories					47.154			1.599	5.469		54.222
13 Exposures in the form of bonds secured by mortgages											
14 Short term exposures to banks, brokerage houses and corp.											
15 Exposures in the form of coll. investment undertakings								83.713			83.713
16 Equity share investments											
17 Other Exposures	341.000							647.747			988.747
18 Total	3.998.933		634.032	136.021	2.456.259	888.351	3.341.825	12.152.350	81.674		23.689.445

13.0 Collater fallows by real estate mortgages
("1) After CCF and CRM
("1) Content management methodology is used to calculate the risk-weighted amount of investments in the form of collective investment undertakings, final value obtained by using the content methodology.

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

Information on credit risk mitigation techniques

The Bank does not apply any netting on balance sheet and off-balance sheet. Guarantees and derivatives are not used as credit mitigation technique; only financial collaterals consisting of cash blockages are used.

Applications related to the valuation and management of collaterals are defined as follows: Appraisals for the mortgages that are received as collaterals are only performed by the firms that have been approved by the BRSA and licensed by the Capital Markets Board ("CMB"). Appraisal reports for the real estates that are received as collaterals for commercial loans, are renewed each year as long as the risk continues. As a rule, each year a different appraisal firm is preferred. Management of the appraisal process is carried out by the Appraisal & Real Estate Project Finance Unit. Vehicle pledges are followed through their insurance values. Regular investigations are performed for the cheques and bills that are received as collaterals and in case of any negative finding the Bank seeks to replace the collateral.

The Bank's collaterals are mainly composed of cheques, notes, mortgages, guarantees, vehicle pledges and deposit pledges. The Bank's credit risk concentration mainly consists of corporate receivables and are followed by receivables that are collateralized with mortgage, SME and retail receivables, respectively.

Exposure Categories *	,	Financial	Other/Physical	Guarantees and	
Current Period	Amount	Collaterals	Collaterals **	Credit Derivatives	
Receivables from Central Governments	4.184.030			67.036	
Receivables, Coins, Purchased Cheques from Regional or	199.81 5				
Local Governments and CBT Banks					
Receivables from Administrative Units and Non-Commercial Enterprises					
Receivables from Multilateral Development Banks					
Receivables from International Organisations					
Receivables from Banks and Brokerage Houses	3.087.089	763,006			
Corporate Receivables	12,199,543	215,049			
Retail Receivables	5.378.553	1.683			
Receivables that are Collateralized by Residential Property	1.568.743		999,520		
Past due Receivables	241.745		46.593		
Receivables Defined in High Risk Category by BRSA	28.001				
Securities Collateralised by Mortgages					
Short-term Receivables from Banks,					
Brokerage Houses and Corporates					
Investments Similar to Collective Investment Funds	89.461				
Equity Share Invesment	9.764				
Other Receivables	1.172.068				
Total	28.158.812	979.738	1.046.113	67.036	

(*) Non-cash risks presented above after credit conversion.

(**)Other / Physical Collaterals are shown with full amounts which are possible to be used, in line with the Regulation on Measurement and Assessment of Capital Adequacy of Banks and Credit Risk Mitigation Techniques.

(***)It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.

Exposure Categories *		Financial	Other/Physical	Guarantees and
But Deviced	Amount	Callabanala	C. II. 4	Credit
Prior Period		Collaterals	Collaterals **	Derivatives
Receivables from Central Governments	3.589.913	_	_	315.964
Receivables, Coins, Purchased Cheques from Regional or				
Local Governments and CBT Banks		-	-	
Receivables from Administrative Units and Non-Commercial Enterprises				
Receivables from Multilateral Development Banks		-	-	
Receivables from International Organisations				
Receivables from Banks and Brokerage Houses	2.508.203	763.157	-	
Corporate Receivables	11.249.554	410,888		
Retail Receivables	3.344.800	3.080		
Receivables that are Collateralized by Residential Property	1.514.092	-	1.024.372	
Past due Receivables	356.201		72,268	
Receivables Defined in High Risk Category by BRSA	54,222		-	
Securities Collateralised by Mortgages		-	-	
Short-term Receivables from Banks,				
Brokerage Houses and Corporates				
Investments Similar to Collective Investment Funds	83. 71 3	-	-	
Other Receivables	988.747	-		
Total	23.689.445	1.177.125	1.096.640	315.964
(*) Non-cash risks presented above after credit conversion.				

(**)Other / Physical Collaterals are shown with full amounts which are possible to be used, in line with the Regulation on Measurement and Assessment of Capital Adequacy of Banks and Credit Risk Mitigation Techniques.

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

Counterparty credit risk (CCR) approach analysis

	Current Period	Replacement Cost	Potential Credit Exposure	EEPE (Effective Expected Positive Exposure)	Alpha used for computing regulatory EAD	EAD post- CRM	RWA
1	Standardised Approach - CCR (for derivatives)	205.281	201.322		(1,4)	406.603	261.009
2	Internal Model Method (for derivative instruments, repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)						
3	Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions						
4	and securities financing transactions) Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions		••			958.534	89.527
5	and securities financing transactions) Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing					170.084	7.966
	transactions		••				
6	Total *It was used simple arithmetic mean of Central Bank's foreign					1.535.221	358.502
	Prior Períod	Replacement Cost	Potential Credit Exposure	EEPE (Effective Expected Positive Exposure)	Alpha used for computing regulatory EAD	EAD post- CRM	RWA
1	Standardised Approach - CCR (for derivatives)	160.284	290.562		1,4	450.846	289.823
2	transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)						
3	Simple Approach for credit risk mitigation (for repo						
	transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					1.051.658	121.621
4	borrowing transactions, long settlement transactions and securities financing transactions) Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions						
	borrowing transactions, long settlement transactions and securities financing transactions) Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or					1.051.658 30.010	121.621 23
	borrowing transactions, long settlement transactions and securities financing transactions) Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions) Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long	 160.284	 290.562	 	 		

Capital requirement for credit valuation adjustment (CVA)

		Cui	F	Prior Period		
		EAD post-CRM	RWA	EAD post-CRM	RWA	
	Total portfolios subject to the Advanced CVA capital obligation	.,				
1	(i) VaR component (including the 3×multiplier)	••	.,			
2	(ii) Stressed VaR component (including the 3×multiplier)	**		.,		
3	All portfolios subject to the Standardised CVA capital obligation	406.603	73.764	450.846	88.444	
4	Total subject to the CVA capital obligation	406.603	73.764	450,846	88.444	

^{*}It was used simple arithmetic mean of Central Bank's foreign currency buying rates belonging

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

CCR exposures by risk class and risk weights - standardised approach

									Tota
Risk weights	0%	10%	20%	50%	75%	100%	150%	Diğer	Credit Risk
Exposures to sovereigns and their central banks	12.192								12.192
Exposures to regional and local governments									
Exposures to adm. bodies and non-commercial entities									
Exposures to multilateral development banks									
Exposures to international organizations									
Exposures to banks and brokerage houses	763.006		316.392	291.896		63			1.371.357
Exposures to corporates						143.732			143.732
Retail exposures	632				7.308				7.940
Exposures secured by residential property									
Past-due items									
Exposures in high-risk categories									
Exposures in the form of bonds secured by mortgages									
Securitization positions									
Short term exposures to banks, brokerage houses and corp.		.,		.,					
Exposures in the form of coll, investment undertakings									
Equity share investments				.,					
Other exposures				.,					
Other assets									
Total	775,830		316.392	291.896	7.308	143.795			1.535.221

belonging to the last 252 business days from the calculation date.

									Tota
Risk Weights	0%	10%	20%	50%	75%	100%	150%	Diğer	Credit Risl
Exposures to sovereigns and their central banks									
Exposures to regional and local governments									
Exposures to adm. bodies and non-commercial entities									
Exposures to multilateral development banks									
Exposures to international organizations									
Exposures to banks and brokerage houses	763.157		144.287	477.129		67			1.384.640
Exposures to corporates						140.530			140.530
Retail exposures	2.746				4.598				7.344
Exposures secured by residential property									
Past-due items									
Exposures in high-risk categories									
Exposures in the form of bonds secured by mortgages									
Securitization positions									
Short term exposures to banks, brokerage houses and corp.									
Exposures in the form of coll. investment undertakings									
Equity share investments									
Other exposures									
Other assets									
Total	765 903		144 287	477 129	4 598	140 597			1 532 514

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

Collaterals Used for Counterparty Credit Risk

	Collateral for	derivati	ve transactions		Collateral for other		
	Fair value of collateral rec	ceived	Fair value of collateral gi	ven	Fair value of collateral or received	Fair value of collateral given	
Current Period	Segregated Unse	gregated	SegregatedInsegreg	ated			
Cash-local currency						170.084	
Cash-foreign currency	632		••		610.160		
Domestic sovereign debts					130.256		
Other sovereign debts							
Government agency debts	••		••				
Corporate debts	••		••				
Equity securities	••		••				
Other collateral	••		••				
Total	632				740.416	170.084	
buying rates belonging to the last 252 business days from the calculation	Collateral for derivative transactions			Collateral for other			
	Fair value of collateral rec	ceived	Fair value of collateral gi	ven	Fair value of collateral or received	Fair value of collateral given	
Prior Period	Segregated Unse	gregated	SegregatedInsegreg	ated			
Cash-local currency						30.010	
Cash-foreign currency	2.746				733.257		
Domestic sovereign debts					29.894		
Other sovereign debts							
Government agency debts							
Corporate debts						1.051.658	
Equity securities							
Other collateral							
Total	2,746				763,151	1.081.668	

Explanations on market risk

Whether the bank within the financial risk management objectives hedges itself against market risk, the precautions taken by the Board of Directors for market risk, the methods used for measuring market risk and time intervals for measurement of market risk

In order to hedge against the market risk within the context of the risk management objectives, the Bank sets its activities related with market risk management in accordance with "Regulations on Banks' Internal Control and Risk Management Systems" published in the Official Gazette no. 29057 dated 11 July 2014 and "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" published in the Official Gazette no. 29511 dated 23 October 2015.

Being exposed to market risk, Bank's Board of Directors have defined risk management strategies and policies about risk managements in line with application and recommendation of group and have led to follow-up strategies periodically. The limits of risks are identified and these limits are revised periodically. Board of Directors ensures that risk management group and executive managers should identify, measure, control and manage the Bank's risk.

Market risk arising from trading transactions is limited through the risk appetite policy approved by Board of Directors as "low" and measured by taking into consideration BRSA's standard methodology. Additionally Financial Control Department reports the market value andvs realized profit/loss of trading portfolio. The Risk Management and Asset Liability Committee continuously monitor compliance of trading transactions with the risk appetite policy. Market risk caused by mismatches of asset-liability maturities is also monitored through GAP reports.

Stress tests and scenario analysis are applied in order to reflect the effects of prospective severe market fluctuations in the VaR calculations; and also risk measurement methods such as cash flow projections and GAP analysis are also applied.

Capital to be kept for general market risk and specific risk are calculated by using a standard method in accordance with "Measurement and Assessment of Bank Capital Adequacy Regulation" and are reported monthly.

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

Explanations on market risk (continued)

In the calculation of the value at credit risk for the derivative financial instruments, the receivables from counterparties are multiplied by the rates stated in the Article 21 and Appendix-2 of "the Regulation on counterparties are multiplied by the rates stated in the Article 21 and Appendix-2 of Measurement and Assessment of Capital Adequacy of Banks", reduced as per the "Regulation on Credit Risk Mitigation Techniques" following included in the relevant exposure category and weighted for a second time. The risk amount related to the Bank's derivative financial instruments are calculated using the "Fair Value Method".

Market risk under standardised approach

		Current Period	Prior Period
		RWA	RWA
-	Outright Products		
1	Interest rate risk (general and specific)	368.50 0	533.163
2	Equity risk (general and specific)		
3	Foreign exchange risk	128.475	13.875
4	Commodity risk	24.775	
	Options		
5	Simplified approach		
6	Delta-plus method	75.000	5.425
7	Scenario approach		
8	Securitisation		
9	Total	596.750	552.463

Quantitative information on counterparty risk

The counterparty risk amount is calculated in accordance with fair value measurement methodology stated in Appendix 2 and section 3 of "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

The replacement costs of the contracts with positive value are obtained by evaluating the contracts according to their fair value. The potential credit risk amount is calculated by multiplying contract or transaction amounts with certain ratios determined in accordance with days to maturity and contract type. The total of replacement cost and potential credit risk make up counterparty risk amount. Counterparty credit risk mitigation considers only cash collaterals.

	Amount-		Risk	Weights			
Current Period	Amount	0%	20%	50%	75%	100%	Total RWA
Interest-Rate Contracts (*)							
Foreign-Exchange-Rate Contracts (**)	201.322	12.824	26.218	102.936	2.777	56.567	115.361
Commodity Contracts							
Equity-Shares Related Contracts							
Other							
Gross Positive Fair Values	205.281		5.797	107.725	4.531	87.228	145.648
Netting Benefits							
Net Current Exposure Amount							
Collaterals Received	632						
Net Derivative Position (***)	406.603	12.824	32.015	210.661	7.308	143.795	261.009

*) Includes option, currency swap and forward contracts.

") Consists of foreign exchange rate and interest rate contracts and gross values of positive fair value amounts.
") It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date

Amount	Amount— Risk Weights						
Amount—	0%	20%	50%	75%	100%	Total RWA	
290.562	2.746	18.840	178.607	2.112	88.257	182.913	
160.283		77	105.380	2.486	52.340	106.910	
2.746							
450.845	2.746	18.917	283.987	4.598	140.597	289.822	
	290.562 160.283 2.746	290.562 2.746 	Amount 0% 20%	Amount 0% 20% 50%	Amount	Amount 0% 20% 50% 75% 100%	

(*) Repo transactions
(**) Includes option, currency swap and forward contracts.
(**) Includes option, currency swap and forward contracts.
(**) Consists of foreign exchange rate and interest rate contracts and gross values of positive fair value amounts.

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

Explanations on operational risk

Gross Income

Value at Operational Risk (Total*12,5)

The value at operational risk is calculated according to the "basic indicator approach". Value at operational risk amount is calculated by using the last 3 years' (2019, 2018, 2017 gross income, in accordance with the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks" issued on Official Gazette dated December 6, 2014 numbered 29111, "Calculation of Operational Risk". 15% of gross income which is TL 144.904 (31 December 2019: TL 118.470) represents also the minimum capital requirement to recover the risk amount.

Current Period	31/12/2017	31/12/2018	31/12/2019	Total/ No. of Years of Positive Gross Income	Rate (%)	Total
Gross Income Value at Operational Risk (Total*12,5)	714.239	1.034.587	1.149.263	966.030	15	144.904 1.811.306
Prior Period	31/12/2016	31/12/2017	31/12/2018	Total/ No. of Years of Positive Gross Income	Rate (%)	Total

714.239

1.034.587

789.803

118.470

1.480.881

620.584

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

SECTION FIVE

EXPLANATIONS AND NOTES ON THE UNCONSOLIDATED FINANCIAL STATEMENTS

I. Explanations and disclosure related to the assets

1. Information on cash and balances with the Central Bank of Turkey

	Cur	Prior Period		
	TL	FC	TL	FC
Cash in TL /Foreign Currency	54.967	281.636	48.386	211.408
Balances with the Central Bank of Turkey	411.057	2.174.032	152.600	2.295.481
Other				
Total	466.024	2.455.668	200.986	2,506,889

1.1 Information related to the account of the Central Bank of Turkey

	Cur	Prior Period		
	TL	FC	TL	FC
Unrestricted Demand Deposits	407.561	782.078	152.527	659.002
Unrestricted Time Deposits	3.496		73	498.795
Restricted Time Deposits		1.391.954		1.137.684
Total	411.057	2.174.032	152.600	2.295.481

According to the communiqué No: 2005/1 on "Reserve Deposits" of CBRT, banks operating in Turkey are required to keep reserve deposit at the rates varying from 1% - 6% (31 December 2019: 1%-7%) for TL liabilities and at the rates varying from 5% - 21% (31 December 2019: 5%-21%) for FC liabilities, especially USD and EUR, depending on maturities of liabilities.

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

2.1 Information on financial assets at fair value through profit or loss given as collateral or blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates				
Bonds, Treasury Bills and Similar Marketable Securities	2.796		24.580	
Total	2.796		24.580	

Trading securities given as collateral represent those collaterals given to the Central Bank of Turkey, and Istanbul Clearing and Custody Bank (Takasbank) for interbank money market, foreign exchange market and other transactions, as of balance sheets dates.

As of 31 December 2020, the amount of financial assets at fair value through profit or loss not given as collateral or not blocked is TL 121.342 (31 December 2019: TL 65.841).

When fair value hedge accounting terminated, the fair value amount on the hedged financial instruments are reflected into the statement of profit or loss by amortization during the life time of the hedged financial instruments.

Loans recognized at fair value through profit or loss

As of 31 December 2020, there are no loans recognized at fair value through profit or loss (31 December 2019: TL 1.948.020).

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.) Explanations and disclosure related to the assets (continued)

I.

2.2 Information on financial assets at fair value through profit or loss subject to repurchase agreements

None.

2.3 Positive differences relating to derivative financial assets (*)

	Current Period		Prior	or Period	
	TL	FC	TL	FC	
Forward Transactions	97.046		59.591		
Swap Transactions	368.124		368.713		
Futures Transactions					
Options	231.789	10.406	195.923	27.136	
Other					
Total	696.959	10.406	624.227	27.136	

 $^{(\}mbox{\ensuremath{^{\star}}})$ Except the derivative financial liabilities for hedging purposes.

Information on Banks

3.1 Information on banks

	Curr	Prior Period		
	TL	FC	TL	FC
Banks				
Domestic	465.103	39.805	400.563	740
Foreign	461	383.162	2.058	87.455
Foreign head-offices and branches				
Total	465.564	422.967	402.621	88.195

3.2 Due from foreign banks

	Current Period			Prior Period	
	Unrestricted	Restricted	Unrestricted	Restricted	
	Balances	Balances	Balances	Balances	
EU Countries	68.714	233.344	18.008	28.352	
USA and Canada	8.447		29.818		
OECD Countries (*)	719	59.798	1.433	3.624	
Off-Shore Banking Regions					
Other	12.601		8.278		
Total	90.481	293.142	57.537	31.976	

Information on Financial Assets Valued at Fair Value Through Other Comprehensive Income

4.1 Financial assets valued at fair value through other comprehensive income subject to repurchase agreements and provided as collateral / blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates				
Bonds, Treasury Bills and Similar Marketable Securities	2.929	717.544	10.904	776.085
Other				
Total	2.929	717.544	10.904	776.085

As of 31 December 2020, the amount of financial assets at fair value through other comprehensive income not given as collateral or not blocked is TL 307.053 (31 December 2019: TL 25.476).

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

I. Explanations and disclosure related to the assets (continued)

4.2 Details of financial assets valued at fair value through other comprehensive income

	Current Period	Prior Period
Debt instruments	1.017.163	803.864
Quoted on Stock Exchange	1.017.163	803.864
Unquoted on Stock Exchange		
Share certificates	10.363	8.697
Quoted on Stock Exchange	10.363	8.697
Unquoted on Stock Exchange		
Impairment provision (-)		96
Total	1.027.526	812,465

5. Information on Loans

5.1 Information on all types of loans and advances given to shareholders and employees of the Bank

	Current Period		F	rior Period
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct Loans to Shareholders		20		20
Corporate Shareholders				
Individual Shareholders		20		20
Indirect Loans to Shareholders				
Loans to Employees	6.497		4.653	
Total	6.497	20	4.653	20

5.2 Information on Standard Loans, Loans Under Close Monitoring and Loans Under Close Monitoring That Are Restructured

Cash Loans	Standard	Loans Under Close Monitoring		
	Loans		Restructu	ıred
		Non-restructured	Revised Contract Terms	Refinanced
Loans	15.921.532	323.805	2.408.979	352.595
Working Capital Loans	6.385.151	119.536	1.446.735	331.004
Export Loans			894	
Import Loans				
Loans to Financial Sector	141.271			
Consumer Loans	2.643.793	47.991	16.335	3.933
Credit Cards	15.097	968		
Others	6.736.220	155.310	945.015	17.658
Specialization Loans		==		
Other Receivables	==			
Total (*)	15.921.532	323.805	2.408.979	352.595

^(*) Amounting to TL 105.851 factoring receivables are also included.

(**) 31 December 2020, in accordance with the decision of the BRSA dated 27 March 2020 and numbered 8970, with a past due of between 90 and 180 days effective from 17 March 2020, and the total amount of loans that continue to be classified in the second group is TL 44,941.

	Current Period		Prior Pe	riod
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring
12-months Expected Credit Losses	155.743		117.374	
Significant Increase in Credit Risk		285.623		171.618
Total	155.743	285.623	117.374	171.618

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

I. Explanations and disclosure related to the assets (continued)

5.2 Information on Loans under Close Monitoring that are restructured with Standard Loans and Close Monitoring Loans (continue)

The overdue analysis of close monitoring loans

Current Period	Commercial Loans	Consumer Loans	Total
1-30 days	44.642	6.244	50.886
31-60 days	16.355	6.219	22.574
61-90 days (*)	127.971	24.885	152.856
Total	188.968	37.348	226.316

^(*)According to BRSA's announcement numbered 8948 and dated 17 March 2020, up to 180 days past due loans are also included.

(**) 31 December 2020, in accordance with the decision of the BRSA dated 27 March 2020 and numbered 8970, with a past due of between 30 and 90 days effective from 17 March 2020, and the total amount of loans that continue to be classified in the first group is TL 34,084.

Prior Period	Commercial Loans	Consumer Loans	Total
1-30 days	251.024	4.535	255.559
31-60 days	58.987	23.368	82.355
61-90 days	99.530	19.240	118.770
Total	409.541	47.143	456.684

Maturity analysis of cash loans

	Standard Loans and Other Receivables		Loans and Other Receivables ur Close Monitoring	
	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms
Short-term Loans and Other Receivables	6.252.540	286.659	79.649	206.854
Loans Specialized Loans Other Loans	6.252.540	286.659	79.649	206.854
Medium and Long-term Loans and Other Receivables	7.322.806	2.059.527	244.156	2.554,720
Loans Specialized Loans Other Loans	7.322.806	2.059.527	244.156	2.554.720

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

I. Explanations and disclosure related to the assets (continued)

5.3 Information on consumer loans, individual credit cards and credit cards given to personnel

Short-Term	Medium or Long	Total
	Term	
		2.641.992
		277.766
		2.812
		2.361.414
		
		5.126
		4.809
		
		317
		
		46
	46	46
		
==		==
6.406		6.406
969		969
5.437		5.437
113		113
113		113
566	5.266	5.832
==	41	41
566	5.225	5.791
<u></u>		
		
		
		
		
643		643
150		150
493		493
22		22
==	==	
22	==	22
59.056		59.056
	6.406 969 5.437 113 113 566	Short-term Term 913.375 1.728.617

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

I. Explanations and disclosure related to the assets (continued)

5.4 Information on commercial loans with installments and corporate credit cards

	Short-Term	Medium or Long Term	Total
Installment Commercial Loans - TL	839.822	2.896.433	3.736.255
Real Estate Loans		153	153
Vehicle Loans	7.894	68.280	76.174
General Purpose Loans	831.928	2.828.000	3.659.928
Other			
Installment Commercial Loans - Indexed to FC		40.058	40.058
Real Estate Loans			
Vehicle Loans		6.354	6.354
General Purpose Loans		33.704	33.704
Other			
Installment Commercial Loans - FC			
Real Estate Loans			
Vehicle Loans			
General Purpose Loans			
Other			
Corporate Credit Cards - TL	8.720		8.720
With Installment	2.413		2.413
Without Installment	6.307		6.307
Corporate Credit Cards - FC	161		161
With Installment			
Without Installment	161		161
Overdraft Loans-TL (Legal Entities)	76.144		76.144
Overdraft Loans-FC (Legal Entities)	<u></u>		
Total	924.847	2.936.491	3.861.338

5.5 Allocation of loans by customers

	Current Period	Prior Period
Public Sector		
Private Sector	19.006.911	15.508.182
Total (*)	19.006.911	15,508,182

^(*) Factoring receivables amounting to TL 105.851 (31 December 2019: TL 3.092) are included. There are no financial loans at fair value through profit or loss (31 December 2019: TL 1.948.020).

5.6 Allocation of Domestic and Foreign Loans

	Current Period	Prior Period
Domestic Loans	18.080.629	14.737.586
Foreign Loans	926.282	770.596
Total (*)	19.006,911	15.508.182

^(*) Factoring receivables amounting to TL 105.851 (31 December 2019: TL 3.092) are included. There are no financial loans at fair value through profit or loss (31 December 2019: TL 1.948.020).

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

I. Explanations and disclosure related to the assets (continued)

5.7 Loans granted to subsidiaries and associates

The Bank does not have any loans granted to subsidiaries and associates as of 31 December 2020 (31 December 2019: None).

5.8 Provisions provided against loans (third stage)

	Current Period	Prior Period
Loans and Receivables with Limited Collectability	33.606	165.920
Loans and Receivables with Doubtful Collectability	56.774	133.848
Uncollectible Loans and Receivables	298.370	215.350
Total	388.750	515.118

5.9 Information on non-performing loans (Net)

5.9.1 Information on loans and other receivables included in non-performing loans which are restructured or rescheduled

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period	18	1.779	2.508
Gross Amounts before Provisions			
Restructured Loans and Other Receivables	18	1.779	2.508
Prior Period	453	21.568	2.301
Gross Amounts before Specific Provisions			
Restructured Loans and Other Receivables	453	21.568	2.301

5.9.2 Movement on non-performing loans

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Balances at the End of Prior Period	268.082	216.051	436.205
Additions (+)	258.983	51.340	18.057
Transfers from Other Categories of Non- Performing Loans (+)	14	320.477	409.449
Transfers to Other Categories of Non-Performing Loans (-)	320.477	409.449	14
Collections (-)	130.972	43.215	212.694
Write-offs (-)			
Sold (-) (*)	11.043	52.259	179.110
Corporate and Commercial Loans	11.027	50.876	149.387
Retail Loans	16	539	23.995
Credit Cards		844	5.728
Other			
Balances at End of the Period	64.587	82.945	471.893
Provisions (-)	33.606	56.774	298.370
Net Balance on Balance Sheet	30.981	26.171	173.523

^(*) The loan amounting to TL 242.412 has been written off from assets by selling to asset management company in 2020.

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

I. Explanations and disclosure related to the assets (continued)

5.9.3 Information on expected loss provisions set aside for loans

	Stage 1	Stage 2	Stage 3
Beginning of period (1 January 2020)	117.374	171.618	515.118
Loans and movements added during the period	48.431	17.377	5.505
Loans and movements moved out during the period	(13.904)	(17.267)	(36.662)
Movements of Stage 1 and Stage 2			
Stage 1 Loans in two periods	12.796		
Transfers from Stage 1 to Stage 2	(16.165)	91.475	
Stage 2 Loans in two periods		44.426	
Transfers from Stage 2 to Stage 1	8.341	(10.759)	
Movements of Stage 3			
Transfers from Stage 1 to Stage 3 (*)	(1.114)		35.924
Transfers from Stage 2 to Stage 3		(10.259)	56.445
Stage 3 Loans in two periods (amount and parameter change)			(26.112)
Write-offs			
Sold	(15)	(989)	(161.470)
Period end (31 December 2020)	155.743	285.623	388.750

^(*) The mentioned customers are in Stage 1 at the end of 2019 and they recognized to Stage 3 during the year.

5.9.4 Information on non-performing loans and other receivables in foreign currencies

	III. Group	IV. Group	V. Group
	Loans and receivables with limited	Loans and receivables with doubtful	Uncollectible loans and receivables
	collectability	collectability	and receivables
Current Period			
Balance as of Period End	39.441	16.545	42.344
Provisions (-)	17.748	14.239	29.235
Net Balance on Balance Sheet	21.693	2.306	13.109
Prior Period			
Balance as of Period End	15.936	33.897	85.845
Provisions (-)	9.818	17.768	31.520
Net Balance on Balance Sheet	6.118	16.129	54.325

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

5.9.5 Information regarding gross and net amounts of non-performing loans with respect to debtor groups

	III. Group	IV. Group	V. Group
	Loans and	•	
	receivables with	Loans and receivables	
	limited	with doubtful	Uncollectible loans
	collectability	collectability	and receivables
Current Period (Net)	30.981	26.171	173.523
Loans Granted to Real Persons and Legal Entities (Gross)	64.587	82.945	471.893
Provisions (-)	33.606	56.774	298.370
Loans Granted to Real Persons and Legal Entities (Net)	30.981	26.171	173.523
Banks (Gross)			
Provisions (-)			
Banks (Net)			
Other Loan and Receivables (Gross)			
Provisions (-)			
Other Loan and Receivables (Net)			
Prior Period (Net)	102.162	82,203	220.855
Loans Granted to Real Persons and Legal Entities (Gross)	268.082	216.051	436.205
Provisions (-)	165.920	133.848	215,350
Loans Granted to Real Persons and Legal Entities (Net)	102.162	82.203	220.855
Banks (Gross)			
Provisions (-)			
Banks (Net)			
Other Loan and Receivables (Gross)			
Provisions (-)			
Other Loan and Receivables (Net)			

5.10 Information on interest accruals, valuation differences and related provisions calculated for non-performing loans by the banks which reserves provision according to TFRS 9

The Bank does not calculate interest accruals and rediscount for non-performing loans.

5.11 Explanations about write-off policy

In the event that the conditions stated in the law related to the unworthiness of the receivable arise, whole provisions are set aside for all of these loans and the loans are written off from the assets by the board decision.

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

- I. Explanations and disclosure related to the assets (continued)
 - 6. Information on financial assets measured at amortized cost
 - 6.1 Information on securities subject to repurchase agreement and given as collateral or blocked

	Curr	ent Period	Prio	r Period
	TL	FC	TL	FC
Share Certificates				
Bonds, Treasury Bills and Similar Marketable Securities	48.3 44	858.607	188.506	386.592
Other				
Total	48.344	858.607	188.506	386.592

6.2 Information on government securities in financial assets measured at amortized cost

	Current Period		Current Period		Prior Period	
	TL	FC	TL	FC		
Government Bond	187.659	1.006.930	188.506	386.592		
Treasury Bill						
Other Debt Securities						
Total	187.659	1.006.930	188.506	386.592		

6.3 Information on financial assets measured at amortized cost

	Current Period	Prior Period
Debt instruments	1.207.902	575.098
Quoted on Stock Exchange	1.207.902	575.098
Unquoted on Stock Exchange		
Share certificates		
Quoted on Stock Exchange		
Unquoted on Stock Exchange		
Impairment provision (-)		
Total	1.207.902	575.098

6.4 Information on the movement of financial assets measured at amortized cost during the period

	Current Period	Prior Period
Balance at the beginning of period	575.098	363.032
Foreign Exchange Difference in Monetary Assets Revaluation adjustments	132.935 5.934	17.887 15.552
Purchases during the year	493.935	178.627
Disposals through Sales and Redemptions		
Impairment provision (-)		
Total	1.207.902	575.098

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

I. Explanations and disclosure related to the assets (continued)

7. Information on associates

The Bank has no investment in an associate as of 31 December 2020 (31 December 2019: none).

The Bank has started to present the amount of TL 4.897 under the "Financial Assets at Fair Value Through Other Comprehensive Income" in the current period, which was reported as "Subsidiaries" in the previous period and the comparative information has been rearranged accordingly.

8. Information on subsidiaries

The Bank has TL 117.945 investment in subsidiaries as of 31 December 2020 (31 December 2019: TL 36.945).

Non-financial subsidiaries

The Bank has TL 112.500 investment in a non-financial subsidiary as of 31 December 2020 (31 December 2019: TL 31.500).

The capital of Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş. has been increased in cash by TL 6.000 and TL 75.000 on 7 January 2020 and 6 August 2020.

	Address (City / Country)	Bank's Share- If different voting rights (%)	Bank's Risk Group Share (%)
Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş.	İstanbul	100%	100%

Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş., was established with the purpose of providing entrepreneurship, creation of new business fields and technologies, investment in financial technology companies, mobile payment, income expenditure follow-up and money transfer consultancy services.

Financial subsidiaries

The Bank has TL 5.445 investment in a financial subsidiary as of 31 December 2020 (31 December 2019: TL 5.445).

Company Name	Address (City / Country)	Bank's Share- If different voting rights (%)	Bank's Risk Group Share (%) Consolidation Type
Fiba Portföy Yönetimi A.Ş.	İstanbul	99,00%	99,00% Full Consolidation

Fiba Portföy Yönetimi A.Ş. was established on 26 September 2013 with 99% share of Fibabanka A.Ş.

The financial information about Fiba Portföy Yönetimi A.Ş. as of 31 December 2020 is given below:

Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
18.098	15.954	367	12		7.220	2.912	

^(*) Total fixed assets consist tangible and intangible assets.

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

I. Explanations and disclosure related to the assets (continued)

8. Information on subsidiaries (continued)

	Current Period	Prior Period
Balance at Beginning of Period	5.445	5.445
Movements during the Period		_
Additions and Capital Increases		
Bonus Shares Received		
Dividends from the Current Year Profit		
Sales/Liquidations		
Reclassification of shares		
Increase / (Decrease) in Market Values		
Currency Differences on Foreign Subsidiaries		
Reversal of Impairment Loses / Impairment Losses (-)		
Balance at the End of Period	5.445	5.445
Capital Commitments	5.445	5.445
Share of Percentage at the end of Period (%)	99	99

^{*} Fiba Portföy Yönetimi A.Ş. was established on 26 September 2013 with the participation of Fibabanka A.Ş. by 99%.

	Current Period	Prior Period
Banks		
Insurance Companies		
Factoring Companies		
Leasing Companies		
Finance Companies		
Other Subsidiaries	5.4 4 5	5,445

Valuation of investments made in subsidiaries within the scope of consolidation

	Current Period	Prior Period
Valuation with cost value	5.445	5.445
Valuation with fair value		

Quoted consolidated investments in subsidiaries

None.

9. Information on entities under common control

The Bank does not have investments in entities under common control as of 31 December 2020.

10. Information on lease receivables

The Bank does not have lease receivables as of 31 December 2020.

11. Information on derivative financial assets held for hedging purposes

As of 31 December 2020, The Bank has no hedging derivative financial assets (31 December 2019: TL 87.539).

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

I. Explanations and disclosure related to the assets (continued)

12. Information on tangible assets

Command David d			Investments In	Other Tangible	
Current Period	Real Estate	Cars	Progress**	Assets*	Total
Cost					
Beginning Balance, 1 January 2020	295.376	12.800		106.193	414.369
Additions	766	6.739	62.911	17.568	87.984
Disposals	5.225			6.907	12.132
Ending Balance, 31 December 2020	290.917	19.539	62.911	116.854	490.221
Accumulated Depreciation					
Beginning Balance, 1 January 2020	(29.056)	(897)		(60.766)	(90.718)
Depreciation	(22.497)	(2.269)		(21.134)	(45.900)
Disposals	(164)			6.329	6.165
Ending Balance, 31 December 2020	(51.717)	(3.166)		(75.570)	(130.453)
Net Book Value, 31 December 2020	239,200	16.373	62,911	41.284	359.768

 $^{{}^*\,} Other\, tangible\, fixed\, assets\, consist\, of\, leasehold\, improvements, safe\, boxes,\, office\, machinery,\, furniture\, and\, other\, movables.$

^{**} The item in progress includes the total capitalized project cost following the completion of the projects.

Prior Period	Other Tangible					
THO Period	Real Estate	Cars	Assets*	Total		
Cost						
- Beginning Balance, 1 January 2019	223.097	79	88.283	311.459		
Additions	72.279	12.721	24.011	109.011		
Disposals			6.101	6.101		
Ending Balance, 31 December 2019	295.376	12.800	106.193	414.369		
Accumulated Depreciation						
Beginning Balance, 1 January 2019	(6.541)	(99)	(48.002)	(54.642)		
Depreciation	(22.404)	(798)	(18.910)	(42.112)		
Disposals	(111)		6.146	6.036		
Ending Balance, 31 December 2019	(29.056)	(897)	(60.766)	(90.718)		
Net Book Value, 31 December 2019	266.320	11.903	45.427	323,651		

 $^{{}^*\,} Other\, tangible\, fixed\, assets\, consist\, of\, leasehold\, improvements, safe \, boxes,\, of fice\, machinery,\, furniture\, and\, other\, movables.$

12.1 Disclosure for impairment losses or releases individually material for financial statements

12.1.1 Conditions for allocating/releasing any impairment

None.

12.1.2 Amount of impairment losses provided or released in financial statements during current period

12.2 Other impairment losses provided or released in current period that are immaterial for the financial statement individually

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

13. Information on intangible assets

13.1 Useful lives and depreciation rates

The useful life of an asset is determined by taking the asset's expected economic life, technical, technological or other kinds of obsolescence, and maintenance costs into account. The amortization rates used are in accordance with the useful lives of the underlying assets. The useful lives are determined as defined by TAS 38 "Intangible Assets".

The Bank's intangible assets consist of software programs and rights, and their useful lives range between 3 to 10 years.

13.2 Depreciation methods

Depreciation for assets which are in balance sheet for less than one year is calculated by the straight line method by proportioning the duration of asset in the balance sheet to the predicted yearly depreciation amount.

13.3 Movements of intangible assets at beginning and end of the current period

	Current Period	Prior Period
Cost		
Beginning Balance, 1 January	138.228	90.570
Additions	51.342	50.274
Disposal	4.153	2.616
Ending Balance, 31 December	185.417	138.228
Accumulated Depreciation		
Beginning Balance, 1 January	(68.351)	(55.569)
Amortisation Expense for Current Period (-)		(24)
Disposal	(26.089)	(12.805)
Ending Balance, 31 December	(94.440)	(68.351)
Net Book Value, 31 December	90.977	69.877

13.4 Details for any individually material intangible assets

None.

13.5 Intangible assets capitalised under government incentives at fair values

13.6 Revaluation method of intangible assets capitalised under government incentives and valued at fair values at capitalisation dates

None.

13.7 Net book value of intangible asset that are restricted in usage or pledged None.

13.8 Commitments to acquire intangible assets

None

13.9 Disclosure on revalued intangible assets

None.

13.10 Research and development costs expensed during current period

None.

13.11 Godwill

None.

14. Information on investment properties

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

15. Information on deferred tax asset

15.1 Amount of deferred tax asset recognized in the balance sheet in respect of deductible temporary differences, unused tax losses and unused tax credits

As of 31 December 2020, the deferred tax asset amounting to TL 191.700 is calculated by netting of deductible temporary differences and taxable temporary differences (31 December 2019: TL 54.427 deferred tax asset).

Deferred tax asset consists of deferred tax asset and liability items recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which is used in the computation of taxable profit. The deferred tax assets and liabilities are presented as net in the accompanying financial statements.

	Current Period		
		Deferred Tax	
	Deferred Tax Base	Asset/	
		(Liability)	
Financial Assets Valuation	294.394	58.879	
Unearned Commission Income/Prepaid Commission Expenses	43.865	8.773	
Reserve for Employee Benefits	36.894	7.379	
Tangible Assets Base Differences	(36.743)	(7.349)	
Provisions	605.826	121.166	
Other	14.268	2.852	
Deferred Tax Asset/(Liability)	958.504	191.700	

	Prior Period		
		Deferred Tax	
	Deferred Tax Base	Asset/	
		(Liability)	
Financial Assets Valuation	(124.029)	(24.671)	
Unearned Commission Income/Prepaid Commission Expenses	13.823	3.041	
Reserve for Employee Benefits	29.588	6.210	
Tangible Assets Base Differences	(29.517)	(5.903)	
Provisions	345.106	73.403	
Other	10.852	2.347	
Deferred Tax Asset/(Liability)	245.823	54.427	

I. Explanations and disclosure related to the assets (continued)

15. Information on deferred tax asset (continued)

The movement of the current year and prior year deferred tax assets is shown below:

	1 January-31	1 January - 31	
	December 2020	December 2019	
Deferred Tax Asset, 1 January	54.427	79.305	
Deferred Tax Income / (Expense)	137.989	(15.339)	
Deferred Tax Recognized Directly Under Equity	(716)	(9.539)	
Deferred Tax Asset/(Liability), Period End Balance	191.700	54.427	

15.2 Amount and expiry date of deductible temporary differences, unused tax losses, unused tax credits for which no deferred tax asset is recognized in prior periods in the balance sheet

None (31 December 2019: None).

15.3 Deferred tax asset resulting from the cancellation of the provision for impairment losses related to the deferred taxes

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

16. Information on assets held for sale and non-current assets related to discontinued operations

As of 31 December 2020, the Bank has TL 102.748 assets held for sale (31 December 2019: TL 63.247).

17. Information on other assets

Other assets do not exceed 10% of total assets excluding the off-balance sheet items.

17.1 Information on prepaid expenses, tax and similar items

As of 31 December 2020, total prepaid expenses are TL 41.579 (31 December 2019: TL 42.003).

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

II. Explanations and disclosures related to liabilities

1. Information on deposits

1.1 Information on maturity structure of deposits

Cu	rr	e٢	١t	P	ы	i	od

				Up to 3		6 Months -	1 Year and	Cumulative	
	Demand 7 Da	ays Notice U	p to 1 Month	Months	3-6 Months	1 Year	Over	Deposit	Total
Saving Deposits	239.170		3.296.030	2.162.226	82.919	40.295	19.070		5.839.710
Foreign Currency Deposits	1.022.955		3.826.483	1.841.608	143,243	12,482	124,436		6.971.207
Residents in Turkey	921.277		3.805.228	1.832.539	143.243	12.428	124.345		6.839.060
Residents Abroad	101.678		21.255	9.069		54	91		132,147
Public Sector Deposits	1.394		409	865					2.668
Commercial Deposits	308.639		469.252	2.082.225	4.362	3.572	29		2.868.079
Other Ins. Deposits	3.340		3.485	125.948	17.516	516			150.805
Precious Metal Deposits	372.485		461.975						834.460
Interbank Deposits	50,624		558,252	391,620					1,000,496
Central Bank of Turkey			386.108						386.108
Domestic Banks	79		146.815	379.982					526.876
Foreign Banks	45.473		25.329	11.638					82.440
Special Finan.Inst.	5.072								5.072
Other									
Total	1.998.607		8.615.886	6.604.492	248.040	56.865	143.535		17.667.425

Prior	Period
FIIOI	renou

				Up to 3		6 Months -	1 Year and	Cumulative	
	Demand 7	7 Days Notice U	p to 1 Month	Months	3-6 Months	1 Year	Over	Deposit	Total
Saving Deposits	217.255		3.423.787	1.503.762	55.737	181.346	110.105		5.491.992
Foreign Currency Deposits	624.521		2.338.733	2.869.532	539.707	446.008	28.506		6.847.007
Residents in Turkey	569.703		2.326.177	2.862.047	539.338	445.553	28.419		6.771.237
Residents Abroad	54.818		12.556	7.485	369	455	87		75.770
Public Sector Deposits	59.892								59,892
Commercial Deposits	329,476		169.835	558.795	4.516	964	1,664		1.065.250
Other Ins. Deposits	2,348		3,959	21,696		40	242		28,285
Precious Metal Deposits	25,146								25.146
Interbank Deposits	22.159		12,262	14.705					49.126
Central Bank of Turkey									
Domestic Banks	68			6.916					6.984
Foreign Banks	11.605		12.262	7.789					31.656
Special Finan.Inst.	10.486								10.486
Other									
Total	1.280.797		5.948.576	4.968.490	599.960	628.358	140.517		13.566.698

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

II. Explanations and disclosures related to liabilities (continued)

1.2 Information on saving deposits under the guarantee of saving deposit insurance and exceeding the limit of saving deposit insurance

	Under the Guarar Insura		Exceeding the Limit of Deposit Insurance	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	2.701.076	2.739.691	3.100.426	2.736.619
Foreign Currency Saving Deposits	1.554.183	1.025.106	5.118.091	4.415.973
Other Deposits in the Form of Saving Deposits				
Foreign Branches' Deposits Under Insurance of Foreign Authorities				
Off-shore Banking Regions' Deposits Under Foreign Authorities' Insurance				
Total	4.255.259	3.764.797	8.218.517	7.152.592

1.3 Saving deposits in Turkey are not covered by any insurance in any other countries since the Bank's headquarter is not located abroad.

1.4 Saving deposits that are not under the guarantee of deposit insurance fund

	Current Period	Prior Period
Deposits and Accounts in Branches Abroad		
Deposits of Ultimate Shareholders and Their Close Families		
Deposits of Chairman and Members of the Board of Directors and their Close	11.366	23.907
Families		
Deposits Obtained through Illegal Acts Defined in the 282nd Article of the 5237 Numbered Turkish Criminal Code dated 26 September 2004.	43.256	21.646
Saving Deposits in Banks Established in Turkey Exclusively for Off		
Shore Banking Activities		

2. Information on derivative financial liabilities held for trading

2.1 Information on negative differences relating to derivative financial liabilities held for trading

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	100.750		65.341	
Swap Transactions	767.895		386.379	
Futures Transactions				
Options	228.455	10.392	195.948	27.093
Other		==	==	==
Total	1.097.100	10.392	647.668	27.093

^(*) Derivatives for hedging purpose are excluded.

3. Information on banks and other financial institutions

3.1 Information on banks and other financial institutions

	Curr	ent Period	Prior Period	
	TL	FC	TL	FC
Loans from Central Bank of Turkey				
From Domestic Banks and Institutions	20.370	180.458	16.773	391.415
From Foreign Banks, Institutions and Funds		954.314	==	451.193
Total	20.370	1.134.772	16.773	842.608

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

II. Explanations and disclosures related to liabilities (continued)

3.2 Maturity analysis of borrowing

	Curi	rent Period	Prior Period	
	TL	FC	TL	FC
Short Term	20.370	98.963	16.773	112.037
Medium and Long Term		1.035.809		730.571
Total	20.370	1.134.772	16.773	842.608

3.3 Additional explanation related to the concentrations of the Bank's major liabilities

In the scope of normal banking operations, the Bank funds itself through the funds provided in the form of deposits, money market funds, bank borrowings and bond issuance.

4. Information related with issued instruments

Current Period	TI	FC		
	Short Term	Medium and Long	Short Term	Medium and Long
	Short lerin	Term	Short letili	Term
Nominal				1.443.590
Book Value				1.480.900
Prior period	TL		FC	
	Short Term	Medium and Long	Short Term	Medium and Long
	Short lerin		Short lerm	Term
Nominal	383.867			1.300.613
Book Value	383.937			1.334.395

5. Other Liabilities

Other liabilities of balance sheet do not exceed 10% of the balance sheet total excluding the off-balance sheet items.

6. Obligations under financial lease

With the "TFRS 16 Leases" standard valid from 1 January 2019, the difference between operating leases and finance leases has been eliminated and the lease transactions have been expressed under the "Lease Payables" as liability by lessees.

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	50.641	37.376	31.743	37.657
Between 1-4 Years	33.330	15.470	54.263	29.917
More than 4 Years	2.774	556	3.429	820
Total	86.745	53.402	89.435	68.394

6.1 Additional explanations related to the changes in agreements and the additional liabilities brought by these changes

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

II. Explanations and disclosures related to liabilities (continued)

7. Information on derivative financial liabilities for hedging purposes

As of 31 December 2020, there are no derivative financial liabilities for hedging purposes (31 December 2019: TL 113.444).

8. Information on provisions

8.1 Foreign exchange losses on the foreign currency indexed loans

The foreign exchange losses on foreign currency indexed loans are netted off from the loans on the balance sheet. As of 31 December 2020, there is no provision of foreign exchange losses on the foreign currency indexed loans. (31 December 2019: None).

8.2 The specific provisions provided for unindemnified non cash loans

As of 31 December 2020, the specific provision provided for unindemnified non cash loans is TL 4.566 (31 December 2019: TL 11.449).

8.3 Explanation on other provisions

8.3.1 Provisions for possible losses

	Current Period	Prior Period
Provisions for Possible Losses	151.000	44.500

8.3.2 The breakdown of the subsidiary accounts if other provisions exceed 10% of the grand total provisions

None

8.3.3 Explanations on reserves for employee benefits

As of 31 December 2020, reserves for employee benefits amounting to TL 36.894 (31 December 2019: TL 29.588) comprise of TL 19.659 reserve for employee termination benefits (31 December 2019: TL 14.959), TL 5.689 unused vacation pay liability (31 December 2019: TL 4.724) and TL 11.546 personnel bonus accrual (31 December 2019: TL 9.905).

The table below shows the predicted total net cost from employee termination benefits.

	Current Period	Prior Period
Balance at the Beginning	14.959	11.116
Change in the period	6.800	6.285
Aktuerial Loss/Profit Transferred to Equity	3.763	2.542
Paid in the Period	(5.863)	(4.984)
Balance at the End	19.659	14.959

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

II. Explanations and disclosures related to liabilities (continued)

9. Explanations on Tax Liability

9.1 Explanations on current tax liability

9.1.1 Explanations on tax provision

As of 31 December 2020, the Bank's current tax liability is TL 186.711 (31 December 2019: TL 40.580).

9.1.2 Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	143.871	
Taxation on securities	13.359	17.703
Property tax	173	357
Banking and Insurance Transaction Tax (BITT)	13.228	10.510
Taxes on foreign exchange transactions	1.433	584
Value added taxes payable	1.715	1.364
Income tax ceased from wages	6.114	4.389
Other	1.004	787
Total	180.897	35.694

9.1.3 Information on premium

	Current Period	Prior Period
Social Security Premiums- Employee	2.467	2.068
Social Security Premiums- Employer	2.831	2.387
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	172	144
Unemployment Insurance- Employer	344	287
Other		
Total	5.814	4.886

9.2 Explanations on deferred tax liabilities

There are no deferred tax liabilities after netting of deferred tax assets (31 December 2019: None).

10. Information on liabilities regarding assets held for sale and discounted operations

None (31 December 2019: None).

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

II. Explanations and disclosures related to liabilities (continued)

11. Explanations on subordinated loans

	Cı	urrent Period	ļ	Prior Period
	TL	FC	TL	FC
Debt instruments subject to common equity	100.000	220.276	100.000	178.263
Subordinated loans				
Subordinated debt instruments(*)	100.000	220.276	100.000	178.263
Debt instruments subject to Tier 2 equity		1.907.323		1.610.755
Subordinated loans				
Subordinated debt instruments		1.907.323		1.610.755
Total	100.000	2.127.599	100.000	1.789.018

(*)Related debt instrument is shown in "Other capital Reserves" account.

12. Information on shareholders' equity

12.1 Paid-in capital

	Current Period	Prior Period
Common Stock	941.161	941.161
Preferred Stock		

12.2 Paid-in capital amount, explanation as to whether the registered share capital system is applied at the bank; if so the amount of registered share capital ceiling:

Registered share capital system is not applied.

12.3 Information on share capital increases and their sources; other information on increased capital shares in current period

None.

12.4 Information on share capital increases from revaluation funds:

None.

12.5 Information on capital commitments the purpose and the sources until the end of the fiscal year and the subsequent interim period:

The capital is totally paid in and there are no capital commitments.

12.6 Indicators of the Bank's income, profitability and liquidity for the prior periods and possible effects of these future assumptions due to the uncertainty of these indicators on the Bank's equity:

None

12.7 Information on privileges given to stocks representing the capital

The Bank does not have any preferred shares.

12.8 Common stock issue premiums, shares and equity instruments

Number of shares issued with premiums and the related share premiums are presented below:

	Current Period	Prior Period
Number of Shares (Thousand)	26.230.098	26.230.098
Number of Priviliged Shares		
Share Premium	128.678	128.678
Share Cancellation Profits		
Other Equity Instruments		

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

II. Explanations and disclosures related to liabilities (continued)

12.9 Information on marketable securities value increase fund

	Current Period		Prior	Period
	TL	FC	TL	FC
From Subsidiaries, Associates, and Entities Under				
Common Control (Joint Ventures)				
Security Valuation Difference	3.850	18.413	3.033	12.741
Exchange Difference				
Total	3.850	18.413	3.033	12,741

12.10 Information on other capital reserves

The Bank has issued a TL-denominated debt instrument on 20 March 2019 with nominal amount of TL 100.000 with a floating interest rate, which fulfills the conditions of 7th section-2nd paragraph of BRSA's "Regulation on Equities of Banks", has equity characteristics and will be added to Tier I capital calculations. The debt instrument and related interest expenses belonging to 2020 are presented under "Other Capital Reserves" account for 2020.

12.11 Information on revaluation reserve

None.

12.12 Bonus shares of subsidiaries, associates and joint ventures

None

12.13 Information on legal reserves

	Current Period	Prior Period
Legal Reserves	42.321	31.719
Special Reserves		

12.14 Information on extraordinary reserves

	Current Period	Prior Period
Reserves allocated by the General Assembly	454.072	252.630
Retained Earnings		
Accumulated Losses		
Foreign Currency Capital Exchange Differences		

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

III. Explanations and disclosures related to off-balance sheet contingencies and commitments

1. Information on off-balance sheet commitments

1.1 Nature and amount of irrevocable loan commitments

	Current Period	Prior Period
Asset Sale and Purchase Commitments	996.421	4.527.252
Credit Card Limit Commitments	27.643	32.901
Credit Card and Bank Trans. Promo. Guarantee		1
Commitments for Credit Allocation with the Guarantee of Usage	1.332.248	876.316
Export Commitments	8.878	5.940
Commitment for Cheques	184.090	187.578
Other Irrevocable Commitments	14.927	15.152
Total	2.564.207	5.645.140

1.2 Possible losses and commitments related to off-balance sheet items, including the ones listed below

1.2.1 Non-cash loans including guarantees, acceptances, financial guarantee and other letters of credits

	Current Period	Prior Period
Letters of Guarantee TL	584.041	432.859
Letters of Guarantee FC	277.530	317.754
Letters of Credit	248.224	168.208
Bills of Exchange and Acceptances	156.767	105.847
Total	1.266.562	1.024.668

The Bank has set aside TL 9.788 of expected credit loss allowance for non-cash loans (31 December 2019: TL 13.331).

1.2.2 Revocable, irrevocable guarantees and other similar commitments and contingencies

	Current Period	Prior Period
Revocable Letters of Guarantee	18.446	37.188
Irrevocable Letters of Guarantee	728.239	659.784
Letters of Guarantee Given in Advance	66.645	28.699
Letters of Guarantee Given to Customs	14.100	5.423
Other Letters of Guarantee	34.141	19.519
Total	861.571	750.613

2. Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans Given against Cash Loans		7.898
With Original Maturity of 1 Year or Less Than 1 Year		
With Original Maturity of More Than 1 Year		7.898
Other Non-Cash Loans	1.266.562	1.016.770
Total	1.266.562	1.024.668

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.)
Explanations and disclosures related to off-balance sheet contingencies and commitments (continued)

Information on sectorial risk concentrations of non-cash loans

III.

-	Current Period				Prior P	eriod		
-	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	1.767	%0,3	21,193	%3,2	2.050	%1,4	27.275	%1,3
Farming and raising livestock	389	%0,1	13.569	%2,1		%0,1		%0,0
Forestry	1.378	%0,2	7.624	%1,2	2.050	%1,3	27.275	%1,3
Fishing		%0,0		%0,0		%0,0		%0,0
Manufacturing	130.215	%21,5	318.836	%48,3	28.713	%11,4	180.630	%52,0
Mining	3.237	%0,5		%0,0	2.406	%1,1	1.496	%0,7
Production	123.266	%20,3	311.495	%47,2	20.674	%7,8	179.134	%51, 3
Electric, gas and water	3.712	%0,6	7.341	%1,1	5.6 33	%2,5		%0,0
Construction	146.632	%24,2	47.920	%7,3	86.747	%26,9	39.551	%18,4
Services	138.531	%22,8	203.524	%30,8	148.571	%48,5	186.821	%26,8
Wholesale and retail trade	40.268	%6,6	37.854	%5,7	57. <i>7</i> 57	%11,4	93.435	%11,0
Hotel, food and beverage services	14.783	%2,4	47.561	%7,2	4.312	%3,6	36.930	%8,7
Transportation and telecommunication	20.047	%3,3	28.693	%4,3	15.030	%3,8	9.014	%1,5
Financial Institutions	49.256	%8,1	78.810	%11,9	41.370	%24,2	37.608	%4, 3
Real estate and renting services	1.245	%0,2	1.172	%0,2	14.626	%0,2	655	%0,0
Self-employement services	4.013	%0,7	143	%0,0	10.986	%1,4	7.482	%0,0
Education services	2.687	%0,4		%0,0	1.687	%0,7		%0,1
Health and social services	6.232	%1,0	9.291	%1,4	2.803	%3,1	1.697	%1,3
Other	189.446	%31,2	68.498	%10,4	166.778	%11,8	157.532	%1,5
Total	606.591	%100,0	659.971	%100,0	432.859	%100,0	591.809	%100,0

Information on the first and second group of non-cash loans

	Stage	I	Stage II	
Current Period	TL	FC	TL	FC
Letters of Guarantee	545,520	272,645	38,521	4.885
Bills of Exchange and Bank Acceptances	22,550	134,217		
Letters of Credit		230.213		18.011
Endorsements				
Underwriting Commitments				
Factoring Related Guarantees				
Other Guarantees and Sureties				
Non-Cash Loans	568.070	637.075	38.521	22.896
	Stage I		Stage II	
Prior Period	TL	FC	TL	FC
Letters of Guarantee	406.915	312.347	25.944	5.407
Bills of Exchange and Bank Acceptances		105,847		
Letters of Credit		168.208		
Endorsements				
Underwriting Commitments				
Factoring Related Guarantees				
Other Guarantees and Sureties				
Non-Cash Loans	406.915	586.402	25.944	5.407

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.) Information related to derivative financial instruments

	Current Period	Prior Period
Types of trading transactions		
Foreign Currency Related Derivative Transactions (I)	33,526,782	28.917.977
Forward Transactions	4.022.259	4.459.648
Swap Transactions	23.374.081	18.989.037
Futures Transactions	==	
Option Transactions	6.130.442	5.469.292
Interest Related Derivative Transactions (II)	2.899.546	644.020
Forward Rate Transactions	==	
Interest Rate Swap Transactions	2.899.546	644.020
Interest Option Transactions		
Futures Interest Transactions	==	
Other Trading Derivative Transactions (III)	420,836	1.157.032
A. Total Derivative Transactions Held for Trading (I+II+III))	36.847.164	30.719.029
Types of hedging transactions		
Fair Value Hedges		2.197.519
Cash Flow Hedges		
Net Investment Hedges	==	
B. Total Derivative Transactions Held for Hedging Purposes	·	2.197.519
Total Derivative Transactions (A+B)	36.847.164	32.916.548

Information on the first and second group of non-cash loans

None.

Information related to derivative financial instruments

The bank recognised a provision of TL 6.198 for the legal cases pending against the Bank where the cash out flows are probable (31 December 2019: TL 2.107).

Custodian and intermediary services

The Bank provides trading and safe keeping services in the name and account of third parties. Such transactions are presented in off-balance statements.

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

IV. Explanations and disclosures related to the statement of profit or loss

1. Interest income

1.1 Information on interest on loans

	Current Period		Prior	Period
	TL	FC	TL	FC
Interest on loans(*)	1.500.921	501.698	1.815.576	406.944
Short Term Loans	692.596	65.373	1.039.354	88.811
Medium and Long Term Loans	808.325	436.325	776.222	318.133
Interest on Non-Performing Loans	15.576		9.776	
Premiums received from Resource Utilization Support Fund				
Total	1.516.497	501.698	1.825.352	406.944

^(*) Includes fees and commissions obtained from cash loans as well.

1.2 Information on interest income received from banks

	Current Period		Prior Period	
	TL	FC	TL	FC
The Central Bank of Turkey			5.831	
Domestic Banks	24.871	53	109.555	375
Foreign Banks		229		1.414
Branches and Head Office Abroad				
Total	24.871	282	115.386	1.789

1.3 Interest received from marketable securities portfolio

	Current Period		Prior P	eriod
	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit or Loss	8.389	131	17.736	67
Financial Assets at Fair Value Through Other Comprehensive Income	549	45.751	903	41.926
Financial Assets Measured at Amortized Cost	15.930	41.645	10,220	18.376
Total	24.868	87.527	28.859	60.369

1.4 Information on interest income received from associates and subsidiaries

None (31 December 2019: None).

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

IV. Explanations and disclosures related to the statement of profit or loss (continued)

2. Interest expense

2.1 Information on interest on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	1.613	41.668	1.548	35.922
The Central Bank of Turkey				
Domestic Banks	1.613	23.116	1.548	22.468
Foreign Banks		18.552		13.454
Branches and Head Office Abroad				
Other Institutions		165.407		146.966
Total	1.613	207.075	1.548	182.888

^(*)Includes fees and commission expenses on borrowings, as well.

2.2 Information on interest expenses to associates and subsidiaries

Total interest expense given to subsidiaries is TL 729 (1 January - 31 December 2019: TL 409).

2.3 Information on interest expenses to securities issued

	Current Period		Pr	Prior Period	
	TL	FC	TL	FC	
Interest Paid to Marketable Securities	28.310	110.398	100.699	79.165	

2.4 Information on maturity structure of interest expenses paid for deposits

				Time D	eposits			
Account Description	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over	Cumulativ e Deposits	Total
Turkish Lira								
Bank Deposits		7.506						7.506
Saving Deposits		388.931	153.898	13.003	6.759	10.055		572.646
Public Sector Deposits		46	80					126
Commercial Deposits		26.697	84.424	1.297	110	183		112.711
Other		270	2.739	470	20	22		3,521
7 Days Notice								
Total		423.450	241.141	14.770	6.889	10.260		696.510
Foreign Currency								
Foreign Currency Deposits		46.886	50.228	6.699	3.054	2.251		109.118
Bank Deposits		3.011						3.011
7 Days Notice								
Precious Metal Deposits		1.802						1.802
Total		51.699	50.228	6.699	3.054	2,251		113.931
Grand Total		475.149	291.369	21.469	9.943	12.511		810.441

3. Information on dividend income

None (31 December 2019: None).

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

IV. Explanations and disclosures related to the statement of profit or loss (continued)

4. Information on net trading income / loss

	Current Period	Prior Period
Income	2.418.803	1.802.390
Gains on Capital Market Operations	61.618	65.208
Gains on Derivative Financial Instruments	1.371.297	807.204
Foreign Exchange Gains	985.888	929.978
Loss (-)	2,272.068	1.730.412
Losses on Capital Market Operations	18.969	3.973
Losses on Derivative Financial Instruments	1.298.946	807.645
Foreign Exchange Losses	954.153	918.794
Net Trading Income / (Loss)	146.735	71.978

5. Information on other operating income

Other operating income mainly consists of provision reversals, profit from sale of assets, commissions on cheques and notes and costs recharged.

6. Provisions for Expected Losses

	Current Period	Prior Period
Expected Credit Losses	285.864	489.872
12 Months Expected Credit Losses (Stage 1)	41.832	16.442
Significant Increase In Credit Risk (Stage 2)	126.137	2.902
Impaired Credits (Stage 3)	117.895	470.528
Impairment Losses on Marketable Securities		
Financial Assets Valued at Fair Value Through Profit or Loss		
Financial Assets Valued at Fair Value Through Other Comprehensive Income		
Impairment Losses on Associates, Subsidiaries and Joint Ventures		
Associates		
Subsidiaries		
Joint-Ventures		
Other (*)	110.595	98
Total	396.459	489.970

^(*) TL 106.500 of the total is the provisions for possible losses (31 December 2019: None).

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

IV. Explanations and disclosures related to the statement of profit or loss (continued)

7. Information related to other operational expenses

	Current Period	Prior Period
Provision for Employee Termination Benefits	937	1.301
Provision for Bank's Social Aid Fund Deficit		
Impairment Losses on Tangible Assets		
Depreciation Charges of Tangible Assets	17.738	14.346
Impairment Losses on Intangible Assets		
Depreciation Charges of Intangible Assets	26.097	12.832
Impairment Losses on Investment Accounted for under Equity Method		
Impairment of Assets to be Disposed		
Depreciation of Assets to be Disposed		
Depreciation of Right to Use Assets	28.162	27.766
Impairment of Assets Held for Sale		
Other Operating Expenses	138.564	119.647
Operational leases expenses related with TFRS 16 exceptions (*)	630	882
Repair and Maintenance Expenses	2.215	3.520
Advertisement Expenses	16.669	13.392
Other Expenses	119.050	101.853
Losses on Sale of Assets	4.060	2.283
Other	109.218	82.522
Total	324.776	260.697

8. Information on profit/loss before tax from continued and discontinued operations

	Current Period	Prior Period
Interest Income	2.179.521	2.496.581
Interest Expenses (-)	1.223.461	1.680.551
Net Fee and Commission income	150.342	199.787
Trading Profit/Loss (Net)	146.735	71.978
Other Operating Income(*)	83.997	171.685
Provision for Impairment in Loans and Other Receivables	285.864	489.872
Other Provision Expenses (-)	110.595	98
Personnel Expenses (-)	299.730	258.683
Other Operating Expenses (-)	324.776	260.697
Profit/(loss) Before Tax	316.169	250.130

9. Explanations on tax provision for resumed operations and discontinued operations

9.1 Current period taxation income or expense and deferred tax income or expense

As of 31 December 2020, the Bank provided current tax expense of TL 224.323 in the statement of profit or loss for the 12 months period (1 January - 31 December 2019: TL 22.747 expense).

As of 31 December 2020, the Bank provided the deferred tax expense of TL 101.288 and the deferred tax income of TL 239.277 in the statement of profit or loss for 12 months period (1 January - 31 December 2019: TL 15.339 deferred tax expense).

10. Information on profit/loss from continued and discontinued operations

	Current Period	Prior Period
Profit/(Loss) Before Tax from Continuing Operations	316.169	250.130
Tax Benefit/(Charge) on Continuing Operations	(86.334)	(38.086)
Net Profit/(Loss) from Continuing Operations	229.835	212.044

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

- 11. Information on net profit/loss for the period
- 11.1 The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the complete understanding of the Bank's performance for the period

In the current and prior periods, the Bank's income from ordinary banking transactions is interest income from loans and marketable securities and other banking service income. Main expenses are interest expense on deposits and similar debt items which are funding resources of loans and marketable securities.

- 11.2 Changes in estimations made by the Bank with respect to the financial statement items do not have a material effect on profit/loss
- 11.3 As there is no minority share in shareholders' equity, there is no profit or loss attributable to the minority shares
 - 12. If "other" lines of the statement of profit or loss exceeds 10% of the period profit/loss, information on components making up at least 20% of "other" items

In the current period, "other" items recognised in "fees and commissions received" majorly comprised of commissions such as limit allocation and revision commissions, valuation commissions, insurance commissions, contracted merchant commissions, credit card commissions and account maintenance fees.

In the current period, "other" items recognised in "fees and commissions paid" majorly comprised of commissions to correspondent banks, credit card commissions and commissions on issuance of securities.

(Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated.) 1. Information on inflation adjustment difference of shareholders' equity

As per the circular issued by the BRSA on 28 April 2005 and the decision of BRSA No: 1623 on 21 April 2005, the inflation accounting applied in banking system has been decided to be ceased as at 1 January 2005.

In accordance with the circular, TL 17.416 inflation adjustments to paid-in-capital until 31 December 2005 have been transferred to "Other Capital Reserves" account which was formerly recognized in "Inflation Adjustment to Paid-in-Capital" account. Mentioned inflation adjustment was used in the capital increase from TL 426.650 to TL 550.000 together with TL 9.502 profit from the disposal of real estate and TL 96.432 cash contribution of Fiba Holding A.Ş. in accordance with the Board of Directors decision dated 25 February 2013. Legal procedures were completed on 29 May 2013 and capital increase was accounted for in the financial statements.

2. Information on profit distribution

The decision relating to distribution of 2020 profit will be made at the General Assembly.

At the General Assembly meeting held on 27 March 2020, 2019 profit of the Bank was decided to be distributed as follows:

Profit or Loss212.044A- Legal Reserves10.602B- Extraordinary Reserves201.442

3. Information on foreign exchange difference

None

4. Information on financial assets measured at fair value through other comprehensive income

Mark to market gains and losses on financial assets measured at fair value through other comprehensive income are not reflected to profit and loss but recognized in equity under "Securities Valuation Reserve" account until such securities are sold, redeemed, disposed of or impaired; recognised as "Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss" under equity. In case the related assets are securities representing a share in the capital, in the account "Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss" under equity.

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

VI. Explanations and disclosures related to the consolidated statement of cash flows

1. Information on cash and cash equivalents

Cash and cash equivalents components and accounting policies defining these components:

Cash, foreign currency, money in transfer, purchased bank cheques and deposits in all banks including Central Bank of Turkey are defined as "Cash", interbank money market placements with original maturity less than 3 months and investments onmarketable securities are defined as "Cash equivalents".

a) Cash and cash equivalents at the beginning of the period:

	1 January 2020	1 January 2019
Cash	259.794	138.331
Banks and Other Financial Institutions	1.833.189	1.643.318
Money Market Placements	30.010	306.208
Total Cash and Cash Equivalent Assets	2,122,993	2.087.857

b) Cash and cash equivalents at the end of the period:

	31 December 2020 31	December 2019
Cash	336.603	259.794
Banks and Other Financial Institutions	2.081.666	1.833.189
Money Market Placements	412.231	30.010
Total Cash and Cash Equivalents Assets	2.830.500	2.122.993

2. Information on cash and cash equivalent assets of the Bank that is not available for free use due to legal restrictions or other reasons

In the current period, demand deposits of TL 293.142 which is blocked at foreign banks as the guarantee of derivative transactions and required reserves at the Central Bank of Turkish Republic are not included in cash and cash equivalents (31 December 2019: TL 31.976).

3. Information on other item in cash flow statement and the effect of the exchange rate change on cash and cash equivalents

"Other items" amounting to TL 88.002 in "operating profit before changes in operating assets and liabilities" consists of other operating expenses and realized derivative losses (31 December 2019: TL (260.990)).

"Net increase/decrease in other liabilities" amounting to TL (3.860) in "Changes in operating assets and liabilities" consists of changes in sundry creditors, taxes and due payables, other liabilities (31 December 2019: TL (25.979)).

"Net increase/decrease in other assets" amounting to TL (7.458) in "Changes in operating assets and liabilities" consists of changes in sundry receivables, other receivables (31 December 2019: TL (118.315)).

"Other" amounting to TL (51.350) in "Net cash flows from investment activities" consists of purchases of intangible asset (31 December 2019: TL (47.658)).

"The effect of exchange rate changes on cash and cash equivalents" is the amount arising from conversion of the cash and cash equivalents denominated in foreign currencies with the average of the exchange rates effective at the beginning and at the end of the related periods and is TL (754.560) for the current period (1 January- 31 December 2019: TL (75.064)).

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

VII Explanations and disclosures on the risk group of the Bank

1. Information on the volume of transactions with the Bank's risk group, lending and deposits outstanding at Period end and income and expenses in the current period

1.1 Current period

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures			Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash	
Loans and Other Receivables	-		-				
Balance at the Beginning of the Period	-		-	- 20	331.014	61.073	
Balance at the End of the Period	-		-	- 20	635.851	70.760	
Interest and Commission Income Received				<u></u>	36.884	126	

^(*) Described in article 49 of the Banking Act No: 5411.

Prior period

Bank's Risk Group (*)	ā	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash	
Loans and Other Receivables	-		-				
Balance at the Beginning of the Period	-		-	- 20	402.272	55.468	
Balance at the End of the Period	-		-	- 20	331.014	61.073	
Interest and Commission Income Received	-		-		39.078	105	
(A) Described in anti-le 40 of the Described Astalla, F444					-		

^(*) Described in article 49 of the Banking Act No: 5411.

1.2 Information on deposits of the Bank's risk group

Bank's Risk Group (*)	Associates, S an Joint-Ve	Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group		
	Current	Prior	Current	Prior	Current	Prior
	Period	Period	Period	Period	Period	Period
Deposits						
Balance at the Beginning of the Period	8.695	1.859	57.840	80.750	231.137	460.871
Balance at the End of the Period	2.561	8.695	18.479	57.840	512.953	231.137
Deposit Interest Expense	729	409	4.778	20.577	20.532	49.554
(*) Described in article 49 of the Banking Act No: 5411.						

1.3 Information on funds obtained from the Bank's risk group

As of 31 December 2020, there are no funds other than deposit obtained from Bank's risk group (31 December 2019: None).

^(**) Includes all transactions described as loans in article 48 of the Banking Act No: 5411.

^(**) Includes all transactions described as loans in article 48 of the Banking Act No: 5411.

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

VII. Explanations and disclosures on the risk group of the Bank (continued)

1.4 Information on forward and option agreements and similar agreements made with Bank's risk group

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Current	Prior	Current	Prior	Current	Prior
	Period	Period	Period	Period	Period	Period
Financial Assets at Fair Value Through Profit and Loss:						
Balance at the Beginning of the Period					741.741	780.609
Balance at the End of the Period					1.181.279	741.741
Total Income/Loss					578	(37.471)
Transactions for Hedging Purposes:						
Balance at the Beginning of the Period						
Balance at the End of the Period						
Total Income/Loss						

^(*) As described in the Article 49 of Banking Act no.5411.

2. Information on transactions with the Bank's risk group

2.1 Relations with entities in the risk group of / or controlled by the Bank regardless of the nature of relationship among the parties

The terms of related party transactions are equivalent to those that prevail in arm's length transactions only if such terms can be substantiated regarding the limits exposed by the Banking Act. Adopted Bank policy is that assets and liabilities will not be dominated by the risk group and the balances with the risk group will have a reasonable share in the total balance sheet.

2.2 In addition to the structure of the relationship, type of transaction, amount, and share in total transaction volume, amount of significant items, and share in all items, pricing policy and other

As of 31 December 2020, the ratio of the loans and other receivables used by the entities of risk group to total loans and receivables is 3,38% (31 December 2019: 2,12%) and the ratio of the deposits of entities of risk group to total deposits is 3,02% (31 December 2019: 2,19%). There are no funds obtained from entities of risk group (31 December 2019: None).

In the current period, benefits such as salaries and bonuses, provided to the key management are TL 21.134 (1 January - 31 December 2019: TL 15.475).

2.3 Total of similar type of transactions together, unless a separate disclosure is required to present the effect of the transactions on financial statements

None.

2.4 Transactions accounted for under equity method

None.

2.5 Explanations on purchase and sale of real estate and other assets, sales and purchases of services, agency contracts, finance lease agreements, transfer of data obtained from research and development, licensing agreements, financing (including loans and cash and in-kind capital support), guarantees and promissory notes, and management contracts

None.

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

- VIII. Explanations on the Bank's domestic, foreign, off-shore branches or investments in associates and foreign representative offices
- 1. Information related to the Bank's domestic and foreign branch and representatives

	Number	Number of Employees			
Domestic Branch	50	1.550			
			Country of Incorporations		
Foreign Reprasantation Office			1-		
			2-		
			3-		
				Total Assets	Statutory Share Capital
Foreign Branch			1-		
			2-		
			3-		
Off-shore Banking Region Branches			1-		
Maining in Simil Middle 1			2-		
			3-		

VIII. Events after balance sheet date

None.

SECTION SIX

I. Other disclosures on activities of the Bank

Summary information of Bank's risk ratings by international rating agencies

Fitch Ratings	
Long term FC and TL Rating	B+
Short term FC and TL Rating	В
Viability Rating	b
Support Rating	5
Long term National Scale Rating	A- (tur)
Senior Unsecured Debt Rating	B+
Subordinated Debt Rating	B-
Outlook	Negativ e

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

SECTION SEVEN

DISCLOSURES ON AUDIT REPORT

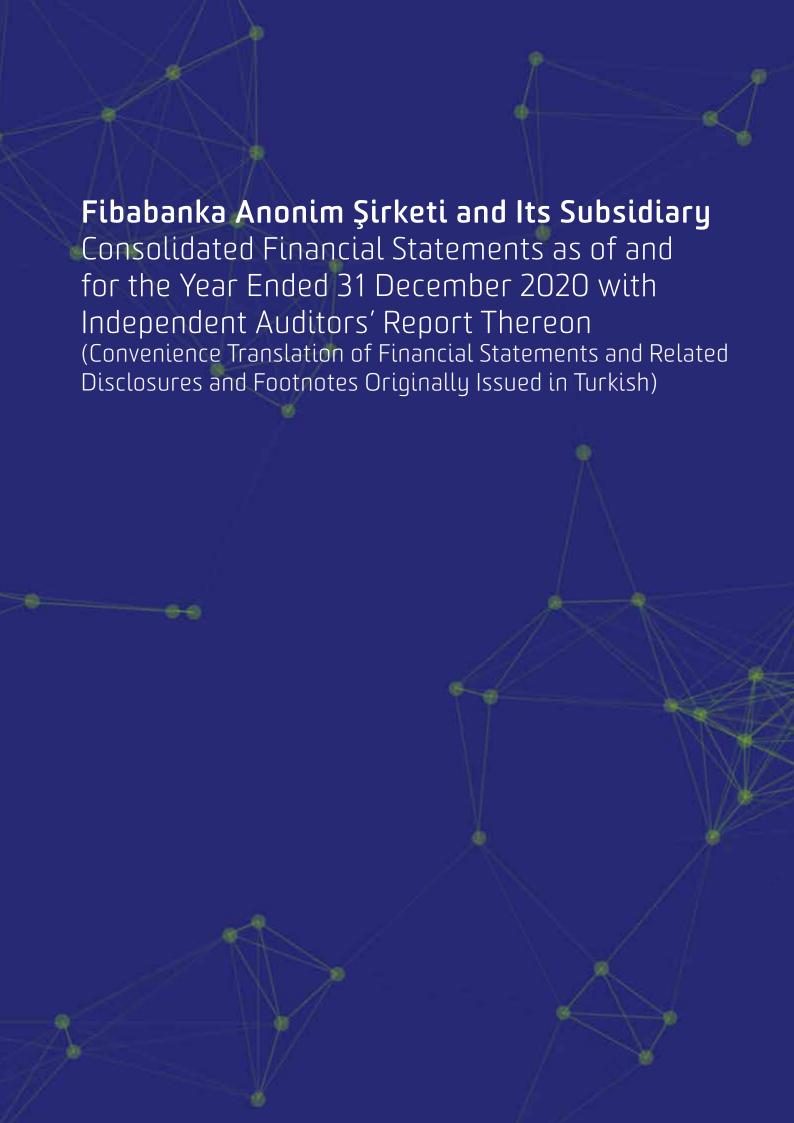
I. Disclosures on audit report

The unconsolidated financial statements of the Bank as of 31 December 2020, have been audited by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (The Turkish member firm of KPMG International Cooperative) and a audit report is presented before the accompanying financial statements.

II. Disclosures and footnotes prepared by independent auditors

None.







KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. İş Kuleleri Kule 3 Kat:2-9 Levent 34330 İstanbul Tel +90 212 316 6000 Fax +90 212 316 6060 www.kpmg.com.tr

Convenience Translation of the Independent Auditor's Report Originally Prepared and Issued in Turkish to English

To the Shareholders of Fibabanka Anonim Şirketi

A) Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of Fibabanka Anonim Şirketi ("the Bank") and its subsidiaries (together will be referred as "the Group") which comprise the consolidated balance sheet as at 31 December 2020 and the 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 for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, except for the effect of the matter described in the *Basis For Qualified Opinion* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Fibabanka Anonim Şirketi and its subsidiaries as at 31 December 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the "Banking Regulation and Supervision Agency ("BRSA") Accounting and Reporting Legislation" which includes the "Regulation on Accounting Applications for Banks and Safeguarding of Documents" published in the Official Gazette No. 26333 dated 1 November 2006, and other regulations on accounting records of banks published by Banking Regulation and Supervision Board and circulars and interpretations published by BRSA and requirements of Turkish Financial Reporting Standards ("TFRS") for the matters not regulated by the aforementioned legislations.

Basis for Qualified Opinion

As stated in Note 2.8.3.1 of Section Five, the accompanying consolidated financial statements as at 31 December 2020 include a general provision of total of TL 151.000 thousands, of which TL 106.500 thousands was recognised as expense in the current period and TL 44.500 thousands had been recognised as expense in prior periods, which may arise in the economy or market conditions which is not in line with the requirements of BRSA Accounting and Financial Reporting Legislation. This general provision is provided by the Bank management for the possible effects of the negative circumstances which may arise in economy or market conditions.

5.PMC Barpmas Distriction on Destinat highworkers folial https://pmc.A.S. a. Turkish compression and a recording time of the EPMD mutuals of singipulation rependent from Million from Million of the EPMD mutuals of compression, a times within permitter from Million of the EPMD more automatical Compression, a times within permitter.



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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for Qualified Opinion* section we have determined the matters described below to be the key audit matters to be communicated in our report.

Impairment of loans measured at amortised cost

The details of accounting policies and significant estimates and assumptions for impairment of loans measured at amortised cost are presented Note XX to the consolidated financial statements.

Key audit matter

As of 31 December 2020, loans measured at amortised cost comprise 72% of the Group's total assets

The Group recognizes its loans in accordance with the Regulation on the Procedures and Principles for Classification of Loans by Banks and Provisions to be set aside (the "Regulation") published on the Official Gazette No. 29750 dated 22 June 2016 and TFRS 9 Financial Instruments standard ("Standard").

The Group applies the "expected credit loss model" in determining the impairment of financial assets in accordance with the Regulation and Standard. The model which contains significant assumptions and estimates is reviewed by the Group management annually.

The significant assumptions and estimates of the Group's management are as follows:

- significant increase in credit risk;
- incorporating the forward looking macroeconomic information in calculation of credit risk; and design and implementation of expected credit loss model.

How the matter is addressed in our audit

Our procedures for testing the impairment of loans included below:

- We tested the design and operating effectiveness of the controls on lending, collateralization, collection, follow-up, classification and impairment procedures are tested with the involvement of information risk management specialists.
- We evaluated the adequacy of the subjective and objective criteria that is defined in the Group's impairment accounting policy compared with the Regulation and Standard.
- We evaluated the Group's business model and methodology and the evaluation of the calculations were carried out with the control testing and detailed analysis by the involvement of specialist.
- We performed loan reviews for selected loan samples which include a detailed examination of loan files and related information and testing their classification. In this context, the current status of the loan customer has been evaluated by including the impact of COVID-19 on prospective information and macroeconomic variables.



The determination of the impairment of loans measured at amortised cost depends on the (i) credit default status, (ii) the model based on the change in the credit risk at the first recognition date and (iii) the classification of the loans measured at amortised cost according to the model. Establishing an accurate classification is a significant process as the calculation of expected credit loss varies to the staging of the financial assets.

The Group calculates expected credit losses on both an individual and a collective basis. Individual provisions consider the estimated future performance of the business and the fair value of the collateral provided for credit transactions.

The collective basis expected credit loss calculation is based on complex processes which are modelled by using current and past data sets and expectations. The completeness and accuracy of data sets in the model are also considered and the forward looking expectations are reflected by macroeconomic models.

Impairment on loans measured at amortised cost was considered to be a key audit matter, due to the significance of the estimates, assumptions including the impact of COVID-19, the level of judgements and its complex structure as explained above.

- We evaluated the accuracy of the expected credit loss calculations by selecting sample for the loans which are assessed on individual basis and discussed the assumptions and estimates with the Group management.
- We tested the accuracy and completeness of the data in the calculation models for the loans which are assessed on collective basis. The expected credit loss calculation was tested through recalculation. The models used for the calculation of the risk parameters were examined and the risk parameters for the selected sample portfolios were recalculated.
- We assessed the macroeconomic models which are used to reflect forward looking expectations and tested the effect of the risk parameters by recalculation method.
- We evaluated the qualitative and quantitative assessments which are used in determining the significant increase in credit risk.
- We also evaluated the adequacy of the unconsolidated financial statements' disclosures related to impairment provisions.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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



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

Responsibilities of auditors in an audit are as follows:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with BRSA Auditing Regulation and Standards on Auditing issued by POA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with BRSA Auditing Regulation and Standards on Auditing issued by POA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit
 procedures that are appropriate in the circumstances, but not for the purpose of
 expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the
 entities or business activities within the Group to express an opinion on the consolidated
 financial statements. We are responsible for the direction, supervision and performance
 of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B) Report on Other Legal and Regulatory Requirements

- 1) Pursuant to the fourth paragraph of Article 402 of the Turkish Commercial Code ("TCC") numbered 6102; no significant matter has come to our attention that causes us to believe that the Bank's bookkeeping activities for the period 1 January 31 December 2020 are not in compliance with TCC and provisions of the Bank's articles of association in relation to financial reporting.
- 2) Pursuant to the fourth paragraph of Article 402 of the TCC; the Board of Directors provided us the necessary explanations and required documents in connection with the audit.

Additional paragraph for convenience translation to English:

The accounting principles summarized in Note I Section Three, differ from the accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS"). Accordingly, the accompanying consolidated financial statements are not intended to present the financial position and results of operations in accordance with accounting principles generally accepted in such countries of users of the consolidated financial statements and IFRS.

KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi

Alper Güvenç, SMMM Partner

Afrivene

15 February 2021 İstanbul, Turkey

THE CONSOLIDATED FINANCIAL REPORT OF FIBABANKA A.Ş. FOR THE YEAR ENDED 31 DECEMBER 2020

Address : Esentepe Mah. Büyükdere Caddesi No:

129 Şişli 34394 İstanbul-Türkiye

Telephone : (212) 381 82 82 Fax : (212) 258 37 78

Web Site : www.fibabanka.com.tr

Contact E-Mail-.: deniz.turunc@fibabanka.com.tr

The consolidated year-end financial report prepared in accordance with the communiqué of Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks as regulated by Banking Regulation and Supervision Agency, is comprised of the following sections:

- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON THE CORRESPONDING ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE AND RISK MANAGEMENT OF THE CONSOLIDATED GROUP
- EXPLANATORY DISCLOSURES AND FOOTNOTES TO CONSOLIDATED FINANCIAL STATEMENTS
- OTHER DISCLOSURES
- INDEPENDENT AUDITORS' REPORT

The consolidated subsidiary included in this consolidated financial report is as follows:

Subsidiary:

• Fiba Portföy Yönetimi A.Ş.

The consolidated financial statements and the explanatory footnotes and disclosures, unless otherwise indicated, are prepared in thousands of Turkish Lira, and in accordance with the Communiqué on Banks' Accounting Practice and Maintaining Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, related communiqués and the Banks' records, have been audited and presented as attached.

Hüsnü Mustafa Özyeğin Chairman of the Board of Directors ismet Kaya Erdem Member of the Audit

Committee

Úmut Member of the Audit Committee

Faik Onur

Mert
General
Manager and
Member of
the Board of

Directors

Elif Alsev -Utku Özbey Deputy General Manager Ayşe Akdaş Director Financial Control and Reporting

Information related to personnel to whom questions related to this financial report may be directed:

Name-Surname/Title : Ayşe Akdaş/ Financial Control and Reporting Director

Telephone Number : (212) 381 84 88 Fax Number : (212) 258 37 78

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SECTION ONE General Information History of the Parent Bank Including Its Incorporation Date, Initial Status and Amendments to the Initial Status Shareholder Structure, Shareholders Having Direct or Indirect, Joint or Individual Control Over the Management and Internal Audit of the Parent Bank, Changes in Shareholder Structure During the Current Period, if any and Information on the Parent Bank's Risk Group Explanations Regarding the Shares of the Parent Bank Owned by and Areas of Responsibility of the Chairman and the Members of Board of Directors, Audit Committee Members, Chief Executive Officer, Executive Vice Presidents Individuals and Institutions That Have Qualified Shares in the Parent Bank Summary Information on the Parent Bank's Services and Activity Areas Information on application differences between consolidation practices as per the Regulation on Preparation of Consolidated Financial Statements of Banks as per the Turkish Accounting Standards, and entities subject to full or proportional consolidation or deducted from equity or not subject to any of these three methods VII. Current or Likely Actual or Legal Barriers to Immediate Transfer of Equity or Repayment of Debts Between Parent Bank and Its Subsidiaries SECTION TWO Consolidated Financial Statements Consolidated Balance Sheet Consolidated Statement of Off-Balance Sheet Items Ш 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 Profit Distribution Table 11 SECTION THREE Accounting Principles Explanations on the Usage Strategy of Financial Instruments and on Foreign Currency Transactions 12 Explanations on Consolidated Subsidiaries IV. Explanations on Forward Transactions, Options and Derivative Instruments 13 Explanations on Interest Income and Expenses VI. Explanations on Fee and Commission Income and Expenses Explanations on Financial Assets 14 Explanations on Expected Credit Losses Explanations on Offsetting Financial Instruments Explanations on Sale and Repurchase Agreements and Securities Lending Transactions XI. Explanations on Non-current Assets Held for Sale and Discontinued Operations and Related Liabilities Explanations on Goodwill and Other Intangible Assets XIII. Explanations on Tangible Assets Explanations on Leasing Transactions 20 XV. Explanations on Provisions and Contingent Liabilities XVI. **Explanations on Contingent Assets** 20 Explanations on Liabilities for Employee Benefits 20 XVIII. Explanations on Taxation 21 22 Additional Explanations on Borrowings Explanations on Share Certificates Issued Explanations on Bank Acceptances and Bills of Guarantee 22 XXII. Explanations on Government Incentives XXIII. Explanations on Segment Reporting 23 Profit reserves and distribution of the profit 23 Earnings Per Share XXV. 24 Cash and Cash Equivalent Assets 24 XXVII. Other Disclosures SECTION FOUR Information on Consolidated Financial Position and Risk Management Information Related to the Components of Consolidated Shareholders' Equity 26 Explanations on Consolidated Credit Risk 39 III. Explanations on Consolidated Currency Risk Explanations on Consolidated Interest Rate Risk 48 Explanations on Consolidated Position Risk of Equity securities from banking book Explanations on Consolidated Liquidity Risk and Liquidity Coverage Ratios 51 Explanations on Consolidated Leverage Ratio VIII. Explanation on Presentation of Financial Assets and Liabilities at Their Fair Values 59 60 Explanation on transactions carried out on behalf of customers and fiduciary activities Explanations on securitisations positions Explanations on risk management objectives and policies 60 SECTION FIVE Explanations and Notes on the Consolidated Financial Statements Explanations and Disclosures Related to the Consolidated Assets Explanations and Disclosures Related to the Consolidated Liabilities 93 Explanations and Disclosures Related to Consolidated Off-Balance Sheet Contingencies and Commitments 100 . Explanations and disclosures related to the statement of profit or loss Explanations and Disclosures Related to Statements of Changes in Consolidated Shareholders' Equity 107 Explanations and Disclosures Related to the Consolidated Statement of Cash Flows 108 Explanations and Disclosures on the Risk Group of the Parent Bank 109 Explanations on the Parent Bank's Domestic, Foreign, Off-shore Branches or Investments in Associates and Foreign Representative Offices 111

> SECTION SIX Other Disclosures

SECTION SEVEN Disclosures on Auditors' Report

Events after Balance Sheet Date

Other Disclosures on Activities of the Parent Bank

Disclosures and footnotes prepared by independent auditors

Disclosures on independent auditor's report

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FİBABANKA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY- 31 DECEMBER 2020

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

SECTION ONE

GENERAL INFORMATION

I. History of the Parent Bank Including Its Incorporation Date, Initial Status and Amendments to the Initial Status

On 21 December 2001, Share Transfer Agreement was signed with Novabank S.A. for the sale of all shares of Sitebank A.Ş. under the control of SDIF and the sale transaction was approved by the decision of Banking Regulation and Supervision Agency ("BRSA") No: 596 on 16 January 2002.

In the General Assembly held on 4 March 2003, the name of Sitebank A.Ş. was amended as BankEuropa Bankası A.Ş.

In the extraordinary General Assembly held on 28 November 2006, the name of Bank Europa Bankası A.Ş. was amended as Millennium Bank A.Ş.

On 27 December 2010, acquisition of the Bank by Credit Europe Bank N.V., which is an affiliate of Fiba Holding A.Ş., was realized.

In the extraordinary General Assembly held on 25 April 2011 the name of Millennium Bank A.Ş. was amended as Fibabanka A.Ş. ("the Bank" or "the Parent Bank")

II. Shareholder Structure, Shareholders Having Direct or Indirect, Joint or Individual Control Over the Management and Internal Audit of the Parent Bank, Changes in Shareholder Structure During the Current Period, if any and Information on the Parent Bank's Risk Group

On 10 February 2010, Banco Comercial Portugues S.A. and Credit Europe Bank N.V., which is an affiliate of Fiba Group, signed a share purchase agreement to transfer 95% of the Bank's shares to Credit Europe Bank N.V. and the legal approval process was completed as of 27 December 2010.

Credit Europe Bank N.V.'s share of capital increased from 95% to 97,6% after the capital increases during 2011 and 2012. Fiba Holding A.Ş. became the ultimate parent of the Bank after acquiring 97,6% of the shares from Credit Europe Bank N.V. on 3 December 2012 and 2,4% of the shares from Banco Comercial Portugues S.A. on 7 December 2012. There were sales of equity shares to the management of the Bank in 2013. As of 31 December 2020 the total shares held by the Bank's Management represent 0,54% of the Bank's Capital.

The Parent Bank applied to the BRSA on 14 January 2015 for permission of the subordinated loan provided from Fiba Holding A.Ş. in the amount of USD 50 million to be converted to share capital. Following the authorization of the BRSA on 4 March 2015, the Board of Directors decision was taken on 5 March 2015 regarding share capital increase from TL 550.000 to TL 678.860. TL 127.045 of the increase was provided by the subordinated loan granted by Fiba Holding A.Ş. which had been approved to be converted to capital and TL 1.815 of total capital was paid in cash by the other shareholders, capital increase was recognised in financial statements following the completion of the legal procedures on 7 May 2015.

The Parent Bank's paid-in capital amounting to TL 678.860 was increased to TL 847.515 on 23 December 2015 with equal contributions from International Finance Corporation ("IFC") and European Bank for Reconstruction and Development ("EBRD") amounting TL 168.655 in total. In addition, share issuance premium of TL 73.379 was recognised in the shareholders' equity.

The Bank's paid-in capital amounting to TL 847.515 was increased to TL 941.161 on 7 September 2016 with the capital contribution of TurkFinance B.V. by TL 93.646. In addition, TL 55.299 was recorded to the equity as share premium.

As of 31 December 2020, paid-in capital of the Bank is TL 941.161 and all paid in.

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

III. Explanations Regarding the Shares of the Parent Bank Owned by and Areas of Responsibility of the Chairman and the Members of Board of Directors, Audit Committee Members, Chief Executive Officer, Executive Vice Presidents

Name Surname	<u>Title</u>	Assignment Date
Board of Directors (*)		
Hüsnü Mustafa Özyeğin	Chairman	27-Dec-10
Fevzi Bozer	Deputy Chairman	27-Dec-10
Mehmet Güleşci	Member	27-Dec-10
İsmet Kaya Erdem	Member	11-Feb-13
Memduh Aslan Akçay	Member	13-Apr-16
Hülya Kefeli	Member	15-May-17
Faik Onur Umut	Member	23-Jan-19
Seyfettin Ata Köseoğlu	Member	23-Jan-20
Ömer Mert	General Manager - Member	18-Jan-17

^(*) Bank's Board Member Mr. Mevlüt Hamdi Aydın has resigned as of 31 January 2020. Mr. Seyfettin Ata Köseoğlu has been assigned as Bank's Board Member as of 23 January 2020.

Audit Committee(*)

i	Name to a second	27 D 40
ISINEL KAYA Erdem	Member	27-Dec-19
Faik Onur Umut	Member	14-Jan-20

(*) Bank's Audit Committee Member Mr. Mevlüt Hamdi Aydın has resigned as of 31 January 2020. Mr. Faik Onur Umut has been assigned as Audit Committee Member as of 14 January 2020.

Assistant General Managers (*)

Elif Alsev Utku Özbey	Deputy GM - Financial Control & Reporting	07-Jan-11
Sezin Erken	AGM - Consumer Banking & Funding Resource Management	10-Aug-17
Kerim Lokman Kuriş	AGM - Corporate & Commercial Banking	01-Dec-15
Turgay Hasdiker	AGM - Credits	01-Dec-15
Ahu Dolu	AGM - Financial Institutions and Project Finance	01-Dec-15
Gerçek Önal	AGM - Chief Legal Officer	01-Feb-16
İbrahim Toprak	AGM - Treasury	01-Apr-20
Serdar Yılmaz	AGM - Information Technologies and Banking Operations	01-Sep-20

The Bank's equity shares owned by the individuals listed above are not material.

FİBABANKA A.Ş. AND ITS SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY- 31 DECEMBER 2020

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

IV. Individuals and Institutions That Have Qualified Shares in the Bank

Name Surname/ Commercial Title	Share Amount (Nominal)	Share Ratios	Paid in Capital (Nominal)	Unpaid Shares
Fiba Holding A.Ş.	673.808	71,59%	673.808	
Hüsnü Mustafa Özyeğin (*)	667.088	70,88%	667.088	

^(*) States indirect share of Hüsnü Mustafa Özyeğin in the Bank due to his direct share in Fiba Holding A.Ş.

V. Summary Information on the Bank's Services and Activity Areas

The Bank was incorporated as a privately owned bank authorized for customer deposit acceptance and the Head Office of the Bank is located in Istanbul, Turkey. As of 31 December 2020, the Bank serves with 50 domestic branches and 1.564 employees.

VI. Other Information

The Bank's Commercial Title : - Fibabanka Anonim Şirketi

The Bank's General Directorate Address : Esentepe Mah. Büyükdere Caddesi

No:129 Şişli 34394 İstanbul

The Bank's Phone and Fax Numbers -: Telephone : (0212) 381 82 82

Fax : (0212) 258 37 78

The Bank's Web Site Address : www.fibabanka.com.tr

The Bank's E-Mail Address : <u>malikontrol@fibabanka.com.tr</u>

Reporting Period : 1 January 2020 - 31 December 2020

The financial statements, related disclosures and notes in this report are presented, unless otherwise indicated, in thousands of Turkish Lira (TL).

VII. Information on application differences between consolidation practices as per the Regulation on Preparation of Consolidated Financial Statements of Banks as per the Turkish Accounting Standards, and entities subject to full or proportional consolidation or deducted from equity or not subject to any of these three methods

As per the Regulation on Preparation of Consolidated Financial Statements of Banks, the investments in financial affiliates are subject to consolidation whereas as per the Turkish Accounting Standards, the investments in both financial and non-financial subsidiaries are subject to consolidation. There are no investments in entities subject to proportional consolidation or to deduction from equity.

VIII. Current or likely actual or legal barriers to immediate transfer of equity or repayment of debts between parent bank and its subsidiaries

None

SECTION TWO CONSOLIDATED FINANCIAL STATEMENTS

FİBABANKA A.Ş. AND ITS SUBSIDIARY CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS AT 31 DECEMBER 2020

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

				CURRENT PERIOD			PRIOR PERIOD	
	ASSETS	Footnotes		(31/12/2020)			(31/12/2019)	
			TL	FC	Total	TL	FC	Total
l.	FINANCIAL ASSETS (Net)		2,123,398	3.970.228	6.093.626	3.406.780	3.418.554	6.825.334
1.1	Cash and Cash Equivalents	(5.1.1)	1.269.829	2,950.698	4,220,527	633,126	2,595,084	3.228.210
1.1.1	Cash and Balances at Central Bank		466.024	2.455.668	2.921.692	200.986	2.506.889	2.707.87
1.1.2	Banks	(5.1.3)	465.578	422.967	888.545	402.631	88.195	490.82
1.1.3	Money Market Placements		340.168	72.063	412.231	30.010		30.01
1.1.4	Expected Credit Loss (-)		1.941	-	1.941	501		50
1.2	Financial Assets Measured at Fair Value Through Profit or Loss	(5.1.2)	138,205	3	138,208	2.045.039	718	2.045.75
1.2.1	Government Debt Securities		27.480	3	27.483	24.835	706	25.54
1.2.2	Equity Securities			-		-		
1.2.3	Other Financial Assets		110.725	-	110.725	2.020.204	12	2.020.21
1.3	Financial Assets Measured at Fair Value Through Other Comprehensive Income	(5.1.4)	18.405	1.009.121	1.027.526	16.849	795.616	812.46
1.3.1	Government Debt Securities		13.508	381.334	394.842	11.952	177.546	189.49
1.3.2	Equity Securities		4.897	5.466	10.363	4.897	3.800	8.69
1.3.3	Other Financial Assets		-	622.321	622.321	-	614.270	614.27
1.4	Derivative Financial Assets	(5.1.2)	696,959	10,406	707.365	711,766	27.136	738.90
1.4.1	Derivative Financial Assets Measured at Fair Value Through Profit and Loss		696.959	10.406	707.365	711.766	27.136	738.90
1.4.2	Derivative Financial Assets Measured at Fair Value Through Other Comprehensive Income					-	-	
II.	FINANCIAL ASSETS MEASURED AT AMORTISED COST (NET)	(5.1.6)	11,759,762	8.243.953	20,003,715	6.656.778	7.594.623	14.251.40
2.1	Loans	(5.1.5)	12.302.304	7.218.181	19.520.485	7.270.746	7.206.662	14.477.40
2.2	Lease Receivables	(5.1.10)					-	
2.3	Factoring Receivables	(5.1.5)	100.322	5.529	105.851	1.723	1.369	3.09
2.4	Financial Assets Measured at Amortised Cost	(5.1.6)	187.659	1.020.243	1.207.902	188.506	386.592	575.09
2.4.1	Government Debt Securities		187.659	1.006.930	1.194.589	188.506	386.592	575.09
2.4.2	Other Financial Assets			13.313	13.313			
2.5	Expected Credit Losses (-)		830.523		830.523	804.197		804.19
III.	ASSETS HELD FOR SALE AND ASSETS OF DISCONTINUED OPERATIONS (Net)	(5.1.16)	102,748		102,748	63,247		63,24
3.1	Assets Held for Sale	, ,	102.748		102.748	63.247		63.24
3.2	Related to Discontinued Operations							
IV.	EQUITY INVESTMENTS		112,500		112,500	31,500		31.50
4,1	Investments in Associates (Net)	(5.1.7)						
4.1.1	Associates Accounted by Using Equity Method	()						
4.1.2	Unconsolidated Associates							
4,2	Investments in Subsidiaries (Net)	(5.1.8)	112,500		112,500	31.500		31,50
4.2.1	Unconsolidated Financial Subsidiaries	(55)						
4.2.2	Unconsolidated Non-financial Subsidiaries		112.500		112.500	31.500		31.50
4,3	Joint Ventures (Net)	(5.1.9)						51.50
4.3.1	Joint Ventures Accounted by Using Equity Method	(3.1.7)						
4.3.2	Unconsolidated Joint Ventures							
٧.	TANGIBLE ASSETS (Net)	(5.1.12)	360.135		360.135	324.109		324,10
VI.	INTANGIBLE ASSETS (Net)	(5.1.12)	91.027		91,027	69.894	_	69.89
6.1	Goodwill	(3.1.13)	71,027		71,VL1	07,074		07.07
6.2	Other		91.027		91.027	69.894		69.89
VII.	INVESTMENT PROPERTY (Net)	(5.1.14)	71.02/		71.04/	U7.U74		U7.07
VII. VIII.		(3.1.14)	1 1/4	-	1 264	2 500	-	3,509
VIII. IX.	CURRENT TAX ASSET DEFERRED TAX ASSET	(E 1 4E)	1,264 191,840	-	1,264 191,840	3,509	-	54,50
		(5,1,15)		3E 0EE		54,503	20 444	
Х.	OTHER ASSETS	(5,1,17)	255,721	25,055	280,776	237,049	28,661	265,710
	TOTAL ACCETC		14 000 205	42 220 227	27 227 424	40.047.2/0	44 044 020	24 000 20
	TOTAL ASSETS		14.998.395	12.239.236	27.237.631	10.847.369	11.041.838	21.889.20

FİBABANKA A.Ş. AND ITS SUBSIDIARY CONSOLIDATED BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AS AT 31 DECEMBER 2020

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

			(CURRENT PERIOD			PRIOR PERIOD	
	LIABILITIES	Footnotes		(31/12/2020)			(31/12/2019)	
			TL	FC	Total	TL	FC	Total
I.	DEPOSITS	(5.II.1)	9.286.198	8.381.210	17.667.408	6.658.867	6.906.821	13,565,688
II.	FUNDS BORROWED	(5.11.3)	20,370	1,134,772	1.155.142	16,773	842,608	859,381
III.	MONEY MARKET FUNDS		-	610,160	610,160		733,257	733,257
IV.	SECURITIES ISSUED (Net)	(5.11.4)	-	1,480,900	1,480,900	383.937	1.334.395	1,718,332
4.1	Bills		-	-	-	383.937	-	383.937
4.2	Asset Backed Securities		-	-	-	-	-	-
4.3	Bonds		-	1.480.900	1.480.900		1.334.395	1.334.395
٧.	FUNDS		-	-	-		-	
5.1	Borrower funds		-	-	-	-	-	
5.2	Other		-	-	-	-	-	-
VI.	FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS			-	-	-	-	
VII.	DERIVATIVE FINANCIAL LIABILITIES	(5.II.2)	1.097.100	10,392	1.107.492	761,112	27.093	788,205
7.1	Derivative Financial Labilities at Fair Value Through Profit or Loss		1.097.100	10.392	1.107.492	761.112	27.093	788.205
7.2	Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income		-	-	-	-	-	
VIII.	FACTORING LIABILITIES							
IX.	LEASE LIABILITIES (Net)	(5.11.6)	52,863	767	53,630	63,707	4.929	68,636
Χ,	PROVISIONS	(5.11.8)	205,971		205,971	97.137		97.137
10.1	Provisions for Restructuring		-	-	-	-	-	-
10.2	Reserve for Employee Benefits		37.613	-	37.613	29.953		29.953
10.3	Insurance Technical Provisions (Net)		-	-	-	-	-	
10.4	Other Provisions		168.358	-	168.358	67.184		67.184
XI.	CURRENT TAX LIABILITIES	(5.11.9)	187,777		187,777	41.045		41.045
XII.	DEFERRED TAX LIABILITIES	(5.11.9)						
XIII.	LIABILITIES FOR ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(5.II.10)	_					
13.1	Held for Sale	(, ,	-	-	-			
13.2	Related to Discontinued Operations		-	-	-		-	
XIV.	SUBORDINATED DEBTS	(5.II.11)		2.127.599	2,127,599		1.789.018	1,789,018
14.1	Loans	(=1)	_					
14.2	Other Debt Instruments		_	2.127.599	2.127.599		1.789.018	1.789.018
XV.	OTHER LIABILITIES	(5.11.5)	579,134	178,006	757,140	383,021	186,395	569,416
XVI.	SHAREHOLDERS' EQUITY	(5.II.12)	1,865,999	18,413	1.884.412	1,646,351	12,741	1.659.092
16.1	Paid-in Capital	(-,)	941.161		941.161	941.161		941.161
16.2	Capital Reserves		213.775		213.775	210.253		210.253
	Equity Share Premium		128.678		128.678	128.678		128.678
	Share Cancellation Profits			_			_	1201010
	Other Capital Reserves		85.097	_	85.097	81.575		81.575
16.3	Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss		(10.787)	_	(10.787)	(7.777)	_	(7.777
16.4	Accumulated Other Comprehensive Income or Loss Reclassified Through Profit or Loss		3.850	18.413	22.263	3.033	12.741	15.774
	Profit Reserves		496.392	10.413	496.392	284.348	12.741	284.348
			42.321		42.321	31.719		31.719
	Legal Reserves		72.321		72,321	31.717		31.717
	Statutory Reserves Extraordinary Reserves		454.071		454.071	252.629		252.629
	Other Profit Reserves		1,0,1		1,0,707	232,027		LJL,UL7
	Profit or Loss		221.449	-	221.449	215.246	-	215.246
	Prior Periods' Profit or Loss		(15.534)		(15.534)	319		319
	Current Period Net Profit or Loss		236.983	-	236.983	214.927	-	214.927
		/5 II 12\	159	-	159	87	-	214.927
10.7	Minority Interest TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	(5.11.13)	13.295.412	13.942.219	27.237.631	10.051.950	11.837.257	21,889,207

FİBABANKA A.Ş. AND ITS SUBSIDIARY CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET ITEMS AS AT 31 DECEMBER 2020

		Footnotes		(31/12/2020)			PRIOR PERIOD (31/12/2019)	
			TL	FC	Total	TL	FC	Total
. OFF-	BALANCE SHEET COMMITMENTS (I+II+III)		12.056.855	28.621.078	40.677.933	8.357.010	31.229.346	39.586.3
	GUARANTIES AND WARRANTIES	(5.III.1)	606.591	659.971	1.266.562	432.859	591.809	1.024.6
1.	Letters of Guarantee		584.041	277.530	861.571	432.859	317.754	750.6
.1.1	Guarantees Subject to State Tender Law		-	-	-	-	-	
.1.2	Guarantees Given for Foreign Trade Operations		-	-	-	-	-	
.1.3	Other Letters of Guarantee	İ	584.041	277.530	861.571	432.859	317.754	750.6
.2.	Bank Acceptances		22.550	134.217	156.767		105.847	105.84
.2.1	Import Letter of Acceptances		22.550	134.217	156.767	-	105.847	105.84
.2.2	Other Bank Acceptances							
.3.	Letters of Credit			248.224	248.224		168.208	168.2
			1			1		
.3.1	Documentary Letters of Credit		1	248.224	248.224	-	168.208	168.2
.3.2	Other Letters of Credit			-	-	-	-	
.4.	Prefinancing Given as Guarantee		-	-	-	-	-	
.5.	Endorsements		-	-	-	-	-	
.5.1	Endorsements to the Central Bank of Turkey		-	-	-	-	-	
.5.2	Other Endorsments		-	-	-	-	-	
.6.	Purchase Guarantees for Securities Issued		-	-	-			
.7.	Factoring Guarantees			-	-	-		
.8.	Other Guarantees			-	-			
.9.								
	Other Collaterals		4 050 704		2 54 4 207	4 400 450	4 2 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4	F 44F 4
١.	COMMITMENTS		1.952.794	611.413	2,564,207	1.400.659	4.244.481	5.645.1
.1.	Irrevocable Commitments	(5.III.1)	1.952.794	611.413	2.564.207	1.400.659	4.244.481	5.645.1
.1.1	Asset Purchase Commitments		385.008	611.413	996.421	282.771	4.244.481	4.527.2
.1.2	Deposit Purchase and Sales Commitments	- 1		-	-	-	-	
.1.3	Share Capital Commitments to Associates and Subsidiaries	- 1		-	-	-	-	
.1.4	Loan Granting Commitments	- 1	1.332.248	-	1.332.248	876.316		876.3
.1.5	Securities Issue Brokerage Commitments	- 1		-				
1.1.6	Commitments for Reserve Requirements							
.1.7	Commitments for Cheque Payments		184,090		184.090	187,578		187.5
				1			1	
.1.8	Tax and Fund Liabilities from Export Commitments		8.878	-	8.878	5.940	1	5.9
.1.9	Commitments for Credit Card Limits		27.643	-	27.643	32.901	-	32.9
.1.10	Commitments for Credit Cards and Banking Services Promotions		-	-	-	1	-	
.1.11	Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	
.1.12	Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	
.1.13	Other Irrevocable Commitments		14.927	-	14.927	15.152		15.1
.2.	Revocable Commitments			-		-		
.2.1	Revocable Loan Granting Commitments			_	_			
.2.2	Other Revocable Commitments							
	DERIVATIVE FINANCIAL INSTRUMENTS		9.497.470	27.349.694	36.847.164	6.523.492	26.393.056	32,916,54
II.		(5.111.5)	9.497.470	27.349.094	30.047.104			
.1	Hedging Derivative Financial Instruments			-	-	1.009.479	1.188.040	2.197.5
.1.1	Fair Value Hedges		-	-	-	1.009.479	1.188.040	2.197.5
.1.2	Cash Flow Hedges		-	-	-	-	-	
3.1.3	Foreign Net Investment Hedges		-	-	-	-	-	
3.2	Trading Derivative Financial Instruments		9.497.470	27.349.694	36.847.164	5.514.013	25.205.016	30.719.02
3.2.1	Forward Foreign Currency Buy/Sell Transactions		1.217.875	2.804.384	4.022.259	789.133	3.670.515	4.459.6
3.2.1.1	Forward Foreign Currency Transactions - Buy		681.994	1.321.999	2.003.993	300.839	1.919.936	2.220.7
.2.1.2				1.482.385	2.018.266	488.294	1.750.579	2.238.8
			535.881					
.2.2	Swap Transactions Related to Foreign Currency and Interest		6.150.641	20.122.986	26.273.627	2.351.909	17.281.148	19.633.0
.2.2.1	Foreign Currency Swap- Buy		869.791	10.611.464	11.481.255	1.305.805	8.192.207	9.498.0
.2.2.2			2.905.626	8.987.200	11.892.826	996.104	8.494.921	9.491.0
.2.2.3	Interest Rate Swap- Buy		1.187.612	262.161	1.449.773	25.000	297.010	322.0
.2.2.4	Interest Rate Swap- Sell		1.187.612	262.161	1.449.773	25.000	297.010	322.0
.2.3	Foreign Currency, Interest Rate and Securities Options		2.128.954	4.001.488	6.130.442	2.372.971	3.096.321	5.469.2
.2.3.1	Foreign Currency Options- Buy		846.789	2.191.355	3.038.144	1.186.485	1.568.157	2.754.6
	Foreign Currency Options- Sell		1.282.165	1.810.133	3.092.298	1.186.486	1.528.164	2.714.6
			1.202.103	1.010.133	3.072.270	1.100.400	1.320.104	2.7 14.0
	Interest Rate Options- Buy		-	-	-	-	-	
.2.3.4	Interest Rate Options- Sell		-	-	-	-	-	
.2.3.5	Securities Options- Buy		-	-	-	-	-	
	Securities Options- Sell	- 1		_	_			
.2.4	Foreign Currency Futures	- 1						
			1	-	-	-	1	
	Foreign Currency Futures- Buy		-	-	-	-	-	
.2.4.2	Foreign Currency Futures- Sell	1		-	-	-	-	
.2.5	Interest Rate Futures	- 1		-	-	-	-	
.2.5.1	Interest Rate Futures- Buy		-	-	-	-	-	
	Interest Rate Futures- Sell	- 1	-	-	_			
.2.6	Other	1		420.836	420.836		1,157,032	1.157.0
	ODY AND PLEDGES RECEIVED (IV+V+VI)		159 017 040			120 427 420		
	ITEMS HELD IN CUSTODY	- 1	158.917.049	92.617.634	251.534.683	139.427.639	494 072	208.743.6
٧.		- 1	1.137.729	1.562.121	2.699.850	2.589.824	486.973	3.076.79
.1	Customer Fund and Portfolio Balances	- 1	258.104	-	258.104	1.464.433		1.464.4
.2	Investment Securities Held in Custody	- 1	122.153	1.212.528	1.334.681	295.983	320.411	616.3
.3	Cheques Received for Collection		543.222	297.648	840.870	374.930	150.636	525.5
.4	Commercial Notes Received for Collection	- 1	100.955	51.945	152.900	119.792	15.926	135.7
.5	Other Assets Received for Collection	1		-	-	-	-	
.6	Assets Received for Public Offering			_	_			
.7	Other Items Under Custody		113.295	_	113.295	334.686		334.6
			113.273	-	113.273	334.000	1	334.0
.8	Custodians			04 0	240.00	424 0		205
	PLEDGES RECEIVED		157,779,320	91.055.513	248.834.833	136.837.815	68.829.048	205.666.8
.1	Marketable Securities	- 1	231.872	76.641	308.513	299.004	90.954	389.9
.2	Guarantee Notes		157.024	252.321	409.345	277.294	231.955	509.2
.3	Commodity	- 1	-	72.414	72.414	-	46.554	46.5
.4	Warranty]	
.5		- 1	7.510.940	17.144.696	24,655,636	9.517.452	12.306.034	21.823.4
	Immovables							
.6	Other Pledged Items	- 1	149.879.484	73.509.441	223.388.925	126.744.065	56.153.551	182.897.6
.7	Pledged Items - Depository	- 1	-	-	-	-	-	
٦.	ACCEPTED BILL, GUARANTEES AND WARRANTEES	- 1		-	-	-	-	
		1	1					
	TOTAL OFF_BALANCE SHEET COMMITMENTS (A+B)				1	1	1	

FİBABANKA A.Ş. AND ITS SUBSIDIARIES CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE PERIOD BETWEEN 1 JANUARY 2020-31 DECEMBER 2020

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

	INCOME AND EXPENSE ITEMS	Footnotes	CURRENT PERIOD	PRIOR PERIOD
			(01/01/2020-31/12/2020)	(01/01/2019 - 31/12/2019)
١.	INTEREST INCOME	(5.IV.1)	2,179,532	2.496.641
1.1	Interest on Loans	(5.IV.1)	2.018.195	2.232.296
1.2	Interest on Reserve Deposits		3.496	24.574
1.3	Interest on Banks	(5.IV.1)	25.164	117.235
1.4	Interest on Money Market Placements		15.180	28.968
1.5	Interest on Marketable Securities Portfolio	(5.IV.1)	112.395	89.228
1.5.1	Financial Assets Measured at Fair Value Through Profit or Loss		8.520	17.803
1.5.2	Financial Assets Measured at Fair Value Through Other Comprehensive Income		46.300	42.829
1.5.3	Financial Assets Measured at Amortized Cost		57.575	28.596
1.6	Financial Lease Income		-	-
1.7	Other Interest Income		5.102	4.340
II.	INTEREST EXPENSE (-)		1.223.484	1,680,573
2.1	Interest on Deposits	(5.IV.2)	810.440	1.276.700
2.2	Interest on Funds Borrowed	(5.IV.2)	208.688	184.436
2.3	Interest on Money Market Placements		19.477	21.760
2.4	Interest on Securities Issued	(5.IV.2)	138.708	179.864
2.5	Interest on Leasing Expenses		17.910	16.998
2.6	Other Interest Expenses		28.261	815
III.	NET INTEREST INCOME (I - II)		956.048	816.068
IV.	NET FEES AND COMMISIONS INCOME		165.054	206.746
4.1	Fees and Commissions Received		200.053	241.360
4.1.1	Non-cash Loans		16.504	12.697
4.1.2	Other	(5.IV.12)	183.549	228.663
4.2	Fees and Commissions Paid (-)		34.999	34.614
4.2.1	Non-cash Loans		77	226
4.2.2	Other	(5.IV.12)	34.922	34.388
٧	DIVIDEND INCOME	(5.IV.3)	-	-
VI.	TRADING INCOME / LOSS (Net)	(5.IV.4)	148.118	73.115
6.1	Trading Gain / Loss on Securities		43.699	62.340
6.2	Gain / Loss on Derivative Financial Transactions		72.351	(441
6.3	Foreign Exchange Gain / Loss		32.068	11.216
VII.	OTHER OPERATING INCOME	(5.IV.5)	83.957	171.485
VIII.	TOTAL OPERATING INCOMEI (III+IV+V+VI+VII)		1.353.177	1.267.414
IX.	EXPECTED CREDIT LOSS (-)	(5.IV.6)	285.864	489.872
X.	OTHER PROVISION EXPENSES (-)	(5.IV.6)	110.595	98
XI.	PERSONNEL EXPENSES (-)		303.949	261.476
XII.	OTHER OPERATING EXPENSES (-)	(5.IV.7)	327.314	262.102
XIII.	NET OPERATING INCOME / LOSS (VIII-IX-X-XI-XII)		325.455	253.866
XIV.	AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-
XV.	INCOME FROM INVESTMENTS UNDER EQUITY ACCOUNTING		-	-
XVI.	GAIN / LOSS ON NET MONETARY POSITION		-	-
XVII.	P/L BEFORE TAXES FROM CONTINUING OPERATIONS (XIII++XVI)	(5.IV.8)	325.455	253.866
XVIII.	TAX PROVISION FOR CONTINUING OPERATIONS (±)	(5.IV.9)	(88.400)	(38.910
18.1	Current Tax Provision		(226.453)	(23.601
18.2	Deferred Tax Expense Effect (+)		(101.224)	(15.309
18.3	Deferred Tax Income Effect (-)		239.277	-
XIX.	NET PROFIT / LOSS FROM CONTINUING OPERATIONS (XVII±XVIII)	(5.IV.10)	237,055	214.956
XX.	INCOME FROM DISCONTINUED OPERATIONS		-	-
20.1	Income From Non-current Assets Held for Sale			
20.2	Profit from Sales of Associates, Subsidiaries and Joint Ventures			-
20.3	Income From Other Discontinued Operations			
XXI.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
21.1	Expenses on Non-current Assets Held for Sale		-	-
21.2	Losses from Sales of Associates, Subsidiaries and Joint Ventures		-	-
21.3	Expenses From Other Discontinued Operations		-	-
XXII.	PROFIT / LOSS BEFORE TAXES FROM DISCONTINUED OPERATIONS (XX-XXI)		-	-
XXIII.	TAX PROVISION FOR DISCONTINUED OPERATIONS (±)		-	-
23.1	Current Tax Provision		-	-
23.2	Deferred Tax Expense Effect (+)		-	-
23.3	Deferred Tax Income Effect (-)		-	-
XXIV.	NET PROFIT / LOSS FROM DISCONTINUED OPERATIONS (XXII-XXIII)		-	-
XXV.	NET PROFIT / LOSS (XIX+XXIV)	(5.IV.11)	237,055	214.956
25.1	Group Profit/Loss		236.983	214.927
25.2	Minority Interest		72	29
	Earnings per share	I	0,00252	0,00228

FİBABANKA A.Ş. AND ITS SUBSIDIARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD BETWEEN 1 JANUARY 2020-31 DECEMBER 2020

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

		CURRENT PERIOD (01/01/2020- 31/12/2020)	PRIOR PERIOD (01/01/2019 - 31/12/2019)
I. II.	CURRENT PERIOD PROFIT / LOSS OTHER COMPREHENSIVE INCOME	237.055	214.956 40.312
2.1	Not Reclassified Through Profit or Loss	(3,010)	(2,034)
2.1.1	Property and Equipment Revalution Increase/Decrease	(5,5.5)	(2.55.)
2.1.2	Intangible Assets Revalution Increase/Decrease	-	-
2.1.3 2.1.4	Defined Benefit Pension Plan Remeasurements Gain/Loss Other Comprehensive Income Items Not Reclassified Through Profit or Loss	(3.763)	(2.542)
2.1.5	Tax Related Other Comprehensive Income Items Not Reclassified Through Profit or Loss	753	508
2.2	Reclassified Through Profit or Loss	6.489	42.346
2.2.1	Foreign Currency Conversion Differences Valuation and/or Reclassification Income/Expense of Financial Assets Measured at Fair Value Through Other	-	
2.2.2	Comprehensive Income	7.958	52.393
2.2.3	Cash Flow Hedge Income/Loss	-	-
2.2.4	Foreign Net Investment Hedge Income/Loss	-	-
2.2.5	Other Comprehensive Income Items Reclassified Through Profit or Loss	-	-
2.2.6	Tax Related Other Comprehensive Income Items Reclassified Through Profit or Loss	(1.469)	(10.047)
III.	TOTAL COMPREHENSIVE INCOME (I+II)	240.534	255.268

FİBABANKA A.Ş. AND ITS SUBSIDIARY CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD BETWEEN 1 JANUARY 2020-31 DECEMBER 2020

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

Ē																
					show Accountable	These Accounts that Commodenesius Income or Econome		Other Assumilated Commonbounds Income or Eventor	marohansko locomo	or European						
				, <u>F</u>	hat Will Not Be Reck	That Will Not Be Reclassified in Profit and Loss		That Will Be Reclassified in Profit and Loss	ied in Profit and Loss	- Control of the cont						
STATEMENT OF CHANGES IN SHARBHOLDERS' EQUITY	Paid-in Capital	Share	Share Certificate	Other Capital Reserves	-	2	e e	4	50	9	Profit Reserves	Prior Period Net Income / Loss	Current Period Net Income / Loss	Total Equity Excluding Minority Interests	Minority	Total
PRIOR PERIOD (31/12/2019)																
Balances at beginning of the period Correction made as per TAS 8	941.161	128.678				(5.743)			(26.572)		410.286	(322.629)	197.010	1,322,191	85 '	1.322.249
Effect of corrections Effect of charges in accounting policies																
Adjusted balances at beginning of the period (I-II) Total Comprehensive Income	141.161	128.6/8				(2.034)			42.346		410.286	(322.629)	214.927	1.322.191	29	1.322.249
Capital increase in Cash for a Capital increase through internal Reserves Capital increase through internal Reserves Capital increase concentration of the Capital Cap																
Competition Commission agreement to practice of the Commission of				81 575										771 8		. 81575
Increase and the Changes Profit des Decrease by Other Changes											- 425 938)	322 948	- 1497 040)			
Torridents													(010:761)			
2. Transfers to reserves 3. Others											(125.938)	322.597	(196.659)			
Balances at the end of the period (III+IV++X+XI)	941.161	128.678	1	81.575		(7.77.7)	ľ	1.	15.774	1	284.348	319	214.927	1.659.005	87	1.659.092
QURRENT PERIOD (31/12/2020)																
Prior period ending balance	941.161	128.678		81.575		(7.77.7)			15.774		284.348	319	214.927	1,659,005	87	1.659.092
Effect of corrections															•	
Effect of changes in accounting policies Adjusted balance (HII)	941.161	128,678		81.575		(7.77.7)			15,774		284.348	319	214.927	1.659.005	. 87	1.659.092
Total Comprehensive Income						(3.010)			6.489				236.983	240.462	7.7	240.534
Capital increase through internal reserves			•					•								
Capital reserves from inflation adjustments to paid-in capital			•		•	•	•	•	•				•		•	•
. Convertable Bonds Subordinated Debt (*)				(15,214)										(15.214)		(15.214)
Increase / decrease due to other changes (**)	•		•	18.736	•	•	•	•	•	•	•	(18.736)	•		-	
Profit Distribution	•	•	•	•	•		•	•	•		212.044	2.883	(214.927)		•	•
1 Drindends 2 Transfers to reserves											212.044		(212.044)			
3 Other												2.883	(2.883)			
Balances at the end of the period (III+IV++X+XI)	941.161	128.678		85.097		(10.787)			22.263		496.392	(15.534)	236.983	1.884.253	159	1.884,412
The Bark has recognised the issued Teer I securities of TL 100,000 nominal and related interest expense, as "other capital reserves" under equity within the scope of "TAS 22 Financial instruments. Presentation"	ed interest expense, a	s "other capital re.	serves" under equit.	ty within the scope.	of "TAS 32 Financial.	Instruments: Present.	ation"									

here decrease free 2012 are recognised under "pricy years port, or low" in the balance sheet.

1. Accomised gain register are recognised to the control of the property of the property and the property of th

FİBABANKA A.Ş. AND ITS SUBSIDIARY CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD BETWEEN 1 JANUARY 2020-31 DECEMBER 2020

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

Recorded Colorologue Colorogue Colorog				CURRENT PERIOD	PRIOR PERIOD
1.1.1 Operating profit before changes in operating assets and liabilities			Footnotes		(01/01/2019 - 31/12/2019)
1.1 Operating profit before changes in operating assets and liabilities		CASH ELOWS EDON BANKING ODEDATIONS			
1.1.1 Interest reviewed (+) 1.1.2 Interest poid (-) 1.1.3 Divident network (-) 1.1.4 Fires and commission received (-) 1.1.5 Other isome (-) 1.1.5 Other isome (-) 1.1.5 Other isome (-) 1.1.5 Other isome (-) 1.1.5 Other isome (-) 1.1.5 Other isome (-) 1.1.6 Calcitros from previously written off loans and other receivables (-) 1.1.7 Calch pyrumets to personnel and service suppliers (-) 1.1.8 Taxes pati (-) 1.1.9 Other () 1.1.9 Other () 1.1.1 Taxes pati (-) 1.1.9 Other () 1.1.1 Taxes pati (-) 1.1.1 Town () 1.1.1 Taxes pati () 1.1.1 Town () 1.1.1 Town () 1.1.1 Town (Α.	CASH I LOWS I NOW DANKING OF EXAMINAS			
1.1.2 Interest part	1.1	Operating profit before changes in operating assets and liabilities		1.164.783	525.892
1.1.2 Interest part	1.1.1	Interest received (+)		2.081.303	2.278.852
1.1.3 Dividend received (+) 20.3.200 24.					(1.641.379)
1.1.4 Fees and commission received (+) 22.4.181 23.1.15 Other recome (+) 22.4.181 24.181 24.181 24.181 24.181 25.18.18 26.18.18 27.18 26.18 27.1		•		-	-
1.1.5 Collection from periodicy written off loans and other receivables (+) 38.68.81 77 38.62 38.68.81 77 38.68.81 77 38.62 38.68.81 77 38.62 38.68.81 77 38.62 38.68.81 77 38.62 38.68.81 77 38.62 38.68.81 77 38.62 38.68.81 77 38.62 38.68.81 77 38.62 38.62 38.68.81 77 38.62 38.68.81 77 38.62 38.68.81 77 38.62 38.68.81 77 38.62 38.68.81 77 38.62 38.62 38.68 38.68 77 38.62 38.68 38.68 77 38.62 38.68 38.68 77 38.62				203.320	241.146
1.1.6 Collection from previously written off (assis and other receivables (+) (5.50.3) (35.50.42) (46.50.11.4) (41.50.4) (41					242.412
1.1.7 Cath payments to personnel and service suppliers (·) (82.582) (170.638
1.1.8 Taxes poid (*) (\$2.582) (4.75) (5.17.3) (7.75) (1.75)					(460.711)
1.1.9 Other (+/-) (5.Vi.3) 87.315 (25.					(48.849)
1.2.1 Net (increase) / decrease in financial assets at fair value through profit or loss (+/-)		•	(5.VI.3)		(256.217)
1,2.2 Net (increase) / decrease in financial assets at fair value through profit or loss (+/-) 1,907,546 (45 1,12.2 Net (increase) / decrease in due from banks (+/-) (164,014) (164,0	1 2	Change in Operating Access and Liabilities		1 704 304	(132.784)
1.2.2 Net (increase) / decrease in due from banks (+/-)	1.2	Changes in Operating Assets and Liabilities		1,704,304	(132.764)
1.2.3 Net (increase) / decrease in other assets (+/) 1.2.4 Net (increase) / decrease in other assets (+/) 1.2.5 Net (increase) / decrease in other deposits (+/-) 1.2.6 Net (increase) / decrease in other deposits (+/-) 1.2.7 Net (increase) / decrease in other deposits (+/-) 1.2.8 Net (increase) / decrease in manufacul liabilities at fair value through profit or loss (+/-) 1.2.9 Net (increase) / decrease in manufacul liabilities (+/-) 1.2.10 Net (increase) / decrease in matured payables (+/-) 1.2.11 Net (increase) / decrease in other liabilities (+/-) 1.2.12 Net (increase) / decrease in other liabilities (+/-) 1.2.13 Net (increase) / decrease in other liabilities (+/-) 1.2.14 Net Cash Frowled from Banking Operations (+/-) 1.2.15 Net (increase) / decrease in other liabilities (+/-) 1.2.16 Net (increase) / decrease in other liabilities (+/-) 1.2.17 Net (increase) / decrease in other liabilities (+/-) 1.2.18 Net (increase) / decrease in other liabilities (+/-) 1.2.19 Net (increase) / decrease in other liabilities (+/-) 1.2.10 Net (increase) / decrease in other liabilities (+/-) 1.2.11 Net (increase) / decrease in other liabilities (+/-) 1.2.12 Net (increase) / decrease in other liabilities (+/-) 1.2.13 Net (increase) / decrease in other liabilities (+/-) 1.2.14 Net (increase) / decrease in other liabilities (+/-) 1.2.15 Net (increase) / decrease in other liabilities (+/-) 1.2.16 Net (increase) / decrease in other liabilities (+/-) 1.2.16 Net (increase) / decrease in other liabilities (+/-) 1.2.16 Net (increase) / decrease in other liabilities (+/-) 1.2.16 Net (increase) / decrease in mature liabilities (+/-) 1.2.17 Net (increase) / decrease in mature liabilities (+/-) 1.2.18 Net (increase) / decrease in mature liabilities (+/-) 1.2.18 Net (increase) / decrease in mature liabilities (+/-) 1.2.18 Net (increase) / decrease in mature liabilities (+/-) 1.2.18 Net (increase) / decrease in mature liabilities (+/-) 1.2.18 Net (increase) / decrease in other liabilities (+/-) 1.2.18 Net (increase) / decrease in other liabilit					(452.701)
1.2.4 Net (increase) / decrease in bother assets (+/-) 1.2.5 Net (increase) / decrease in bother deposits (+/-) 1.2.6 Net (increase) / decrease in bother deposits (+/-) 1.2.7 Net (increase) / decrease in other deposits (+/-) 1.2.8 Net (increase) / decrease in indust borrowed (+/-) 1.2.9 Net (increase) / decrease in matured payables (+/-) 1.2.10 Net (increase) / decrease in matured payables (+/-) 1.2.10 Net (increase) / decrease in matured payables (+/-) 1.2.10 Net (increase) / decrease in matured payables (+/-) 1.2.10 Net (increase) / decrease in matured payables (+/-) 1.2.10 Net (increase) / decrease in other liabilities of the series (+/-) 1.2.10 Net (increase) / decrease in other liabilities (+/-) 1.2.10 Net (increase) / decrease in other liabilities (+/-) 1.2.10 Net (increase) / decrease in other liabilities (+/-) 1.2.10 Net (increase) / decrease in other liabilities (+/-) 1.2.11 Cash paid for the Banking Operations (+/-) 1.2.12 Cash paid for the purchase of associates, subsidiaries and joint ventures (-) 1.2.12 Cash paid for the purchase of associates, subsidiaries and joint ventures (-) 1.2.13 Cash paid for the purchase of associates, subsidiaries and joint ventures (-) 1.2.14 Cash obtained from the sale of tangible and intangible assets (-) 1.2.15 Cash paid for the purchase of tangible and intangible assets (-) 1.2.16 Cash paid for the purchase of financial assets at a flar value through other comprehensive income (-) 1.2.16 Cash paid for the purchase of financial assets at a flar value through other comprehensive income (-) 1.2.27 Cash paid for the purchase of financial assets at anortised cost (-) 1.2.28 Cash obtained from the sale of financial assets at anortised cost (-) 1.2.29 Other (-/-) 1.2.30 Cash paid for the purchase of financial assets at anortised cost (-) 1.2.40 Cash paid for the purchase of financial assets at anortised cost (-) 1.2.51 Cash paid for the purchase of financial assets at anortised cost (-) 1.2.52 Cash paid for the purchase of financial assets at anortised cost (-) 1.2.52 Cash		Net (increase) / decrease in due from banks (+/-)			(165.633)
1.2.5 Net (increase) / decrease in bank deposits (+/-) 1.2.6 Net (increase) / decrease in the deposits (+/-) 1.2.7 Net (increase) / decrease in financial liabilities at fair value through profit or loss (+/-) 1.2.8 Net (increase) / decrease in financial liabilities at fair value through profit or loss (+/-) 1.2.10 Net (increase) / decrease in financial liabilities (+/-) 1.2.10 Net (increase) / decrease in matured payables (+/-) 1.2.10 Net (increase) / decrease in matured payables (+/-) 1.2.10 Net (increase) / decrease in other liabilities (+/-) 1.2.10 Net (increase) / decrease in other liabilities (+/-) 1.2.10 Net Cash Provided from Banking Operations (+/-) 1.2.10 Net Cash Provided from Banking Operations (+/-) 1.2.1 Cash paid for the purchase of associates, subsidiaries and joint ventures (+) 2.2 Cash obtained from the sale of associates, subsidiaries and joint ventures (+) 2.3 Cash paid for the purchase of associates, subsidiaries and joint ventures (+) 2.4 Cash obtained from the sale of tangible and intangible assets (+) 2.5 Cash paid for the purchase of financial assets at fair value through other comprehensive income (+) 2.6 Cash obtained from the sale of financial assets at fair value through other comprehensive income (+) 2.6 Cash obtained from the sale of financial assets at fair value through other comprehensive income (+) 2.6 Cash obtained from the sale of financial assets at fair value through other comprehensive income (+) 2.7 Cash paid for the purchase of financial assets at fair value through other comprehensive income (+) 2.8 Cash obtained from the sale of financial assets at fair value through other comprehensive income (+) 2. Cash obtained from the sale of financial assets at fair value through other comprehensive income (+) 2. Cash obtained from the sale of financial assets at fair value through other comprehensive income (+) 2. Cash obtained from the sale of financial assets at fair value through other comprehensive income (+) 3. Cash obtained from the sale of financial assets at a mortised c	1.2.3	Net (increase) / decrease in loans (+/-)		(2.589.660)	(1.229.672)
1.2.6 Net (increase) / decrease in their deposits (+/-) 1.2.7 Net (increase) / decrease in financial liabilities at fair value through profit or loss (+/-) 1.2.8 Net (increase) / decrease in financial liabilities at fair value through profit or loss (+/-) 1.2.10 Net (increase) / decrease in matured payables (+/-) 1.2.10 Net (increase) / decrease in other liabilities (+/-) 1.2.10 Net (increase) / decrease in other liabilities (+/-) 1.2.10 Net Cash Provided from Banking Operations (+/-) 1.2.10 Net Cash Provided from Banking Operations (+/-) 1.2.11 Net Cash Provided from Banking Operations (+/-) 1.2.12 Cash paid for the purchase of associates, subsidiaries and joint ventures (+) 1.2.13 Cash paid for the purchase of associates, subsidiaries and joint ventures (+) 1.2.14 Cash obtained from the sale of associates, subsidiaries and joint ventures (+) 1.2.15 Cash paid for the purchase of intangible assets (+) 1.2.16 Cash obtained from the sale of tangible and intangible assets (+) 1.2.15 Cash paid for the purchase of intangible assets (+) 1.2.16 Cash obtained from the sale of intangible assets (+) 1.2.17 Cash paid for the purchase of infancial assets at fair value through other comprehensive income (+) 1.2.18 Cash paid for the purchase of infancial assets at a individual through other comprehensive income (+) 1.2.29 Cash paid for the purchase of infancial assets at amortised cost (+) 1.2.29 Other (+/-) 1.20 Other (+/-) 1.21 Cash paid for the purchase of infancial assets at amortised cost (+) 1.22 Cash paid for the purchase of infancial assets at amortised cost (+) 1.23 Cash obtained from the sale of infancial assets at amortised cost (+) 1.24 Cash obtained from the sale of infancial assets at amortised cost (+) 1.25 Cash paid for the purchase of infancial assets at amortised cost (+) 1.26 Cash obtained from the sale of infancial assets at amortised cost (+) 1.27 Cash paid for the purchase of infancial assets at amortised cost (+) 1.28 Cash obtained from the sale of infancial assets at amortised cost (+) 1.29 Cash paid	1.2.4	Net (increase) / decrease in other assets (+/-)	(5.VI.3)	(9.883)	(101.962)
1.2.7 Net (increase) / decrease in financial liabilities at fair value through profit or loss (*/-) 1.2.8 Net (increase) / decrease in funds borrowed (*/-) 1.2.10 Net (increase) / decrease in funds borrowed in matured payables (*/-) 1.2.10 Net (increase) / decrease in other liabilities (*/-) 1.2.10 Net (increase) / decrease in other liabilities (*/-) 1.2.10 Net (increase) / decrease in other liabilities (*/-) 1.2.10 Net Cash Provided from Banking Operations (*/-) 1.2.10 Net Cash FLOWS FROM INVESTMENT ACTIVITIES 1.110 Net Cash Flow Provided from Investment Activities (*/-) 1.2.111 Cash paid for the purchase of associates, subsidiaries and joint ventures (*) 1.2.111 Cash paid for the purchase of tangible and intangible assets (*) 1.2.11 Cash paid for the purchase of tangible and intangible assets (*) 1.2.11 Cash paid for the purchase of tangible and intangible assets (*) 1.2.12 Cash paid for the purchase of tangible and intangible assets (*) 1.2.12 Cash paid for the purchase of tangible and intangible assets (*) 1.2.12 Cash paid for the purchase of financial assets at fair value through other comprehensive income (*) 1.2.12 Cash paid for the purchase of financial assets at fair value through other comprehensive income (*) 1.2.12 Cash paid for the purchase of financial assets at fair value through other comprehensive income (*) 1.2.13 Cash paid for the purchase of financial assets at fair value through other comprehensive income (*) 1.2.13 Cash paid for the purchase of financial assets at fair value through other comprehensive income (*) 1.2.14 Cash paid for the purchase of financial assets at fair value through other comprehensive income (*) 1.2.15 Cash paid for the purchase of financial assets at fair value through other comprehensive income (*) 1.2.15 Cash paid for the purchase of financial assets at fair value through other comprehensive income (*) 1.2.15 Cash paid for the purchase of financial assets at fair value through other comprehensive income (*) 1.2.16 Cash paid for the purchase of financial assets at	1.2.5	Net (increase) / decrease in bank deposits (+/-)		951.405	(600.589)
1.2.8 Net (increase) / decrease in funds borrowed (+/-) 1.2.9 Net (increase) / decrease in mustred payables (+/-) 1.2.10 Net (increase) / decrease in mustred payables (+/-) 1.2.10 Net (increase) / decrease in durbe liabilities (+/-) 1.2.10 Net (increase) / decrease in durbe liabilities (+/-) 1.2.10 Net (increase) / decrease in durbe liabilities (+/-) 1.2.10 Net (increase) / decrease in durbe liabilities (+/-) 1.2.10 Net (increase) / decrease in durbe liabilities (+/-) 1.2.10 Net (increase) / decrease in other liabilities (+/-) 1.2.10 Net (increase) / decrease in other liabilities (+/-) 1.2.10 Net (increase) / decrease in other liabilities (+/-) 1.2.10 Net (increase) / decrease in other liabilities (+/-) 1.2.10 Net (increase) / decrease in other liabilities (+/-) 1.2.10 Net (increase) / decrease in other liabilities (+/-) 1.2.10 Net (increase) / decrease in other liabilities (+/-) 1.2.10 Net (increase) / decrease in other liabilities (+/-) 1.2.10 Net (increase) / decrease in other liabilities (+/-) 1.2.10 Net (increase) / decrease in other liabilities (+/-) 1.2.10 Net (increase) / decrease in other liabilities (+/-) 1.2.10 Net (increase) / decrease in other liabilities (+/-) 1.2.10 Net (increase) / decrease in other liabilities (+/-) 1.2.10 Net (increase) / decrease in other liabilities (+/-) 1.2.10 Net (increase) / decrease in other liabilities (+/-) 1.2.10 Net (increase) / decrease in other liabilities (+/-) 1.2.10 Net (increase) / decrease in other liabilities (+/-) 1.2.10 Net increase (Decrease) in Cash and Cash Equivalents (+/-) 1.2.10 Net increase (Decrease) in Cash and Cash Equivalents (+/-) 1.2.10 Net increase (Decrease) in Cash and Cash Equivalents (+/-) 1.2.10 Net increase (Decrease) in Cash and Cash Equivalents (+/-) 1.2.10 Net increase (Decrease) in Cash and Cash Equivalents (+/-) 1.2.10 Net increase (Decrease) in Cash and Cash Equivalents (+/-) 1.2.10 Net increase (Decrease) in Cash and Cash Equivalents (+/-) 1.2.10 Net increase (Decrease) in Cash and Cash Equivalents (+/-) 1.2.10 Net increase (Decr	1.2.6	Net (increase) / decrease in other deposits (+/-)		1.322.144	2.922.380
1.2.9 Net (increase) / decrease in matured payables (+/-) 1.2.10 Net (increase) / decrease in other liabilities (+/-) 1.2.10 Net (increase) / decrease in other liabilities (+/-) 1.2.10 Net Cash Provided from Banking Operations (+/-) 2.869,087 399 B. CASH FLOWS FROM INVESTMENT ACTIVITIES II. Net Cash Flow Provided from Investment Activities (+/-) 2.1 Cash paid for the purchase of associates, subsidiaries and joint ventures (-) 2.2 Cash obtained from the sale of associates, subsidiaries and joint ventures (+) 2.3 Cash paid for the purchase of tangible and intangible assets (+) 2.4 Cash obtained from the sale of inancial assets at fair value through other comprehensive income (-) 2.5 Cash paid for the purchase of financial assets at fair value through other comprehensive income (+) 2.6 Cash paid for the purchase of financial assets at amortised cost (-) 2.7 Cash paid for the purchase of financial assets at amortised cost (-) 2.8 Cash obtained from the sale of inancial assets at amortised cost (-) 2.9 Other (+/-) C. CASH FloWS FROM FINANCING ACTIVITIES III. Net Cash Provided from Financing Activities (+/-) 3.1 Cash obtained from funds borrowed and securities issued (-) 3.2 Cash outflow from funds borrowed and securities issued (-) 3.3 Equity instruments issued (-) 3.4 Dividends paid (-) 3.5 Payments for financial leases liabilities (-) V. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-) V. Net Increase (Decrease) in Cash and Cash Equivalents (+/-) V. Net Increase (Decrease) in Cash and Cash Equivalents (+/-) 1.1 Cash and Cash Equivalents (+/-) 1.2 Cash contributed in Cash and Cash Equivalents (+/-) 3.4 Cash contributed in Cash and Cash Equivalents (+/-) 4.5 Cash paid (-) 4.6 Cash contributed in Cash and Cash Equivalents (+/-) 4.7 Cash Flows FROM Financial assets at amortised cost (-) 4.7 Cash Provided from Financial assets at amortised cost (-) 4.7 Cash paid (-) 4.7 Cash paid (-) 4.7 Cash paid (-) 4.7 Cash paid (-) 4.7 Cash paid (-) 4.7 Cash paid (-) 4.7 Cash paid (-) 4.7 Ca	1.2.7	Net (increase) / decrease in financial liabilities at fair value through profit or loss (+/-)		-	-
1.2.10 Net (increase) / decrease in other liabilities (+/-) 1. Net Cash Provided from Banking Operations (+/-) 8. CASH FLOWS FROM INVESTMENT ACTIVITIES 1. Net Cash Provided from Investment Activities (+/-) 1. Net Cash Flow Provided from Investment Activities (+/-) 2. Cash paid for the purchase of associates, subsidiaries and joint ventures (+) 2. Cash paid for the purchase of angible and intangible assets (+) 2. Cash paid for the purchase of financial assets at fair value through other comprehensive income (+) 2. Cash obtained from the sale of financial assets at fair value through other comprehensive income (+) 2. Cash obtained from the sale of financial assets at fair value through other comprehensive income (+) 2. Cash obtained from the sale of financial assets at amortised cost (+) 2. Other (+/-) 3. Cash paid for the purchase of financial assets at amortised cost (+) 4. Cash obtained from the sale of financial assets at amortised cost (+) 5. Cash paid for the purchase of financial assets at amortised cost (+) 6. Cash Obtained from the sale of financial assets at amortised cost (+) 7. Cash paid for the purchase of financial assets at amortised cost (+) 8. Cash obtained from the sale of financial assets at amortised cost (+) 9. Cash paid for the purchase of financial assets at amortised cost (+) 1. Cash obtained from the sale of financial assets at amortised cost (+) 1. Cash obtained from funds borrowed and securities issued (+) 3. Cash obtained from funds borrowed and securities issued (+) 3. Eguity instruments issued (+) 3. Dividends paid (-) 3. Dividends paid (-) 3. Eguity instruments issued (+) 4. Dividends paid (-) 5. Payments for financial leases liabilities (-) 7. (754,562) 7. W. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-) 7. Alticular decreases (-/) 8. Cash outlow from funds borrowed and securities issued (-/) 8. Cash outlow from funds borrowed and securities issued (-/) 9. Cash outlow from funds borrowed and securities issued (-/	1.2.8	Net (increase) / decrease in funds borrowed (+/-)		289.648	(477.854)
L. Net Cash Provided from Banking Operations (+/-) 2.869.087 399.	1.2.9	Net (increase) / decrease in matured payables (+/-)		-	-
B. CASH FLOWS FROM INVESTMENT ACTIVITIES -	1.2.10	Net (increase) / decrease in other liabilities (+/-)	(5.VI.3)	(2.882)	(26.753)
III. Net Cash Flow Provided from Investment Activities (+/-) 2.1 Cash paid for the purchase of associates, subsidiaries and joint ventures (+) 2.2 Cash obtained from the sale of associates, subsidiaries and joint ventures (+) 2.3 Cash paid for the purchase of tangible and intangible assets (+) 2.4 Cash obtained from the sale of tangible and intangible assets (+) 2.5 Cash paid for the purchase of financial assets at fair value through other comprehensive income (+) 2.6 Cash paid for the purchase of financial assets at fair value through other comprehensive income (+) 2.7 Cash paid for the purchase of financial assets at aftir value through other comprehensive income (+) 2.8 Cash obtained from the sale of financial assets at amortised cost (+) 2.9 Other (+/-) 2.0 Other (+/-) 3.1 Cash obtained from the sale of financial assets at amortised cost (+) 3.2 Cash paid for the purchase of financial assets at amortised cost (+) 3.3 Cash obtained from the sale of financial assets at amortised cost (+) 4493.935) 5.7 (27) 65.VI.3) 65.VI.3) 6688.501) 3.1 Cash obtained from Financing Activities (+/-) 3.2 Cash outflow from funds borrowed and securities issued (+) 3.3 Equity instruments issued (+) 3.4 Dividends paid (-) 3.5 Payments for financial leases liabilities (-) 9. (55.VI.3) 1. (71.910) 3.726 1. V. Net Increase (Decrease) in Cash and Cash Equivalents (+/-) 1. (754.562) 1. (754.562) 1. (754.562) 1. (754.369) 3. (754.369) 3. (754.369) 3. (754.369) 3. (754.369) 3. (754.369) 3. (754.369) 3. (754.369) 3. (754.369)	ı.	Net Cash Provided from Banking Operations (+/-)		2.869.087	393.108
2.1 Cash paid for the purchase of associates, subsidiaries and joint ventures (·) 2.2 Cash obtained from the sale of associates, subsidiaries and joint ventures (·) 2.3 Cash paid for the purchase of tangible and intangible assets (·) 2.4 Cash obtained from the sale of tangible and intangible assets (·) 2.5 Cash paid for the purchase of financial assets at fair value through other comprehensive income (·) 2.6 Cash obtained from the sale of financial assets at fair value through other comprehensive income (·) 2.6 Cash obtained from the sale of financial assets at area value through other comprehensive income (·) 2.7 Cash paid for the purchase of financial assets at amortised cost (·) 2.8 Cash obtained from the sale of financial assets at amortised cost (·) 2.9 Other (+/-) 2.9 Other (+/-) 3.0 Cash Detained from the sale of financial assets at amortised cost (·) 3.1 Cash obtained from Financing Activities (+/-) 3.2 Cash obtained from funds borrowed and securities issued (·) 3.3 Equity instruments issued (·) 3.4 Dividends paid (·) 3.5 Payments for financial leases liabilities (·) 3.6 Other (+/-) 7. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-) 7. Net Increase (Decrease) in Cash and Cash Equivalents (+/-) 7. Net Increase (Decrease) in Cash and Cash Equivalents (+/-) 8. (81.000) (10. (254.007) (10. (254.007) (10. (254.007) (10. (254.007) (10. (254.007) (10. (254.007) (10. (254.007) (254.007) (10. (254.007) (254.007) (254.007) (254.007) (20. (254.007) (20. (254.007) (20. (254.007) (20. (254.007) (20. (254.007) (20. (254.007) (20. (254.007) (20. (254.007) (20. (254.007) (20. (254.007) (20. (254.007) (20. (254.007) (20. (254.007) (20. (254.007) (20. (2	В.	CASH FLOWS FROM INVESTMENT ACTIVITIES		-	-
2.2 Cash obtained from the sale of associates, subsidiaries and joint ventures (+) 2.3 Cash paid for the purchase of tangible and intangible assets (+) 2.5 Cash paid for the purchase of tangible and intangible assets (+) 2.6 Cash obtained from the sale of financial assets at fair value through other comprehensive income (+) 2.6 Cash obtained from the sale of financial assets at fair value through other comprehensive income (+) 2.7 Cash paid for the purchase of financial assets at fair value through other comprehensive income (+) 2.8 Cash obtained from the sale of financial assets at amortised cost (-) 2.9 Other (+/-) 2.9 Other (+/-) 3.0 Cash obtained from the sale of financial assets at amortised cost (+) 3.1 Cash obtained from the sale of financial assets at amortised cost (+) 3.2 Cash obtained from financing Activities (+/-) 3.3 Equity instruments issued (+) 3.4 Dividends prior funds borrowed and securities issued (-) 3.5 Payments for financial leases liabilities (-) 3.6 Other (+/-) 3.7 Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+ - -	II.	Net Cash Flow Provided from Investment Activities (+/-)		(1.031.655)	(318.700)
2.3 Cash paid for the purchase of tangible and intangible assets (-) 2.4 Cash obtained from the sale of tangible and intangible assets (+) 2.5 Cash paid for the purchase of financial assets at fair value through other comprehensive income (+) 2.6 Cash obtained from the sale of financial assets at fair value through other comprehensive income (+) 2.7 Cash paid for the purchase of financial assets at fair value through other comprehensive income (+) 2.8 Cash obtained from the sale of financial assets at amortised cost (-) 2.9 Other (+/-) 2.9 Other (+/-) 2.9 Other (+/-) 3.1 Cash Provided from Financing Activities (+/-) 3.1 Cash obtained from funds borrowed and securities issued (+) 3.2 Cash obtained from funds borrowed and securities issued (+) 3.3 Equity instruments issued (+) 3.4 Dividends paid (-) 3.5 Payments for financial leases liabilities (-) 3.6 Other (+/-) 7. W. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-) 7. W. Net Increase (Decrease) in Cash and Cash Equivalents (+ + + + + + + + + + + + + + + + + + +	2.1	Cash paid for the purchase of associates, subsidiaries and joint ventures (-)		(81.000)	(10.000)
2.3 Cash paid for the purchase of tangible and intangible assets (-) 2.4 Cash obtained from the sale of tangible and intangible assets (+) 2.5 Cash paid for the purchase of financial assets at fair value through other comprehensive income (+) 2.6 Cash obtained from the sale of financial assets at fair value through other comprehensive income (+) 2.7 Cash paid for the purchase of financial assets at fair value through other comprehensive income (+) 2.8 Cash obtained from the sale of financial assets at amortised cost (-) 2.9 Other (+/-) 2.9 Other (+/-) 2.9 Other (+/-) 3.1 Cash Provided from Financing Activities (+/-) 3.1 Cash obtained from funds borrowed and securities issued (+) 3.2 Cash obtained from funds borrowed and securities issued (+) 3.3 Equity instruments issued (+) 3.4 Dividends paid (-) 3.5 Payments for financial leases liabilities (-) 3.6 Other (+/-) 7. W. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-) 7. W. Net Increase (Decrease) in Cash and Cash Equivalents (+ + + + + + + + + + + + + + + + + + +	2.2	Cash obtained from the sale of associates, subsidiaries and joint ventures (+)			
2.4 Cash obtained from the sale of tangible and intangible assets (+) 2.5 Cash paid for the purchase of financial assets at fair value through other comprehensive income (+) 2.6 Cash obtained from the sale of financial assets at a mortised cost (-) 2.7 Cash paid for the purchase of financial assets at amortised cost (-) 2.8 Cash obtained from the sale of financial assets at amortised cost (+) 2.9 Other (+/-) C. CASH FIOWS FROM FINANCING ACTIVITIES III. Net Cash Provided from Financing Activities (+/-) 3.1 Cash obtained from funds borrowed and securities issued (+) 3.2 Cash outflow from funds borrowed and securities issued (-) 3.3 Equity instruments issued (+) 3.4 Dividends paid (-) 3.5 Payments for financial leases liabilities (-) 3.6 Other (+/-) V. Net Increase (Decrease) in Cash and Cash Equivalents (I+II+III+IV) 3.6 Asset Cash outcash outcash and Cash Equivalents (I+II+III+IV) 414.369 3.7 Cash outcash outcash outcash and Cash Equivalents (I+II+III+IV) 3.8 Cash outcash outcash outcash and Cash Equivalents (I+II+III+IV) 414.369 3.9 Cash outcash outcash outcash and Cash Equivalents (I+IIIIII+IV) 414.369	2.3	Cash paid for the purchase of tangible and intangible assets (-)		(254.007)	(109.280)
2.5 Cash paid for the purchase of financial assets at fair value through other comprehensive income (-) 2.6 Cash obtained from the sale of financial assets at fair value through other comprehensive income (+) 2.7 Cash paid for the purchase of financial assets at amortised cost (-) 2.8 Cash obtained from the sale of financial assets at amortised cost (+) 2.9 Other (+/-) 3.0 Cher (+/-) 4.1 Cash obtained from the sale of financial assets at amortised cost (+) 5.1 Cash provided from Financing Activities 6. CASH FİOWS FROM FINANCING ACTIVITIES 6. Cash obtained from funds borrowed and securities issued (+) 3.1 Cash obtained from funds borrowed and securities issued (+) 3.2 Cash outflow from funds borrowed and securities issued (+) 3.3 Equity instruments issued (+) 3.4 Dividends paid (-) 3.5 Payments for financial leases liabilities (-) 3.6 Other (+/-) 7. W. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-) 7. V. Net Increase (Decrease) in Cash and Cash Equivalents (I+II+III+IV) 7. At 141,369 3. Cash paid for the purchase of financial assets at fair value through other comprehensive income (+) 3. Cash obtained from the sale of financial assets at amortised cost (-) 3. Equity instruments in financial assets at amortised cost (-) 3. Equity instruments in financial assets at amortised cost (-) 3. Equity instruments in financial assets at amortised cost (-) 3. Equity instruments in financial assets at amortised cost (-) 3. Equity instruments in financial assets at amortised cost (-) 3. Equity instruments in financial assets at amortised cost (-) 3. Equity instruments in financial assets at amortised cost (-) 3. Equity instruments in financial assets at amortised cost (-) 3. Equity instruments in financial assets at amortised cost (-) 3. Equity instruments in financial assets at amortised cost (-) 3. Equity instruments in financial assets at amortised cost (-) 3. Equity instruments in financial assets at amortised cost (-) 3. Equity instruments in financial assets at amortised cost (-) 3. Equi	1				6.101
2.6 Cash obtained from the sale of financial assets at fair value through other comprehensive income (+) 2.7 Cash paid for the purchase of financial assets at amortised cost (-) 2.8 Cash obtained from the sale of financial assets at amortised cost (+) 2.9 Other (+/-) C. CASH FIOWS FROM FINANCING ACTIVITIES III. Net Cash Provided from Financing Activities (+/-) 3.1 Cash obtained from funds borrowed and securities issued (+) 3.2 Cash obtained from funds borrowed and securities issued (-) 3.3 Equity instruments issued (+) 3.4 Dividends paid (-) 3.5 Payments for financial leases liabilities (-) 3.6 Other (+/-) IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-) V. Net Increase (Decrease) in Cash and Cash Equivalents (I+II+III+IV) 3.6 (493.935) (27 (493.935) (27 (5.VI.3) (5.VI.3) (5.VI.3) (5.VI.3) (668.501) 3.9 (668.501) 3.1 4.9 4.9 4.9 4.9 4.9 4.9 4.9 4				(205.382)	(203.590)
2.7 Cash paid for the purchase of financial assets at amortised cost (-) 2.8 Cash obtained from the sale of financial assets at amortised cost (+) 2.9 Other (+/-) C. CASH FİOWS FROM FINANCING ACTIVITIES III. Net Cash Provided from Financing Activities (+/-) 3.1 Cash obtained from funds borrowed and securities issued (+) 3.2 Cash obtained from funds borrowed and securities issued (-) 3.3 Equity instruments issued (+) 3.4 Dividends paid (-) 3.5 Payments for financial leases liabilities (-) 3.6 Other (+/-) IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-) V. Net Increase (Decrease) in Cash and Cash Equivalents (I+II+III+IV) (493.935) (27 (493.935) (27 (5.VI.3) (5.VI.3) (5.VI.3) (668.501) 3.1 (668.501) 3.2 (668.501) 3.3 (658.317) (23 (654.317) (23 (71 (71 (71 (754.562) (71 (754.562) (75 (754.562) (75 (75 (75 (75 (75 (75 (75 (75	1				257.817
2.8 Cash obtained from the sale of financial assets at amortised cost (+) - 6 2.9 Other (+/-) (5,VI.3) (51.382) (4 C. CASH FIOWS FROM FINANCING ACTIVITIES - - - III. Net Cash Provided from Financing Activities (+/-) (668.501) 33 3.1 Cash obtained from funds borrowed and securities issued (+) - 19 3.2 Cash outflow from funds borrowed and securities issued (-) (654.317) (23 3.3 Equity instruments issued (+) - 7 3.4 Dividends paid (-) - - 3.5 Payments for financial leases liabilities (-) (17.910) 3.726 3.6 Other (+/-) 3.726 (754.562) (75 V. Beffect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-) 414.369 3.4 V. Net Increase (Decrease) in Cash and Cash Equivalents (+ + + + +) 414.369 3.4	1	- · · · · · · · · · · · · · · · · · · ·		(493.935)	(275.476)
2.9 Other (+/-) (5.VI.3) (51.382) (4 C. CASH FİOWS FROM FINANCING ACTIVITIES (668.501) 3! III. Net Cash Provided from Financing Activities (+/-) (668.501) 3! 3.1 Cash obtained from funds borrowed and securities issued (+)	1				63.410
III. Net Cash Provided from Financing Activities (+/-) (668.501) 3! 3.1 Cash obtained from funds borrowed and securities issued (+) - 19 3.2 Cash outflow from funds borrowed and securities issued (-) (654.317) (23 3.3 Equity instruments issued (+) - 7 3.4 Dividends paid (-) - 7 3.5 Payments for financial leases liabilities (-) (17.910) 3.6 Other (+/-) 3.726 V. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-) (754.562) (754.562) V. Net Increase (Decrease) in Cash and Cash Equivalents (I+II+III+IV) 414.369 3.60 3.1 Cash obtained from Financial securities issued (+) -	1		(5.VI.3)	(51.382)	(47.682)
3.1 Cash obtained from funds borrowed and securities issued (+) 3.2 Cash outflow from funds borrowed and securities issued (-) 3.3 Equity instruments issued (+) 3.4 Dividends paid (-) 3.5 Payments for financial leases liabilities (-) 3.6 Other (+/-) V. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-) V. Net Increase (Decrease) in Cash and Cash Equivalents (I+II+III+IV) 19 414.369 - 19 (654.317) - 7 (754.54.317) - 7 (77.910) 3.726 (77.910) 3.726 (77.910) 3.726	c.	CASH FÍOWS FROM FINANCING ACTIVITIES		_	-
3.1 Cash obtained from funds borrowed and securities issued (+) 3.2 Cash outflow from funds borrowed and securities issued (-) 3.3 Equity instruments issued (+) 3.4 Dividends paid (-) 3.5 Payments for financial leases liabilities (-) 3.6 Other (+/-) W. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-) V. Net Increase (Decrease) in Cash and Cash Equivalents (I+II+III+IV) 19 (654.317) (23 (754.5417) (23 (77.910) (17.910)		Net Cash Provided from Financing Activities (+/-)		(668.501)	35.502
3.2 Cash outflow from funds borrowed and securities issued (-) 3.3 Equity instruments issued (+) 3.4 Dividends paid (-) 3.5 Payments for financial leases liabilities (-) 3.6 Other (+/-) 3.726 IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-) V. Net Increase (Decrease) in Cash and Cash Equivalents (I+II+III+IV) (654.317) (23 (754.317) (23 (77 (77,910) (77,910) (77,910) (77,910) (77,910) (77,910) (77,910) (77,910) (77,910) (77,910) (78,910) (79,910)		•		(555,501)	
3.3 Equity instruments issued (+) 3.4 Dividends paid (-) 3.5 Payments for financial leases liabilities (-) 3.6 Other (+/-) 1.7 1.7 1.7 1.7 1.7 1.7 1.7 1.				-	191.995
3.4 Dividends paid (-) 3.5 Payments for financial leases liabilities (-) 3.6 Other (+/-) IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-) V. Net Increase (Decrease) in Cash and Cash Equivalents (I+II+III+IV) - (17.910) 3.726 (79. (79. (79. (79. (79. (79. (79. (79.	3.2	Cash outflow from funds borrowed and securities issued (-)		(654.317)	(233.788)
3.5 Payments for financial leases liabilities (-) 3.6 Other (+/-) IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-) V. Net Increase (Decrease) in Cash and Cash Equivalents (I+II+III+IV) (17.910) 3.726 (79.079) (79.089) 414.369				-	77.295
3.6 Other (+/-) 3.726 IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-) (754.562) V. Net Increase (Decrease) in Cash and Cash Equivalents (I+II+III+IV) 414.369 3.726	3.4	Dividends paid (-)		-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-) V. Net Increase (Decrease) in Cash and Cash Equivalents (I+II+III+IV) (754.562) (754.562) (754.562)	3.5	Payments for financial leases liabilities (-)		(17.910)	-
V. Net Increase (Decrease) in Cash and Cash Equivalents (I+II+III+IV) 414,369 34	3.6	Other (+/-)		3.726	-
	IV.	Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents (+/-)		(754,562)	(75.065)
VI. Cash and Cash Equivalents at the Beginning of the Period (+) (5.VI.1) 2.123,003 2.08	٧.	Net Increase (Decrease) in Cash and Cash Equivalents (I+II+III+IV)		414.369	34.845
	VI.	Cash and Cash Equivalents at the Beginning of the Period (+)	(5.VI.1)	2.123,003	2.088.158
VII. Cash and Cash Equivalents at the End of the Period (V+VI) (5.VI.1) 2.537,372 2.12	VII.	Cash and Cash Equivalents at the End of the Period (V+VI)	(5.VI.1)	2.537.372	2.123.003

FİBABANKA A.Ş. AND ITS SUBSIDIARY CONSOLIDATED PROFIT DISTRIBUTION TABLE FOR THE PERIODS ENDED 31 DECEMBER 2020 AND 2019

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

		CURRENT PERIOD (*) (01/01/2020-31/12/2020)	PRIOR PERIOD (01/01/2019-31/12/2019)
I.	DISTRIBUTION OF CURRENT YEAR INCOME		
	CURRENT VE IN INCOME	244.440	250 45
1.1	CURRENT YEAR INCOME	316,169	250.13
1.2	**	86.334	38.08
	Corporate Tax (Income Tax)	224.323	22.7
	Income witholding tax	-	45.3
1.2.3	Other taxes and duties	(137.989)	15.33
A.	NET INCOME FOR THE YEAR (1.1-1.2)	229.835	212.04
1.3	PRIOR YEARS LOSSES (-)		
1.4	FIRST LEGAL RESERVES (-)	-	10.6
1.5	OTHER STATUTORY RESERVES (-)	-	
В.	NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5)]	229.835	201.44
1.6	FIRST DIVIDEND TO SHAREHOLDERS (-)		
1.6.1	To owners of ordinary shares	-	
	To owners of privileged shares	-	
1.6.3	To owners of preferred shares	-	
	To profit sharing bonds	-	
	To holders of profit and loss sharing certificates	-	
1.7	DIVIDENDS TO PERSONNEL (-)	-	
1.8	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	
1.9	SECOND DIVIDEND TO SHAREHOLDERS (-)	-	
	To owners of ordinary shares	-	
	To owners of privileged shares	-	
	To owners of preferred shares	-	
	To profit sharing bonds	-	
	To holders of profit and loss sharing certificates	-	
1.10	STATUTORY RESERVES (-) EXTRAORDINARY RESERVES	-	201.4
	OTHER RESERVES	-	201.4
	SPECIAL FUNDS		
II.	DISTRIBUTION OF RESERVES		
2.1	APPROPRIATED RESERVES		
2.2	DIVIDENDS TO SHAREHOLDERS (-)		
2.2.1	To owners of ordinary shares		
	To owners of privileged shares		
	To owners of preferred shares		
2.2.4	To profit sharing bonds		
2.2.5	To holders of profit and loss sharing certificates	_	
2.3	DIVIDENDS TO PERSONNEL (-)		
2.4	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	
II.	EARNINGS PER SHARE		
3.1	TO OWNERS OF ORDINARY SHARES	0,00244	0,002
3.2	TO OWNERS OF ORDINARY SHARES (%)	0,24%	0,2
3.3	TO OWNERS OF PRIVILEGED SHARES		
3.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	
٧.	DIVIDEND PER SHARE		
4.1	TO OWNERS OF ORDINARY SHARES		
4.2	TO OWNERS OF ORDINARY SHARES (%)	-	
4.3	TO OWNERS OF PRIVILEGED SHARES		
1.4	TO OWNERS OF PRIVILEGED SHARES (%)		

(*)As per the Turkish Commercial Code profit distributions are made based on unconsolidated financial statements.

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

SECTION THREE

ACCOUNTING PRINCIPLES

- I. Explanations on the basis of presentation
- Preparation of the financial statements and the accompanying footnotes in accordance with Turkish Accounting Standards and the Communiqué on Principles and Procedures on the Accounting Practice and Documentation of Banks

The Bank prepares its financial statements in accordance with the BRSA Accounting and Reporting Regulation which includes the regulation on "The Procedures and Principles Regarding Banks' Accounting Practices and Maintaining Documents" published in the Official Gazette dated 1 November 2006 with No. 26333, and other regulations on accounting records of banks published by the Banking Regulation and Supervision Agency ("BRSA") and circulars and pronouncements published by the BRSA and Turkish Financial Reporting Standards ("TFRS") published by the Public Oversight Accounting and Auditing Standards Authority ("POA") for the matters not regulated by the aforementioned legislations.

The consolidated financial statements are prepared in thousands of TL based on the historical cost, except for the financial assets and liabilities carried at fair value.

2. Accounting policies and valuation principles applied in preparation of consolidated financial statements

The accounting policies and valuation principles used in the preparation of the financial statements are explained in Notes II and XXVII below.

The Bank showed the amount of TL 4.897 under the "Financial Assets at Fair Value Through Other Comprehensive Income" in the current period which was presented under the item of "Subsidiaries" in the balance sheet in the prior period, and the comparative information has been reclassified accordingly.

3. Other

The new coronavirus disease (COVID-19), which emerged in Wuhan Province of the People's Republic of China in late December 2019 and spread to other countries, was declared a pandemic by the World Health Organization on 11 March, 2020. In order to kept to a minimum the negative economic impact of the epidemic, both in Turkey has taken a number of measures worldwide. The effects of these developments on the Bank's financial status and operations are closely monitored by the relevant units and the Bank's Top Management.

Covid-19 impact is explained in footnote XXVII "Other Issues".

- II. Explanations on the usage strategy of financial instruments and on foreign currency transactions
- 1. Usage strategy of the financial instruments

The major factor in managing interest rate and liquidity risk at the balance sheet is parallel movement of assets and liabilities.

Exchange rate risk, interest rate risk and liquidity risk are controlled and measured by various risk management systems, and the balance sheet is managed under the limits set by these systems and the limits legally required. Value at risk models are used for this purpose.

Purchase-sale transactions of short and long-term financial instruments are realized within predetermined risk limits that are allowed for the purpose of increasing risk-free return on capital.

The foreign currency position is carried based on a currency basket to minimize the foreign exchange risk.

- 2. Foreign currency transactions
- 2.1 Foreign currency exchange rates used in converting transactions denominated in foreign currencies and their presentation in the financial statements

The Group recognizes the foreign currency transactions in accordance with TAS 21 "The Effects of Changes in Foreign Exchange Rates". Foreign exchange gains and losses arising from the foreign currency transactions are converted into Turkish Lira by using the exchange rates at the date of the transaction and recognized in accounting records. At the end of the periods, foreign currency assets and liabilities are converted into Turkish Lira by using the spot foreign currency exchange rates of the Bank and the related currency conversion differences are recognized as foreign exchange gains and losses.

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

II. Explanations on the usage strategy of financial instruments and on foreign currency transactions (continued)

As at the end of the related periods, the Bank's foreign currency exchange rates are as follows in full TL:

	31 December 2020	31 December 2019
US Dollar	7,3405	5,9402
Euro	9,0079	6,6506

III. Explanations on consolidated subsidiaries

Fiba Portföy Yönetimi A.Ş. ("Fiba Portföy"); the subsidiary of the Bank was consolidated by using full consolidation method in the consolidated financial statements dated 31 December 2020. Fibabanka A.Ş. and Fiba Portföy Yönetimi A.Ş. together are referred to as "the Group" in the report.

Capital Markets Board ("CMB") approved Fiba Portföy's licence application for portfolio management activity and the licence numbered PYŞ. PY 56/1267 and dated 12 December 2013 was assigned to Fiba Portföy.

The objective of Fiba Portföy is to manage portfolios consisting of financial assets as a representative by entering into portfolio management contracts in accordance with CMB laws and relevant regulation and also to perform capital markets operations. Besides, Fiba Portföy can manage the portfolios of local and foreign investment funds, investment trusts, local/foreign real persons, brokerage companies and other similar legal entities within the context of the related regulation as portfolio management activities. On the condition that, the requirements of the Capital Markets regulations are fulfilled and necessary approvals and licences from the Capital Markets Board are obtained; Fiba Portföy can also perform investment advisory services, market consultancy in Borsa İstanbul A.Ş. Emerging Companies Market, and intermediary services for the trading of investment fund certificates. The Bank owns 99% of the equity of Fiba Portföy whose headquarters is located in Istanbul.

According to full consolidation method, the subsidiary's 100% of assets, liabilities, revenues, expenditures and off-balance sheet liabilities were combined with the Parent Bank's assets, liabilities, revenues, expenditures and off-balance sheet liabilities. Book value of the investment in the Group's subsidiary and the portion of the cost of subsidiary's capital belonging to the Group are eliminated. All intragroup balances and income and expenses relating to transactions between the Bank and its subsidiary are eliminated in full consolidation. Minority shares in the net income of consolidated subsidiary determined the net income of the Group and were presented as a separate item in the statement of profit or loss. Minority shares were presented under equity in the consolidated financial statement.

IV. Explanations on forward transactions, options and derivative instruments

The Parent Bank's derivative transactions mainly consist of currency swaps, interest rate swaps, currency options and currency forward purchase/sale contracts. The Parent Bank does not have any embedded derivatives separated from the host contract.

The Parent Bank's derivative instruments held for trading are classified as "Derivative Financial Assets Measured at Fair Value Through Profit and Loss" or "Derivative Financial Assets Measured at Fair Value through Other Comprehensive Income" in accordance with TFRS 9 and derivative instruments for hedging purpose are classified, measured and accounted in accordance with TAS 39 "Financial Instruments: Recognition and Measurement", respectively.

The liabilities and receivables arising from the derivative transactions are recorded as off-balance sheet items at their contractual values.

Derivative transactions are measured at their fair values subsequent to their acquisition. In accordance with the classification of derivative financial instruments, if the fair value is positive, the amount is classified as "Derivative Financial Assets at Fair Value Through Profit or Loss" or "Derivative Financial Assets at Fair Value Through Other Comprehensive Income", if the fair value is negative, the amount is classified as "Derivative Financial Liabilities at Fair Value Through Profit or Loss" or "Derivative Financial Liabilities at Fair Value Through Other Comprehensive Income". The fair value differences of derivative financial instruments are recognized in the statement of profit or loss under trading profit/loss line as profit/loss from derivative financial transactions.

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

IV. Explanations on forward transactions, options and derivative instruments (continued)

Explanations on derivative financial instruments held for hedging

The Parent Bank enters into cross currency swap transactions in order to hedge the change in fair values of fixed-rate financial instruments. While applying fair value hedge accounting, the changes in fair values of hedging instrument and hedged item are recognised in statement of profit or loss.

If the hedging is effective, the changes in fair value of the hedged item, which is fixed rate TL denominated loans, are presented in statement of financial position together with the hedged item. Subsequently, derivative transactions are valued at their fair values and the changes in their fair values are recorded on balance sheet under "Derivative Financial Assets at Fair Value Through Profit or Loss" or "Derivative Financial Liabilities at Fair Value Through Profit or Loss", respectively depending on the fair values being positive or negative. Fair value changes are recorded under statement of profit or loss.

The Parent Bank performs effectiveness tests at the beginning of the hedge accounting period and at each reporting period.

The hedge accounting is discontinued when the hedging instrument expires, is exercised, sold or no longer effective. When discontinuing fair value hedge accounting, the cumulative fair value changes in carrying value of the hedged item arising from the hedged risk are amortized to statement of profit or loss over the life of the hedged item from that date of the hedge accounting is discontinued.

V. Explanations on interest income and expenses

Interest income and expenses are recognized on accrual basis by using internal rate of return for financial assets and liabilities with given future cash payments and collections.

VI. Explanations on fee and commission income and expenses

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 on accrual basis throughout the service period.

VII. Explanations on financial assets

Financial assets include cash on hand, contractual rights to receive cash or another financial asset from the counterparty or the right to exchange of financial instruments or equity instrument transactions of the counterparty. Financial assets are classified into three groups as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial assets measured at amortized cost.

1. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or 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 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 statement of profit or loss.

Loans measured at fair value through profit or loss are subject to valuation in accordance with fair value principles and profit or losses, emerging as a result of valuation, are recognized under profit/loss accounts.

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

VII. Explanations on financial assets (continued)

2. Financial assets measured at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

Financial assets at fair value through other comprehensive income are recognized by adding transaction costs to acquisition cost reflecting the fair value of the financial asset. After the 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 statement of profit or loss. "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 statement of profit or loss 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. When these securities are collected or disposed of, the accumulated fair value differences reflected in the equity are recognized in the statement of profit or loss.

Equity securities, which are classified as financial assets at fair value through other comprehensive income can be measured are carried at fair value. However, in some exceptional cases, cost may be an appropriate estimation method for determining fair value. The cost is estimated to be the case fair value is reflected in the best way possible.

3. 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 method. Interest income obtained from financial assets measured at amortized cost is accounted in statement of profit or loss.

4. Loans

Loans are financial assets generated by providing cash, commodity or service to the borrower. These loans and receivables are recorded by acquisition cost reflecting fair value and afterwards measured at amortized cost by using effective interest rate (internal rate of return) method. Fees and other costs paid for the assets taken as collateral for those loans are not recognized as cost of operation and accounted in expense accounts. Bank's loans are presented in "Financial Assets Measured at Amortized Cost" and "Financial Assets at Fair Value Through Profit or Loss" accounts.

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

VIII. Explanations on expected credit loss

The Parent Bank recognizes expected credit loss allowance for financial assets measured at amortized cost and measured at fair value through other comprehensive income.

As of 1 January 2018, the Bank recognizes 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 September 2016 numbered 29750.

Calculation of expected credit loss

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. Expected credit loss is calculated by using following components: "Exposure at Default", "Probability of Default" and "Loss Given Default".

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 that do not have a significant increase in credit risk since initial recognition. Impairment for credit risk will be recorded in the amount of 12-month expected credit losses.

Stage 2

In the event of a significant increase in credit risk since initial recognition, the financial asset will be transferred to Stage 2. Impairment for credit risk will be determined on the basis of the instrument's lifetime expected credit losses.

Stage 3

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime expected credit losses are recognized.

As part of TFRS 9, expected credit loss models are improved in process of exposure at default, probability of default and loss given default. These models are formed by taking into consideration internal ratings systems, past data and prospective expectations and considering below factors;

- Costumer type (individual, corporate, commercial and SME)
- Product type
- Ratings used as part of internal ratings systems (for corporate segment)
- Collaterals
- Collection period
- Exposure at default
- Time passed since loan disbursement
- Time to maturity

If the existing provision model is not able to reflect the situation, individual assessment is possible by using the cash flow expectations of Credits Monitoring and Collection Department.

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

VIII. Explanations on expected credit loss (continued)

Exposure at Default: Expresses the exposure amount when debtor defaults. It accounts along with the maturity of the borrower. The amount of additional risk that may occur in case of default is added to the amount of risk and included in the calculations by using the credit conversion rates (CCR) for irrevocable commitments.

Probability of Default: Refers to the probability of default due to the inability of the debtor to fulfill its obligations. 12-month or lifetime estimation is performed according to whether there is an increase in credit risk or not.

Loss Given Default: In the default of the borrower, it is calculated as the expected credit loss to exposure at default. Loss given default models include inputs such as product type, customer segment, collateral structure, customer payment performance.

Macroeconomics Factors: Macroeconomics indicators are taken into account in determining the probability of default component in the expected credit loss calculation. Future macroeconomics forecasts are reflected in the expected credit loss calculations using more than one scenario.

While macroeconomics information is included, models and estimates reflecting the relationships between model risk parameters and macroeconomics variables are taken into consideration. The main macroeconomics indicators that make up these estimation models are the Gross Domestic Product (GDP) and the unemployment rate. Macroeconomics estimation models include more than one scenario and the related scenarios are taken into account in the expected credit loss calculations.

Future expectations are determined based on 2 scenarios, base and negative. Each scenario has predetermined weights, and the final provisions are calculated by weighting on these probabilities.

The Bank's macro-economic forecasting for forward-looking perspective, the current economic conditions, according to the New Economy Program (YEP) and expert opinions, it calculates the expected credit loss with two scenarios: base and negative. The macroeconomic value estimates taken into account are presented below:

	Bas	e Scenario	Negat	ive Scenario
	Growth	Unemployment	Growth	Unemployment
1st year	5,80%	12,90%	3,70%	13,90%
2st year	5,00%	11,80%	2,90%	12,80%
3st year	5,00%	10,90%	2,90%	11,90%

Calculation of Expected Loss Period: In determining the lifetime expected credit loss, the period in which the Bank will be exposed to credit risk is taken into consideration. Behavioural maturity analysis was performed on credit cards and overdraft accounts. The maximum period for which credit losses are to be recognized, except for credit cards and other revolving loans, is the contractual life of the financial instrument unless a legal right is required to recall the loan.

Significant Increase in Credit Risk: Due to the significant increase in credit risk, the Bank performs quantitative and qualitative assessments to determine the financial assets to be classified as Stage 2 (Significant Increase in Credit Risk).

Within the scope of the quantitative assessments made for the corporate segment, the Bank compares the change between the starting date and the date of the report by taking into account the time passed since the opening date. In order to make this comparison, the Bank specifies threshold values to determine which changes are accepted as significant change. The decision to classify financial assets with a significant increase in credit risk by exceeding these threshold values as Stage 2 is taken by the opinion of the Credits Department.

Also, credit risk with an overdue period between 30 and 90 days is classified as Stage 2. However, in accordance with the decision of BRSA dated 17 March 2020 with the number 8948, due to the effects of COVID-19 on economic and trading activities, credit risk up to 180 days past due is also classified as Stage 2, temporarily.

Within the scope of qualitative evaluations, financial assets under close monitoring as of the reporting date are classified as Stage 2.

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

IX. Explanations on offsetting financial instruments

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 the related financial assets and liabilities on a net basis, or to realize the asset and settle the liability simultaneously.

X. Explanations on sale and repurchase agreements and securities lending transactions

Securities subject to repo (repurchase agreements) are classified as "Financial assets at fair value through profit or loss", "Financial assets at fair value through other comprehensive income" or "Financial assets measured at amortized cost" according to their purposes to be held in the Bank's portfolio and evaluated within the principles of the relevant portfolio. Funds obtained from repurchase agreements are followed under the "Funds from repo transactions" account in liabilities and interest expense accruals are calculated using the effective interest rate (internal rate of return) method on the difference between the sales and repurchase prices corresponding to the period designated by a repurchase agreement.

Securities purchased under agreements to resell ("Reverse repo") transactions are accounted under the "Money market placements" in the balance sheet.

XI. Explanations on noncurrent assets held for sale and discontinued operations and the related liabilities

A tangible asset (or a disposal group) classified as "asset held for sale" is measured at the lower of the carrying value or fair value less costs to sell. Assets held for sale are not depreciated and presented in the financial statements separately. An asset (or a disposal group) is regarded as "asset held for sale" only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. For a highly probable sale, there must be a valid plan prepared by the management for the sale of asset including identification of possible buyers and completion of sale process. Furthermore, the asset should be actively marketed at a price consistent with its fair value.

Events or circumstances may extend the period to complete the sale beyond one year. An extension of the period required to complete a sale does not preclude an asset (or disposal group) from being classified as held for sale if the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset (or disposal group).

A discontinued operation is part of the Bank's business classified as disposed or held-for-sale. The operating results of the discontinued operations are disclosed separately in the statement of profit or loss.

The Group does not have any discontinued operations.

XII. Explanations on goodwill and other intangible assets

As at the balance sheet date, there is no goodwill in the accompanying financial statements. The intangible assets of the Bank consist of software, intangible rights and other intangible assets.

The costs of the intangible assets purchased before 1 January 2005 are recognized at their inflation adjusted costs as of 31 December 2004 and intangible assets purchased after 1 January 2005 are recognized at their acquisition cost less accumulated amortization and impairment, if any.

Estimated useful lives of the intangible assets of the Group are 3 to 10 years, and amortization rates are 10% to 33,3%.

If there is objective evidence of impairment, the asset's recoverable amount is estimated in accordance with the Turkish Accounting Standard 36 (TAS 36) "Impairment of Assets" and if the recoverable amount is less than the carrying value of the related asset, an allowance for impairment is recognized.

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

XIII. Explanations on tangible assets

Tangible assets are measured at cost in accordance with the Turkish Accounting Standard 16 (TAS 16) "Tangible Assets".

The costs of the tangible assets purchased before 1 January 2005 are recognized at their inflation adjusted costs as of 31 December 2004 and tangible assets purchased after 1 January 2005 are recognized at their acquisition cost less accumulated depreciation and impairment, if any.

If there is objective evidence of impairment, the asset's recoverable amount is estimated in accordance with the Turkish Accounting Standard 36 (TAS 36) "Impairment of Assets" and if the recoverable amount is less than the carrying value of the related asset, an allowance for impairment is recognized.

Gains/losses from the sale of the tangible assets are calculated as the difference between the net book value and the net sales price.

Maintenance and repair costs incurred for tangible assets are recorded as expense.

There are no restrictions such as pledges, mortgages or any other restriction on tangible assets.

There are no changes in the accounting estimates that are expected to have an impact in the current or subsequent periods.

Depreciation rates and estimated useful lives used for the tangible assets are as follows:

Tangible Assets	Estimated Useful Lives (Years)	Depreciation Rates (%)
Safe Boxes	50	2
Vehicles	5	20
Real Estate	50	2
Other Tangible Assets	4-20	5-25

Explanation on TFRS 16 Leases standard

The Bank has started to implement TFRS 16 Leases, which was published in the Official Gazette dated 16 April 2018 and numbered 29826 in its unconsolidated financial statements and became effective as of 1 January 2019, for the first time.

TFRS 16 "Lease" Standard

The Bank as a lessee according to "Lease" Standard:

The Bank assesses whether the contract has the characteristic of a lease or whether the Contract includes a lease transaction at the beginning of a contract. In case the contract is transferred for a certain period of time to control the use of the asset defined for a price, it is either leased or includes a lease. The Bank reflects a right of use asset and a lease liability to the financial statements at the effective date of the lease.

Right to use asset:

The right to use asset is first recognized by cost method and includes:

- a) the initial measurement amount of the lease obligation,
- b) the amount obtained by deducting all the rental incentives received from all lease payments made at or before the beginning of the lease;
- c) all initial direct costs incurred by the Bank.

When applying the cost method, the Bank measures the right to use as follows:

- a) deducts accumulated depreciation and accumulated impairment losses and
- b) measures the restatement of the lease obligation at the restated cost.

Bank applies depreciation clauses of TAS 16 Tangible Assets standard when measuring the depreciation of the right to use.

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

Explanation on TFRS 16 Leases standard (continued)

Lease liabilities:

At the effective date of the lease, the Bank measures its leasing liability at the present value of the lease payments not paid at that time. Lease payments are discounted using the Bank's average borrowing interest rates. Otherwise Bank's incremental borrowing interest rates are used.

The lease payments included in the measurement of the lease liability consist of the payments to be made for the right of use during the lease term of the underlying asset and the unpaid payments at the effective date of the lease.

After the effective date of the lease, the Bank measures the leasing liability as follows:

- a) Increase the book value to reflect the interest on the lease obligation
- b) Reduces the book value to reflect the lease payments made and
- c) The book value is measured to reflect reassessments and restructuring, or reflect to fixed lease payments as of revised nature.

The interest on the lease liability for each period in the lease period is the amount calculated by applying a fixed periodic interest rate to the remaining balance of the lease liability.

XV. Explanations on leasing transactions

As "TFRS 16 Leases" standard is valid starting on 1 January 2019, difference between operational lease and financial lease disappeared so that leasing transactions will be recognized as right-of-use assets and will be recognized under "Tangible Assets" and corresponding liability under "Lease Liabilities".

XVI. Explanations on provisions and contingent liabilities

Provisions and contingent liabilities are accounted in accordance with TAS 37 "Provisions, Contingent Liabilities and Contingent Assets". In the financial statements, a provision is made if there is a present obligation that arises from past events as of the balance sheet date, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and if a reliable estimate can be made of the amount of the obligation. If the amount is not reliably estimated and there is no probability of cash outflow from the Bank to settle the liability, the related liability is considered as "contingent" and disclosed in the notes to the financial statements.

Provisions recognized during the period are recognized within "other operating expenses"; reversals of provisions recognized in the prior periods are recognized within "other operating income".

XVII. Explanations on contingent assets

The contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the Bank. If an inflow of economic benefits has become probable, then the contingent asset is disclosed in the notes to the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the financial statements of the period in which the change occurs.

XVIII. Explanations on liabilities for employee benefits

As per the existing labour laws and agreements in Turkey, entities are required to pay severance for the employees retired or fired. These payments are qualified as recognized retirement benefit plan according to revised TAS 19 Employee Benefits. Severance payment liability recognized in the balance sheet is calculated according to the net present value of expected amount in the future arising from all employees' retirements and represented in represented in financial statements. All actuarial losses and gains are accounted for as other comprehensive income.

The major assumptions used in the actuarial calculation are as follows:

- Calculation is based on discount rate of 13,00%, inflation rate of 8,50%
- Effective as of 31 December 2020, ceiling salary amount is considered as TL 7.117,17 (full TL).
- Individuals' earliest retirement age is considered as retirement age.
- CSO 1980 mortality table is used for the death probabilities of male and female employees.

There is no employee foundation, fund or similar institutions.

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

XIX. Explanations on taxation

1. Current Tax

Effective from 1 January 2006, statutory income is subject to corporate tax at 20%, on the other hand as per the provisional article 91 of Law numbered 7061, which is added to Corporate Tax Law numbered 5520 corporate tax rate regarding 2018, 2019 and 2020 fiscal periods (accounting periods starting within the related period for companies which are assigned special accounting period) has changed as 22%. This rate is applied to accounting income modified for certain exemptions (like dividend income) and deductions (like investment incentives), and additions for certain non-tax deductible expenses and allowances for tax purposes.

If there is no dividend distribution planned, no further tax charges are made. Dividends paid to the resident institutions and the institutions working through local offices or representatives are not subject to withholding tax. As per the decisions no.2009/14593 and no.2009/14594 of the Council of Ministers published in the Official Gazette no.27130 dated 3 February 2009, certain duty rates included in the articles no.15 and 30 of the new Corporate Tax Law no.5520 are revised. Accordingly, the withholding tax rate on the dividend payments other than the ones paid to the non-resident institutions generating income in Turkey through their operations or permanent representatives and the resident institutions is 15%. In applying the withholding tax rates on dividend payments to the non-resident institutions and the individuals, the withholding tax rates covered in the related Double Tax Treaty Agreements are taken into account. Appropriation of the retained earnings to capital is not considered as profit distribution and therefore is not subject to withholding tax.

The prepaid taxes are calculated and paid at the rates valid for the earnings of the related years. The prepayments can be deducted from the annual corporate tax calculated for the whole year earnings.

In accordance with the tax legislation, tax losses can be carried forward to offset against future taxable income for up to five years. Tax losses cannot be carried back to offset profits from prior periods.

In Turkey, there is no procedure for a final and definite agreement on tax assessments. Companies file their tax returns with their tax offices by the end of 25th of the fourth month following the close of the accounting period to which they relate. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

2. Deferred Tax

The Group calculates and recognizes deferred tax for taxable temporary differences arising between the carrying values of assets and liabilities in the financial statements and their corresponding balances considered in the calculation of the tax base according to the Turkish Accounting Standard 12 (TAS 12) "Income Taxes".

In accordance with the provisional article, added to Corporate Tax Law, corporate tax which is 20%, shall be applied as 22% for the profit of company belonging to 2018, 2019 and 2020 fiscal periods. In accordance with this provisional article, 22% tax rate has been calculated for 2018 and 2019, in which the deferred tax assets and liabilities emerges and liabilities are met, while it is calculated with 20% for 2021 and following periods. As of the end of 2020, the rate for all items was taken into account as 20%.

Deferred tax liabilities are generally recognized for all taxable temporary and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax rate calculation has started to be applied over temporary expected credit losses as per TFRS 9 articles from 1 January 2018. The Bank calculates deferred tax also for provision for possible loss.

As of 31 December 2020, the deferred tax asset is TL 191.840 (31 December 2019: TL 54.503 deferred tax asset). The deferred tax asset is calculated as the net of taxable and deductible temporary differences.

Deferred tax income/(expense) is recognized within "Deferred Tax Income Effect" and "Deferred Tax Expense Effect" in the statement of profit or loss; deferred tax income is TL 239.277 and deferred tax expense is TL 101.224 for the current period (1 January - 31 December 2019: TL 15.309 expense). The part of the deferred tax related to assets directly associated with equity is recognized in equity, this amount is TL 716 of expense (1 January - 31 December 2019: TL 9.539 expense).

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

3. Transfer Pricing

The article 13 of the Corporate Tax Law describes the issue of transfer pricing under the title of "disguised profit distribution" by way of transfer pricing. "The General Communiqué on Disguised Profit Distribution by Way of Transfer Pricing" published at 18 November 2007, explains the application related issues on this topic.

According to this Communiqué, if the taxpayers conduct transactions like purchase and sale of goods or services with the related parties where the prices are not determined according to the arm's length principle, then it will be concluded that there is a disguised profit distribution by way of transfer pricing. Such disguised profit distributions will not be deducted from the corporate tax base for tax purposes.

As stated in the "7.1 Annual Documentation" section of this communiqué, the taxpayers are required to fill out the "Transfer Pricing, Controlled Foreign Entities and Thin Capitalization" form for the purchase and sale of goods or services conducted with their related parties in a taxation period, attach these forms to their corporate tax returns and submit to the tax offices. Related forms are submitted to tax offices on time

XX. Additional explanations on borrowings

The Parent Bank provides resources from domestic and foreign individuals and institutions both by borrowing funds and issuing bills and bonds.

Borrowing instruments are initially measured at acquisition cost and subsequently measured at amortized cost with the effective interest method. In the accompanying financial statements, foreign currency denominated borrowing funds are converted to Turkish Lira with the Group's spot foreign exchange buy rates and interest expenses incurred during the period relating to the borrowing funds are recognized in statement of profit or loss.

XXI. Additional Tier I Capital

The Parent Bank has recognised the issued Tier 1 securities of TL 100.000 nominal and related interest expenses for 2020, as "other capital reserves" under equity within the scope of "TAS 32 Financial Instruments: Presentation". Interest expenses before 2020 are recognized under "prior years profit or loss" in the balance sheet. It has recognised the issued Tier 1 of USD 30.000 nominal and related interest accrual as "subordinated debt".

Information on debt instruments to be included in the equity calculation is explained under the on equity items in the fourth section, information on financial structure and risk management.

Explanations on share certificates issued

None.

XXII. Explanations on bank acceptances and bills of guarantee

Bank acceptances and bills of guarantee are presented within off-balance sheet liabilities as being possible liabilities and commitments. Cash transactions relating to bank acceptances and bills of guarantee are realized concurrently with the customer payments.

As of the balance sheet date, there are no bank acceptances and bills of guarantee recognized as liability against an asset.

XXIII. Explanation on government incentives

As of the balance sheet date, the Group does not have any government incentives.

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

XXIV. Explanations on segment reporting

The Bank operates in consumer banking services, current accounts, deposit accounts, long term investment products, clearing and custody services, credit and atm services, retail loans, long term mortgage loans, and all other kinds of consumer banking services and commercial services. The Bank's consolidated subsidiary Fiba Portföy is dealing with portfolio management and its activity outcomes and asset&liabilities are reported under "Treasury and Headquarters".

	Retail	Corporate &		Total
	Retail	Commercial	al Treasury &	Operations
	Banking	Banking	Headquarters	of the Bank
Current Period -1 January - 31 December 2020			-	
Operating Income	326.870	813.087	213.220	1.353.177
Operating Profit	50.677	280.339	(5.561)	325.455
Taxation				(88.400)
Net Profit/(Loss) for the Period				237.055
Current Period -31 December 2020				
Segment Assets	3.777.473	15.229.438	8.230.720	27.237.631
Total Assets				27,237,631
Segment Liabilities	12.673.602	3.993.327	8.686.290	25.353.219
Shareholders' Equity				1.884.412
Total Liabilities				27.237.631

	Retail	Retail Commercial		Total Operations
	Banking(*)	Banking	Headquarters	of the Bank
Prior Period -1 January - 31 December 2019				
Operating Income	231.332	879.290	156.793	1.267.415
Operating Profit	(176.072)	259.912	170.026	253.866
Taxation				(38.910)
Net Profit/(Loss) for the Period				214.956
Prior Period -31 December 2019				
Segment Assets	2.066.449	13.441.734	6.381.024	21.889.207
Total Assets				21.889.207
Segment Liabilities	11.018.021	2.499.553	6.712.541	20.230.115
Shareholders' Equity				1.659.092
Total Liabilities				21.889.207

^(*) SME segment which is transferred to commercial segmet as of March due to the new segmentation study has been reported under retail banking for first two months.

XXV. Profit reserves and distribution of the profit

In financial tables, except legal reserves, retained earnings can be distributed on condition that it has legal reserve requirement explained below.

Legal reserves are consisted of first and second reserves as determined in Turkish Commercial Code (TCC). First legal reserve, is appropriated by TCC at the rate of 5%, until the total reserve is equal to 20% of issued and fully paid-in share capital. Second legal reserve, appropriated at the rate of 10% of distributions in excess of 5% of issued and fully paid-in share capital, but holding companies are not subject to such transaction. According to the Turkish Commercial Code, legal reserves can only be used to compensate accumulated losses and cannot be used for other purposes unless they exceed 50% of paid-in capital.

In the Ordinary General Assembly Meeting of the Bank, which was held on 27 March 2020, it was decided to allocate the 2019 net profit amounting TL 212.044 as legal reserve of TL 10.602 and as extraordinary reserves of TL 201.442.

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

XXVI. Earnings Per Share

Earnings per share disclosed in the statement of profit or loss are calculated by dividing net profit for the year by the weighted average number of shares outstanding during the related period concerned.

	31 December	31 December
	2020	2019
Net Profit / (Loss) distributable to Common Shares	237.055	214.956
Average Number of Issued Common Shares (Thousand)	94.116.055	94.116.055
Farnings Per Share (Amounts presented as full TI)	0.00252	0.00228

In Turkey, companies can increase their share capital by distributing "bonus shares" to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them a retroactive effect for the year in which they were issued and for each earlier period. In case bonus shares are distributed after the balance sheet date but before the preparation of the financial statements, earnings per share is calculated considering the new number of shares.

There are no bonus shares issued by the Bank in 2020 (31 December 2019: None).

XXVII. Cash and Cash Equivalent Assets

Cash, cash in transit, purchased bank cheques and demand deposits including balance with Central Bank are considered as "Cash"; interbank money market placements and time deposits at banks with original maturity periods of less than three months and receivables from reverse repo are considered as "Cash Equivalents". Required reserves kept in Central Bank under blocked account are not "Cash Equivalents" in the statement of cash flow.

XXVII. Other Disclosures

BRSA has announced a series of measures to limit the negative effects of the worldwide uncertainty created by COVID-19 pandemic observed in Turkey and all over the world. The possible effects of these measures on the Bank's financial statements are closely monitored by the Bank's Management, and necessary measures are taken to keep the possible negative effects under control.

With the Decision No. 9312 dated 8 December 2020 of the Banking Regulation and Supervision Agency;

As a result of the re-evaluation of Board Resolutions and instructions taken in the past, which brought temporary regulations on banks' obligations, in order to support the real sector, bank customers and banks in a period when uncertainties and risks in global markets are high due to the pandemic, in the current period it would be appropriate to extend those regulations with the same purposes, thus within this framework until 30 June 2021:

- -In accordance with the Regulation on Measurement and Assessment of Capital Adequacy of Banks, in calculation of amount subject to credit risk, to calculate the amount of the non-monetary and monetary assets, excluding the items in foreign currencies in accordance with Turkey Accounting Standards and the amount of related spesific provisions, it is possible to use simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date,
- -If the net valuation diffrences of the securities owned by banks in the "Securities with Fair Value Differences Reflected in Other Comprehensive Income" portfolio are negative, these differences may not be taken into account in the amount of equity to be calculated in accordance with the Regulation On Own Funds Of Banks and used fort he capital adequacy ratio (The Bank does not have a negative valuation difference within the scope as of 31 December 2020.),
- As stated in the Board Decision dated March 17, 2020 and numbered 8948, the 90-day delay period foreseen for the non-performing loan classification within the scope of Articles 4 and 5 of Regulation on Procedures and Principles for Classification of Loans and the Provisions to be Set Aside, for these loans it shall be applied as 180 days and continuing to allocate provisions for loans that are still classified in the Second Group despite the delay, according to the banks' own risk models in the calculation of expected credit losses within the scope of TFRS 9,

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

XXVII. Other Disclosures (continued)

- As stated in the Board Decision dated March 27, 2020 and numbered 8970, within the scope of Article 4 of the Regulation on the Procedures and Principles Regarding the Classification of Loans and the Provisions to be Set Aside, the 30 days delay period for the classification of the loans in the Second Group shall be applied as 90 days for the loans followed in the First Group and provisions for loans that continue to be classified in the First Group despite the 30-day delay, shall be continued to allocate according to the banks' own risk models in the calculation of expected credit losses within the scope of TFRS 9.

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

SECTION FOUR

INFORMATION ON CONSOLIDATED FINANCIAL POSITION AND RISK MANAGEMENT

Total capital and capital adequacy ratio have been calculated in accordance with the "Regulation on Equity of Banks" and "Regulation on Measurement and Assessment of Capital Adequacy of Banks".

As of 31 December 2020, the Group's total capital has been calculated as TL 4.173.852 and the capital adequacy ratio is 19,42% (As of 31 December 2019, the Group's total capital amounted to TL 3.667.384 and the capital adequacy ratio was 19,55%).

I. Information related to the components of consolidated shareholders' equity:

	Current Period (31/12/2020) Amount	Amount as per the regulation before 1/1/2014 *
TIER I CAPITAL		
Paid-in capital to be entitled for compensation after all creditors	941.161	
Share Premium	128.678	
Reserves (**)	652.415	
Other comprehensive income according to TAS	22.263	
Profit	240.294	
Current period profit	237.055	
Prior period profit Bonus shares from associates, subsidiaries and joint-ventures not accounted in current	3.239	
period's profit		
Tier I Capital Before Deductions	1.984.811	
Deductions From Tier I Capital		
Valuation adjustments calculated as per the article 9. (i) of the Regulation on Bank Capital		
Current and prior periods' losses not covered by reserves, and losses accounted under equity according to TAS (***)	44.426	
Improvement costs for operational leasing	9.552	
Goodwill and other intangible assets and related deferred taxes		
Other intangibles other than mortgage-servicing rights (net of related tax liability)	153.938	
Excess amount arising from deferred tax assets from temporary differences	30.200	
Differences arise when assets and liabilities not held at fair value, are subjected to cash flow hedge accounting		
Total credit losses that exceed total expected loss calculated according to the Regulation on Calculation of Credit Risk by Internal Ratings Based Approach		
Securitization gains		
Unrealised gains and losses due to the changes in own credit risk on fair valued liabilities (**)The difference between the expected credit loss calculated in accordance with TFRS 9 and the total provision and		

^(**)The difference between the expected credit loss calculated in accordance with TFRS 9 and the total provision amount calculated with the method before TFRS 9 has been recorded in the "Retained Earnings" account; in accordance with Provisional Article 5 of the Regulation on Equity of Banks, related amount is shown net by adding back 40% of the provision difference, net of tax.

FİBABANKA A.Ş. AND ITS SUBSIDIARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD BETWEEN 1 JANUARY- 31 DECEMBER 2020 (Amounts expressed in thousands of Turkish Lira (TL) unless otherwise stated)

	Current Period (31/12/2020) Amount	Amount as per the regulation before 1/1/2014 *
Net amount of defined benefit plans		
Direct and indirect investments of the Bank on its own Tier I Capital		
Shares obtained against Article 56, Paragraph 4 of the Banking Law		
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital		
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of above Tier I Capital		
Mortgage servicing rights exceeding the 10% threshold of Tier I Capital		
Net deferred tax assets arising from temporary differences exceeding the 10% threshold of Tier I Capital		
Amount exceeding 15% threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks		
The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital not deducted from Tier I Capital		
Excess amount arising from mortgage servicing rights		
Excess amount arising from deferred tax assets from temporary differences		
Other items to be defined by the BRSA		
Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals		
Total Deductions From Common Equity Tier I Capital	238.316	
Total Common Equity Tier I Capital	1.746.695	
ADDITIONAL TIER I CAPITAL Preferred stock not included in Tier I capital and the related share premiums		
·		
Debt instruments and the related issuance premiums defined by the BRSA	320.215	
Debt instruments and the related issuance premiums defined by the BRSA (Covered by Temporary Article 4)		
Additional Core Capital before Deductions	320.215	
Deductions from Additional Core Capital		
Direct and indirect investments of the Bank on its own Additional Tier I Capital		
Investments in equity instruments issued by Banks or financial institutions invested in Bank's Additional Tier I Capital and having conditions stated in the Article 7 of the Regulation		
The total of net long position of the direct or indirect investments in Additional Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital		

	Current Period (31/12/2020) Amount	Amount as per the regulation before 1/1/2014 *
The total of net long position of the direct or indirect investments in Additional Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital		
Other items to be defined by the BRSA		
Items to be Deducted from Tier I Capital during the Transition Period		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier I capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-) Net deferred tax asset/liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy		
Ratios of Banks (-)		
Deduction from Additional Tier I Capital when there is not enough Tier II Capital (-)		
Total Deductions from Additional Tier I Capital		
Total Additional Tier I Capital	320,215	
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)	2.066.910	
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	1.868.480	
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)		
Provisions (Article 8 of the Regulation on the Equity of Banks)	238.462	
Tier II Capital before Deductions	2.106.942	
Deductions from Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital (-)		
Investments in equity instruments issued by banks and financial institutions invested in Bank's Tier II Capital and having conditions stated in the Article 8 of the Regulation		
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital (-)		
Total of net long position of the direct or indirect investments in Additional Tier I Capital and Tier II Capital of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of Tier I Capital (-)		
Other items to be defined by the BRSA (-)		
Total Deductions from Tier II Capital		
Total Tier II Capital	2.106.942	
Total Equity (Total Tier I and Tier II Capital)	4.173.852	

	Current Period (31/12/2020) Amount	Amount as per the regulation before 1/1/2014 *
Total Tier I Capital and Tier II Capital (Total Equity)	4.173.852	
Loans granted against the Articles 50 and 51 of the Banking Law		
Net book values of movables and immovable exceeding the limit defined in the Article 57, Clause 1 of the Banking Law and the assets acquired against overdue receivables and held for sale but retained more than five years		
Other items to be defined by the BRSA		
Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period ${\sf T}$		
The portion of total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital not deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation		
The portion of total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital exceeding the 10% threshold of above Tier I Capital not deducted from Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation		
The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital, of the net deferred tax assets arising from temporary differences and of the mortgage servicing rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation		
EQUITY	4.173.852	
Total Capital (Total of Tier I Capital and Tier II Capital)	4.173.852	
Total Risk Weighted Assets (****)	21.493.545	
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)	8,31	
Tier I Capital Adequacy Ratio (%)	9,62	
Capital Adequacy Ratio (%)	19,42	
BUFFERS		
Total Additional Core Capital Requirement Ratio (a+b+c)	2,58	
a) Capital Conservation Buffer Requirement (%)	2,50	
b) Bank-specific Counter-Cyclical Buffer Requirement(%)	0,08	
c) Systemically Important Banks Buffer Requirement Ratio (%) (****)It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business	 days from the calculat	ion date.

	Current Period (31/12/2020) Amount	Amount as per the regulation before 1/1/2014 *
The ratio of Additional Common Equity Tier I capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital Buffers to risk weighted assets (%)	3,62	
Amounts lower than Excesses as per Deduction Rules		
Remaining total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital		
Remaining total of net long positions of the investments in Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% or less of the Tier I Capital		
Remaining mortgage servicing rights		
Net deferred tax assets arising from temporary differences		
Limits for Provisions Used in Tier II Capital Calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)	415.871	
Up to 1,25% of total risk-weighted amount of general provisions for receivables where the standard approach used	238.462	
Total loan provision that exceeds total expected loss calculated according to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach		
Total loan provision that exceeds total expected loss calculated according to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, limited by 0,6% risk weighted assets		
Debt Instruments Covered by Temporary Article 4 (effective between 01/01/2018- 01/01/2022)		
Upper limit for Additional Tier I Capital items subject to Temporary Article 4		
Amount of Additional Tier I Capital items subject to Temporary Article 4 that exceeds upper limit		
Upper limit for Additional Tier II Capital items subject to Temporary Article 4		
Amount of Additional Tier II Capital items subject to Temporary Article 4 that exceeds upper limit		

 $[\]ensuremath{^{\star}}$ The amounts to be considered under the transitional provisions

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

	Prior Period (31/12/2019) Amount	Amount as per the regulation before 1/1/2014 (*)
TIER I CAPITAL		
Paid-in capital to be entitled for compensation after all creditors	941.161	
Share premium	128.678	
Reserves	518.380	
Other comprehensive income according to TAS	15.774	
Profit	214.956	
Current period profit	214.956	
Prior period profit		
Bonus shares from associates, subsidiaries and joint-ventures not accounted in current period's profit		
Minority shares	1.818.949	
Tier I Capital Before Deductions		
Deductions From Tier I Capital		
Valuation adjustments calculated as per the Article 9 (i) of the Regulation on Bank Capital Current and prior periods' losses not covered by reserves, and losses accounted under	26.524	
equity according to TAS (**)	11.382	
Improvement costs for operational leasing		
Goodwill and other intangible assets and related deferred taxes	100.064	
Other intangibles other than mortgage-servicing rights (net of related tax liability)	9.790	
Excess amount arising from deferred tax assets from temporary differences		
Differences arise when assets and liabilities not held at fair value, are subjected to cash flow hedge accounting		
Total credit losses that exceed total expected loss calculated according to the Regulation on Calculation of Credit Risk by Internal Ratings Based Approach		
Securitization gains		

Unrealised gains and losses due to the changes in own credit risk on fair valued liabilities

-(**)The difference between the expected credit loss calculated in accordance with TFRS 9 and the total provision amount calculated with the method before TFRS 9 has been recorded in the "Retained Earnings" account; in accordance with Provisional Article 5 of the Regulation on Equity of Banks, related amount is shown net by adding back 60% of the provision difference, net of tax.

(***) Within the scope of the relevant letter of BRSA dated 23 March 2020 and numbered 3397, among the securities included in the "Securities with Fair Value Difference to Other Comprehensive Income" portfolio, those with negative net valuation differences are not taken into account in the equity calculation.

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

Amount as per the Prior Period regulation (31/12/2019) before

	(2014 (*)
Net amount of defined benefit plans		
Shares obtained against Article 56, Paragraph 4 of the Banking Law		
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital		
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of above Tier I Capital	e	
Mortgage servicing rights exceeding the 10% threshold of Tier I Capital		
Net deferred tax assets arising from temporary differences exceeding the 10% threshold of Tier Capital		
Amount exceeding the 15% threshold of Tier I Capital as per the Article 2, Clause 2 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks		
The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital not deducted from Tier I Capital	I	
Excess amount arising from mortgage servicing rights		
Excess amount arising from deferred tax assets from temporary differences		
Other items to be defined by the BRSA		
Deductions from Tier I Capital in cases where there are no adequate Additional Tier I or Tier II Capitals		
Total Deductions From Common Equity Tier I Capital	147.760	
Total Common Equity Tier I Capital	1.671.189	
ADDITIONAL TIER I CAPITAL		
Preferred stock not included in Tier I capital and the related share premiums		
Debt instruments and the related issuance premiums defined by the BRSA	278.206	
Debt instruments and the related issuance premiums defined by the BRSA (Covered by Tempora Article 4)	ry	
Additional Core Capital before Deductions	278,206	
Deductions from Additional Core Capital		
Direct and indirect investments of the Book on its over Additional Tirel Conital		
Investments in equity instruments issued by Banks or financial institutions invested in Bank's Additional Tier I Capital and having conditions stated in the Article 7 of the Regulation		
The total of net long position of the direct or indirect investments in Additional Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issue share capital		

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Amount as per the
Prior Period regulation
(31/12/2019) before

	(31/12/2019) Amount	before 1/1/2014 (*)
The total of net long position of the direct or indirect investments in Additional Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% of the issued share capital		
Other items to be defined by the BRSA		
Items to be Deducted from Tier I Capital during the Transition Period		
Goodwill and other intangible assets and related deferred tax liabilities which will not deducted from Common Equity Tier I capital for the purposes of the first sub-paragraph of the Provisional Article 2 of the Regulation on Banks' Own Funds (-)		
Net deferred tax asset/liability not deducted from Tier I Capital as per the Temporary Article 2, Clause 1 of the Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks (-)		
Deduction from Additional Tier I Capital when there is not enough Tier II Capital (-)		
Total Deductions from Additional Tier I Capital		
Total Additional Tier I Capital	270 201	
Total Tier I Capital (Tier I Capital=Common Equity+Additional Tier I Capital)		
TIER II CAPITAL		
Debt instruments and share issue premiums deemed suitable by the BRSA	1.577.984	
Debt instruments and share issue premiums deemed suitable by BRSA (Temporary Article 4)		
Provisions (Article 8 of the Regulation on the Equity of Banks)	140.016	
Tier II Capital before Deductions	1.718.000	
Deductions from Tier II Capital		
Direct and indirect investments of the Bank on its own Tier II Capital		
Investments in equity instruments issued by banks and financial institutions invested in Bank's Tier II Capital and having conditions stated in the Article 8 of the Regulation	11	
Total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital		
Total of net long position of the direct or indirect investments in Additional Tier I Capital and Tier II Capital of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital exceeding the 10% threshold of Tier I Capital		
Other items to be defined by the BRSA		
Total Deductions from Tier II Capital	11	
Total Tier II Capital	1.717.989	
Total Equity (Total Tier I and Tier II Capital)	1,, 1,,,,,,	
Total Equity (Total Tier Faile Fier ii Capital)	3.667.384	

	Prior Period (31/12/2019) Amount	Amount as per the regulation before 1/1/2014 (*)
Total Tier I Capital and Tier II Capital (Total Equity)	3.667.384	
Loans granted against the Articles 50 and 51 of the Banking Law		
Net book values of movables and immovable exceeding the limit defined in the Article 57, Clause 1 of the Banking Law and the assets acquired against overdue receivables and held for sale but retained more than five years		
Other items to be defined by the BRSA		
Items to be Deducted from the Sum of Tier I and Tier II Capital (Capital) During the Transition Period		
The portion of total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank Owns 10% or less of the issued share capital exceeding the 10% threshold of above Tier I Capital not deducted from Tier I Capital, Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation		
The portion of total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the bank owns more than 10% of the issued share capital exceeding the 10% threshold of above Tier I Capital not deducted from Additional Tier I Capital or Tier II Capital as per the Temporary Article 2, Clause 1 of the Regulation		
The portion of net long position of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or more of the issued share capital, of the net deferred tax assets arising from temporary differences and of the mortgage servicing rights not deducted from Tier I Capital as per the Temporary Article 2, Clause 2, Paragraph (1) and (2) and Temporary Article 2, Clause 1 of the Regulation		
EQUITY	3.667.384	
Total Capital (Total of Tier I Capital and Tier II Capital)	3.667.384	
Total Risk Weighted Assets	18.757.549	
CAPITAL ADEQUACY RATIOS		
Core Capital Adequacy Ratio (%)		
Tier I Capital Adequacy Ratio (%)	10,39	
Capital Adequacy Ratio (%)	19,55	
BUFFERS		
Total Additional Core Capital Requirement Ratio (a+b+c)	2,61	
a) Capital Conservation Buffer Requirement (%)	2,50	
b) Bank-specific Counter-Cyclical Buffer Requirement(%)	0,11	
c) Systemically Important Banks Buffer Requirement Ratio (%)		

	Prior Period (31/12/2019) Amount	Amount as per the regulation before 1/1/2014 (*)
The ratio of Additional Common Equity Tier I capital which will be calculated by the first paragraph of the Article 4 of Regulation on Capital Conservation and Countercyclical Capital buffers to risk weighted assets (%)	4,39	
Amounts lower than Excesses as per Deduction Rules		
Remaining total of net long positions of the investments in equity items of unconsolidated banks and financial institutions where the Bank owns 10% or less of the issued share capital		
Remaining total of net long positions of the investments in Tier I Capital of unconsolidated banks and financial institutions where the Bank owns more than 10% or less of the Tier I Capital		
Remaining mortgage servicing rights		
Net deferred tax assets arising from temporary differences		
Limits for Provisions Used in Tier II Capital Calculation		
General provisions for standard based receivables (before tenthousandtwentyfive limitation)		
Up to 1,25% of total risk-weighted amount of general reserves for receivables where the standard approach used		
Total loan provision that exceeds total expected loss calculated according to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach		
Total Loan Provision that Exceeds Total Expected Loss Calculated According to Communiqué on Calculation of Credit Risk by Internal Ratings Based Approach, Limited by 0,6% Risk Weighted Assets		
Debt Instruments Covered by Temporary Article 4 (effective between 1.1.2018-1.1.2022)		
Amount of Additional Tier I Capital Items Subject to Temporary Article 4 that Exceeds		
Upper Limit for Additional Tier II Capital Items subject to Temporary Article 4		
Amount of Additional Tier II Capital Items Subject to Temporary Article 4 that Exceeds Upper Limit		

^{*} The amounts to be considered under the transitional provisions

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

Explanations on reconciliation of shareholder's equity items to balance sheet:

The difference between "Equity" in equity table and "Shareholder's Equity" in the consolidated balance sheet mainly arises from the subordinated bonds, general provisions and TFRS 9 transition effect. In the calculation of Total Capital, general reserve up to 1,25% of credit risk is taken into consideration as Tier II Capital.

On the other hand, in the calculation of the "Equity", improvement costs for operational leases presented under tangible assets in the balance sheet, together with related deferred tax liabilities and deferred tax assets calculated for provision for possible losses and other items defined by the regulator are taken into consideration as amounts deducted from Total Capital.

Debt instruments included in shareholder's equity calculation:

Issuer	Fibabanka A.Ş.	Fibabanka A.Ş.	Fibabanka A.Ş.
Code of debt instrument (CUSIP, ISIN etc.)	XS1386178237	TRSFIBA10016	XS2096028571
Regulation of debt instrument	BRSA's "Regulation on Equities of Banks" dated 1 November 2006" and English Law	BRSA's "Regulation on Equities of Banks" dated 1 November 2006	BRSA's "Regulation on Equities of Banks" dated 1 November 2006 and English law
Consideration Status in Shareholders' Equity C	Calculation		
Situation of being subject to practice of being taken into consideration with 10% deduction after 1/1/2015	No	No	No
Eligible at unconsolidated / consolidated	Unconsolidated and Consolidated	Unconsolidated and Consolidated	Unconsolidated and Consolidated
Type of debt instrument	Subordinated Security	Subordinated Security	Subordinated Security
Recognized amount in shareholders' equity calculation (As of the most recent reporting date - Thousand TL)	1.868.480	100.000	220.215
Nominal value of debt instrument (Thousand TL)	2.202.150	100.000	220.215
Related account of debt instrument	Subordinated Debt Instruments	Shareholders' Equity	Subordinated Debt Instruments
Issuing date of debt instrument	24/03/16-10/05/17	20/03/19	31/12/19
Maturity structure of debt instrument (Demand/Time)	Time	Demand	Demand
Initial term of debt instrument	11 years		
Issuer call subject to prior BRSA approval	Has pre-payment right	Has pre-payment right	Has pre-payment right
Optional call date, reimbursement amount	24/11/2022; USD 300 million	13/03/2024; TL 100 million	31/12/2024; USD 30 million
Subsequent call date, if any	None	At the end of every 5th year following	On each interest payments date after first 5 years

Fixed or floating interest/dividend payments	Floating interest	Floating interest	Floating interest
The state of the s	Up to pay back		
	option date 7,75% (5		
	years mid-swap		
	rate+5,758%); afterwards current 5		
	years mid-swap	8% additional	10% additional
Interest rate or index value of interest rate	rate+5,758%	return on TRLibor	return on Libor
Whether there are any restriction to stop dividend payments or not	None	None	None
Feature of being fully optional, partially optional or obligatory	Obligatory	Optional	Optional
Whether there are any stimulant to repayment like interest rate hike or not	None	None	None
Feature of being cumulative or noncumulative			
Feature of being convertible bonds			
If there are convertible bonds, trigger incidents cause this conversion			
If there are convertible bonds, feature of full or partially conversion			
If there are convertible bonds, rate of conversion			
If there are convertible bonds, feature of conversion -obligatory or optional-			
If there are convertible bonds, types of convertible instruments			
If there are convertible bonds, exporter of convertible debt instruments			
Feature of value reducement			
		Under the	Under the
		condition that unconsolidated	condition that unconsolidated
		and/or	and/or
		consolidated	consolidated
		Tier I capital	Tier I capital
		adequacy ratio	adequacy ratio
If there are a feature of value reducement, trigger incidents cause this reducement		drop below BRSA's ratio	drop below BRSA's ratio
If there are a feature of value reducement, feature of full or partially		Partially and	Partially and
reducement of value		totally	totally
If there are a feature of value reducement, feature of being constant			
of temporary If there are a feature of value reducement, mechanism of value			
incrementation			
		After depositors,	After depositors,
Claiming rank in case of winding up (lastrument that is first -b	After the other	other borrowers	other borrowers
Claiming rank in case of winding up (Instrument that is just above debt instrument)	borrowers except depositors	and Tier II capital	and Tier II capital
	асрозного	Meets the	Meets the
		conditions	conditions
	Meets the	defined by 7th	defined by 7th
	conditions defined by 8th article, does	article, does not meet the	article, does not meet the
	not meet the	conditions	conditions
Whether meeting the conditions defined by 7th or 8th articles of	conditions defined	defined by 8th	defined by 8th
Shareholders' Equity of Banks Regulation	by 7th article.	article.	article.
		Cannot be	Cannot be
The conditions not met which were defined by 7th or 8th of the 7th or		converted to	converted to

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

Explanations on TFRS 9 Transition Process

	2020	2021	2022
EQUITY ITEMS			
Common Equity	1.746.695	1.706.155	1.628.145
Common Equity if transition process not implemented ^a	1.628.145	1.628.145	1.628.145
Tier 1 Capital	2.066.910	2.026.370	1.948.360
Tier 1 Capital if transition process not implemented ^b	1.948.360	1.948.360	1.948.360
Total Capital	4.173.852	4.133.312	4.055.302
Equity if transition process not implemented ^C	4.055.302	4.055.302	4.055.302
TOTAL RISK WEIGHTED AMOUNTS			
Total Risk Weighted Amounts	21.493.545	21.493.545	21.493.545
CAPITAL ADEQUACY RATIO			
Common Equity Adequacy Ratio (%)	8,13	7,94	7,58
Common Equity Ratio if transition process not implemented ^d (%)	7,58	7,58	7,58
Tier 1 Capital Adequacy Ratio (%)	9,62	9,43	9,06
Tier 1 Capital Adequacy Ratio if transition process not implemented $^{ m d}$ (%)	9,06	9,06	9,06
Capital Adequacy Ratio (%)	19,42	19,23	18,87
Capital Adequacy Ratio if transition process not implemented ^d (%)	18,87	18,87	18,87
LEVERAGE			
Leverage Ratio Total Risk Amount	29.803.543	29.803.543	29.803.543
Leverage (%)	6,94	6,80	6,54
Leverage Ratio if transition process not implemented ^e (%)	6,54	6,54	6,54

 $^{^{\}rm a}$ Common Equity if "Provisional Article 5 of the Regulation on Banks' Own Funds" not implemented

^b Tier 1 Capital if "Provisional Article 5 of the Regulation on Banks' Own Funds" not implemented

 $^{^{\}rm C}~$ Equity if "Provisional Article 5 of the Regulation on Banks' Own Funds" not implemented

d Capital Adequacy Ratio calculated with Equity Items if "Provisional Article 5 of the Regulation on Banks' Own Funds" not implemented

e Leverage Ratio calculated with Equity Items if "Provisional Article 5 of the Regulation on Banks' Own Funds" not implemented

^(*)It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the

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

II. Explanations on Consolidated Credit Risk

Credit risk is defined as risks and losses that may occur if the counterparty fails to comply with the agreement's requirements and cannot perform its obligations partially or completely on the terms set.

The debtors or group of debtors are subject to credit risk limits. The debtors' or group of debtors' and industrial risk limitations are monitored weekly. Industry concentration is followed monthly.

Credit risk limits and breakdowns for daily transactions are followed daily. Risk concentrations of off-balance sheet risks are followed by remote and on-site control activities.

Credit worthiness of both commercial loans' and other debtors are being regularly monitored in accordance with the regulations. By utilizing risk rating models which were developed for these purposes, in case the debtors' risk level increases, credit lines are readjusted and additional collaterals are received if needed. The necessary documentation for utilized loans is taken in compliance with the related legislation.

In accordance with the Parent Bank's lending policies, the debtor's creditworthiness is analysed and the adequate collateral is obtained based on the financial position of the company and the type of loan; such as cash collateral, bank guarantees, mortgages, pledges, bills and corporate guarantees.

There are control limits based on VaR over the positions of the the Parent Bank which are held as futures, option contracts and other similar contracts. The credit risks carried for such instruments are managed together with the risks arising from market fluctuations.

Indemnified non-cash loans are subject to the same risk weight with overdue loans.

The Parent Bank performs foreign trade finance and other interbank credit transactions through widespread correspondent network. Accordingly, the Bank assigns limits periodically to domestic banks, foreign banks and other financial institutions based on review of their credit worthiness.

Within the Bank's risk appetite policy, the following concentrations are measured. They are presented to the Asset and Liability Committee weekly and to the Risk Committee monthly.

As per Customer Group Concentration, Top 20 corporate debtor's / risk group's credit risk sum shall not exceed 30% of the Bank's total credit risk.

Within the industry concentration, the Bank has set its risk appetite as "reasonable", not to exceed 10% of total loans per sector except the industries listed below.

Industry	Proportional Limit
Construction	20%
Tourism	20%
Factoring	15%
Wholesale and Retail Business	15%

Within the framework of risk appetite policy, the sum of long-term loans which have a maturity more than 1 year, shall not exceed 45% of the bank's total loans. This ratio is monitored on a weekly basis at the Asset and Liability Committee and on a monthly basis at the Risk Committee.

The Bank's largest 100 and 200 cash loan customers compose 59% and 69% of the total cash loan portfolio, respectively (31 December 2019: 65% and 74%, respectively).

The Bank's largest 100 and 200 non-cash loan customers compose 87% and 96% of the total non-cash loan portfolio, respectively (31 December 2019: 85% and 95%, respectively).

The Bank's largest 100 and 200 cash and non-cash loan customers represent 57% and 67% of the total "on and off balance sheet" assets, respectively (31 December 2019: 61% and 72%, respectively).

Expected credit loss for total cash and nonsh credit risk of the Parent Bank amounts to TL 447.960 (Stage 1 and Stage 2) (31 December 2019: TL 296.663).

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

II. **Explanations on Consolidated Credit Risk (continued)**

	Current Period	Average
	Risk Amount *	Risk Amount * *
Exposure Categories		
Conditional and Unconditional Exposures to Central Governments or Central Banks	4.117.134	3.767.754
Conditional and Unconditional Exposures to Administrative Units and Non-Commercial Enterprises	199.815	53.845
Conditional and Unconditional Exposures to Banks and Brokerage Houses	3.087.104	2.589.049
Conditional and Unconditional Exposures to Corporates	12.215.782	11.343.045
Conditional and Unconditional Retail Exposures	5.415.227	3.861.471
Conditional and Unconditional Exposures Secured by Real Estate Property	1.577.214	1.551.653
Past Due Receivables	247.397	318.170
Receivables Defined in High Risk Category by BRSA	28.001	23.745
Exposures in the Form of Collective Investment Undertakings	103.531	87.572
Equity share investments	9.764	4.853
Other Receivables	1.170.302	1.053.777
Total	28.171.271	24.654.934

(*)- Includes total risk amounts before the effect of credit risk mitigation but after credit conversions.

(**) Represents the arithmetical average of quarterly reports

(***)It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.

	Prior Period	Average
	Risk Amount *	Risk Amount * *
Exposure Categories		
Conditional and Unconditional Exposures to Central Governments or Central Banks	3.274.025	3.171.761
Conditional and Unconditional Exposures to Administrative Units and Non-Commercial		
Enterprises		
Conditional and Unconditional Exposures to Banks and Brokerage Houses	2.508.213	3.032.250
Conditional and Unconditional Exposures to Corporates	11.309.687	9.844.832
Conditional and Unconditional Retail Exposures	3.551.221	3.705.244
Conditional and Unconditional Exposures Secured by Real Estate Property	1.563.502	1.638.160
Past Due Receivables	356.201	300.081
Receivables Defined in High Risk Category by BRSA	54.222	24.055
Exposures in the Form of Collective Investment Undertakings	91.029	71.698
Other Receivables	984.592	958.015
Total	23.692.692	22.746.096

(*)- Includes total risk amounts before the effect of credit risk mitigation but after credit conversions.

(**) Represents the arithmetical average of quarterly reports.

1. Profile of significant exposures in major regions:

Current Period *	Conditional and unconditional exposures to central governments or central banks	exposures to administrative units and	unconditional	Conditional and unconditional exposures to corporates		Conditional and unconditional exposures secured by real estate property	Past due receivables	Receivables defined in high risk category by BRSA	Collective investment undertakings	Equity share investments	Other receivables	Total
Domestic	4.184.170	199,815	1,508,447	11.356.031	5.378.422	1,568,434	241,745	6.308	103.531	4.896	1.170.302	25,722,101
EU Countries			1.516.245	243.957	14	274		21.693		4.868		1.787.051
OECD Countries **			37.502		61							37.563
Off-Shore Banking Region				419.099								419.099
USA, Canada			13.280	28.297								41.577
Other Countries			11.630	152.159	56	35						163.880
Associates, Subsidiaries and Joint -Ventures												
Unallocated Assets/Liabilities										-		-
Total	4,184,170	199.815	3,087,104	12,199,543	5,378,553	1.568,743	241.745	28.001	103.531	9.764	1,170,302	28.171.271

(*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

(*) Includes REO countries other than EU countries, USA and Canada.

(**) Includes SECE and ballability thems that cannot be allocated on counsitient basis.

(****) It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.

	Conditional and unconditional exposures to central governments or central banks	Conditional and unconditional exposures to administrative units and noncommercial enterprises	Conditional and unconditional exposures to banks and brokerage	Conditional and unconditional exposures to corporates	Conditional and unconditi onal retail exposures	Conditional and unconditional exposures secured by real	Past due receivables	Receivables defined in high risk category by BRSA	Collective investment	Other	
		,				estate property			undertakings	receivables	Total
Prior Period (*)											
Domestic	3.589.989		1.040.255	10.493.460	3.344.639	1.513.509	356.201	53.735	91.029	984.592	21.467.409
EU Countries			1.116.960	192.220	36	307					1.309.523
OECD Countries **			308.236		105						308,341
Off-Shore Banking Region				402.193							402,193
USA, Canada			29.818	23.987							53,805
Other Countries			12.944	137.694	20	276		487			151,421
0											
Associates, Subsidiaries and Joint -Ventures											-
Unallocated Assets/Liabilities											-
Total	3,589,989		2,508,213	11.249.554	3.344,800	1.514.092	356,201	54,222	91.029	984.592	23.692.692
W. I. I. I	The Art of the Control of the Contro										

"i) includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

(") includes OECD countries other than EU countries, USA and Canada.

("") includes assets and liability items that cannot be allocated on a consistent basis.

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

II. **Explanations on Consolidated Credit Risk (continued)**

2. Risk profile by sectors or counterparties

Current Period	1	2	3	• 4	5	6	7	8	9	10	11	TL	FC	Total
Agricultural	13.012	-		99.472	124.653	16,310	22,217	688	-	-		255.955	20.397	276,352
Farming and Stockbreeding	11.215			94.864	112.507	15.767	20.862	685				237.184	18.716	255.900
Forestry	1.468	-		4.608	9.852	543	1.237	3	-	-		17.506	205	17,711
Fishing	329	-	-		2.294		118			-		1.265	1.476	2,741
Manufacturing	16.917			3,375,608	883.486	179,212	51.302	986		-		2,707,826	1.799.685	4.507.511
Mining and Quarrying	1.070	-	-	206.222	27.439		850			-		53.565	182.016	235.581
Production	15.847			2.209.409	851.345	178.777	49.866	818		-		2.199.184	1.106.878	3.306.062
Electricity, Gas and Water				959.977	4.702	435	586	168		-		455,077	510.791	965.868
Construction	4.183			1.637.925	2,889,302	183,231	61.184	2.104		-		3.924.527	853.402	4.777.929
Services	4,145,788	-	3.087.104	5.296.907	976.758	1,164,262	68.988	24.051		9.764	1.170.302	6.192.185	9.751.739	15,943,924
Wholesale and Retail Trade	7.152	-	-	1.167.209	723.757	70.996	34.976	1.546		-		1.624.262	381.374	2,005,636
Accomodation and Dining	6.238	-	-	1.863.605	47.262	697.508	5.262	681		-		494.837	2,125,719	2,620,556
Transportation and Telecom.	12.644			825.422	104.184	217.521	6.628	21.693		-		294,459	893.633	1.188.092
Financial Institutions	4.117.192		3.087.104	478.833	12.384	-	242			9.764	1.170.302	2.859.318	6.016.503	8.875.821
Real Estate and Rental Services	310	-	-	340.508	16.843	17.098	6.063			-		210.000	170.822	380.822
Self-Employment Services	15			718	5.033	3	597			-		6.366	-	6.366
Educational Services	1.176			271.994	4.999	160.721	3.663	4				281,694	160.863	442.557
Health and Social Services	1.061			348.618	62.296	415	11.557	127				421,249	2.825	424.074
Other*	4,270	199.815	-	1.789.631	504.354	25,728	38.054	172	103,531		-	2.314.217	351.338	2,665,555
Total*	4,184,170	199.815	3,087,104	12,199,543	5.378.553	1.568.743	241.745	28.001	103,531	9.764	1.170.302	15,394,710	12,776,561	28,171,271

(*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions

(*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

(*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

1: Conditional and unconditional exposures to administrative units and non-commercial enterprises

2: Conditional and unconditional exposures to administrative units and non-commercial enterprises

3: Conditional and unconditional exposures to banks and brokerage houses

4: Conditional and unconditional reposures to corporates

5: Conditional and unconditional reposures to corporates

6: Conditional and unconditional reposures to exposure to corporates

7: Past due receivables

8: Receivables defined in high risk category by BRSA.

9: Personers in the from of collective investment undertrakines

9: Exposures in the form of collective investment undertakings

10: Equity share investments 11: Other receivables

Prior Period	1	2	3	4	5	6	7	8	9	10	TL	FC	Total
Agricultural	51.883	-	-	50,003	110,059	49.428	18.948	5.121	-		247.004	38,438	285.442
Farming and Stockbreeding	48.451	-	-	34.471	101.617	47.784	17.708	5.093	-		232.394	22.730	255.124
Forestry	2.858		-		5.330	1.644	1.134	28	-		10.818	176	10.994
Fishing	574		-	15.532	3.112		106		-		3.792	15.532	19.324
Manufacturing	92,533	-	-	2.758.909	549.664	225.823	78.061	20,226	-		1.898.833	1.826.383	3.725.216
Mining and Quarrying	4.887	-	-	239.278	30.203	714	6.286	59	-		110.790	170.637	281.427
Production	87.238		-	1.690.266	512.319	224.589	70.982	20.063	-		1.457.815	1.147.642	2.605.457
Electricity, Gas and Water	408		-	829.365	7.142	520	793	104	-		330.228	508.104	838.332
Construction	28,630	-	-	2.295.539	1.696.156	510.869	56.258	10.690	-		2.955.670	1.642.472	4.598.142
Services	3,395,389	-	2.481.880	4.690.432	636,993	687.227	163,234	12,188	-	984.592	4.336.951	8.714.984	13.051.935
Wholesale and Retail Trade	53.738	-	-	673.857	362.643	64.951	53.713	3.821	-		807.063	405.660	1.212.723
Accomodation and Dining	28.423	-		1.735.039	58.739	419.795	79.571	3.662	-	-	428.542	1.896.687	2.325.229
Transportation and Telecom.	15.661		-	824.610	68.987	70.103	10.135	339	-		196.782	793.053	989.835
Financial Institutions	3,274,473	-	2.481.880	452.622	42.866		57	509	-	984.592	1.956.137	5.280.862	7.236.999
Real Estate and Rental Services	3.422	-	-	485.654	15.777	2.191	8.533	6	-		313.039	202.544	515.583
Self-Employment Services	585	-	-		5.570	2.600	740	2	-		9.157	340	9.497
Educational Services	6.649		-	167.120	27.411	126.647	3.693	12	-		203.946	127.586	331.532
Health and Social Services	12.438	-	-	351.530	55.000	940	6.792	3.837	-		422.285	8.252	430.537
Other*	21,554	-	26,333	1.454.671	351,928	40.745	39.700	5.997	91.029		1.419.897	612,060	2.031.957
Total*	3.589.989		2,508,213	11,249,554	3,344,800	1,514,092	356,201	54,222	91,029	984.592	10.858.355	12,834,337	23,692,692

(*) Includes risk amounts before the effect of credit risk mitigation but after the credit conversions.

1: Conditional and unconditional exposures to central governments or central banks

2: Conditional and unconditional exposures to administrative units and non-commercial enterprises

 $\boldsymbol{3}\boldsymbol{:}$ Conditional and unconditional exposures to banks and brokerage houses 4: Conditional and unconditional exposures to corporates

6: Conditional and unconditional exposures secured by real estate property

7: Past due receivables

8: Receivables defined in high risk category by BRSA

9: Exposures in the form of collective investment undertakings

10: Other receivables

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

II. Explanations on Consolidated credit risk (continued)

3. Analysis of maturity-bearing exposures according to remaining maturities

Francisco Colombia (Common Desire Ht	Term to Maturity						
Exposure Categories / Current Period*	Up to 1 Month	1 -3 Months	3 -6 Months	6-12 Months	Over 1 year		
Conditional and Unconditional Exposures to Central Governments or Central Banks	2.620.130	78.861	224.971	86.658	975.142		
Conditional and Unconditional Exposures to Administrative Units and Non-Commercial Enterprises			14.447	4.104	181.264		
Conditional and Unconditional Exposures to Banks and Brokerage Houses	1.842.867	51.840	115.806	178.806	897.766		
Conditional and Unconditional Exposures to Other Corporates							
Conditional and Unconditional Exposures to SME Corporates							
Conditional and Unconditional Exposures to Corporates	824.956	1.543.326	1.543.149	1.993.313	6.270.891		
Conditional and Unconditional Retail Exposures	361.184	993.356	1.080.329	1.133.283	1.563.996		
Conditional and Unconditional Exposures Secured by Real Estate Property	92.664	95.589	42.679	30.076	1.306.927		
Past Due Receivables							
Receivables Defined in High Risk Category by BRSA	23.109	736	247	782	3.127		
Exposures in the Form of Bonds Secured by Mortgages					-		
Short term Exposures to Banks, Brokerage Houses and Corporates					-		
Exposures in the Form of Collective Investment Undertakings					-		
Other Receivables					-		
Total**	5,764,910	2,763,708	3.021.628	3,427,022	11,199,113		

[&]quot;I Items without determined maturities are not included: TL 198.488 central bank receivables, TL 313.017 cash and equivalents, TL 5.528 credit card limits, TL 301.541 non-cash loan limits ve payment commitments, TL 800.467 other receivables, TL 241.745 overdue receivables, TL 103.531 investment funds, TL 9.764 stock investment and TL 889 miscellaneous receivables.

^{***}It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.

Francisco Cotonomico / Deino Desir dt		Terr	n to Maturity		
Exposure Categories / Prior Period*	Up to 1 Month	1 -3 Months	3 -6 Months	6-12 Months	Over 1 year
Conditional and Unconditional Exposures to Central Governments or Central Banks	2.441.814	6.195	102.282	23.467	938.172
Conditional and Unconditional Exposures to Administrative Units and Non-Commercial Enterprises					
Conditional and Unconditional Exposures to Banks and Brokerage Houses	1.585.010	54.894	29.674	76.704	761.924
Conditional and Unconditional Exposures to Other Corporates					
Conditional and Unconditional Exposures to SME Corporates					
Conditional and Unconditional Exposures to Corporates	1.011.186	1.037.506	1.136.771	1.667.593	6.383.099
Conditional and Unconditional Retail Exposures	299.620	450.232	832.010	728.814	870.809
Conditional and Unconditional Exposures Secured by Real Estate Property	44.488	81.430	59.187	96.503	1.231.802
Past Due Receivables					
Receivables Defined in High Risk Category by BRSA	24.665	3.488	1.335	3.569	21.165
Exposures in the Form of Bonds Secured by Mortgages					
Short term Exposures to Banks, Brokerage Houses and Corporates					
Exposures in the Form of Collective Investment Undertakings					
Other Receivables		**			
Total** Trems with determined manufactors are classified according to remaining manufactors.	5.406.783	1.633.745	2,161,259	2.596.650	10.206.971

[&]quot;I terms without determined maturities are not included: TL 78.099 central bank receivables, TL 299.795 cash and equivalents, TL 6.581 credit card limits, TL 207.339 non-cash loan limits ve payment commitments, TL 687.281 other receivables, TL 356.201 overdue receivables, 91.029 investment funds and TL 999 miscellaneous receivables.

The Parent Bank uses long-term credit ratings announced by an international rating firm, The Islamic International Ratings Agency (IIRA). Such ratings are used in compliance with regulation on "The Licencing and Operations of the Rating Firms". For the Bank's capital adequacy calculation, only the latest credit ratings are used that are currently accepted as valid by the issuing Credit Rating Agency.

Credit ratings are used for the receivables from banks and brokerage houses. The securities in the trading book have credit ratings. Therefore, no credit ratings is used for issuer or issue.

Based on "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" Appendix 1, The Islamic International Ratings Agency (IIRA)'s credit ratings corresponds to credit grades below:

	BRSA Credit Quality Grades	IIRA Risk Rating	
Long Term Credit Quality Grades	1	AAA and AA-	
	2	A+ and A-	
	3	BBB+ and BBB-	
	4	BB+ and BB-	
	5	B+ and B-	
	6	CCC+ and below	

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

II. Explanations on Consolidated credit risk (continued)

4. Exposures by risk weights

Risk Weights / Current Period	0%	10%	20%	35%	50%	75%	100%	150%	Deductions from Equity	Total
Exposures Before Credit Risk Mitigation	4.552.138		2.033.125		1.387.605	5.520.841	14.608.555	69.007		28.171.271
Exposures After Credit Risk Mitigation	5.598.912		1.401.066	51.251	2.204.927	5.376.870	13.474.890	63.355		28.171.271

*It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date

Risk Weights / Period	Prior	0%	10%	20%	35%	50%	75%	100%	150%	Deductions from Equity	Total
Exposures Before Credit Risk Mitigation		2.552.092		971.954		2.835.437	3.825.703	13.425.832	81.674		23.692.692
Exposures After Credit Risk Mitigation		3.999.009		634.042	136.021	3.344.610	3.341.825	12.155.511	81.674		23.692.692

5. Information by major sectors and type of counterparties

As per TFRS;

Significant Increase in Credit Risk (Stage 2); when the loan is not under default yet, but there is a significant increase in the credit risk since origination date, the life time expected credit losses are calculated for these loans

Credit Impaired (Stage3); includes financial assets whose probability of default is considered to be 100%. The life time expected credit losses are recognized for impaired loans.

Current Period	Loans		Provisions	
	Impaired		Expected	
	Significant		Credit	
	Increase in Credit	Impaired	Losses	
Major Sector / Counterparties	Risk (Stage 2)	(Stage 3)		
Agriculture	22.058	53.394	32.469	
Farming and Stockbreeding	21.739	46.668	28.236	
Foresty	319	6.726	4.233	
Fishery				
Manufacturing	441.805	114.951	84.228	
Mining and Quarrying	28.064	33.264	26.454	
Production	95.781	76.758	54.405	
Electricity, Gas and Water	317.960	4.929	3.369	
Construction	611.825	130.322	188.880	
Services	1.749.996	264.969	251.585	
Wholesale and Retail Trade	419.581	131.745	111.071	
Accommodation and Dining	586.114	11.438	33.815	
Transportation and Telecommunication	398.674	72.496	71.669	
Financial Institutions	2.322	438	285	
Real Estate and Rental Services	100.694	15.763	11.300	
Self-Employment Services	228.891	3.040	6.263	
Educational Services	2.954	8.991	5.817	
Health and Social Services	10.766	21.058	11.365	
Other	259.695	55.789	117.211	
Total	3.085.379	619.425	674,373	

Prior Period	Loans	Provisions	
	Impaired		Expected
	Significant		Credit
	Increase in Credit	Impaired	Losses
Major Sector / Counterparties	Risk (Stage 2)	(Stage 3)	
Agriculture	84.994	60.781	35.955
Farming and Stockbreeding	81.802	48.260	27.445
Foresty	3.192	12.521	8.510
Fishery	ee	==	
Manufacturing	106.834	201.682	123,367
Mining and Quarrying	31.444	62.585	40.076
Production	74.804	133.484	79.332
Electricity, Gas and Water	586	5.613	3.959
Construction	630.492	144.241	178.827
Services	883.661	417.420	275.825
Wholesale and Retail Trade	295.624	220.831	155.203
Accommodation and Dining	125.524	112.285	38.749
Transportation and Telecommunication	154.102	27.748	41.551
Financial Institutions	4.177	98	261
Real Estate and Rental Services	240.931	20.616	15.917
Self-Employment Services	1.389	4.712	3.624
Educational Services	7.580	8.018	4.450
Health and Social Services	54.334	23.112	16.070
Other	117.753	96.214	72.762
Total	1.823.734	920.338	686.736

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

II. Explanations on Consolidated credit risk (continued)

6. Information on movements in value adjustments and provisions

Current Period	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments (*)	Closing Balance
Specific Provisions(Stage 3)	515.118	117.829	(1.784)	(242.413)	388.750
General Provisions (Stage 1 and 2	2) 288.992	164.426	(12.052)		441.366

^(*)Write-off items and the sales from the NPL portfolio are disclosed here.

Prior Period	Opening Balance	Provision for Period	Provision Reversals	Other Adjustments (*)	Closing Balance
Specific Provisions(Stage 3)	295.835	468.497		(249.214)	515.118
General Provisions (Stage 1 an	nd 2) 273.944	102.777	(3.308)		288.992

^(*)Write-off items and the sales from the NPL portfolio are disclosed here.

7. Exposures subject to countercyclical capital buffer

	RWAs of Banking Book for	RWAs of	
Country	Private Sector Credit		Total
•	Exposures	Trading Book	
Turkey	17.765.821	160.569	17.926.390
Russia	160.918	62	160.980
Malta	186.571		186.571
Marshall Islands	419.099		419.099
England	52.267	189.227	241.494
Germany	2.928	40	2.968
France	3.016	1.525	4.541
Others	54.067	7.079	61.146
Total	18.644.687	358.502	19.003.189

^{*}It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.

Prior Period		,	
	RWAs of Banking Book for	RWAs of	
Country	Private Sector Credit	Too die a De ale	Total
	Exposures	Trading Book	
Turkey	15.460.951	133.555	15.594.506
Russia	143.178	67	143.245
Malta	175.121		175.121
Marshall Islands	402.193		402.193
England	8.904	213.440	222.344
Germany	2.466	13.556	16.022
France	931	4.091	5.022
Others	25.899	46.760	72.659
Total	16.219.643	411.469	16.631.112

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

- II. Explanations on Consolidated credit risk (continued)
- 8. Information on collaterals, impairment, rating and maturity related to loans granted to individuals and corporates

Details of collaterals of standard and close monitoring loans granted to individuals and corporates are as follows:

Cash loans granted to individuals and corporates	Stand	dard Loans	Loans and Other Receivables Under Close Monitoring	
Cash loans granted to individuals and corporates	Current	Prior	Current	Prior
	Period	Period	Period	Period
Secured Loans:	15.729.548	13.300.077	3.084.348	1.810.865
Secured by Cash Collateral	234.132	411.093		
Secured by Mortgages	2.613.302	2.870.874	1.210.727	938.407
Secured by Treasury Guarantees or Securities Issued by Public Sector				
Guarantees Issued by Financial Institutions				
Other Collaterals (being on the pledges, corporate and personal guarantees, promissory notes)	12.882.114	10.018.110	1.873.622	872.458
Non-Secured Loans	191.983	384.371	1.031	12.869
Total	15.921.532	13.684.448	3.085.379	1.823.734

Details of collaterals for non-cash granted to individuals and corporates are as follows:

Non-cash loans granted to individuals and corporates	Standa	rd Loans	Loans and Other Receivables Under Close Monitoring		
Non-Cash loans granted to individuals and corporates	Current Period	Prior Period	Current Period	Prior Period	
Secured Loans:	1.205.145	941.317	61.417	31.350	
Secured by Cash Collateral					
Secured by Mortgages	36.616	58.046	20.203	778	
Secured by Treasury Guarantees or Securities Issued by Public Sector					
Guarantees Issued by Financial Institutions					
Other Collaterals (being on the pledges, corporate and personal guarantees, promissory notes)	1.168.529	883.271	41.214	30.572	
Non-Secured Loans		52.001			
Total	1.205.145	993.318	61.417	31.350	

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

III. Explanations on Consolidated Currency Risk

Position limit on currency risk is determined in line with net general position standard ratio on foreign currency. The Group does not take material foreign exchange and parity risk; transactions are usually hedged. Measurable and manageable risks are taken within legal limits.

As of 31 December 2020, the Group's net long position is TL 260.389 (31 December 2019: TL 33.339 net long position) resulting from short position on the balance sheet amounting to TL 1.652.981 (31 December 2019: TL 689.834 short position) and long position on the off-balance amounting to TL 1.913.370 (31 December 2019: TL 724.173 long position). The Bank uses "Standard Method" in legal reporting to measure the foreign exchange risk.

The announced foreign exchange buying rates of the Bank at balance sheet date and the previous five working days in full TL are as follows:

US Dollar purchase rate as at the balance sheet date	TL 7,3405
Euro purchase rate as at the balance sheet date	TL 9,0079

Date	USD	EURO
25 December 2020	7,6190	9,2948
28 December 2020	7,5517	9,2037
29 December 2020	7,4738	9,1370
30 December 2020	7,4062	9,0697
31 December 2020	7,3405	9,0079

The US Dollar buying rate is TL 7,7211 and EUR buying rate is TL 9,3842 (in full TL amounts) respectively, according to simple arithmetic average on December 2020.

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

III. **Explanations on Consolidated Currency Risk (continued)**

Current Period	EUR	USD	Other	Total
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit,				
Cheques Purchased, Precious Metal) and Balances with the				
CBRT	748.122	1.564.671	142.875	2.455.668
Due From Banks	163.968	233.598	25.401	422.967
Financial Assets at Fair Value through Profit/Loss (*)		3		3
Money Market Placements	72.063			72.063
Financial Assets Measured at Fair Value through Other				
Comprehensive Income (FVOCI)	261.966	747.155		1.009.121
Loans and Receivables(**)	6.154.515	1.112.897	9.870	7.277.282
Investments in Assoc., Subsidiaries and Entities under Common				
Einatmola/Jaisett/enteasured at Amortized Cost	704.701	315.542		1.020.243
Derivative Financial Assets Hedging Purposes				
Tangible Assets				
Intangible Assets				
Other Assets (***)	1.429	1.276	380	3.085
Total Assets	8.106.764	3.975.142	178.526	12.260.432

Liabilities	,			
Bank Deposits	36.092	518.782	20.669	575.543
Foreign Currency Deposits	996.741	5.871.621	937.305	7.805.667
Money Market Borrowings	20.841	589.319		610.160
Funds Provided from Other Financial Institutions	353.750	781.022		1.134.772
Securities Issued(****)		3.608.499		3.608.499
Sundry Creditors	4.841	124.048		128.889
Derivative Fin. Liabilities for Hedging Purposes				
Other Liabilities(*****)	24.701	25.183		49.884
Total Liabilities	1.436.966	11.518.474	957.974	13.913.414
Net Balance Sheet Position	6.669.798	(7.543.332)	(779.448)	(1.652.982)
Net Off-Balance Sheet Position	(6.521.053)	7.601.889	832.534	1.913.370
Financial Derivative Assets (******)	2.804.595	10.922.254	1.209.021	14.935.870
Financial Derivative Liabilities (******)	9.325.648	3.320.365	376.487	13.022.500
Non-Cash Loans (******)	298.514	358.375	3.082	659.971
Prior Period				
Total Assets	7.201.478	3.653.616	252.495	11.107.589
Total Liabilities	1.479.068	10.216.911	101.444	11.797.423
Net Balance Sheet Position	5.722.410	(6.563.295)	151.051	(689.834)
Net Off-Balance Sheet Position	(5.718.363)	6.593.739	(151,203)	724,173
Financial Derivative Assets (*****)	3.783.231	11.210.249	683.591	15.677.071
Financial Derivative Liabilities (*****)	9.501.594	4.616.510	834.794	14.952.898
Non-Cash Loans	269.674	322.135		591.809

The following table demonstrates prospective increase and decrease in equities and profit/loss as of 31 December 2020 and 2019 (excluding tax effect) in case of a 10% decrease of TL against the currencies below. This analysis has been prepared under the assumption that all other variables, especially interest rates, are constant.

	Curren	Current Period		eriod
	Profit/Loss	Equity	Profit/Loss	Equity
USD	5.856	7.085	6.653	5.565
Euro	14.875	15.486	(5.034)	(4.617)
Other FC	5.309	5.309	136	136
Total (Net)	26,039	27.880	1,754	1,083

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

IV. **Explanations on Consolidated Interest Rate Risk**

Interest sensitivity of assets, liabilities and off-balance sheet items are evaluated weekly by considering market developments in the Asset-Liability Committee.

Standard method and Asset-Liability risk measurement methods are used to measure the Group's interest rate risk.

Measurements by the standard method are carried out monthly by using maturity ladder. Bank applies interest rate shock analysis to interest rate sensitive assets and liabilities considering historic economic crisis. Change in the net present value of the net assets of the Bank are monitored within the limits set by the Board of Directors.

Interest rate sensitivity of assets, liabilities and off-balance sheet items (Based on repricing dates):

Current Period	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing	Total
Assets							
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit,							
Cheques Purchased) and Balances with the Central Bank of							
Turkey	1.866.495					1.055.197	2.921.692
Banks	436.226					452.319	888.545
Financial Assets at Fair Value Through Profit or Loss(*)	301.624	24.185	102.834	416.930			845.573
Interbank Money Market Placements	412.231						412.231
Financial Assets Measured at Fair Value through Other							
Comprehensive Income	192.033	22.533	356.369	411.077	35.151	10.363	1.027.526
Loans(**)	2.561.382	4.601.714	4.968.879	5.456.936	1.417.999	(210.691)	18.796.219
Financial Assets Measured at Amortized Cost	21.376	52.051	231.707	406.955	495.407		1.207.496
Other Assets(***)						1.138.349	1.138.349
Total Assets	5.791.367	4.700.483	5.659.789	6.691.898	1.948.557	2.445.537	27.237.631
Liabilities							
Bank Deposits	576.032	373.840				50.624	1.000.496
Other Deposits	11.963.450	2.574.787	90.603	3.136	86.968	1.947.968	16.666.912
Interbank Money Market Received	362.845	247.315					610.160
Sundry Creditors						454.477	454.477
Marketable Securities Issued(****)	37.310	38.843	61	3.312.070	220.215		3.608.499
Funds Borrowed From Other Institutions	519	591.837	560.968	1.818			1.155.142
Other Liabilities(*****)	384.959	263.522	129.222	383.419		2.580.823	3.741.945
Total Liabilities	13.325.115	4.090.144	780.854	3.700.443	307,183	5.033.892	27.237.631
Balance Sheet Long Position		610.339	4.878.935	2.991.455	1.641.374		10.122.103
Balance Sheet Short Position	(7.533.748)					(2.588.355)	(10.122.103)
Off-Balance Sheet Long Position	10.000	215.000	524.130	700.641		17.256.366	18.706.137
Off-Balance Sheet Short Position	(10.000)	(215.000)	(524.130)	(700.641)		(17.687.677)	(19.137.448)
Total Position	(7.533.748)	610.339	4.878.935	2.991.455	1.641.374	(3.019.666)	(431,311)

^(*) Includes derivative financial assets.

(**) Non-performing loans TL 619.425, net-off related stage 3 loans expected credit losses TL 388.750 and expected losses for stage 1 TL 155.743 and for stage 2 TL 285.623 are presented in "non-interest bearing" column (Includes factoring receivables amounting to TL 105.951).

(***) Non-interest bearing column includes TL 112.500 investments in subsidiaries, TL 360.135 tangible assets, TL 91.027 intangible assets, TL 193.104tax asset, TL 102.748 assets held for sale, TL 280.75 other assets and TL 924 expected credit losses on financial assets.

(****) Securities issued as subordinated loan classified under "Subordinated debt instruments - Other debt instruments" in the balance sheet are included.

(******) Non-interest bearing column includes TL 1.884.412 shareholders' equity, TL 757.140 other liabilities, TL 205.971 provisions and TL 187.777 tax liabilities.

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

I۷. **Explanations on Consolidated Interest Rate Risk (continued)**

Interest rate sensitivity of assets, liabilities and off-balance sheet items (Based on repricing dates):

Prior Period	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing	Total
Assets							
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit,							
Cheques Purchased) and Balances with the Central Bank of							
Turkey	1.793.051					914.824	2.707.875
Banks	379.617					111.209	490.826
Financial Assets at Fair Value Through Profit or Loss(*)	140.427	64.695	158.441	472.922	154		836.639
Interbank Money Market Placements	30.010						30.010
Financial Assets Measured at Fair Value through Other							
Comprehensive Income	98.944	1.027	23.741	664.919	15.137	8.697	812.465
Loans(**)	2.418.490	3.444.489	3.760.128	4.436.418	1.448.658	116.228	15.624.411
Financial Assets Measured at Amortized Cost	20.983			144.239	409.788		575.010
Other Assets(***)						811.971	811.971
Total Assets	4,881,522	3.510.211	3.942.310	5.718.498	1.873.737	1.962.929	21.889.207
Liabilities							
Bank Deposits	12.262	14.705				22.159	49.126
Other Deposits	9.765.679	2.214.505	277.179	619		1.258.580	13.516.562
Interbank Money Market Received	267.655	465.602					733.257
Sundry Creditors						358.723	358.723
Marketable Securities Issued(****)	363.510	86.980	57	2.878.597	178.206		3.507.350
Funds Borrowed From Other Institutions	3.032	337.501	208.036	310.812			859.381
Other Liabilities(*****)	138.731	61.742	150.741	505.627		2.007.967	2.864.808
Total Liabilities	10,550,869	3.181.035	636,013	3.695.655	178,206	3.647.429	21.889.207
Balance Sheet Long Position		329.176	3.306.297	2.022.843	1.695.531		7.353.847
Balance Sheet Short Position	(5.669.347)					(1.684.500)	(7.353.847)
Off-Balance Sheet Long Position				322.010		18.462.430	18.784.440
Off-Balance Sheet Short Position				(322.010)		(18.337.350)	(18.659.360)
Total Position	(5,669,347)	329.176	3,306,297	2.022.843	1,695,531	(1.559.420)	125.080

^(*) Includes derivative financial assets.
(**) Non-performing loans TL 920.338 net-off related provision for expected loss of stage 3 loans TL 515.118 and expected losses for stage 1 TL 117.374 and for stage 2
TL 171.618 are presented in "non-interest bearing" column. (Includes factoring receivables amounting to TL 3.092 and loans at fair value through profit or loss amounting to TL

TL 171.618 are presented in "non-interest bearing Column, (includes ractioning column, includes ractioning column, includes ractioning column includes ractioning column includes ractioning column includes ractioning column includes ractioning column includes ractioning racti

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

IV. Explanations on Consolidated Interest Rate Risk (continued)

Average interest rates applied to financial instruments

	EUR	USD	JPY	TL
Current Period	%	%	%	%
Assets				
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit,				
Cheques Purchased) and Balances with the Central Bank of				
Turkey				
Banks				17,50
Financial Assets at Fair Value Through Profit/ Loss		3,15		11,74
Interbank Money Market Placements Financial Assets Measured at Fair Value through Other	0,01			18,08
Comprehensive Income	3,12	5,65		13,81
Loans	5,91	4,76		18,13
Financial Assets Measured at Amortized Cost	4,52	6,70		9,04
Liabilities				
Bank Deposits		1,17		16,87
Other Deposits	0,85	1,85		16,52
Interbank Money Market Received	1,47	2,17		
Sundry Creditors				
Marketable Securities Issued(*)		7,19		
Funds Borrowed from Other Financial Institutions	2,38	1,27		10,66

^(*) Includes subordinated debts, which are classified under "Subordinated Debts - Other Debt Instruments" in Balance Sheet, as well.

Date a Deate d	EUR	USD	JPY	TL
Prior Period	%	%	%	%
Assets				
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit,				
Cheques Purchased) and Balances with the Central Bank of				
Turkey				
Banks				11,00
Financial Assets at Fair Value Through Profit/ Loss	2,43	6,68		31,29
Interbank Money Market Placements				12,21
Financial Assets Measured at Fair Value through Other				
Comprehensive Income	3,28	5,55		8,79
Loans	6,03	6,14		18,47
Financial Assets Measured at Amortized Cost	5,22			9,10
Liabilities				
Bank Deposits		1,75		10,09
Other Deposits	0,36	2,66		12,10
Interbank Money Market Received	0,47	3,45		
Sundry Creditors				
Marketable Securities Issued(*)		7,25		14,59
Funds Borrowed from Other Financial Institutions	2,62	4,44		11,84

^(*) Includes subordinated debts, which are classified under "Subordinated Debts - Other Debt Instruments" in Balance Sheet, as well.

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

Interest rate risk on banking book

As per the "Regulation on Measurement and Evaluation of Interest Rate Risk Resulted from Banking Book as per Standard Shock Method" published by the BRSA on 23 August 2011, the Bank analyses and reports to the Bank's senior management the interest rate sensitivity of equity on a monthly basis by applying positive and negative shocks to the interest sensitive on balance sheet and off-balance sheet positions which are distributed into groups based on their cash flows.

Current Period			Equity
	Shocked Applied	Gains/	- Losses
	(+/- x bps)	Losses	/Equity
TRY	500	-258.373	-6,19%
TRY	-400	234.459	5,62%
USD Dollar	200	11.716	0,28%
USD Dollar	-200	-8.815	-0,21%
Euro	200	-155.789	-3,73%
Euro	-200	171.514	4,11%
Total (For Positive Shocks)		-402,445	-9,64%
Total (For Negative Shocks)		397,158	9,52%

			Gains/
Prior Period			Equity
	Shocked Applied	Gains/	- Losses
	(+/- x bps)	Losses	/Equity
TRY	500	-107.159	-2,92%
TRY	-400	94.296	2,57%
USD Dollar	200	96.116	2,62%
USD Dollar	-200	-102.254	-2,79%
Euro	200	-193.924	-5,29%
Euro	-200	215.017	5,87%
Total (For Positive Shocks)		-204,968	-5,59%
Total (For Negative Shocks)		207,059	5,65%

V. Explanations on Consolidated Position Risk of Equity Securities Resulted from Banking Book

The Bank has position risk of equity shares to TL 9.764 as of 31 December 2020 (31 December 2019: None).

VI. Explanations on Consolidated Liquidity Risk and Liquidity Coverage Ratio

The Board of Directors reviews the liquidity and funding risk management policy weekly or in case of necessity. Liquidity risk is managed by Asset and Liability Committee (ALCO) in line with risk management policy as short and long term liquidity risk.

Liquidity Risk is managed by ALCO in order to take the necessary measures in a timely and correct manner against possible liquidity shortages. Treasury department manages cash inflows and outflows in line with strategies determined by ALCO. As deemed necessary by the ALCO members, liquidity meetings are performed for the purposes of close monitoring. Treasury department manages short term liquidity by adhering to the ALCO strategy and ensuring compliance with legal liquidity limits and stress testing.

In the context of TL and foreign currencies liquidity management, the Bank monitors the cash flows weekly and action plan is made based on ALCO decisions. The funding balance is directly monitored and compensated by making the risk-return-cost evaluation.

For long-term liquidity "Maturity Mismatch Report" is prepared and presented to ALCO on a weekly basis. The Bank, resulting from the general structure of Turkish banking sector, has a liquidity gap at the 1 year maturity period. The Bank intends to eliminate liquidity mismatch shifting focus to long-term funding alternatives. Such decisions of the risk of incompatibility are taken by ALCO. The Bank diversifies its funding sources among customer deposits, domestic and foreign borrowings, bills and bonds issued, taking into consideration the maturity match between its assets and liabilities and keeps liquid assets in order to fully meet the liquidity requirements that may emerge in case of market volatility.

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

Information on the use of stress testing:

Department of Risk Management implements stress testing according to Liquidity and Funding Risk Policy approved by the Board of Directors on a weekly basis. These stress tests are based on the scenarios of the deposit outflow, funds obtained from bonds issued will outflow and banks limits will not be used during a 14-day period, the results are included in the presentation of ALCO on a weekly basis and in the Presentation of Risk Committee on a monthly basis. In this way, the Bank's funding structure is closely monitored and actions are taken on behalf of existing risk management.

Alternative funding sources are identified in case of need. ALCO members are responsible for taking actions against short-term liquidity shocks. In the case of a crisis or if deemed necessary, ALCO summon a meeting and take necessary actions immediately. These action plans are approved by the Board of Directors under the ICAAP. The Bank reviews resources that are available in any emergency situation constantly and takes into consideration the results of the above-mentioned stress testing and scenario analysis by the early warning system.

According to BRSA's "Legislation on Measurement and Assessment of Liquidity Adequacy of the Banks"; published in the Official Gazette numbered 28948, dated 21 March 2014; liquidity ratio is required to be 80% for foreign currency assets/liabilities and 100% for total assets/liabilities in the calculation of the banks' weekly and monthly reporting effective from 1 January 2019. In accordance with the BRSA Decision No. E.3520 dated 26 March 2020, due to the COVID-19 pandemic process, it was decided that deposit and participation banks would be exempted from the mentioned ratios regarding there liabilities to meet that liquidity coverage ratio until 31 December 2020, In order to provide flexibility for banks to meet the minimum rates for liquidity levels.

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

VI. Explanations on Consolidated Liquidity Risk and Liquidity Coverage Ratio (continued)

		Total Unweighted Va	lue *	Total Weighted V	/alue *
Current	Period	TL+FC	FC	TL+FC	FC
HIGH-Q	JALITY LIQUID ASSETS				
1	Total high-quality liquid assets (HQLA)			3.853.952	3.432.561
CAS	H OUTFLOWS				
2	Deposits from natural persons and retail deposits	13.443.587	7.787.753	1.249.177	774.719
3	Stable deposits	1.878.584		94.004	-
4	Less stable deposits	11.565.003	7.787.753	1.155.174	774.719
5	Unsecured funding except for retail deposits and deposits from natural persons, of which: $ \\$	3.698.768	1.781.162	2.100.562	1.068.541
6	Operational deposits				
7	Non-Operational deposits	2.615.663	1.136.152	1.055.610	446.962
8	Other unsecured funding	1.083.105	645.010	1.044.952	621.578
9	Secured funding			301.478	277.593
10	Other cash outflows	3.143.418	1.033.621	766.638	552.840
11	Outflows related to derivative exposures and other collateral requirements	488.506	467.146	495.404	472.259
12	Outflows related to restructured financial instruments				
42	Payment commitments granted for debts to financial markets and other off-balance	2 /54 042	E// 47E	274 224	00 004
13	sheet commitments	2.654.912	566.475	271.234	80.581
14	Other revocable off-balance sheet commitments and other contractual obligations				
15	Other irrevocable or conditionally revocable off-balance sheet obligations	9.329	56	9.346	56
16	TOTAL CASH OUTFLOWS			4,427,201	2,673,748
CAS	H INFLOWS				
17	Secured receivables	30.623	25.205	31.694	26.394
18	Unsecured receivables	2.242.825	868.534	1.625.512	760.418
19	Other cash inflows	246.404	230.374	251.073	234.738
20	TOTAL CASH INFLOWS	2,519,852	1.124.114	1,908,279	1,021,549
21	TOTAL HQLA			3,853,952	3,432,561
22	TOTAL NET CASH OUTFLOWS			2,518,513	1,653,838
23	LÍQUIDITY COVERAGE RATIO (%) rrage of last three months' liquidity coverage ratio calculated by weekly simple averages.			153,02	207,55

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

VI. Explanations on Consolidated Liquidity Risk and Liquidity Coverage Ratio(continued)

		Total Unweighted Va	lue *	Total Weighted \	/alue *
Prior Pe	···	TL+FC	FC	TL+FC	FC
HIGH-Q	JALITY LIQUID ASSETS				
1	Total high-quality liquid assets (HQLA)			3.119.548	2.372.613
CAS	H OUTFLOWS				
2	Deposits from natural persons and retail deposits	7.971.570	4.534.781	1.029.109	505.257
3	Stable deposits	974.071		86.487	
4	Less stable deposits	6.997.499	4.534.781	942.622	505.257
5	Unsecured funding except for retail deposits and deposits from natural persons, of which:	3.808.576	1.796.223	2.232.077	1.554.518
6	Operational deposits				
7	Non-Operational deposits	2.062.151	1.010.951	576.279	315.335
8	Other unsecured funding	1.746.425	785.272	1.655.798	1.239.182
9	Secured funding			125.875	125.522
10	Other cash outflows	2.360.789	978.569	492.506	295.495
11	Outflows related to derivative exposures and other collateral requirements	352.499	282.069	276.007	238.432
12	Outflows related to restructured financial instruments				
13	Payment commitments granted for debts to financial markets and other off-balance	2.008.290	696.501	216.499	57.062
13	sheet commitments	2.000,270	070.301	210.4//	J1.00L
14	Other revocable off-balance sheet commitments and other contractual obligations				
15	Other irrevocable or conditionally revocable off-balance sheet obligations	39.571	16	40.404	33
16	TOTAL CASH OUTFLOWS			3.919.971	2,480,825
CAS	H INFLOWS				
17	Secured receivables	32.845	32.845	13.933	13.793
18	Unsecured receivables	2.305.438	600.359	1.563.798	709.161
19	Other cash inflows	113.717	81.873	45.995	32.788
20	TOTAL CASH INFLOWS	2.451.999	715.077	1,623,726	755,743
21	TOTAL HQLA			3.119.548	2,372,613
22	TOTAL NET CASH OUTFLOWS			2.296.459	1,725,082
23	LIQUIDITY COVERAGE RATIO (%) Tage of fact three months' limitifity coverage ratio calculated by weekly simple averages			135,84	137,54

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

VI. Explanations on Consolidated Liquidity Risk and Liquidity Coverage Ratio(continued)

The table below shows the lowest, highest and average Liquidity Coverage Ratio in the last three months of the 1 October - 31 December 2020 period.

Current Period	Highest	Date	Lowest	Date	Average
TL+FC	205,80%	06/10/2020	108,83%	21/10/2020	155,01%
FC	517,79%	14/10/2020	163,22%	23/10/2020	222,85%
Prior Period	Highest	Date	Lowest	Date	Average
TL+FC	220,20%	23/12/2019	110,77%	27/11/2019	140,33%
FC	229,35%	25/12/2019	107,14%	26/11/2019	141,54%

The Bank implements the calculation in accordance with the Regulation of Liquidity Coverage Ratio Calculation of Banks dated 21 March 2014 and numbered 28948 published in the Official Gazette. As per the related regulation high quality liquid assets are mainly securities portfolio, cash assets and reserve requirements. The important factors affecting the results of the liquidity coverage ratio are the changes in the remaining maturities of the items and changes in the amounts of deposits and money market transactions, the remaining maturities of which are less than 30 days. Deposits form a significant portion of the Bank's sources of funds, on the other hand bonds issued, money market borrowings, funds provided from abroad are other important sources of funding.

The Bank calculates cash outflows and transactions that are complete collateral arising from derivative transactions, taking into account the 24-month averages in accordance, with The Bank implements with the Regulation of Liquidity Coverage Ratio Calculation of Banks published in the Official Gazette dated 21 March 2014 and numbered 28948.

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

VI. Explanations on Consolidated Liquidity Risk and Liquidity Coverage Ratio(continued)

Presentation of assets and liabilities according to their remaining maturities:

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 Years and Over	Unallocated*	Total
Assets								
Cash (Cash in TL, Cash in Foreign Currency, Cash in Transit, Cheques								
Purcheased) and Balances with the Central Bank of Turkey	1.526.247	1.395.445						2.921.692
Banks	452.319	436.226						888.545
Financial Assets at Fair Value Through Profit or Loss(*)		301.627	24.139	102.990	416.81	4 3		845.573
Interbank Money Market Placements		412.231						412.231
Financial Assets Available-for-Sale	10.363	192.033	22.533	353.440	414.00	6 35.151		1.027.526
Loans (**)		2.122.271	3.731.833	6.664.467	5.713.62	5 774.714	(210.691)	18.796.219
Investment Securities Held-to-Maturity			52.051	231.707	406.95	5 516.783		1.207.496
Other Assets(***)							1.138.349	1.138.349
Total Assets	1.988.929	4,859,833	3,830,556	7,352,604	6.951.40	0 1.326.651	927.658	27.237.631
Liabilities								
Bank Deposits	50.626	576.030	373.840					1.000.496
Other Deposits	1.947.968	11.963.450	2.574.787	90.603	3.13	6 86.968		16.666.912
Funds Borrowed from Other Financial Institutions		1.505	178.776	723.339	251.52			1.155.142
Interbank Money Market Received		362.845	247.315					610.160
Marketable Securities Issued(****)		37.310	38.843	61	1.443.59	0 2.088.695		3.608.499
Sundry Creditors		454.477						454.477
Other Liabilities (*****)		473.054	429,176	145,409	404.08	9 2.602	2.287.615	3.741.945
Total Liabilities	1.998.594	13.868.671	3,842,737	959,412	2,102,33		2.287.615	27,237,631
Net Liqudity Surplus / (Gap)	(9.665)	(9.008.838)	(12,181)	6.393.192	4.849.06		(1.359.957)	-
Net Off-Balance Sheet Position		(132.550)	(248.246)	(87.296)	37.18	0		(430.912)
Derivative Financial Assets		6.895.549	5.241.626	3.619.924	2.056.41			17.813.518
Derivative Financial Liabilities		7.028.099	5.489.872	3.707.220	2.019.23			18.244.430
Non-Cash Loans		70.868	169,508	520,054	96.82			1.266.562
Prior Period		70,000	107,300	320,034	70,02	7 407,303		1,200,302
Total Assets	1.186.333	4.165.508	2.423.536	5.790.719	6.020.78	1 1.369.234	933.096	21.889.207
Total Liabilities	1.280.739	10.805.854	3.110.337	840.399	2.289.66		1.805.285	21.889.207
Net Liquidity Gap	(94,406)	(6.640.346)	(686,801)	4,950,320	3,731,11		(872,189)	
Net Off-Balance Sheet Position	(007,70)	15.048	10.035	5,928	94.53	, ,	(072,107)	125.544
Derivative Financial Assets		4.174.644	5.037.678	3.140.414	4.168.30		-	16.521.045
Derivative Financial Liabilities		4.174.044	5.027.643	3.134.486	4.100.30			16.395.501
Non-Cash Loans	-	60.914	193.352	3.134.400	125.39			1.024.668
MOLI-Casil Englis	-	00.914	173,332	331,1/3	123,39	0 307,237		1,024,008

^{(&}quot;*) Non-performing loans net-off related provision for expected loss of stage 3 loans an expected losses for stage 1 and stage 2 are presented in "unallocated" column.

(***) Certain assets on the balance sheet that are necessary for the banking operations but not convertible into cash in the short term such as tangible assets, stationary supplies and

prepaid expenses are included in this column.

(****) Securities issued as subordinated loan classified under "Subordinated debt - Other debt instruments" in the balance sheet are also included.

(*****) Shareholders' equity and provisions are classified in other liabilities in unallocated column.

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

VI. Explanations on Consolidated Liquidity Risk and Liquidity Coverage Ratio(continued)

Contractual maturity analysis of liabilities according to remaining maturities

-		Gross Nominal						5 Years and
Current Period	Carrying Values	Outflows	Demand	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	Over
Bank Deposit	1.000.496	1.002.033	50.626	576.744	374.663			
Other Deposit	16.666.912	16.758.701	1.947.966	11.992.441	2.615.113	95.128	3.585	104.468
Money Market Funds	610.160	611.843		363.104	248.739			
Securities Issued	1.480.900	1.660.129		43.308		43.308	1.573.513	
Funds Borrowed	1.155.142	1.197.536		521	168.932	768.225	259.858	
Subordinated Debts	2.127.599	2.906.266			72.404	72.404	579.229	2.182.229
Total	23.041.209	24.136.508	1.998.592	12,976,118	3.479.851	979.065	2.416.185	2.286.697

		Gross Nominal						5 Years and
Prior Period	Carrying Values	Outflows	Demand	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	0ver
Bank Deposit	49.126	49.282	22.159	12.263	14.860			
Other Deposit	13.516.562	13.561.682	1.258.580	9.780.215	2.232.074	290.008	805	
Money Market Funds	733.257	735.252		267.977	467.275			
Securities Issued	1.718.332	1.957.608		139.018	283.867	39.018	1.495.705	
Funds Borrowed	859.381	955.232		3.038	30.678	428.540	492.976	
Subordinated Debts	1.789.018	2.576.717			61.147	61.147	489.175	1.965.248
Total	18.665.676	19.835,773	1.280.739	10,202,511	3.089.901	818.713	2.478.661	1.965.248

According to the communiqué of Financial Statements and Related Disclosures and Footnotes to be Announced to Public by Banks published in the Official Gazette numbered 29450 and dated 19 August 2015, total amount of assets and risk in the consolidated financial statements prepared in accordance with Turkish Accounting Standards is shown below;

		Current Period (**)	Prior Period (**)
1	Total assets in consolidated financial statements prepared in accordance with Turkish Accounting Standards (*)	44.928.955	44.547.190
2	The difference between total assets prepared in accordance with Turkish Accounting Standards and total assets in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements"		
3	The difference between the amounts of derivative financial instruments and credit derivatives in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such instruments	(17.141.341)	(15.985.526)
4	The difference between the amounts of securities or commodity financing transactions in consolidated financial statements prepared in accordance with the communique "Preparation of Consolidated Financial Statements" and risk amounts of such instruments		
5	The difference between the amounts of off-balance items in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such items		
6	Other differences between the amounts in consolidated financial statements prepared in accordance with the communiqué "Preparation of Consolidated Financial Statements" and risk amounts of such items		
7	Total risk amount	27.787.614	28.561.664

^(*) Consolidated financial statements prepared in compliance with Clause 6 of the article 5 of the communiqué "Preparation of Consolidated Financial Statements".

^(**) Represents nine-months average amounts.

^(***) It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.

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

VII. Explanations on Consolidated Leverage Ratio

The table of leverage level calculated in accordance with the Regulation on Assessment and Calculation of Banks' Leverage Level published in the Official Gazette numbered 28812 and dated 5/11/2013 shown below.

Bank's consolidated leverage ratio calculated in accordance with the "Regulation on Assessment and Calculation of Banks' Leverage Level" is 6,94%. Minimum leverage ratio has to be 3% according to the regulation.

	Balance sheet assets	Current Period(*)	Prior Period(*)
1	Balance sheet items (excluding derivative financial instruments and credit derivatives but including collaterals)	23.578.237	22.022.023
2	(Assets deducted in determining Tier 1 capital)	(242.604)	(147.927)
3	Total balance sheet risks (sum of lines 1 and 2)	23.335.633	21.874.096
	Derivative financial instruments and credit derivatives		
4	Replacement cost associated with all derivative financial instruments and credit derivatives	343.256	156.336
5	Potential credit risk associated with all derivative financial instruments and credit derivatives	188.771	285.715
6	Total risks of derivative financial instruments and credit derivatives (sum of lines 4 to 5)	532.027	442.051
	Securities or commodity financing transactions (SCFT)		
7	Risks from SCFT assets (except for on-balance sheet)	363.552	1.217.268
8	Risks from brokerage activities related exposures		
9	Total risks related with securities or commodity financing transactions (sum of lines 7 to 8)	363.552	1.217.268
	Off-balance sheet transactions		
10	Gross notional amounts of off-balance sheet transactions	3.556.402	5.028.249
11	(Adjustments for conversion to credit equivalent amounts)		
12	Total risks of off-balance sheet items (sum of lines 10 and 11)	3.556.402	5.028.249
	Capital and total risks		
13	Tier 1 capital	2.052.914	1.809.286
14	Total risks (sum of lines 3, 6, 9 and 12)	27.787.614	28.561.664
	Leverage ratio		
15	Leverage ratio	7,40	6,33

^(*)Represents three-month average amounts.

^(**) It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.

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

VIII. Explanations on presentation of financial assets and liabilities at their fair values

Valuation methods of the financial instruments valued with their fair value are shown below.

	Book	Book Value		alue
	Current Period	Prior Period	Current Period	Prior Period
Current Period				
Financial assets	22,332,423	17.532.810	21.950.753	17.715.260
Money market placements	412.231	30.010	412.231	30.010
Due from banks	888.545	490.826	888.545	490.826
Financial assets at fair value through other comprehensive income	1.027.526	812.465	1.027.526	812.465
Loans measured at amortised cost	1.207.902	575.098	937.439	605.709
Loans	18.796.219	15.624.411	18.685.012	15.776.250
Financial liabilities	22,885,526	18.291.142	22.885.526	18.291.142
Interbank deposits	1.000.496	49.126	1.000.496	49.126
Other deposits	16.666.912	13.516.562	16.666.912	13.516.562
Funds provided from other financial institutions	1.155.142	859.381	1.155.142	859.381
Marketable securities issued (*)	3.608.499	3.507.350	3.608.499	3.507.350
Miscellaneous payables	454.477	358.723	454.477	358.723

^(*) Securities issued as subordinated debt classified under "Subordinated debt- Other debt instruments" in the balance sheet are also included.

Fair values of financial assets measured at FYTOCI and measured at amortized cost are calculated by market prices or in case of absence of such prices, market prices of other securities quoted in similar qualified markets and having substantially similar characteristics in terms of interest, maturity and other conditions.

Fair values of loans are calculated discounting future cash flows at current market interest rates for fixed-rate loans. The carrying values of floating-rate loans are deemed as approximation for their fair values.

Fair values of other financial assets and liabilities represent the total acquisition costs and accrued interest.

Current Period	1st Level TL		2nd Leve	el TL	3rd Le	vel TL
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Financial Assets						
Financial Assets Measured at Fair Value through Profit and Loss	138.208	97.737				
Financial Assets Measured at Fair Value through Other Comprehensive Income	1.027.526	812.465				
Derivative Financial Assets			707.365	738.902		
Loans Measured at Fair Value through Profit and Loss				1.948.020		
Total	1,165,734	910,202	707.365	2,686,922	-	
Financial Liabilities						
Derivative Financial Liabilities			1.107.492	788.205		
Total	-		1,107,492	788,205		-

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

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

IX. Explanations on transactions carried out on behalf of customers and fiduciary activities

None.

X. Explanations on consolidated securitisation positions

The Bank does not have any securitization positions as of balance sheet date.

XI. Explanations on risk management objectives and policies

The Bank does not apply any netting on balance sheet and off-balance sheet. Guarantees and derivatives are not used as credit mitigation techniques; but only financial collaterals consisting of cash blockages are used.

Risk Management System refers to the Board of Directors, the Audit Committee, the Risk Management Committee, the Asset-Liability Committee and the Risk Management Department which have been composed in order to manage systemic risks that the Bank is exposed to. The Board of Directors is the owner of the Bank's Risk Management System and ensures the establishment of an effective, sufficient and appropriate risk management system as well as the continuity of the system. The main objective of the Bank's Risk Management System is to identify, measure, monitor and control the risks that the Bank is exposed to, by determining the policies, limits and procedures to control, to monitor, and if necessary to change the risk-return structure of the Bank's future cash flows, the level and the quality of related activities.

As part of the Risk Management System, the Asset and Liability Committee presentation is prepared on a weekly basis and the Risk Committee and the Board of Directors presentations are prepared on a monthly basis. The presentations mainly consist of the Bank's financial statements, profit and loss analysis, credit risk, market risk, liquidity risk, concentration risk, interest rate risk due to banking book, and operational risk as well as the risk that the Bank is currently exposed to or possible risks.

The Board of Directors of the Bank delegated the authorization related to the hedge accounting to the Asset and Liability Committee with the condition of providing regular information. At the same time the Bank has organized credit policies and risk mitigation policies due to credit risk. All processes of the Bank are controlled by the Bank's Internal Control Department's control matrices regularly and are subject to supervision by the Internal Audit Department at the same time.

The Bank uses credit rating models and/or decision trees and rating systems using financial and non-financial data for loan customers as a risk measurement system. Market risk measures are calculated within the scope of the Regulation on Measurement and Evaluation of Capital Adequacy of Banks and using only internal model and market data for intra-bank use. In addition to these, risks are measured and reported with regular stress tests. Three stress tests (base, negative, extremely negative) are performed on a yearly basis, stress tests are performed on a monthly basis for market risk and counter party credit risk, stress tests are performed on a weekly basis for interest rate risk and liquidity risk by Risk Management Department of Bank and then they are shared with senior management in the ALCO and the Risk Committee meetings.

Periodic reports about liquidity risk, interest risk, securities portfolio, credit risk, customer concentration, sectorial concentration, collateral structure and capital adequacy are reported to the Board of Directors and senior management.

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

XI. Explanations on risk management objectives and policies (continued)

Notes and explanations in this section have been prepared in accordance with the Communiqué on Disclosures about RWA flow statements of credit risk exposures under IRB Risk Management to Be Announced to Public by Banks that have been published in Official Gazette no. 29511 on 23 October 2015 and became effective as of 31 March 2016. Due to usage of standard approach for the calculation of capital adequacy by the Bank, the following tables which prepared annually basis have not been presented as of 31 December 2020:

- RWA flow statements of credit risk exposures under IRB (Internal Ratings Based)
- RWA flow statements of CCR exposures under the Internal Model Method (IMM)
- RWA flow statements of market risk exposures under an Internal Model Approach (IMA)
- Qualitative disclosures related to IRB models
- IRB Credit risk exposures by portfolio and PD range
- IRB Effect on RWA of credit derivatives used as CRM techniques
- IRB Backtesting of probability of default (PD) per portfolio
- IRB (specialised lending and equities under the simple risk weight method)
- CCR exposures by portfolio and PD scale
- Quantitative disclosures related to IRB models
- Internal model approach for trade account

a. Overview of Risk Weighted Amounts

		Risk Weighted Am	Minumum Capital Requirements	
		Current Period	Prior Period	Current Period
1	Credit risk (excluding counterparty credit risk) (CCR)	18.541.156	16.135.932	1.483.292
2	Of which standardised approach (SA)	18.541.156	16.135.932	1.483.292
3	Of which internal rating-based (IRB) approach			
4	Counterparty credit risk	432.266	499.911	34.581
5	Of which standardised approach for counterpary credit risk (SA-CCR)	432.266	499.911	34.581
6	Of which internal model method (IMM)			
7	Equity position in banking book under basic risk weighting or internal rating-based			
8	Equity investments in funds - look-through approach	103.531	83.713	8.282
9	Equity investments in funds - mandate-based approach			
10	Equity investments in funds - 1250% risk weighting approach			
11	Settlement risk		-	
12	Securitisation exposures in banking book		-	
13	Of which IRB ratings-based approach (RBA)			
14	Of which IRB supervisory formula approach (SFA)			
15	Of which SA/simplified supervisory formula approach (SSFA)			
16	Market risk	596.750	552.463	47.740
17	Of which standardised approach (SA)	596.750	552.463	47.740
18	Of which internal model approaches (IMM)			
19	Operational risk	1.819.842	1.485.530	145.587
20	Of which basic indicator approach	1.819.842	1.485.530	145.587
21	Of which standardised approach			
22	Of which advanced measurement approach			
23	Amounts below the thresholds for deduction from capital (subject to 250% risk weight)			
24	Floor adjustment			
25	Total (1+4+7+8+9+10+11+12+16+19+23+24) I simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the	21.493.545	18.757.549	1.719.482

*It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.

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

XI. Explanations on risk management objectives and policies (continued)

b. Differences and matching between asset and liabilities' carrying values in financial statements and risk amounts in capital adequacy calculation

-	Carrying values in	Carrying values of items in accordance with Turkish Accounting Standards				ds
	financial	Subject to	Subject to	Securitisation	Subject to	Not subject to
	statements	credit risk	counterparty	exposures	market risk	capital
	prepared as per		credit risk(*)	. ,	(**)	requirements or
	TAS		()		,	subject to
Current Period						deduction from
Assets						capital
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances	2.921.692	2.921.692				'
With Central Bank of Turkey	2.721.072	2.721.072	-			-
Banks	888.545	888.545				
Money Markets Placements	412.231	242.147	170.084			
Financial Assets Measured at Fair Value Through Profit or Loss	138.208	96.655				
Financial Assets Measured at Fair Value through Other Comprehensive	1.027.526	1.027.526	668.431			
Income	1.027.320	1.027.320	000.431			••
Financial Assets Measured at amortized cost	1.207.902	1.207.902	290.103			
Derivative financial assets	707.365		205.281		707.365	
Non-performing Financial Assets	(2.347)	(2.347)				
Loans (net)	18.796.219	18.796.219				
Assets Held for Sale and Assets of Discontinued Operations(net)	102.748	102.748				
Investment in Associates (net)						
Investment in Subsidiaries (net)	112.500	112,500				
Joint-Ventures (net)						
Tangible Assets (net)	360.135	360.135				
Intangible Assets (net)	91.027					91.027
Investment Property (net)						
Tax Asset	193.104	193,104				
Other Assets	280.776	280.776				
Total Assets	27.237.631	26.227.602	1.333.899		707.365	91.027
Liabilities						
Deposits	17.667.408					17.667.408
Funds Borrowed	1.155.142					1.155.142
Money Market Funds	610.160		610,160			610.160
Securities Issued	1.480.900					1.480.900
Funds	1.100.700					1.100.700
Financial Assets at Fair Value Through Profit or Loss						
Derivative financial liabilities	1.107.492		_		1.107.492	1.107.492
Factoring Payables	1.107.472		_		1.107.472	1.107.472
Lease Payables	53.630			-		53.630
Provisions	205.971			-		33.030
Tax Liability	187.777			-		43.906
Liabilities for Assets Held for Sale and Assets of Discontinued Operations	107.777		-			43.700
(net)						
Subortinated Debts	2.127.599					
Other liabilities	2.127.599 757.140					757.140
	757.140 1.884.412					1.884.412
Shareholders' Equity	1.884.412 27.237.631				4 407 402	1.884.412 24.760.190
Total Liabilities (*) Pefers to the unconsolidated financial statements of the Bank	21,231,031		610.160		1.107.492	24,700,190

^(*) Refers to the unconsolidated financial statements of the Bank.

^(**) The securities are shown in terms of their gross amounts.

(***) Filled on the basis of general market risk and gross position amounts included in the specific risk calculation.

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

XI. Explanations on risk management objectives and policies (continued)

b. Differences and matching between asset and liabilities' carrying values in financial statements and risk amounts in capital adequacy calculation

	Carrying values in Carrying values of items in accordance with Turkish Accounting Star						Accounting Standar	is
	financial	Subject to	Subject to	Securitisation	Subject to	Not subject to		
	statements	credit risk	counterparty	exposures	market risk	capital		
	prepared as per		credit risk(*)		(**)	requirements or		
	TAS		()		. ,	subject to		
Prior Period						deduction from		
Assets						capital		
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances	0.707.075	0 707 075						
With Central Bank of Turkey	2.707.875	2.707.875		-				
Banks	490.826	490.826						
Money Markets Placements	30.010		30.010					
Financial Assets Measured at Fair Value Through Profit or Loss	97.737	64.868						
Financial Assets Measured at Fair Value through Other Comprehensive								
Income	807.568	807.568	632.282			**		
Financial Assets Measured at amortized cost	575.098	575.098	419.376					
Derivative financial assets	738.902		160.284		738.902			
Non-performing Financial Assets	(589)	(589)	100.201		730.702			
Loans (net)	15.624.411	15.624.411						
Assets Held for Sale and Assets of Discontinued Operations(net)	63.247	63.247						
Investment in Associates (net)	4.897	4.897						
Investment in Subsidiaries (net)	31.500	31.500						
* /	31.300	31.300						
Joint-Ventures (net)								
Tangible Assets (net)	324.109	324.137		-				
Intangible Assets (net)	69.894	17				69.877		
Investment Property (net)								
Tax Asset	58.012	58.012						
Other Assets	265.710	265.683						
Total Assets	21.889.207	21.017.550	1,241,952		738,902	69.877		
Liabilities								
Deposits	13.565.688					13.565.688		
Funds Borrowed	859.381					859.381		
Money Market Funds	733.257		733.263			733.257		
Securities Issued	1.718.332		733.203			1.718.332		
Funds	1.710.332					1.710.332		
Financial Assets at Fair Value Through Profit or Loss	-		-					
Derivative financial liabilities	788.205				788.205	788.205		
Factoring Payables	700.203				700.203	700.203		
* *	68.636					==		
Lease Payables						68.654		
Provisions	97.137							
Tax Liability	41.045					58.723		
Liabilities for Assets Held for Sale and Assets of Discontinued Operations								
(net)								
Subortinated Debts	1.789.018							
Other liabilities	569.416					569.415		
Shareholders' Equity	1.659.092					1.659.092		
Total Liabilities	21.889.207		733,263		788,205	20,020,747		

^(*) Disclosed based on gross amounts of the securities.

(**)Disclosed based on gross position amounts subject to general market risk and specific risk.

(***) Filled on the basis of general market risk and gross position amounts included in the specific risk calculation.

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

XI. Explanations on risk management objectives and policies (continued)

c. The main sources of the differences between the risk amounts and the amounts assessed in accordance with TAS in the financial statements

Current Period	Total	Credit risk	Subject to the securitization	Counterparty	Market risk(*)
Carrying Value of Assets in Accordance with Communiqué "Preparation of Financial Carrying value of liabilities that are subjected	27.237.631	26.227.602		1.333.899	707.365
to counterparty credit risk as per TAS				610.160	1.107.492
Total Net Amount	27.237.631	26.227.602		723.739	(400.127)
Off-balance sheet amounts(**)	21.172.856	3.736.469		17.436.387	17.436.387
Valuation differences					
Differences due to different netting rules					(16.439.510)
Differences due to consideration of provisions					
Differences resulted from the BRSA's applications				(17.235.065)	
Differences due to risk mitigation				610.160	
Risk Amounts	48.410.487	29.964.071		1,535,221	596.750

(*)Risk amounts include financial instruments in trading accounts as per to the "Regulation on Measurement and Assessment of Capital Adequacy of Banks" and market risk due to calculated capital requirement for currency risk.

(**)Off-balance sheet amounts subject to capital adequacy ratio calculation

		Total	Credit risk	Subject to the securitization	Counterparty	Market risk(*)
	Prior Period					
1	Carrying Value of Assets in Accordance with Communiqué "Preparation of Financial	21.819.331	21.017.550		1.241.952	738.902
2	Carrying value of liabilities that are subjected to counterparty credit risk as per TAS				733.257	788.205
3	Total Net Amount	21.819.331	21.017.550		508.695	(49.303)
4	Off-balance sheet amounts(**)	23.806.133	6.671.862		17.134.271	17.134.271
5	Valuation differences					
6	Differences due to different netting rules					(16.532.505)
7	Differences due to consideration of provisions					
	Differences resulted from the BRSA's					
8	applications				(16.843.709)	
9	Differences due to risk mitigation				733.257	
10	Risk Amounts	45.625.464	27.689.412		1.532.514	552.463

(*) Risk amounts include financial instruments in trading accounts as per to the "Regulation on Measurement and Assessment of Capital Adequacy of Banks" and market risk due to calculated capital requirement for currency risk

(**)Off-balance sheet amounts subject to capital adequacy ratio calculation.

Explanation on the differences between the risk amounts and the amounts assessed in accordance with TAS in the financial statements:

Disclosures regarding differences between amounts valued according to TAS and risk exposures

The differences between the amounts assessed under TAS and the amounts after risk reduction in transactions subject to counterparty credit risk stem from the addition of potential risk amounts to the renewal costs of derivative transactions subject to the CPR and the volatility adjustments for repo / reverse repo transactions. Funds provided to differences arising from risk reduction are also included by opening separate line for them.

Valuations of securities subject to market risk in accordance with TAS represent the fair value of held for trading financial instruments. On the other hand, the values in the risk amount line represents the amount subject to market risk based on the capital requirements calculated for the losses arising due factors such as interest rate risk of the market risk, equity price risk, currency risk in accordance with the "Regulation for Measurement and Evaluation of Banks' Capital Adequacy Ratio".

If financial instruments that are accounted for at their fair values are traded in an active market, the valuation is based on that market price. The TL borrowing instruments in the held for trading securities portfolio comprise of government securities. These securities are evaluated at the weighted average trading price in the Istanbul Stock Exchange. For TL securities that are not traded, the market price is calculated based on the CBRT prices. For the FX securities in the same portfolio, the average of purchase and sale quotations in the market are considered as the market price. Derivative financial instruments are evaluated using the discounted cash flow model using market data. Input data used in evaluations using market value and/or valuation methods are periodically checked for validity and independence.

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

Information on Credit Risk

General Qualitative Information on Credit Risk:

The Bank's credit risk management policies are established in line with the strategy approved by the Board of Directors in accordance with the related regulations and are based on prudence, sustainability and the customers' credit worthiness principles.

The limits are set in accordance with the Risk Policies by the Board of Directors based on the Bank's risk appetite. In accordance with the determined risk limits, the authorizations and sub-authorizations are done by the Credit Policies which is in line with the determined limits. Special attention is given to ensure that the limits are in line with market expectations and the Bank's strategies.

Credit rating models and decision trees are used in the credit underwriting processes in accordance with the risk appetite, credit policies set by the Bank and the targets of the Bank. The grading of all customers except for individual credit customers by the Bank is essential. The individual loan portfolio is managed via an automated decision trees.

Customer selection is carried out in accordance with policies and strategies of the Bank and is based on the ability to pay on time and the cash flows expected to be received from its operations independent from guarantees, sureties and pledged assets. When needed; it is mandatory for the Bank to obtain appropriate collateral in line with the source of the payment for the repayment of the credit from the customers to ensure that their obligations arising from the credit are met on time and in full. The main purpose of collateralization of any loan is to minimize the credit, foreign exchange and maturity risks. In this context, a minimum collateral margin is determined by taking into account the collateral quality and the collection expectations given default and it is ensured that the appropriate collateral is obtained based on the credit type. Before a credit relationship is established with a customer, an analysis and intelligence collection are carried out in order to measure the creditworthiness of the customers. Before the credit decisions; the customer is examined and evaluated with an analysis for factors that have affected its past, present and future performances and any other factors (financial and non-financial data) that may affect its past, present and future performances.

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

General Qualitative Information on Credit Risk (continued):

Credit risk is encountered when the counterparty is unable to fulfill its obligations defined with the agreement. All credit risk bearing banking products are managed with prudent credit policies and procedures in the Bank. The credit quality of the counterparty is evaluated with an internal rating score in all corporate, commercial and SME credit transactions. In order to monitor the credit risk, internal limits are determined on the basis of sector, maturity, customer and internal rating to avoid the risk of concentration.

Credit risk management is a process in which credit risks are assessed and monitored in a consistent manner, besides all credit portfolios are included on a consolidated basis. Credit risk is managed on the basis of portfolios, risk / return balance and asset quality of the Bank, and the credit risk is governed by the principles contained in the policy documents. In addition, credit-based evaluation, underwriting and follow-up are carried out by the units in the Loans group within the framework of the relevant processes. Loans proposals are evaluated by the credit units of the Headquarters, if necessary, within the framework of the level of authority based on the determined amount and finalized the loan proposal by the Credit Committee and the Board of Directors.

The units carry out their risk management activities in accordance with the risk appetite and capacity of the Bank through the use of risk measurement and management tools within the policies established by the Board of Directors. In this context, the organizational structure for credit risk management and control functions is detailed as follows the units included in the scope of Credit Risk Management are Corporate Loans, Commercial Loans Allocation, Credit Monitoring and Collection Department and Risk Analysis Department. Decisions on credit policies are taken by the Credit Committee. Allocated credit limits and usages, exceeded limits, assessments of large risks and overdue loans are regularly reported to the senior management.

In the course of credit risk management, the Risk Management Department conducts monitoring and reporting of internal concentration limits. It is ensured that the policies related to the concentration risk management are prepared and processed within the policies of allocation, monitoring, limit monitoring and management. Regular reporting on the cost of the loan and the development of the following loans is made. In addition, stress test and scenario analysis studies related to the loan portfolio are carried out within the scope of ICAAP.

The evaluation of the internal systems established to cover all branches and units and the maintenance of the continuity of functioning, competence and efficiency are among the highest priorities of the Bank's Board of Directors. Within the scope of internal systems, the duties and responsibilities of the Board of Directors, Internal Audit, Internal Control and Operational Risk and Risk Management activities are carried out by the Audit Committee.

Credit Quality of Assets

	Turkish Accounting St financial statement	Gross carrying values in accordance with Turkish Accounting Standards (TAS) in financial statements prepared in accordance with statutory consolidation			
Current Period	Defaulted	Non-defaulted			
1 Loans	619.425	19.006.911	830.116	18.796.220	
2 Debt securities		2.363.273	3.369	2.345.834	
3 Off-balance sheet exposures	8.591	3.822.178	11.077	3.819.692	
4 Total	628.016	25.178.292	844.562	24.961.746	
	Gross carrying values in accordance with Turkish Accounting Standards (TAS) in financial statements prepared in accordance with statutory consolidation		Allowances/ amortisation and impairments	Net value	
Prior Period	Defaulted	Non-defaulted			
1 Loans	920.338	15.508.182	804.110	15.624.410	
2 Debt securities		1.476.603	2.528	1.474.075	
3 Off-balance sheet exposures	19.003	6.650.805	19.121	6.650.687	
4 Total	939.341	23.635.590	825,759	23.749.172	

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

General Qualitative Information on Credit Risk (continued):

Changes in stock of default loans and debt securities

		Current Period	Prior Period
1	Defaulted loans and debt securities at end of the previous reporting period	920.338	621.863
2	Loans and debt securities defaulted since the last reporting period	328.380	718.328
3	Receivables back to non-defaulted status		
4	Amounts written off(*)	242.412	249.214
5	Other changes (**)	(386.881)	(170.639)
6	Defaulted loans and debt securities at end of the reporting period (1+2-3-4±5)	619.425	920.338

^(*) Sales of non-performing loan portfolios are disclosed.

Breakdown of receivables by geographical area, sector and outstanding maturity:

Breakdown by geographical area:

Loans and Other Receivables	Current Period	Prior Period
Domestic	18.080.629	14.737.586
European Union (EU) Countries	269.060	175.043
OECD Countries	60	105
Off-Shore Banking Regions	458.198	402.193
USA, Canada	29.644	23.987
Other Countries	169.320	169.268
Total	19,006,911	15,508,182

Sectoral Breakdown:

Loans and Other Receivables	Current Period	Prior Period	
Agriculture	281.562	292.098	
Farming and Stockbreeding	236.486	249.587	
Forestry	45.076	42.511	
Fishery			
Manufacturing	4.071.734	3.052.932	
Mining and Quarrying	559.653	507.039	
Production	2.288.954	1.656.486	
Electricity, Gas and Water	1.223.127	889.407	
Construction	2.312.369	2.957.739	
Services	8.818.018	6.763.379	
Wholesale and Retail Trade	2.108.454	1.359.296	
Accomodation and Dining	2.859.089	2.318.262	
Transportation and Telecommunication	1.744.724	975.185	
Financial Institutions	166.516	240.621	
Real Estate and Rental Services	386.059	479.302	
Self-Employment Services	961.846	761.672	
Educational Services	227.415	198.509	
Health and Social Services	363.915	430.532	
Others	3.523.228	2.442.034	
Total	19.006.911	15,508,182	

Breakdown by outstanding maturity:

Breakdown by outstanding maturity:

	Up to 1 month	1-3 Months	3-12 Months	1-5 Years	5 years and over	Total
Current Period	2.122.272	3.731.833	6.664.467	5.713.625	774.714	19.006.911
Prior Period	1.904.238	2.357.855	5.611.010	4.714.373	920.706	15,508,182

^(**) Other changes include collections during the period.

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

Exposures provisioned against by major regions and sectors and write-offs:

Current Period	Non-performing loans	Specific Provisions	Write-offs
Domestic	619.425	388.750	242.412
European Union (EU) Countries			
OECD Countries			
Off-Shore Banking Regions			
USA, Canada			
Other Countries			
Total	619.425	388.750	242.412

Prior Period	Non-performing loans	Specific Provisions	Write-offs
Domestic	920.338	515.118	249.214
European Union (EU) Countries			
OECD Countries			
Off-Shore Banking Regions			
USA, Canada			
Other Countries			
Total	920.338	515,118	249.214

Exposures provisioned against by major regions and sectors and write-offs:

Current Period	Non-performing loans	Specific Provisions	Write-offs
Agriculture	53.394	31.684	16.517
Farming and Stockbreeding	46.668	27.467	11.558
Forestry	6.726	4.217	4.959
Fishery			
Manufacturing	114.951	79.779	74.238
Mining and Quarrying	33.264	24.606	18.376
Production	76.758	52.668	55.752
Electricity, Gas and Water	4.929	2.505	110
Construction	130.322	81.292	20.188
Services	264.969	162,429	91.902
Wholesale and Retail Trade	131.745	83.442	79.088
Accomodation and Dining	11.438	6.981	2.697
Transportation and Telecommunication	72.496	43.622	6.507
Financial Institutions	438	258	
Real Estate and Rental Services	15.763	9.737	305
Self-Employment Services	3.040	1.690	354
Educational Services	8.991	5.724	295
Health and Social Services	21.058	10.975	2.656
Others	55.789	33.566	39.567
Total	619.425	388.750	242,412

Prior Period	Non-performing loans	Specific Provisions	Write-offs
Agriculture	60.781	33,729	5,515
Farming and Stockbreeding	48.260	25.352	3.295
Forestry	12.521	8.377	2.143
Fishery	0	0	77
Manufacturing	201.682	120,638	70.888
Mining and Quarrying	62.585	39.068	17.127
Production	133.484	77.645	53.523
Electricity, Gas and Water	5.613	3.925	238
Construction	144,241	78.496	32,460
Services	417.420	220,459	110.907
Wholesale and Retail Trade	220.831	139.919	76.912
Accomodation and Dining	112.285	29.436	19.712
Transportation and Telecommunication	27.748	16.355	6.078
Financial Institutions	98	74	36
Real Estate and Rental Services	20.616	12.077	307
Self-Employment Services	4.712	3.567	3.667
Educational Services	8.018	4.348	677
Health and Social Services	23.112	14.683	3.518
Others	96.214	61.796	29.444
Total	920,338	515,118	249.214

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

Aging analysis:

	Current Period	Prior Period	
Days past due	Amount	Amount	
0-30	18.802.229	15.307.058	
31-60	42.201	82.355	
61-90	120.917	118.770	
90+	660.989	920.338	
Total	19.626.336	16.428.520	

Breakdown of restructured receivables based on whether or not provisions are allocated:

Breakdown of restructured receivables based on whether or not provisions are allocated:

Current Period	Performing	Loans under	Non-performing
Current Period	loans	follow-up	loans
Provisioned			4.305
Not provisoned (*)	2.059.527	2.761.574	
Total	2.059.527	2.761.574	4.305

 $(*) \ The \ Bank \ calculates \ Stage \ 1 \ provisions \ for \ performing \ loans \ and \ Stage \ 2 \ provisions \ for \ loans \ under \ follow-up.$

Prior Period	Performing	Loans under	Non-performing
Prior Period	loans	follow-up	loans
Provisioned			24.322
Not provisoned (*)	56.505	1.100.594	
Total	56.505	1.100.594	24.322

(*) The Bank calculates Stage 1 provisions for performing loans and Stage 2 provisions for loans under follow-up.

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

Credit risk mitigation techniques-Overview

Current Period	Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	collateraliz ed amount of exposures secured by credit derivatives
1 Loans	17.293.854	1.219.130	1.152.094	67.036	67.036		
2 Debt Securities	2.345.834						
3 Total	19.639.688	1.219.130	1.152.094	67.036	67.036	-	-
4 Of which defaulted	160.395	70.280	70.280				
"It is used simple arithmetic mean of Central Bank's foreign currency buying rate	s belonging to the last 252 busi	ness days from the c	calculation date.				
Prior Period	Exposures unsecured: carrying amount as per TAS	Exposures secured by collateral	exposures secured by collateral	Exposures secured by financial guarantees	Collateralized amount of exposures secured by financial guarantees	Exposures secured by credit derivatives	
1 Loans	unsecured: carrying amount as per TAS	secured by	amount of exposures secured by	secured by financial	amount of exposures secured by financial	secured by credit	ed amount of exposures secured by credit
1 Loans 2 Debt Securities	unsecured: carrying amount as per TAS 14.405.387 1.474.075	secured by collateral	amount of exposures secured by collateral	secured by financial guarantees	amount of exposures secured by financial guarantees 315.964	secured by credit derivatives	ed amount of exposures secured by credit derivatives
1 Loans	unsecured: carrying amount as per TAS	secured by collateral	amount of exposures secured by collateral	secured by financial guarantees 315.964	amount of exposures secured by financial guarantees 315.964	secured by credit derivatives	ed amount of exposures secured by credit derivatives

Credit risk exposure and credit risk mitigation techniques

Current Period	Exposures before C	CF and CRM	Exposures post-	-CCF and CRM	RWA and RWA density		
Risk classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density	
1 Exposures to sovereigns and their central banks	4.117.134		4.184.170			%0,0	
2 Exposures to regional and local governments	199.815		199.815		99.908	%50,0	
3 Exposures to adm. bodies and non-commercial entities						%0,0	
4 Exposures to multilateral development banks						%0,0	
5 Exposures to international organizations						%0,0	
6 Exposures to banks and brokerage houses	3.039.614	84.034	3.039.614	47.490	746.854	%24,2	
7 Exposures to corporates	11.636.049	987.347	11.619.810	579.733	11.984.494	%98,2	
8 Retail exposures	5.050.336	1.440.118	5.013.662	364.891	4.032.652	%75,0	
9 Exposures secured by residential property	152.068	1.815	151.639	528	118.854	%78,1	
10 Exposures secured by commercial property	1.385.231	46.874	1.377.189	39.387	942.441	%66,5	
11 Past-due items	246.057	1.340	240.405	1.340	203.080	%84,0	
12 Exposures in high-risk categories	26.256	3.489	26.256	1.745	26.313	%94,0	
13 Exposures in the form of bonds secured by mortgages						%0,0	
14 Short term exposures to banks, brokerage houses and corp.						%0,0	
15 Exposures in the form of coll. investment undertakings(*)	103.531		103.531		103.531	%100,0	
16 Other exposures	1.105.362	1.171.451	1.105.362	64.940	735.298	%62,8	
17 Equity share investments	9.764		9.764	==	9.764	%100,0	
18 Total	27.071.217	3.736.468	27.071.217	1,100,054	19.003.189	%67,5	

("Content management methodology is used to calculate the risk-weighted amount of investments in the form of collective investment undertakings, table above contains final values that obtained by using the content methodolog "His used simple earthmetic mean clearful Bank"s derived nurer or bening rates belonient to the last 250 business dave from the calculation date.

Prior Period	Exposures before C	CF and CRM	Exposures post-	CCF and CRM	RWA and RWA density		
Risk classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density	
1 Exposures to sovereigns and their central banks	3.274.025		3.589.989		554.500	%15,4	
2 Exposures to regional and local governments						%0,0	
3 Exposures to adm. bodies and non-commercial entities						%0,0	
4 Exposures to multilateral development banks						%0,0	
5 Exposures to international organizations						%0,0	
6 Exposures to banks and brokerage houses	2.473.868	57.992	2.473.868	34.345	687.581	%27,4	
7 Exposures to corporates	10.875.808	772.631	10.815.675	433.879	10.838.666	%96,3	
8 Retail exposures	3.272.470	1.020.155	3.066.049	278.751	2.506.369	%74,9	
9 Exposures secured by residential property	271.085	1.851	267.589	777	179.952	%67,1	
10 Exposures secured by commercial property	1.255.880	44.625	1.209.966	35.760	801.550	%64,3	
11 Past-due items	356.201		356.201		294.493	%82,7	
12 Exposures in high-risk categories	49.506	9.432	49.506	4.716	33.380	%61,6	
13 Exposures in the form of bonds secured by mortgages						%0,0	
14 Short term exposures to banks, brokerage houses and corp.	58	==		==		%0,0	
15 Exposures in the form of coll. investment undertakings(*)	91.029		91.029		91.029	%100,0	
16 Other exposures	908.607	4.765.176	908.607	75.985	643.592	%65,4	
17 Equity share investments						%0,0	
18 Total	22.828.479	6.671.862	22.828.479	864,213	16,631,112	%70,2	

(*)Content management methodology is used to calculate the risk-weighted amount of investments in the form of collective investment undertakings, table above contains final values that obtained by using the content methodology

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

Exposures by asset classes and risk weights

	(Current Period)											
	Risk Classes/ Risk Weight	0%	10%	20%	%35(*)	50%	%50(*)	75%	100%	150%	200%	Total risk amount (**)
1	Exposures to sovereigns and their central banks	4.184.170	-	-	-							4.184.170
2	Exposures to regional and local governments					199.815						199.815
3	Exposures to adm. bodies and non-commercial entities											-
4	Exposures to multilateral development banks		-			-						
5	Exposures to international organizations		-			-						
6	Exposures to banks and brokerage houses	763.006	-	1.401.066		912.782			10.250			3.087.104
7	Exposures to corporates	215.049	-			-			11.984.494			12.199.543
8	Retail exposures	1.683	-					5.376.870				5.378.553
9	Exposures secured by residential property		-		51.251				100.916			152.167
10	Exposures secured by commercial property		-				948.269		468.307			1.416.576
11	Past-due items		-			140.449			38.177	63.119		241.745
12	Exposures in high-risk categories		-			3.612			24.153	236		28.001
13	Exposures in the form of bonds secured by mortgages											
14	Short term exposures to banks, brokerage houses and corp.											
15	Exposures in the form of coll. investment undertakings			**					103.531			103.531
16	Equity share investments								9.764			9.764
17	Other Exposures	435.004							735.298			1.170.302
18	Total	5.598.912	-	1.401.066	51.251	1.256.658	948.269	5.376.870	13.474.890	63.355	-	28.171.271

(*) Collateralized by real estate mortgage

("") Content management methodology is used to calculate the risk-weighted amount of investments in the form of collective investment undertakings, final value obtained by using the content methodology ("""). It is used simple arithmetric mean of Central Bank's foreign currency having rates belonging to the last 757 haviness days from the calculation date.

	(Prior Period)											
	Risk Classes/ Risk Weight	0%	10%	20%	%35(*)	50%	%50(*)	75%	100%	150%	200%	Total risk amount
1	Exposures to sovereigns and their central banks	2.480.989	-	-	-	1.109.000						3.589.989
2	Exposures to regional and local governments											
3	Exposures to adm. bodies and non-commercial entities											
4	Exposures to multilateral development banks	**										-
5	Exposures to international organizations	**			**							-
6	Exposures to banks and brokerage houses	763.157		634.042		1.100.483			10.531			2.508.213
7	Exposures to corporates	410.888							10.838.666			11.249.554
8	Retail exposures	2.975						3.341.825				3.344.800
9	Exposures secured by residential property				136.021				132.345			268.366
10	Exposures secured by commercial property						888.351		357.375			1.245.726
11	Past-due items					199.622			80.374	76.205		356.201
12	Exposures in high-risk categories					47.154			1.599	5.469		54.222
13	Exposures in the form of bonds secured by mortgages											-
14	Short term exposures to banks, brokerage houses and corp.					-						
15	Exposures in the form of coll. investment undertakings	**			**				91.029			91.029
16	Equity share investments											
17	Other Exposures	341.000							643.592			984.592
18	Total	3.999.009	-	634.042	136.021	2,456,259	888,351	3.341.825	12,155,511	81,674	-	23.692.692

(*) Collateralized by real estate mortga (**) After CCF and CRM

(**) After CCF and CRM
(***) Content management methodology is used to calculate the risk-weighted amount of investments in the form of collective investment undertakings, final value obtained by using the content methodology.

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

Information on consolidated credit risk mitigation techniques

The Bank does not apply any netting on balance sheet and off-balance sheet. Guarantees and derivatives are not used as credit mitigation technique; only financial collaterals consisting of cash blockages are used.

Applications related to the valuation and management of collaterals are defined as follows: Appraisals for the mortgages that are received as collaterals are only performed by the firms that have been approved by the BRSA and licensed by the Capital Markets Board ("CMB"). Appraisal reports for the real estates that are received as collaterals for commercial loans, are renewed each year as long as the risk continues. As a rule, each year a different appraisal firm is preferred. Management of the appraisal process is carried out by Appraisal & Real Estate Project Finance Unit. Vehicle pledges are followed through their insurance values. Regular investigations are performed for the cheques and bills that are received as collaterals and in case of any negative finding the Bank seeks to replace the collateral.

The Bank's collaterals are mainly composed of cheques, notes, mortgages, guarantees, vehicle pledges and deposit pledges. The Bank's credit risk concentration mainly consists of corporate receivables and are followed by receivables that are collateralized with mortgage, SME and retail receivables, respectively.

Exposure Categories *	A	Financial	Other/Physical	Guarantees and
Current Period	Amount	Collaterals	Collaterals **	Credit Derivatives
Receivables from Central Governments	4.184.170		-	67.036
Receivables, Coins, Purchased Cheques from Regional or				
Local Governments and CBT Banks				
Receivables from Administrative Units and Non-Commercial Enterprises				
Receivables from Multilateral Development Banks				
Receivables from International Organisations				
Receivables from Banks and Brokerage Houses	3.087.104	763.006		
Corporate Receivables	12.199.543	215.049		
Retail Receivables	5.378.553	1.683		
Receivables that are Collateralized by Residential Property	1.568.743		999.520	
Past due Receivables	241.745		46.593	
Receivables Defined in High Risk Category by BRSA	28.001			
Securities Collateralised by Mortgages				
Short-term Receivables from Banks,				
Investments Similar to Collective Investment Funds	103.531			
Equity share investments	9.764			
Other Receivables	1.170.302			
Total	28.171.271	979.738	1.046.113	67.036

^(*) Non-cash risks presented above after credit conversion.

(**)Other / Physical Collaterals are shown with full amounts which are possible to be used, in line with the Regulation on Measurement and Assessment of Capital Adequacy of Banks and Credit Risk Mitigation Techniques. (***)It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation date.

Exposure Categories *	A	Financial	Other/Physical	Guarantees and
Prior Dönem	Amount	Collaterals	Collaterals **	Credit Derivatives
Receivables from Central Governments	3.589.989		-	315.964
Receivables, Coins, Purchased Cheques from Regional or				
Local Governments and CBT Banks				
Receivables from Administrative Units and Non-Commercial Enterprises				
Receivables from Multilateral Development Banks				
Receivables from International Organisations				
Receivables from Banks and Brokerage Houses	2.508.213	763.157		
Corporate Receivables	11.249.554	410.888		
Retail Receivables	3.344.800	3.080		
Receivables that are Collateralized by Residential Property	1.514.092		1.024.372	
Past due Receivables	356.201		72.268	
Receivables Defined in High Risk Category by BRSA	54.222			
Securities Collateralised by Mortgages				
Short-term Receivables from Banks,				
Brokerage Houses and Corporates				
Investments Similar to Collective Investment Funds	91.029			
Other Receivables	984.592			
Total	23.692.692	1,177,125	1.096.640	315.964

(**)Other / Physical Collaterals are shown with full amounts which are possible to be used, in line with the Regulation on Measurement and Assessment of Capital Adequacy of Banks and Credit Risk Mitigation Techniques.

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

Counterparty credit risk (CCR) approach analysis

	Current Period	Replacement Cost Replacement Cost	Potential Credit Exposure	EEPE (Effective Expected Positive Exposure)	Alpha used for computing regulatory EAD	EAD post- CRM	RWA
1	Standardised Approach - CCR (for derivatives) Internal Model Method (for derivative	205.281	201.322		1,4	406.603	261.009
3	instruments, repo transactions, securities or commodity lending or borrowing transactions, Shribs charactions, Shribs charactions that is the state of the state					958.534	 89.527
	settlement transactions and securities financing transactions)					736.334	67.527
4	Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions)					170.084	7.966
5	Value-at-Risk (VaR) for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions						
_ (6 Total * It is used simple arithmetic mean of Central Bank's fore	205.281	201.322 ates belonging	to the last 252 I	 business days fro	1.535.221 n the calculation	358,502 date.
		Replacement					
	Prior Period	Cost Replacement Cost	Potential Credit Exposure	(Effective (Effective Expected Positive Exposure)	Alpha used for computing regulatory EAD	EAD post- CRM	RWA
1	Prior Period Standardised Approach - CCR (for derivatives)	Cost Replacement	Credit	(Effective Expected Positive	for computing regulatory		RWA 289.823
1 2		Cost Replacement Cost	Credit Exposure	(Effective Expected Positive	for computing regulatory EAD	CRM	
2	Standardised Approach - CCR (for derivatives) Internal Model Method (for derivative instruments, repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities	Cost Replacement Cost	Credit Exposure	(Effective Expected Positive	for computing regulatory EAD	CRM	
2	Standardised Approach - CCR (for derivatives) Internal Model Method (for derivative instruments, repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions) Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities	Cost Replacement Cost	Credit Exposure	(Effective Expected Positive	for computing regulatory EAD	CRM 450.846	289.823
3 4 5	Standardised Approach - CCR (for derivatives) Internal Model Method (for derivative instruments, repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions) Simple Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities financing transactions) Comprehensive Approach for credit risk mitigation (for repo transactions, securities or commodity lending or borrowing transactions, long settlement transactions and securities	Cost Replacement Cost	Credit Exposure	(Effective Expected Positive	for computing regulatory EAD	450.846 - 1.051.658	289.823

Capital requirement for credit valuation adjustment (CVA)

		Current Period		Prior Period	
		EAD post-CRM	RWA	EAD post-CRM	RWA
	Total portfolios subject to the Advanced CVA capital obligation				
1	(i) VaR component (including the 3×multiplier)				
2	(ii) Stressed VaR component (including the 3×multiplier)				
3	All portfolios subject to the Standardised CVA capital obligation	406.603	73.764	450.846	88.444
4	Total subject to the CVA capital obligation	406.603	73.764	450.846	88.444

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

CCR exposures by risk class and risk weights - standardised approach

								To	otal credit risk
Risk weights	0%	10%	20%	50%	75%	100%	150%	Other	(*)
Exposures to sovereigns and their central banks	12.192								12.192
Exposures to regional and local governments									
Exposures to adm. bodies and non-commercial entities									
Exposures to multilateral development banks									
Exposures to international organizations									
Exposures to banks and brokerage houses	763.006		316.392	291.896		63			1.371.357
Exposures to corporates						143.732			143.732
Retail exposures	632				7.308				7.940
Exposures secured by residential property									
Past-due items									
Exposures in high-risk categories									
Exposures in the form of bonds secured by mortgages									
Securitization positions									
Short term exposures to banks, brokerage houses and corp.									-
Exposures in the form of coll. investment undertakings									
Equity share investments									
Othr Exposures									
Other Assets*									
Total	775,830		316,392	291,896	7,308	143,795			1,535,221

"It is used simple arithmetic mean of	Central Bank's for	eign currency buying	rates belonging to th	ie last 252 business	days from the o	alculation date.

Prinr	Period

								10	otal credit risk
Risk weights	0%	10%	20%	50%	75%	100%	150%	Other	(*)
Exposures to sovereigns and their central banks	-	-		-	-			-	
Exposures to regional and local governments	-			-					
Exposures to adm. bodies and non-commercial entities	-			-					
Exposures to multilateral development banks	-			-					
Exposures to international organizations	-			-					
Exposures to banks and brokerage houses	763.157		144.287	477.129		67			1.384.640
Exposures to corporates						140.530			140.530
Retail exposures	2.746				4.598				7.344
Exposures secured by residential property				-					
Past-due items				-					
Exposures in high-risk categories				-					
Exposures in the form of bonds secured by mortgages									
Securitization positions					-				
Short term exposures to banks, brokerage houses and corp.									
Exposures in the form of coll. investment undertakings									
Equity share investments									
Othr Exposures									
Other Assets									
Total	765,903	-	144,287	477.129	4.598	140.597	-	-	1.532,514

Collaterals for CCR

	Coll	ateral for derivativ	e transactions		Collateral for other transact		
	Fair value of collate	al received	Fair value of col	lateral given	Fair value of collateral received	Fair value of collateral given	
Current Period	Segregated	Unsegregated	Segregated	Unsegregated			
Cash-domestic currency						170.084	
Cash-foreign currency	632				610.160		
Domestic sovereign debts					130.256		
Other sovereign debts							
Government agency debts							
Corporate debts							
Equity securities							
Other collateral							
Total	632				740.416	170.084	
*It is used simple arithmetic mean of Central Bank's foreign currency buying rates belo	nging to the last 252 business days from th	e calculation date.					

	Coll	Collateral for derivative transactions Collate				ateral for other transactions	
	Fair value of collater	al received	Fair value of col	lateral given	Fair value of collateral received	Fair value of collateral given	
Prior Period	Segregated	Unsegregated	Segregated	Unsegregated			
Cash-domestic currency						30.010	
Cash-foreign currency	2.746				733.257		
Domestic sovereign debts					29.894		
Other sovereign debts							
Government agency debts							
Corporate debts						1.051.658	
Equity securities							
Other collateral							
Total	2746		-	-	763,151	1.081.668	

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

Explanations on consolidated market risk

Whether the Group within the financial risk management objectives hedges itself against market risk, the precautions taken by the Board of Directors for market risk, the methods used for measuring market risk and time intervals for measurement of market risk

In order to hedge against the market risk within the context of the risk management objectives, the Group sets its activities related with market risk management in accordance with "Regulations on Banks' Internal Control and Risk Management Systems" published in the Official Gazette no. 29057 dated 11 July 2014 and "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" published in the Official Gazette no. 29511 dated 23 October 2015.

Being exposed to market risk, Bank's Board of Directors have defined risk management strategies and policies about risk managements in line with application and recommendation of group and have led to follow-up strategies periodically. The limits of risks are identified and these limits are revised periodically. Board of Directors ensures that risk management group and executive managers should identify, measure, control and manage the Bank's risk.

Market risk arising from trading transactions is limited through the risk appetite policy approved by Board of Directors as "low" and measured by taking into consideration BRSA's standard methodology. Additionally Financial Control Department reports the market value and realized profit/loss of trading portfolio. The Risk Management and Asset Liability Committee continuously monitor compliance of trading transactions with the risk appetite policy. Market risk caused by mismatches of asset-liability maturities is also monitored through GAP reports.

Stress tests and scenario analysis are also applied in order to reflect the effects of prospective severe market fluctuations in the VaR calculations. Risk measurement methods such as cash flow projections and GAP analysis are also applied.

Capital to be kept for general market risk and specific risk are calculated by using a standard method in accordance with "Measurement and Assessment of Bank Capital Adequacy Regulation" and are reported monthly.

In the calculation of the value at credit risk for the derivative financial instruments, the receivables from counterparties are multiplied by the rates stated in the Article 21 and Appendix-2 of "the Regulation on Measurement and Assessment of Capital Adequacy of Banks", reduced as per the "Regulation on Credit Risk Mitigation Techniques" following included in the relevant exposure category and weighted for a second time. The risk amount related to the Bank's derivative financial instruments are calculated using the "Fair Value Method".

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

Market risk under standardised approach

	Current Period	Prior Period
	RWA	RWA
Outright Products		-
1 Interest rate risk (general and specific)	368.500	533.163
2 Equity risk (general and specific)		
3 Foreign exchange risk	128.475	13.875
4 Commodity risk	24.775	
Options		
5 Simplified approach		
6 Delta-plus method	75.000	5.425
7 Scenario approach		
8 Securitisation		
9 Total	596,750	552.463

1. Quantitative information on counterparty risk

The counterparty risk amount is calculated in accordance with fair value measurement methodology stated in Appendix 2 and section 3 of "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks".

The replacement costs of the contracts with positive value are obtained by evaluating the contracts according to their fair value. The potential credit risk amount is calculated by multiplying contract or transaction amounts with certain ratios determined in accordance with days to maturity and contract type. The total of replacement cost and potential credit risk make up counterparty risk amount. Counterparty credit risk mitigation considers only cash collaterals.

	Risk Weights						
Current Period	Amount	0%	20%	50%	75%	100%	Total RWA
Interest-Rate Contracts (*)							TOLAL KWA
Foreign-Exchange-Rate Contracts (**)	201.322	12.824	26.218	102.936	2.777	56.567	115.361
Commodity Contracts							
Equity-Shares Related Contracts							
Other							
Gross Positive Fair Values	205.281		5.797	107.725	4.531	87.228	145.648
Netting Benefits							
Net Current Exposure Amount							
Collaterals Received							
Net Derivative Position (***)	406.603	12.824	32.015	210.661	7.308	143.795	261.009

(*) Repo transactions (**) Includes option, currency swap and forward contract:

(***) Consists of foreign exchange rate and interest rate contracts and gross values of positive fair value amounts.

(****) It is used simple arithmetic mean of Central Bank's foreign currency buying rates belonging to the last 252 business days from the calculation dat

	Risk Weights						
Parker Donte d	Amount	0%	20%	50%	75%	100%	Total RWA
Prior Period							
Interest-Rate Contracts (*)							
Foreign-Exchange-Rate Contracts (**)	290.562	2.746	18.840	178.607	2.112	88.257	182.913
Commodity Contracts					**		
Equity-Shares Related Contracts							
Other							
Gross Positive Fair Values	160.283		77	105.380	2.486	52.340	106.910
Netting Benefits							
Net Current Exposure Amount							
Collaterals Received	2.746						
Net Derivative Position (***)	450.845	2.746	18.917	283.987	4.598	140.597	289.823

*) Repo transactions

(**) Includes option, currency swap and forward contracts.
(***) Consists of foreign exchange rate and interest rate contracts and gross values of positive fair value amount

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

Explanations on consolidated operational risk

Gross Income

Value at Operational Risk (Total*12,5)

The value at operational risk is calculated according to the "basic indicator approach". Value at operational risk amount is calculated by using the last 3 years' (2019, 2018 an 2017) gross income, in accordance with the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks" issued on Official Gazette dated September 6, 2014 numbered 29111, "Calculation of Operational Risk". 15% of gross income which is TL 145.587 (31 December 2019: TL 118.842) represents also the minimum capital requirement to recover the risk amount.

Current Period	31/12/2017	31/12/2018	31/12/2019	Total/ No. of Years of Positive Gross Income	Rate (%)	Total
Gross Income Value at Operational Risk (Total*12,5)	716.364	1.038.186	1.157.197	970.582	15	145,587 1,819,842
Prior Period	31/12/2016	31/12/2017	31/12/2018	Total/ No. of Years of Positive Gross	Rate (%)	Total

716.364

1.038.186

622.298

Income 792.283

118.842

1.485.530

15

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

SECTION FIVE

EXPLANATIONS AND NOTES ON THE CONSOLIDATED FINANCIAL STATEMENTS

- I. Explanations and disclosure related to the consolidated assets
- 1. Information on cash and balances with the Central Bank of Turkey

	Cur	rent Period	Prior Period		
	TL	FC	TL	FC	
Cash in TL /Foreign Currency	54.967	281.636	48.386	211.408	
Balances with the Central Bank of Turkey	411.057	2.174.032	152.600	2.295.481	
Other					
Total	466.024	2.455.668	200.986	2.506.889	

1.1 Information related to the account of the Central Bank of Turkey

	Cur	Prior Period		
	TL	FC	TL	FC
Unrestricted Demand Deposits	407.561	782.078	152.527	659.002
Unrestricted Time Deposits	3.496		73	498.795
Restricted Time Deposits		1.391.954		1.137.684
Total	411.057	2.174.032	152.600	2.295.481

According to the communiqué No: 2005/1 on "Reserve Deposits" of CBRT, banks operating in Turkey are required to keep reserve deposit at the rates varying from 1% - 6% (31 December 2019: 1%-7%) for TL liabilities and at the rates varying from 5% - 21% (31 December 2019: 5%-21%) for FC liabilities, especially USD and EUR, depending on maturities of liabilities.

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

2.1 Information on financial assets at fair value through profit or loss given as collateral or blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates				
Bonds, Treasury Bills and Similar Marketable Securities	2.796		24.580	
Total	2.796		24.580	

Trading securities given as collateral represent those collaterals given to the Central Bank of Turkey, and Istanbul Clearing and Custody Bank (Takasbank) for interbank money market, foreign exchange market and other transactions, as of balance sheets dates.

As of 31 December 2020, the amount of financial assets at fair value through profit or loss not given as collateral or not blocked is TL 135.412 (31 December 2019: TL 73.157).

When fair value hedge accounting terminated, the fair value amount on the hedged financial instruments are reflected into the statement of profit or loss by amortization during the life time of the hedged financial instruments.

Loans recognised at fair value through profit or loss

As of 31 December 2020, there are no loans recognized at fair value through profit or loss (31 December 2019: TL 1.948.020).

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

- I. Explanations and disclosure related to the consolidated assets (continued)
- 2.2 Information on financial assets at fair value through profit or loss subject to repurchase agreements

None.

2.3 Positive differences relating to derivative financial assets*

	Curre	Prior Period		
	TL	FC	TL	FC
Forward Transactions	97.046		59.591	
Swap Transactions	368.124		368.713	
Futures Transactions				
Options	231.789	10.406	195.923	27.136
Other				
Total	696.959	10.406	624.227	27.136

 $^{(\}mbox{\ensuremath{^{*}}})$ Except the derivative financial liabilities for hedging purposes.

3. Information on Banks

3.1 Information on banks

	Curr	Prior Period		
	TL	FC	TL	FC
Banks				
Domestic	465.117	39.805	400.573	740
Foreign	461	383.162	2.058	87.455
Foreign head-offices and branches				
Total	465.578	422.967	402.631	88.195

3.2 Due from foreign banks

	Cui	Current Period		
	Unrestricted	Restricted	Unrestricted	Restricted
	Balances	Balances	Balances	Balances
EU Countries	68.714	233.344	18.008	28.352
USA and Canada	8.447		29.818	
OECD Countries (*)	719	59.798	1.433	3.624
Off-Shore Banking Regions				
Other	12.601		8.278	
Total	90.481	293.142	57.537	31.976

- 4. Information on Financial Assets Valued at Fair Value Through Other Comprehensive Income
- 4.1 Financial assets valued at fair value through other comprehensive income subject to repurchase agreements and provided as collateral / blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates				
Bonds, Treasury Bills and Similar Marketable Securities	2.929	717.544	10.904	776.085
Other				
Total	2.929	717.544	10.904	776.085

As of 31 December 2020, the amount of financial assets valued at fair value through other comprehensive income not given as collateral or not blocked is TL 307.053 (31 December 2019: TL 25.476).

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

I. Explanations and disclosure related to the consolidated assets (continued)

4.2 Details of financial assets valued at fair value through other comprehensive income

	Current Period	Prior Period
Debt instruments	1.017.163	803.864
Quoted on Stock Exchange	1.017.163	803.864
Unquoted on Stock Exchange		
Share certificates	10.363	8.697
Quoted on Stock Exchange	10.363	8.697
Unquoted on Stock Exchange		
Impairment provision (-)		96
Total	1.027.526	812.465

5. Information on Loans

5.1 Information on all types of loans and advances given to shareholders and employees of the Bank

	Current	t Period	Prior Po	eriod
	TL	FC	TL	FC
Direct Loans to Shareholders		20		20
Corporate Shareholders				
Individual Shareholders		20		20
Indirect Loans to Shareholders				
Loans to Employees	6.497		4.653	
Total	6.497	20	4.653	20

5.2 Information on Standard Loans, Loans Under Close Monitoring and Loans Under Close Monitoring That Are Restructured

Standard Cash Loans Loans	Standard	Loans Under Close Monitoring			
			Restruct	Restructured	
	Non-restructured	Revised Contract Terms	Refinanced		
Loans	15.921.532	323.805	2.408.979	352.595	
Working Capital Loans	6.385.151	119.536		331.004	
Export Loans Import Loans			894		
Loans to Financial Sector	141,271				
Consumer Loans	2.643.793	47.991	16.335	3.933	
Credit Cards	15.097	968			
Others	6.736.220	155.310	945.015	17.658	
Specialization Loans					
Other Receivables					
Total (*)	15.921.532	323.805	2.408.979	352,595	

^(*) Amounting to TL 105.851 factoring receivables are also included.

^(*) Announting to the 100.001 factoring receivables are as included.

(**) 31 December 2020, in accordance with the decision of the BRSA dated 27 March 2020 and numbered 8970, with a past due of between 90 and 180 days effective from 17 March 2020, and the total amount of loans that continue to be classified in the second group is TL 44,941.

	Current Period		Pri	Prior Period	
	Standard Loans	Loans Under Close Monitoring	Standard Loans	Loans Under Close Monitoring	
12-months Expected Credit Losses	155.743		117.374		
Significant Increase in Credit Risk		285.623		171.618	
Total	155.743	285.623	117.374	171.618	

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

I. Explanations and disclosure related to the consolidated assets (continued)

The overdue analysis of close monitoring loans

Current Period	Commercial Loans	Consumer Loans	Total
1-30 days	44.642	6.244	50.886
31-60 days	16.355	6.219	22.574
61-90 days (*)	127.971	24.885	152.856
Total	188.968	37.348	226.316

(*)According to BRSA's announcement numbered 8948 and dated 17 March 2020, up to 180 days past due loans are also included.

(**) 31 December 2020, in accordance with the decision of the BRSA dated 27 March 2020 and numbered 8970, with a past due of between 30 and 90 days effective from 17 March 2020, and the total amount of loans that continue to be classified in the first group is TL 34,084.

Prior Period	Commercial Loans	Consumer Loans	Total
1-30 days	251.024	4.535	255.559
31-60 days	58.987	23.368	82.355
61-90 days	99.530	19.240	118.770
Total	409.541	47.143	456.684

Maturity analysis of cash loans

		Standard Loans and Other Receivables		er Receivables der onitoring
	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms	Loans and Other Receivables	Loans and Receivables with Revised Contract Terms
Short-term Loans and Other Receivables	6.252.540	286.659	79.649	206.854
Loans	6.252.540	286.659	79.649	206.854
Specialized Loans				
Other Loans				
Medium and Long-term Loans and Other Receivables	7.322.806	2.059.527	244.156	2.554.720
Loans	7.322.806	2.059.527	244.156	2.554.720
Specialized Loans				
Other Loans				

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

I. Explanations and disclosure related to the consolidated assets (continued)

5.3 Information on consumer loans, individual credit cards and credit cards given to personnel

	Short-Term	Medium or Long Term	Total
Consumer Loans-TL	913.375	1,728,617	2.641.992
Mortgage Loans		277.766	277.766
Vehicle Loans		2.812	2.812
General Purpose Loans	913.375	1.448.039	2.361.414
Other			
Consumer Loans-Indexed to FC		5.126	5.126
Mortgage Loans		4.809	4.809
Vehicle Loans			
General Purpose Loans		317	317
Other			
Consumer Loans-FC		46	46
Mortgage Loans		46	46
Vehicle Loans			
General Purpose Loans			
Other			
Individual Credit Cards-TL	6.406		6.406
With Installment	969		969
Without Installment	5.437		5.437
Individual Credit Cards-FC	113		113
With Installment			
Without Installment	113		113
Loans Given to Employees-TL	566	5.266	5.832
Mortgage Loans		41	41
Vehicle Loans			
General Purpose Loans	566	5.225	5.791
Other			
Loans Given to Employees - Indexed to FC			
Mortgage Loans			
Vehicle Loans			
General Purpose Loans			
Other			
Loans Given to Employees - FC			
Mortgage Loans			
Vehicle Loans			
General Purpose Loans			
Other			
Personnel Credit Cards - TL	643		643
With Installment	150		150
Without Installment	493		493
Personnel Credit Cards - FC	22		22
With Installment			
Without Installment	22		22
Overdraft Loans-TL (Real Persons)	59.056		59.056
Overdraft Loans-FC (Real Persons)			
Total	980.181	1.739.055	2.719.236

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

I. Explanations and disclosure related to the consolidated assets (continued)

5.4 Information on commercial loans with installments and corporate credit cards

	Short-Term	Medium or Long Term	Total
Installment Commercial Loans - TL	839.822	2.896.433	3.736.255
Real Estate Loans		153	153
Vehicle Loans	7.894	68.280	76.174
General Purpose Loans	831.928	2.828.000	3.659.928
Other			
Installment Commercial Loans - Indexed to FC		40.058	40.058
Real Estate Loans			
Vehicle Loans		6.354	6.354
General Purpose Loans		33.704	33.704
Other			
Installment Commercial Loans - FC			
Real Estate Loans			
Vehicle Loans			
General Purpose Loans			
Other			
Corporate Credit Cards - TL	8.720		8.720
With Installment	2.413		2.413
Without Installment	6.307	**	6.307
Corporate Credit Cards - FC	161		161
With Installment		**	
Without Installment	161	**	161
Overdraft Loans-TL (Legal Entities)	76.144		76.144
Overdraft Loans-FC (Legal Entities)			
Total	924.847	2.936.491	3.861.338

5.5 Allocation of loans by customers

	Current Period	Prior Period
Public Sector		
Private Sector	19.006.911	15.508.182
Total (*)	19,006,911	15.508.182

^(*) Factoring receivables amounting to TL 105.851 (31 December 2019: TL 3.092) are included. There are no financial loans at fair value through profit or loss (31 December 2019: TL 1.948.020).

5.6 Allocation of Domestic and Foreign Loans

	Current Period	Prior Period
Domestic Loans	18.080.629	14.737.586
Foreign Loans	926.282	770.596
Total (*)	19.006.911	15.508.182

^(*) Factoring receivables amounting to TL 105.851 (31 December 2019: TL 3.092) are included. There are no financial loans at fair value through profit or loss (31 December 2019: TL 1.948.020).

5.7 Loans granted to subsidiaries and associates

The Bank does not have any loans granted to subsidiaries and associates as of 31 December 2020 (31 December 2019: None).

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

I. Explanations and disclosure related to the consolidated assets (continued)

5.8 Provisions provided against loans (third stage)

	Current Period	Prior Period
Loans and Receivables with Limited Collectability	33.606	165.920
Loans and Receivables with Doubtful Collectability	56.774	133.848
Uncollectible Loans and Receivables	298.370	215.350
Total	388.750	515.118

5.9 Information on non-performing loans (Net)

5.9.1 Information on loans and other receivables included in non-performing loans which are restructured or rescheduled

	III. Group	IV. Group	V. Group
	Loans and	Loans and	
	receivables with	receivables with	Uncollectible loans
	limited	doubtful	and receivables
	collectability	collectability	
Current Period	18	1.779	2,508
Gross Amounts before Provisions			
Restructured Loans and Other Receivables	18	1.779	2.508
Prior Period	453	21.568	2.301
Gross Amounts before Specific Provisions			
Restructured Loans and Other Receivables	453	21.568	2.301

5.9.2 Movement on non-performing loans

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Balances at the End of Prior Period	268.082	216.051	436,205
Additions (+)	258.983	51.340	18.057
Transfers from Other Categories of Non-Performing Loans (+)	14	320.477	409.449
Transfers to Other Categories of Non-Performing Loans (-)	320.477	409.449	14
Collections (-)	130,972	43.215	212.694
Write-offs (-)			
Sold (-) (*)	11.043	52.259	179.110
Corporate and Commercial Loans	11.027	50.876	149.387
Retail Loans	16	539	23.995
Credit Cards		844	5.728
Other			
Balances at End of the Period	64.587	82.945	471.893
Provisions (-)	33,606	56.774	298.370
Net Balance on Balance Sheet	30.981	26.171	173.523

^(*) The loan amounting to TL 242.412 has been written off from assets by selling to asset management company in 2020.

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

I. Explanations and disclosure related to the consolidated assets (continued)

5.9.3 Information on expected credit losses

Stage 1	Stage 2	Stage 3
117.374	171.618	515.118
48.431	17.377	5.505
(13.904)	(17.267)	(36.662)
12.796		
(16.165)	91.475	
	44.426	
8.341	(10.759)	
(1.114)		35.924
	(10.259)	56.445
		(26.112)
(15)	(989)	(161.470)
155.743	285.623	388.750
	117.374 48.431 (13.904) 12.796 (16.165) 8.341 (1.114) (15)	117.374 171.618 48.431 17.377 (13.904) (17.267) 12.796 (16.165) 91.475 44.426 8.341 (10.759) (1.114) (10.259) (15) (989)

^(*)The mentioned customers are in Stage 1 at the end of 2019 and they recognized to Stage 3 during the year.

5.9.4 Information on non-performing loans and other receivables in foreign currencies

	III, Group	IV. Group	V. Group
	Loans and	Loans and	
	receivables with	receivables with	Uncollectible loans
	limited	doubtful	and receivables
	collectability	collectability	
Current Period			
Balance as of Period End	39.441	16.545	42.344
Provisions (-)	17.748	14.239	29.235
Net Balance on Balance Sheet	21.693	2.306	13.109
Prior Period			
Balance as of Period End	15.936	33.897	85.845
Provisions (-)	9.818	17.768	31.520
Net Balance on Balance Sheet	6,118	16.129	54.325

5.9.5 Information regarding gross and net amounts of non-performing loans with respect to debtor groups

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectability	Loans and receivables with doubtful collectability	Uncollectible loans and receivables
Current Period (Net)	30,981	26,171	173,523
Loans Granted to Real Persons and Legal Entities (Gross)	64.587	82.945	471.893
Provisions (-)	33.606	56.774	298.370
Loans Granted to Real Persons and Legal Entities (Net)	30.981	26.171	173.523
Banks (Gross)			
Provisions (-)			
Banks (Net)			
Other Loan and Receivables (Gross)			
Provisions (-)			
Other Loan and Receivables (Net)			
Prior Period (Net)	102,162	82,203	220.855
Loans Granted to Real Persons and Legal Entities (Gross)	268.082	216.051	436.205
Provisions (-)	165.920	133.848	215.350
Loans Granted to Real Persons and Legal Entities (Net)	102.162	82.203	220.855
Banks (Gross)			
Provisions (-)			
Banks (Net)			
Other Loan and Receivables (Gross)			
Provisions (-)			
Other Loan and Receivables (Net)			

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

- I. Explanations and disclosure related to the consolidated assets (continued)
- 5.10 Information on interest accruals, valuation differences and related provisions calculated for nonperforming loans by the banks which reserves provision according to TFRS 9

The Bank does not calculate interest accruals and rediscount for non-performing loans.

5.11 Explanations about policy of write-off policy

In the event that the conditions stated in the law related to the unworthiness of the receivable arise, whole provisions are set aside for all of these loans and the loans are written off from the assets by the board decision.

- 6. Information on financial assets measured at amortized cost
- 6.1 Information on securities subject to repurchase agreement and given as collateral or blocked

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates				
Bonds, Treasury Bills and Similar Marketable	48.344	858.607	188.506	386.592
Sther ities				
Total	48.344	858.607	188.506	386.592

6.2 Information on government securities in financial assets measured at amortized cost

	Current Period		Prior Period	
	TL	FC	TL	FC
Government Bond	187.659	1.006.930	188.506	386.592
Treasury Bill				
Other Debt Securities				
Total	187.659	1.006.930	188.506	386.592

6.3 Information on financial assets measured at amortized cost

	Current Period	Prior Period
Debt instruments	1.207.902	575.098
Quoted on Stock Exchange	1.207.902	575.098
Unquoted on Stock Exchange		
Share certificates		
Quoted on Stock Exchange		
Unquoted on Stock Exchange		
Impairment provision (-)		
Total	1,207,902	575.098

6.4 Information on the movement of financial assets measured at amortized cost during the period

	Current Period	Prior Period
Balance at the beginning of period	575.098	363.032
Foreign Exchange Difference in Monetary Assets	132.935	17.887
Revaluation adjustments	5.934	15.552
Purchases during the year	493.935	178.627
Disposals through Sales and Redemptions		
Impairment provision (-)		
Total	1,207,902	575.098

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

I. Explanations and disclosure related to the consolidated assets (continued)

7. Information on associates

The Group has no investment in an associate as of 31 December 2020 (31 December 2019: None).

The Bank has started to present the amount of TL 4.897, which was reported as "Subsidiaries" in the previous period, under the "Financial Assets at Fair Value Through Other Comprehensive Income" in the current period, and the comparative information has been rearranged accordingly.

8. Information on consolidated subsidiaries

The Bank has TL 117.945 investment in subsidiaries as of 31 December 2020 (31 December 2019: TL 36.945).

Non-financial subsidiaries

The Bank has TL 112.500 investment in a non-financial subsidiary as of 31 December 2020 (31 December 2019: TL 31.500).

The capital of Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş. has been increased in cash by TL 6.000 and TL 75.000 on 7 January 2020 and 6 August 2020.

Company Name	Address (City / Country)	Bank's Share- If different voting rights (%)	Bank's Risk Group Share (%)
Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetler	i A.Ş. İstanbul	100%	100%

Finberg Araştırma Geliştirme Danışmanlık Yatırım Hizmetleri A.Ş., was established with the purpose of providing entrepreneurship, creation of new business fields and technologies, investment in financial technology companies, mobile payment, income expenditure follow-up and money transfer consultancy services.

Financial subsidiaries

The Bank has TL 5.445 investment in a financial subsidiary as of 31 December 2020 (31 December 2019: TL 5.445).

Company Name	Address (City / Country)	Bank's Share- If different voting rights (%)	Bank's Risk Group Share (%) Consolidation Type
Fiba Portföy Yönetimi A.Ş.	İstanbul	99%	99% Full Consolidation

Fiba Portföy Yönetimi A.Ş. has been established on 26 September 2013 with 99% share of Fibabanka A.Ş. The financial information about Fiba Portföy Yönetimi A.Ş. as of 31 December 2020 is given below:

Total Assets	Shareholders' Equity	Total Fixed Assets (*)	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value
18.098	15.954	367	12		7.220	2.912	

^(*) Total fixed assets consist tangible and intangible assets.

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

I. Explanations and disclosure related to the consolidated assets (continued)

8. Information on subsidiaries (continued)

Informationon capital adequacy of major subsidiary

Current Period	Fiba Portföy Yönetimi A.Ş.
Core Capital	15.954
Paid-in Capital	5.500
Inflation Adjustments to Paid-in Capital	
Share Premium	
Reserves	
Current Period's Profit and Prior Periods' Profit	10.454
Current Period's Losses and Prior Periods' Losses	
Leasehold Improvements on Operational Leases (-)	
Intangible Assets (-)	
Goodwill (Net) (-)	
Supplementary Capital	
Capital	15.954
Deductions From Capital	
Net Available Equity	15.954

The Parent Bank does not have any capital needs for its subsidiary included in the calculation of its consolidated capital adequacy standard ratio.

Movement of consolidated investment in subsidiaries

	Current Period	Prior Perioc
Balance at Beginning of Period	5,445	5.445
Movements during the Period		
Additions and Capital Increases		
Bonus Shares Received		
Dividends from the Current Year Profit		
Sales/Liquidations		
Reclassification of shares		
Increase / (Decrease) in Market Values		
Currency Differences on Foreign Subsidiaries		-
Reversal of Impairment Loses/ Impairment Losses (-)		
Balance at the End of Period	5.445	5.445
Capital Commitments	5.445	5.445
Share of Percentage at the end of Period (%)	99	99

	Current Period	Prior Period
Banks		
Insurance Companies		
Factoring Companies		
Leasing Companies		
Finance Companies		
Other Subsidiaries	5.445	5.445

Valuation of investments in consolidated subsidiaries

	Current Period	Prior Period
Valuation with Cost Value	5.445	5.445
Valuation with Fair Value		

Quoted consolidated investments in subsidiaries

None

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

I. Explanations and disclosure related to the consolidated assets (continued)

9. Information on entities under common control

The Group does not have investments in entities under common control as of 31 December 2020.

10. Information on lease receivables

The Group does not have lease receivables as of 31 December 2020.

11. Information on derivative financial assets held for hedging purposes

As of 31 December 2020, The Bank has no hedging derivative financial assets (31 December 2019: TL 87.539).

12. Information on tangible assets

Current Period	Mortgage Cars		Ongoing	Other Tangible	Total
Current Period	MOI tgage	Cars	Investments(**)	Assets(*)	iotai
Cost					
Beginning Balance, 1 January 2020	295.376	12.800		106.776	414.952
Additions	766	6.739	62.911	17.592	88.007
Disposals	5.225			6.907	12.132
Ending Balance, 31 December 2020	290.917	19.539	62.911	117.461	490.828
Accumulated Depreciation					
Beginning Balance, 1 January 2020	(29.056)	(897)		(60.890)	(90.843)
Depreciation	(22.497)	(2.269)	(2.269)	(21.249)	(46.015)
Disposals	(164)			6.329	6.165
Ending Balance, 31 December 2020	(51.717)	(3,166)		(75.810)	(130,693)
Net Book Value, 31 December 2020	239,200	16.373	62,911	41.650	360,135

^{*} Other tangible fixed assets consist of leasehold improvements, safe boxes, office machinery, furniture and other movables.

^{**} The item in progress includes the total capitalized project cost following the completion of the projects.

Prior Period	Mortgage	Cars	Other Tangible Assets(*)	Total
Cost				
Beginning Balance, 1 January 2019	223.097	79	88.598	311.774
Additions	72.279	12.721	24.280	109.280
Disposals			6.101	6.101
Ending Balance, 31 December 2019	295.376	12.800	106.776	414.952
Accumulated Depreciation				
Beginning Balance, 1 January 2019	(6.541)	(99)	(48.065)	(54.705)
Depreciation	(22.404)	(798)	(18.972)	(42.174)
Disposals	(111)		6.146	6.036
Ending Balance, 31 December 2019	(29.056)	(897)	(60.890)	(90.843)
Net Book Value, 31 December 2019	266,320	11.903	45.886	324,109

^(*) Other tangible fixed assets consist of leasehold improvements, safe boxes, of fice machinery, furniture and other movables.

12.1 Disclosure for impairment losses or releases individually material for financial statement

12.1.1 Conditions for allocating/releasing any impairment

None

12.1.2 Amount of impairment losses provided or released in financial statements during current period None.

12.2 Other impairment losses provided or released in current period that are immaterial for the financial statement individually

None.

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

I. Explanations and disclosure related to the consolidated assets (continued)

13. Information on intangible assets

13.1 Useful lives and depreciation rates

The useful life of an asset is determined by taking the asset's expected economic life, technical, technological or other kinds of obsolescence, and maintenance costs into account. The amortization rates used are in accordance with the useful lives of the underlying assets. The useful lives are determined as defined by TAS 38 "Intangible Assets".

The Group's intangible assets consist of software programs and rights, and their useful lives range between 3 to 10 years

13.2 Depreciation methods

Depreciation for assets which are in balance sheet for less than one year is calculated by the straight line method by proportioning the duration of asset in the balance sheet to the predicted yearly depreciation amount.

13.4 Movements of intangible assets for the current period

Cost	Current Period	Prior Period
Beginning Balance, 1 January	138.252	90.570
Additions	51.384	50.298
Disposal	4.153	2.616
Ending Balance, 31 December	185.483	138.252
Accumulated Depreciation		
Beginning Balance, 1 January	(68.357)	(55.569)
Amortisation Expense for Current Period (-)		(24)
Disposal	(26.099)	(12.812)
Ending Balance, 31 December	(94.456)	(68.358)
Net Book Value, 31 December	91,027	69.894

13.5 Details for any individually material intangible assets

None

13.6 Intangible assets capitalised under government incentives at fair values

None.

13.7 Revaluation method of intangible assets capitalised under government incentives and valued at fair values at capitalisation dates

None

13.8 Net book value of intangible asset that are restricted in usage or pledged

None

13.9 Commitments to acquire intangible assets

None.

13.10 Disclosure on revalued intangible assets

None.

13.11 Research and development costs expensed during current period

None.

13.12 Goodwill

None.

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

- I. Explanations and disclosure related to the consolidated assets (continued)
- 14. Information on intangible assets

None.

15. Information on investment properties

None.

- 15. Information on deferred tax asset
- 15.1 Amount of deferred tax asset recognized in the balance sheet in respect of deductible temporary differences, unused tax losses and unused tax credits

As of 31 December 2020, the deferred tax asset amounting to TL 191.840 is calculated by netting of deductible temporary differences and taxable temporary differences (31 December 2019: TL 54.503 deferred tax asset).

Deferred tax asset consists of deferred tax asset and liability items recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases which is used in the computation of taxable profit. The deferred tax assets and liabilities are presented as net in the accompanying financial statements.

	Current Period		
		Deferred Tax	
	Deferred Tax Base	Asset/	
		(Liability)	
Financial Assets Valuation	294.394	58.879	
Unearned Commission Income/Prepaid Commission Expenses	43.865	8.773	
Retirement Pay and Unused Vacation Provision	37.613	7.523	
Tangible Assets Base Differences	(36.784)	(7.357)	
Provisions	605.850	121.170	
Other	14.268	2.852	
Deferred Tax Asset/(Liability)	959,206	191,840	

	Prior Period		
		Deferred Tax	
	Deferred Tax Base	Asset/	
		(Liability)	
Financial Assets Valuation	(124.029)	(24.671)	
Unearned Commission Income/Prepaid Commission Expenses	13.823	3.041	
Retirement Pay and Unused Vacation Provision	29.953	6.287	
Tangible Assets Base Differences	(29.545)	(5.909)	
Provisions	345.129	73.408	
Other	10.852	2.347	
Deferred Tax Asset/(Liability)	246,183	54,503	

The movement of the current year and prior year deferred tax assets is shown below:

	1 January - 31 December 2020	1 January - 31 December 2019
Deferred Tax Asset, 1 January	54,503	79.351
Deferred Tax Income / (Expense)	138.053	(15.309)
Deferred Tax Recognized Directly Under Equity	(716)	(9.539)
Deferred Tax Asset/(Liability), Period End Balance	191.840	54.503

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

- I. Explanations and disclosure related to the consolidated assets (continued)
- 15.2 Amount and expiry date of deductible temporary differences, unused tax losses, unused tax credits for which no deferred tax asset is recognized in prior periods in the balance sheet

None (31 December 2019: None).

15.3 Deferred tax asset resulting from the cancellation of the provision for impairment losses related to the deferred taxes

None.

16. Information on assets held for sale and non-current assets related to discontinued operations

As of 31 December 2020, the Group has TL 102.748 assets held for sale (31 December 2019: TL 63.247).

17. Information on other assets

Other assets do not exceed 10% of total assets excluding the off-balance sheet items.

17.1 Information on prepaid expenses, tax and similar items

As of 31 December 2020, total prepaid expenses are TL 41.636 (31 December 2019: TL 42.018).

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

II. Explanations and disclosures related to consolidated liabilities

1. Information on deposits

1.1 Information on maturity structure of deposits

Current period						6 Months -		Cumulative	
	Demand	7 Days Notice	Up to 1 Month	Up to 3 Months	3-6 Months		1 Year and Over	Deposit	Total
Saving Deposits	239.170		3,296,030	2,162,226	82.919	40.295	19.070		5.839.710
Foreign Currency Deposits	1.022.955		3.826.483	1.841.608	143.243	12.482	124.436		6.971.207
Residents in Turkey	921.277		3.805.228	1.832.539	143.243	12.428	124.345		6.839.060
Residents Abroad	101.678		21.255	9.069		54	91		132.147
Public Sector Deposits	1.394		409	865					2.668
Commercial Deposits	308.622		469.252	2.082.225	4.362	3.572	29		2.868.062
Other Ins. Deposits	3.340		3.485	125.948	17.516	516			150.805
Precious Metal Deposits	372,485		461.975						834,460
Interbank Deposits	50.624		558.252	391.620					1.000.496
Central Bank of Turkey			386.108						386.108
Domestic Banks	79		146.815	379.982					526.876
Foreign Banks	45.473		25.329	11.638					82.440
Special Finan.Inst.	5.072								5.072
Other									
Total	1.998.590		8.615.886	6.604.492	248.040	56.865	143.535		17.667.408

Prior period						6 Months -		Cumulative	
	Demand	7 Days Notice	Up to 1 Month	Up to 3 Months	3-6 Months	1 Year 1	Year and Over	Deposit	Total
Saving Deposits	217.255		3.423.787	1.503.762	55.737	181.346	110.105		5.491.992
Foreign Currency Deposits	624.521		2.338.733	2.869.532	539.707	446.008	28.506		6.847.007
Residents in Turkey	569.703		2.326.177	2.862.047	539.338	445.553	28.419		6.771.237
Residents Abroad	54.818		12.556	7.485	369	455	87		75.770
Public Sector Deposits	59.892								59.892
Commercial Deposits	329.418		169.359	558.319	4.516	964	1.664		1.064.240
Other Ins. Deposits	2,348		3.959	21.696		40	242		28.285
Precious Metal Deposits	25.146								25.146
Interbank Deposits	22.159		12,262	14.705					49.126
Central Bank of Turkey									
Domestic Banks	68			6.916					6.984
Foreign Banks	11.605		12.262	7.789					31.656
Special Finan.Inst.	10.486								10.486
Other									
Total	1,280,739		5.948.100	4.968.014	599.960	628.358	140,517		13,565,688

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

II. Explanations and disclosures related to consolidated liabilities (continued)

1.2 Information on saving deposits under the guarantee of saving deposit insurance and exceeding the limit of saving deposit insurance

	Under the Guarantee of Deposit		Exceeding	
	Curi rson Heré od	Prior Period	Current Rheiod mit o	f Prior Period
Saving Deposits	2.701.076	2.739.691	3.100eplosit Ins	urance2.736.619
Foreign Currency Saving Deposits	1.554.183	1.025.106	5.118.091	4.415.973
Other Deposits in the Form of Saving Deposits				
Foreign Branches' Deposits Under Insurance of Foreign Authorities				
Off-shore Banking Regions' Deposits Under Foreign Authorities' Insurance				
Total	4.255.259	3.764.797	8.218.517	7.152.592

1.3 Saving deposits in Turkey are not covered by any insurance in any other countries since the Bank's headquarter is not located abroad

1.4 Saving deposits that are not under the guarantee of deposit insurance fund

	Current Period	Prior Period
Deposits and Accounts in Branches Abroad		
Deposits of Ultimate Shareholders and Their Close Families Deposits of Chairman and Members of the Board of Directors and their Close Families	11.366	23.907
Deposits Obtained through Illegal Acts Defined in the 282nd Article of the 5237 Numbered Turkish Criminal Code dated 26 September 2004.	43.256	21.646
Saving Deposits in Banks Established in Turkey Exclusively for Off		
Shore Banking Activities		

2. Information on derivative financial liabilities held for trading

2.1 Information on negative differences relating to derivative financial liabilities held for trading

	Current Period		Prior Period	
	TL	FC	TL	FC
Forward Transactions	100.750		65.341	
Swap Transactions	767.895		386.379	
Futures Transactions				
Options	228.455	10.392	195.948	27.093
Other				
Total	1.097.100	10.392	647.668	27.093

 $^{(\}mbox{\ensuremath{^{*}}})$ Derivatives for hedging purpose are excluded.

3. Information on banks and other financial institutions

3.1 Information on banks and other financial institutions

	Current Period		Prior Period	
	TL	FC	TL	FC
Loans from Central Bank of Turkey				
From Domestic Banks and Institutions	20.370	180.458	16.773	391.415
From Foreign Banks, Institutions and Funds		954.314		451.193
Total	20.370	1.134.772	16.773	842.608

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

II. Explanations and disclosures related to consolidated liabilities (continued)

3.2 Maturity analysis of borrowing

	(Current Period		rior Period
	TL	FC	TL	FC
Short Term	20.370	98.963	16.773	112.037
Medium and Long Term		1.035.809		730.571
Total	20.370	1.134.772	16.773	842.608

3.3 Additional explanation related to the concentrations of the Group's major liabilities

In the scope of normal banking operations, the Group funds itself through the funds provided in the form of deposits, bank borrowings and bond issuance.

4. Information related with issued instruments

Current Period	TL	FC		
	Short Term	Medium and Long Term	Short Term	Medium and Long Term
Nominal				1.443.590
Book Value				1.480.900
Prior period	TL		FC	
	Short Term	Medium and Long	Short Term	Medium and Long
	SHOIL LEITH	Term	Short reini	Term
Nominal	383.867			1.300.613
Book Value	383.937			1.334.395

5. Other Liabilities

Other liabilities of balance sheet do not exceed 10% of the balance sheet total excluding the off-balance sheet items.

6. Obligations under financial lease

With the "TFRS 16 Leases" standard valid from 1 January 2019, the difference between operating leases and finance leases has been eliminated and the lease transactions have been expressed under the "Lease Payables" as liability by lessees.

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	50.854	37.604	31.985	37.899
Between 1-4 Years	33.330	15.470	54.263	29.917
More than 4 Years	2.774	556	3.429	820
Total	86.958	53.630	89.677	68.636

6.1 Additional explanations related to the changes in agreements and the additional liabilities brought by these changes

None

7. Information on derivative financial liabilities for hedging purposes

As of 31 December 2020, there are no derivative financial liabilities for hedging purposes (31 December 2019: TL 113.444).

8. Information on provisions

8.1 Foreign exchange losses on the foreign currency indexed loans

The foreign exchange losses on foreign currency indexed loans are netted off from the loans on the balance sheet. As of 31 December 2020, there is no provision of foreign exchange loss on the foreign currency indexed loans. (31 December 2019: None).

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

II. Explanations and disclosures related to liabilities (continued)

8.2 The specific provisions provided for unindemnified non cash loans

As of 31 December 2020, the specific provision provided for unindemnified non cash loans is TL 4.566 (31 December 2019: TL 11.449).

8.3 Explanation on other provisions

8.3.1 Provisions for possible losses

	Current Period	Prior Period
Provisions for Possible Losses	151.000	44.500

8.3.2 The breakdown of the subsidiary accounts if other provisions exceed 10% of the grand total provisions None.

8.3.3 Explanations on reserves for employee benefits

As of 31 December 2020, reserves for employee benefits amounting to TL 37.613 (31 December 2019: TL 29.953) comprise of TL 19.874 reserve for employee termination benefits (31 December 2019: TL 15.083), TL 6.193 unused vacation pay liability (31 December 2019: TL 4.965) and TL 11.546 personnel bonus accrual (31 December 2019: TL 9.905).

The table below shows the predicted total net cost from employee termination benefits.

	Current Period	Prior Period
Balance at the Beginning	15.083	11.187
Change in the period	6.891	6.338
Aktuerial Loss/Profit Transferred to Equity	3.763	2.542
Paid in the Period	(5.863)	(4.984)
Balance at the End	19.874	15.083

9. Explanations on Tax Liability

9.1 Explanations on current tax liability

9.1.1 Explanations on tax provision

As of 31 December 2020, the Group's current tax liability is TL 187.777 (31 December 2019: TL 41.045)

9.1.2 Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	143.871	
Taxation on securities	13.359	17.703
Property tax	173	357
Banking and Insurance Transaction Tax (BITT)	13.397	10.555
Taxes on foreign exchange transactions	1.433	584
Value added taxes payable	1.715	1.364
Income tax ceased from wages	6.945	4.755
Other	1.004	787
Total	181.897	36.105

9.1.3 Information on premium

	Current Period	Prior Period
Social Security Premiums- Employee	2.494	2.089
Social Security Premiums- Employer	2.864	2.415
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	174	146
Unemployment Insurance- Employer	348	290

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

- II. Explanations and disclosures related to liabilities (continued)
 - 9.2 Explanations on deferred tax liabilities

None (31 December 2019: None).

10. Information on liabilities regarding assets held for sale and discounted operations

None (31 December 2019: None).

11. Explanations on subordinated loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Debt instruments subject to common equity	100.000	220.276	100.000	178.263
Subordinated loans Subordinated debt instruments(*)	100.000	 220.276	100.000	 178.263
Debt instruments subject to Tier 2 equity		1.907.323		1.610.755
Subordinated loans				
Subordinated debt instruments		1.907.323		1.610.755
Total	100.000	2.127.599	100.000	1.789.018

^(*) Related debt instrument is shown in "Other Capital Reserves" account.

12. Information on shareholders' equity

12.1 Paid-in capital

	Current Period	Prior Period
Common Stock	941.161	941.161
Preferred Stock		

12.2 Paid-in capital amount, explanation as to whether the registered share capital system is applied at the bank; if so the amount of registered share capital ceiling:

Registered share capital system is not applied.

12.3 Information on share capital increases and their sources; other information on increased capital shares in current period

None.

12.4 Information on share capital increases from revaluation funds:

None

12.5 Information on capital commitments the purpose and the sources until the end of the fiscal year and the subsequent interim period:

The capital is totally paid in and there are no capital commitments.

- 12.6 Indicators of the Group's income, profitability and liquidity for the prior periods and possible effects of these future assumptions due to the uncertainty of these indicators on the Group's equity: None.
- 12.7 Information on privileges given to stocks representing the capital

The Group does not have any preferred shares.

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

II. Explanations and disclosures related to liabilities (continued)

12.8 Common stock issue premiums, shares and equity instruments

Number of shares issued with premiums and the related share premiums are presented below:

	Current Period	Prior Period
Number of Shares (Thousand)	26.230.098	26.230.098
Number of Priviliged Shares		
Share Premium	128.678	128.678
Share Cancellation Profits		
Other Equity Instruments		

12.9 Information on marketable securities value increase fund

	Cı	rrent Period	,	Prior Period
	TL	FC	TL	FC
From Subsidiaries, Associates, and Entities Under Common Control (Joint Ventures)				
Security Valuation Difference	3.850	18.413	3.033	12.741
Exchange Difference				
Total	3.850	18.413	3.033	12.741

12.10 Information on other capital reserves

The Parent Bank has issued a TL-denominated debt instrument on 20 March 2019 with nominal amount of TL 100.000 with a floating interest rate, which fulfills the conditions of 7th section-2nd paragraph of BRSA's "Regulation on Equities of Banks", has equity characteristics and will be added to Tier I capital calculations. The debt instrument and its coupon payments are presented under "Other Capital Reserves" account for 2020.

12.11 Information on revaluation reserve

None.

12.12 Bonus shares of subsidiaries, associates and joint ventures

None.

12.13 Information on legal reserves

	Current Period	Prior Period
Legal Reserves	42.321	31.719
Special Reserves		

12.14 Information on extraordinary reserves

	Current Period	Prior Period
Reserves allocated by the General Assembly	454.071	252.629
Retained Earnings		
Accumulated Losses		
Foreign Currency Capital Exchange Differences		

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

II. Explanations and disclosures related to liabilities (continued)

13. Information on minority shares:

	Current Period	Prior Period
Opening Balance	87	58
Minority Shares in Net Profit of Subsidiaries	72	29
Dividend Payment in Prior Period		
Increase / (Decrease) in Minority Shares due to Sale		
Others		
Period-end Balance	159	87

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

III. Explanations and disclosures related to consolidated off-balance sheet contingencies and commitments

1. Information on consolidated off-balance sheet commitments

1.1 Nature and amount of irrevocable loan commitments

	Current Period	Prior Period
Asset Sale and Purchase Commitments	996.421	4.527.252
Credit Card Limit Commitments	27.643	32.901
Credit Card and Bank Trans. Promo. Guarantee		1
Commitments for Credit Allocation with the Guarantee of Usage	1.332.248	876.316
Export Commitments	8.878	5.940
Commitment for Cheques	184.090	187.578
Other Irrevocable Commitments	14.927	15.152
Total	2.564.207	5.645.140

1.2 Possible losses and commitments related to off-balance sheet items, including the ones listed below

1.2.1 Non-cash loans including guarantees, acceptances, financial guarantee and other letters of credits

	Current Period	Prior Period
Letters of Guarantee TL	584.041	432.859
Letters of Guarantee FC	277.530	317.754
Letters of Credit	248.224	168.208
Bills of Exchange and Acceptances	156.767	105.847
Total	1.266.562	1.024.668

The Bank has set aside TL 9.788 of expected credit loss allowance for non-cash loans (31 December 2019: TL 13.331).

1.2.2 Revocable, irrevocable guarantees and other similar commitments and contingencies

	Current Period	Prior Period
Revocable Letters of Guarantee	18.446	37.188
Irrevocable Letters of Guarantee	728.239	659.784
Letters of Guarantee Given in Advance	66.645	28.699
Letters of Guarantee Given to Customs	14.100	5.423
Other Letters of Guarantee	34.141	19.519
Total	861.571	750.613

Total amount of non-cash loans

	Current Period	Prior Period
Non-Cash Loans Given against Cash Loans		7.898
With Original Maturity of 1 Year or Less Than 1 Year		
With Original Maturity of More Than 1 Year		7.898
Other Non-Cash Loans	1.266.562	1.016.770
Total	1.266.562	1.024.668

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

III. Explanations and disclosures related to consolidated off-balance sheet contingencies and commitments (continued)

3. Information on sectorial risk concentrations of non-cash loans

		Current	Period			Prior Period		
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	1.767	%0,3	21.193	%3,2	2.050	%0,5	27.275	%4,6
Farming and raising livestock	389	%0,1	13.569	%2,1		%0,0		%0,0
Forestry	1.378	%0,2	7.624	%1,2	2.050	%0,5	27.275	%4,6
Fishing		%0,0		%0,0		%0,0		%0,0
Manufacturing	130.215	%21,5	318.836	%48,3	28.713	%6,6	180,630	%30,5
Mining	3.237	%0,5		%0,0	2.406	%0,6	1.496	%0,3
Production	123.266	%20,3	311.495	%47,2	20.674	%4,8	179.134	%30,3
Electric, gas and water	3.712	%0,6	7.341	%1,1	5.633	%1,3		%0,0
Construction	146.632	%24,2	47.920	%7,3	86.747	%20,0	39.551	%6,7
Services	138.531	%22,8	203.524	%30,8	148.571	%34,3	186.821	%31,6
Wholesale and retail trade	40.268	%6,6	37.854	%5,7	57.757	%13,3	93.435	%15,8
Hotel, food and beverage services	14.783	%2,4	47.561	%7,2	4.312	%1,0	36.930	%6,2
Transportation and telecommunication	20.047	%3,3	28.693	%4,3	15.030	%3,5	9.014	%1,5
Financial Institutions	49.256	%8,1	78.810	%11,9	41.370	%9,6	37.608	%6,4
Real estate and renting services	1.245	%0,2	1.172	%0,2	14.626	%3,4	655	%0,1
Self-employement services	4.013	%0,7	143	%0,0	10.986	%2,5	7.482	%1,3
Education services	2.687	%0,4		%0,0	1.687	%0,4		%0,0
Health and social services	6.232	%1,0	9.291	%1,4	2.803	%0,6	1.697	%0,3
Other	189.446	%31,2	68.498	%10,4	166.778	%38,5	157.532	%26,6
Total	606.591	%100,0	659.971	%100,0	432.859	%100,0	591.809	%100,0

4. Information on the first and second group of non-cash loans

	I. Gro	I. Group		
Current Period	TL	FC	TL	FC
Letters of Guarantee	545.520	272.645	38.521	4.885
Bills of Exchange and Bank Acceptances	22.550	134.217		
Letters of Credit		230.213		18.011
Endorsements				
Underwriting Commitments				
Factoring Related Guarantees				
Other Guarantees and Sureties				
Non-Cash Loans	568.070	637.075	38.521	22.896
	I. Gro	UD	II. Gro	JD

	I. Gro	I. Group		
Prior Period	TL	FC	TL	FC
Letters of Guarantee	406.915	312.347	25.944	5.407
Bills of Exchange and Bank Acceptances		105.847		
Letters of Credit		168.208		
Endorsements				
Underwriting Commitments				
Factoring Related Guarantees				
Other Guarantees and Sureties				
Non-Cash Loans	406.915	586.402	25.944	5.407

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

5. Information related to derivative financial instruments

	Current Period	Prior Period
Types of trading transactions		
Foreign Currency Related Derivative Transactions (I)	33.526.782	28.917.977
Forward Transactions	4.022.259	4.459.648
Swap Transactions	23.374.081	18.989.037
Futures Transactions		
Option Transactions	6.130.442	5.469.292
Interest Related Derivative Transactions (II)	2.899.546	644.020
Forward Rate Transactions		
Interest Rate Swap Transactions	2.899.546	644.020
Interest Option Transactions		
Futures Interest Transactions		
Other Trading Derivative Transactions (III)	420.836	1.157.032
A. Total Derivative Transactions Held for Trading (I+II+III))	36.847.164	30.719.029
Types of hedging transactions		
Fair Value Hedges		2.197.519
Cash Flow Hedges		
Net Investment Hedges		
B. Total Derivative Transactions Held for Hedging Purposes		2.197.519
Total Derivative Transactions (A+B)	36.847.164	32.916.548

6. Credit derivatives and risk exposures on credit derivatives

None.

7. Explanations on contingent liabilities and assets

The Group provided provision of TL 6.198 for the legal cases pending against the Group where the cash outflows are probable (31 December 2019: TL 2.107).

8. Custodian and intermediary services

The Group provides trading and safe keeping services in the name and account of third parties. Such transactions are presented in off-balance statements.

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

IV. Explanations and disclosures related to the statement of profit or loss

1. Interest income

1.1 Information on interest on loans

	Current Period		Prior Period	
	TL	FC	TL	FC
Interest on loans(*)	1.500.921	501.698	1.815.576	406.944
Short Term Loans	692.596	65.373	1.039.354	88.811
Medium and Long Term Loans	808.325	436.325	776.222	318.133
Interest on Non-Performing Loans Premiums received from Resource Utilization	15.576		9.776	
Support Fund Total	1.516.497	501.698	1.825.352	406.944

^(*) Includes fees and commissions obtained from cash loans as well.

1.2 Information on interest income received from banks

	Curre	nt Period	Prior Period	
	TL	FC	TL	FC
The Central Bank of Turkey			5.831	
Domestic Banks	24.882	53	109.615	375
Foreign Banks		229		1.414
Branches and Head Office Abroad				
Total	24.882	282	115.446	1.789

1.3 Interest received from marketable securities portfolio

	Curr	ent Period	Prior P	eriod
-	TL	FC	TL	FC
Financial Assets at Fair Value Through Profit or Loss	8.389	131	17.736	67
Financial Assets at Fair Value Through Other Comprehensive Income	549	45.751	903	41.926
Financial Assets Measured at Amortized Cost	15.930	41.645	10.220	18.376
Total	24.868	87.527	28.859	60.369

1.4 Information on interest income received from associates and subsidiaries

None (31 December 2019: None).

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

IV. Explanations and disclosures related to the statement of profit or loss (continued)

2. Interest expense

2.1 Information on interest on funds borrowed

	Current Period		Prior Period	
	TL	FC	TL	FC
Banks	1.613	41.668	1.548	35.922
The Central Bank of Turkey				
Domestic Banks	1.613	23.116	1.548	22.468
Foreign Banks		18.552		13.454
Branches and Head Office Abroad				
Other Institutions		165.407		146.966
Total	1.613	207.075	1.548	182.888

 $^{(\}mbox{\ensuremath{^{\prime}}}) \mbox{Includes fees and commission expenses on borrowings, as well.}$

2.2 Information on interest expenses to associates and subsidiaries

Total interest expense given to subsidiaries is TL 728 (1 January - 31 December 2019: TL 408).

2.3 Information on interest expenses to marketable securities

		Current Period		Prior Period	
	TL	FC	TL	FC	
Interest Paid to Marketable Securities	28.310	110.398	100.699	79.165	

2.4 Information on maturity structure of interest expenses paid for deposits

				Time Deposits				
Account Description	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	1 Year and Over	Cumulati ve Deposits	Total
Turkish Lira								
Bank Deposits		7.506						7.506
Saving Deposits		388.931	153.898	13.003	6.759	10.055		572.646
Public Sector Deposits		46	80					126
Commercial Deposits		26.697	84.423	1.297	110	183		112.710
Other		270	2.739	470	20	22		3.521
7 Days Notice								
Total		423.450	241.140	14.770	6.889	10.260		696.509
Foreign Currency								
Foreign Currency Deposits		46.886	50.228	6.699	3.054	2.251		109.118
Bank Deposits		3.011						3.011
7 Days Notice								
Precious Metal Deposits		1.802						1.802
Total		51.699	50.228	6.699	3.054	2.251		113.931
Grand Total		475.149	291.368	21.469	9.943	12.511		810.440

3. Information on dividend income

None (31 December 2019: None).

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

IV. Explanations and disclosures related to the statement of profit or loss (continued)

4. Information on net trading income / loss

	Current Period	Prior Period
Income	2.420.186	1.803.527
Gains on Capital Market Operations	62.668	66.313
Gains on Derivative Financial Instruments	1.371.297	807.204
Foreign Exchange Gains	986.221	930.010
Loss (-)	2.272.068	1.730.412
Losses on Capital Market Operations	18.969	3.973
Losses on Derivative Financial Instruments	1.298.946	807.645
Foreign Exchange Losses	954.153	918.794
Net Trading Income / (Loss)	148.118	73.115

5. Information on other operating income

Other operating income mainly consists of provision reversals, profit from sale of assets, commissions on cheques and notes and costs recharged.

6. Provisions for Expected Losses

	Current Period	Prior Period
Expected Credit Losses	285.864	489.872
12 Months Expected Credit Losses (Stage 1)	41.832	16.442
Significant Increase In Credit Risk (Stage 2)	126.137	2.902
Impaired Credits (Stage 3)	117.895	470.528
Impairment Losses on Marketable Securities		
Financial Assets Valued at Fair Value Through Profit or Loss		
Financial Assets Valued at Fair Value Through Other Comprehensive Income		
Impairment Losses on Associates, Subsidiaries and Joint Ventures		
Associates		
Subsidiaries		
Joint-Ventures		
Other (*)	110.595	98
Total	396.459	489.970

^(*) TL 106.500 of the total amount is the provision for possible losses (31 December 2019: None).

7. Information related to other operational expenses

	Current Period	Prior Period
Provision for Employee Termination Benefits	1.027	1.354
Provision for Bank's Social Aid Fund Deficit		
Impairment Losses on Tangible Assets		
Depreciation Charges of Tangible Assets	17.762	14.361
Impairment Losses on Intangible Assets		
Depreciation Charges of Intangible Assets	26.160	12.886
Impairment Losses on Investment Accounted for under Equity Method		
Impairment of Assets to be Disposed		
Depreciation of Assets to be Disposed		
Impairment of Assets Held for Sale	28.162	27.766
Impairment of Assets Held for Sale		
Other Operating Expenses	140.573	120.856
Operational leases expenses related with TFRS 16 exceptions	818	1.073
Repair and Maintenance Expenses	2.215	3.520
Advertisement Expenses	16.669	13.392
Other Expenses	120.871	102.871
Losses on Sale of Assets	4.060	2.283
Other	109.570	82.596
Total	327.314	262.102

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

- IV. Explanations and disclosures related to the statement of profit or loss (continued)
 - 8. Information on profit/loss before tax from continued and discontinued operations

The Group's profit/loss before tax is from its continued operations. The Group has no discontinued operations.

	Current Period	Prior Period
Interest Income	2.179.532	2.496.641
Interest Expenses (-)	1.223.484	1.680.573
Net Fee and Commission income	165.054	206.746
Dividend income		
Trading Profit/Loss (Net)	148.118	73.115
Other Operating Income(*)	83.957	171.485
Provision for Impairment in Loans and Other Receivables	285.864	489.872
Other Provision Expenses (-)	110.595	98
Personnel Expenses (-)	303.949	261.476
Other Operating Expenses (-)	327.314	262.102
Profit/(loss) Before Tax	325.455	253.866

- 9. Explanations on tax provision for resumed operations and discontinued operations
- 9.1 Current period taxation income or expense and deferred tax income or expense

As of 31 December 2020, the Group provided current tax expense of TL 226.453 in the statement of profit or loss for the 12 months period (1 January - 31 December 2019: TL 23.601 expense).

As of 31 December 2020, the Group provided the deferred tax expense of TL 101.224 and the deferred tax income of TL 239.277 in the statement of profit or loss for 12 months period (1 January - 31 December 2019: TL 15.309 deferred tax expense).

10. Information on profit/loss from continued and discontinued operations

	Current Period	Prior Period
Profit/(Loss) Before Tax from Continuing Operations	325.455	253.866
Tax Benefit/(Charge) on Continuing Operations	(88.400)	(38.910)
Net Profit/(Loss) from Continuing Operations	237.055	214.956

- 11. Information on net profit/loss for the period
- 11.1 The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the complete understanding of the Group 's performance for the period

In the current and prior periods, the Group's income from ordinary banking transactions is interest income from loans and marketable securities and other banking service income. Main expenses are interest expense on deposits and similar debt items which are funding resources of loans and marketable securities.

- 11.2 Changes in estimations made by the Group with respect to the financial statement items do not have a material effect on profit/loss
- 11.3 Consolidated profit in current period from minority shares

Consolidated profit in current period from minority shares is TL 72 (1 January - 31 December 2019: TL 29)

12. If "other" lines of the statement of profit or loss exceeds 10% of the period profit/loss, information on components making up at least 20% of "other" items

In the current period, "other" items recognised in "fees and commissions received" majorly comprised of commissions such as limit allocation and revision commissions, valuation commissions, insurance commissions, contracted merchant commissions, credit card commissions and account maintenance fees.

In the current period, "other" items recognised in "fees and commissions paid" majorly comprised of commissions to correspondent banks, credit card commissions and commissions on issuance of securities.

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

V. Explanations and disclosures related to statements of changes in consolidated shareholders' equity

1. Information on inflation adjustment difference of shareholders' equity

As per the circular issued by the BRSA on 28 April 2005 and the decision of BRSA No: 1623 on 21 April 2005, the inflation accounting applied in banking system has been decided to be ceased as at 1 January 2005.

In accordance with the circular, TL 17.416 inflation adjustments to paid-in-capital until 31 December 2005 have been transferred to "Other Capital Reserves" account which was formerly recognized in "Inflation Adjustment to Paid-in-Capital" account. Mentioned inflation adjustment was used in the capital increase from TL 426.650 to TL 550.000 together with TL 9.502 profit from the disposal of real estate and TL 96.432 cash contribution of Fiba Holding A.Ş. in accordance with the Board of Directors decision dated 25 February 2013. Legal procedures were completed on 29 May 2013 and capital increase was accounted for in the financial statements.

2. Information on profit distribution

The decision relating to distribution of 2020 profit will be made at the General Assembly.

At the General Assembly meeting held on 27 March 2020, 2019 profit of the Parent Bank was decided to be distributed as follows:

 Profit or Loss
 212.044

 A- Legal Reserves
 10.602

 B- Extraordinary Reserves
 201.442

3. Information on foreign exchange difference

4. Information on financial assets at fair value through other comprehensive income

Mark to market gains and losses on financial assets measured at fair value through other comprehensive income are not reflected to profit and loss but recognized in equity under "Securities Valuation Reserve" account until such securities are sold, redeemed, disposed of or impaired; recognised as "Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss" under equity. In case the related assets are securities representing a share in the capital, in the account "Accumulated Other Comprehensive Income or Loss Not Reclassified Through Profit or Loss" under equity.

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

VI. Explanations and disclosures related to the consolidated statement of cash flows

1. Information on cash and cash equivalents

Cash and cash equivalents components and accounting policies defining these components:

Cash, foreign currency, money in transfer, purchased bank cheques and deposits in all banks including Central Bank of Turkey are defined as "Cash", interbank money market placements with original maturity less than 3 months and investments on marketable securities are defined as "Cash equivalents".

a. Cash and cash equivalents at the beginning of the period:

	1 January 2020	1 January 2019
Cash	259.794	138.331
Banks and Other Financial Institutions	1.833.199	1.643.619
Money Market Placements	30.010	306.208
Total Cash and Cash Equivalent Assets	2,123,003	2,088,158

b. Cash and cash equivalents at the end of the period:

	31 December 2020	31 December 2019
Cash	336.603	259.794
Banks and Other Financial Institutions	1.788.538	1.833.199
Money Market Placements	412.231	30.010
Total Cash and Cash Equivalent Assets	2.537.372	2.123.003

2. Information on cash and cash equivalent assets of the Bank that is not available for free use due to legal restrictions or other reasons

In the current period, demand deposits of TL 293.142 which is blocked at foreign banks as the guarantee of derivative transactions and required reserves at the Central Bank of Turkish Republic are not included in cash and cash equivalents (31 December 2019: TL 31.976).

Information on other item in cash flow statement and the effect of the exchange rate change on cash and cash equivalents

"Other items" amounting to TL 87.315 in "operating profit before changes in operating assets and liabilities" consists of other operating expenses and realized derivative losses (31 December 2019: TL (256.217)).

"Net increase/decrease in other liabilities" amounting to TL (2.882) in "Changes in operating assets and liabilities" consists of changes in sundry creditors, taxes and due payables, other liabilities (31 December 2019: TL (26.753)).

"Net increase/decrease in other assets" amounting to TL (9.883) in "Changes in operating assets and liabilities" consists of changes in sundry receivables, other receivables (31 December 2019: TL (101.962)).

"Other" amounting to TL (51.382) in "Net cash flows from investment activities" consists of purchases of intangible asset (31 December 2019: TL (47.682)).

"The effect of exchange rate changes on cash and cash equivalents" is the amount arising from conversion of the cash and cash equivalents denominated in foreign currencies with the average of the exchange rates effective at the beginning and at the end of the related periods and is TL (754.562) the current period (1 January- 31 December 2019: TL (75.065)).

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

V. Explanations and disclosures on the risk group of the Parent Bank

1. Information on the volume of transactions with the Group's risk group, lending and deposits outstanding at period end and income and expenses in the current period

1.1 Current period

Bank's Risk Group (*)	ā	Associates, Subsidiaries and Joint-Ventures		Direct and Shareholder	Legal Entit	Persons and ties in Risk
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables	-		-			
Balance at the Beginning of the Period	-		-	- 20	331.014	61.073
Balance at the End of the Period	-		-	- 20	635.851	70.760
Interest and Commission Income Received	-		-		36.884	126

^(*) Described in article 49 of the Banking Act No: 5411.

Prior period

Bank's Risk Group (*)	ä	Associates, Subsidiaries and Joint-Ventures		Direct and Shareholder	Legal Entit	Persons and ties in Risk
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables	-					
Balance at the Beginning of the Period	-			- 20	402.272	55.468
Balance at the End of the Period	-		-	- 20	331.014	61.073
Interest and Commission Income Received	-		-		39.078	105

^(*) Described in article 49 of the Banking Act No: 5411.

1.2 Information on deposits of the Bank's risk group

Bankanın Dahil Olduğu Risk Grubu*	an	Associates, Subsidiaries and Joint-Ventures		rect and areholder	Other Real P Legal Entiti	es in Risk
	Current	Prior	Current	Prior	Current	Prior
	Period	Period	Period	Period	Period	Period
Deposits						
Balance at the Beginning of the Period	7.685	1.774	57.840	80.750	231.137	460.871
Balance at the End of the Period	2.544	7.685	18.479	57.840	512.953	231.137
Deposit Interest Expense	728	408	4.778	20.577	20.532	49.554

^(*) Described in article 49 of the Banking Act No: 5411.

1.3 Information on funds obtained from the Bank's risk group

As of 31 December 2020, there are no funds other than deposit obtained from Bank's risk group (31 December 2019: None).

^(**) Includes all transactions described as loans in article 48 of the Banking Act No: 5411.

^(**) Includes all transactions described as loans in article 48 of the Banking Act No: 5411.

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

V. Explanations and disclosures on the risk group of the Parent Bank (continued)

1.4 Information on forward and option agreements and similar agreements made with Bank's risk group

Bank's Risk Group (*)	Associates, Subsidiaries and Joint-Ventures		Bank's Direct and Indirect Shareholder		Other Real Persons and Legal Entities in Risk Group	
	Current	Prior	Current	Prior	Current	Prior
	Period	Period	Period	Period	Period	Period
Financial Assets at Fair Value Through Profit and Loss:						
Balance at the Beginning of the Period					741.741	780.609
Balance at the End of the Period					1.181.279	741.741
Total Income/Loss					578	(37.471)
Transactions for Hedging Purposes:						
Balance at the Beginning of the Period						
Balance at the End of the Period						
Total Income/Loss						

^(*) As described in the Article 49 of Banking Act no.5411.

2. Information on transactions with the Bank's risk group

2.1 Relations with entities in the risk group of / or controlled by the Bank regardless of the nature of relationship among the parties

The terms of related party transactions are equivalent to those that prevail in arm's length transactions only if such terms can be substantiated regarding the limits exposed by the Banking Act. Adopted Bank policy is that assets and liabilities will not be dominated by the risk group and the balances with the risk group will have a reasonable share in the total balance sheet.

2.2 In addition to the structure of the relationship, type of transaction, amount, and share in total transaction volume, amount of significant items, and share in all items, pricing policy and other

As of 31 December 2020, the ratio of the loans and other receivables used by the entities of risk group to total loans and receivables is 3,38% (31 December 2019: 2,12%) and the ratio of the deposits of entities of risk group to total deposits is 3,02% (31 December 2019: 2,19%). There are no funds obtained from entities of risk group (31 December 2019: None).

In the current period, benefits such as salaries and bonuses; provided to the key management are TL 21.892 (1 January - 31 December 2019: TL 15.964).

2.3 Total of similar type of transactions together, unless a separate disclosure is required to present the effect of the transactions on financial statements

None.

2.4 Transactions accounted for under equity method

None.

2.5 Explanations on purchase and sale of real estate and other assets, sales and purchases of services, agency contracts, finance lease agreements, transfer of data obtained from research and development, licensing agreements, financing (including loans and cash and in-kind capital support), guarantees and promissory notes, and management contracts

None.

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

- VIII. Explanations on the Parent Bank's domestic, foreign, off-shore branches or investments in associates and foreign representative offices
 - 1. Information related to the Parent Bank's domestic and foreign branch and representatives

	Number	Number of Employees			
Domestic Branch	50	1.564	Country of Incorporations		
Foreign Reprasantation Office			1- 2-		
			3-		
				Total Assets	Statutory Share Capital
Foreign Branch			1-		
			2-		
Off-shore			3-		
Banking Region Branches			1-		
			2-		
			3-		

Domestic Consolidated Subsidiaries

	Number of Employees	Assets	Legal Capital
Fiba Portföy Yönetimi A.Ş.	14	18.092	5.500

IX. Events after balance sheet date

None.

SECTION SIX

1. Other disclosures on activities of the Parent Bank

Summary information of Parent Bank's risk ratings by international rating agencies

Fitch Ratings	
Long term FC and TL Rating	B+
Short term FC and TL Rating	В
Viability Rating	b
Viability Rating	5
Support Rating	A- (tur)
Long term National Scale Rating	B+
Senior Unsecured Debt Rating	B-
Subordinated Debt Rating	Negative

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

SECTION SEVEN

DISCLOSURES ON AUDIT REPORT

I. Disclosures on audited report

The consolidated financial statements of the Bank and its subsidiary as of 31 December 2020, have been audited by KPMG Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik AŞ (The Turkish member firm of KPMG International Cooperative) and a audit report is presented before the accompanying financial statements.

II. Disclosures and footnotes prepared by independent auditors

None.

CONTACT AND BRANCHES

No	Branch Code	Branch Name	Province	District	Branch Address	Telephone	Fax
1	62	Adana	Adana	Seyhan	Cemalpaşa Mah. Atatürk Cad. No: 52/A	+90 (322) 459 9711	+90 (322) 459 7993
2	30	Akdeniz	Antalya	Muratpaşa	Mehmetçik Mah. Aspendos Bulvarı No: 81/D	+90 (242) 314 1021	+90 (242) 322 2493
3	78	Aksu	Antalya	Aksu	Macun Mah. İsmail Ogan Cad. No: 3-1/10	+90 (242) 426 36 60	+90 (242) 426 36 61
4	34	Alanya	Antalya	Alanya	Saray Mah. Yunusemre Cad. No: 52/A	+90 (242) 511 5050	+90 (242) 511 6995
5	79	Altıyol	Istanbul	Kadıköy	Osmanağa Mah. Söğütlüçeşme Cad. No: 79 Altıyol	+90 (216) 450 56 96	+90 (216) 450 56 97
6	87	Ankara Kurumsal	Çankaya	Ankara	Koç Kuleleri Söğütözü Mah. Söğütözü Cad. No: 2 A Blok K:27 Ofis No: 78-79	+90 (312) 284 47 72	+90 (312) 287 64 41
7	94	Atatürk OSB	Istanbul	Başakşehir	İkitelli OSB Şubesi Atatürk Bulvarı Haseyad 1. Kısım Göksu İş Merkezi No: 56/D	+90 (212) 549 65 98	+90 (212) 549 3284
8	42	Bakırköy	Istanbul	Bakırköy	İncirli Cad. Aydın İşhanı No: 90	+90 (212) 571 1701	+90 (212) 571 1715
9	70	Balgat	Ankara	Çankaya	Oğuzlar Mah. Ceyhun Atuf Kansu Cad. No: 50/A Balgat	+90 (312) 220 16 77	+90 (312) 220 1678
10	14	Beşiktaş Çarşı	Istanbul	Beşiktaş	Barbaros Bulvarı No: 23/A	+90 (212) 363 8202	+90 (212) 299 3602
11	85	Beylikdüzü	Büyükçekmece	Istanbul	Cumhuriyet Mah. D100 Karayolu Cad. No: 374/26-27	+90 (212) 873 68 85	+90 (212) 872 9887
12	40	Bodrum	Muğla	Bodrum	Hasan Reşat Öncü Cad. No: 20	+90 (252) 313 1680	+90 (252) 313 1690
13	58	Bornova	İzmir	Bornova	Kazım Dirik Mah. Mustafa Kemal Cad. No: 117/a	+90 (232) 343 3304	+90 (232) 343 6662
14	18	Caddebostan	Istanbul	Kadıköy	Bağdat Cad. No: 300/A Caddebostan	+90 (216) 569 7120	+90 (216) 372 6934
15	67	Çallı	Antalya	Кереz	Ulus Mah. Namık Kemal Bulvarı No: 6/5 Çetin İş Merkezi Kepez	+90 (242) 344 5420	+90 (242) 344 5421
16	63	Çorlu	Tekirdağ	Çorlu	Cemaliye Mah. Eski Hükümet Cad. No: 6/2B	+90 (282) 653 7020	+90 (282) 652 1969
17	47	Denizli	Denizli	Merkezefendi	Saraylar Mah. Enverpaşa Cad. No: 15	+90 (258) 264 4421	+90 (258) 264 4402
18	66	Düzce	Düzce	Merkez	Kültür Mah. İstanbul Cad. No: 104	+90 (380) 524 5955	+90 (380) 514 9661
19	21	Eminönü	Istanbul	Fatih	Hobyar Mah. Ankara Cad. No: 39	+90 (212) 455 8112	+90 (212) 526 2030
20	86	Eskişehir	Odunpazarı	Eskişehir	İstiklal Mah. Şair Fuzuli Cad. No: 12/A	+90 (222) 220 85 81	+90 (222) 220 03 54
21	23	Etiler	Istanbul	Beşiktaş	Nispetiye Cad. No: 77 Etiler	+90 (212) 359 8203	+90 (212) 257 2059
22	39	Gaziantep	Gaziantep	Şehitkamil	İncilipınar Mah. Prof. Muammer Aksoy Cad. No: 19	+90 (342) 215 16 88	+90 (342) 215 1678
23	41	Gebze	Kocaeli	Gebze	Hacı Halil Mah. Atatürk Cad. No: 55/1 A Blok	+90 (262) 643 10 53	+90 (262) 643 1072
24	44	lmes	Istanbul	Ümraniye	lmes Sanayi Sitesi B Blok 202. Sokak No: 4	+90 (216) 527 9750	+90 (216) 527 9791
25	15	İzmir	Izmir	Konak	Cumhuriyet Meydanı, Meydan Apt. No: 11/B Alsancak	+90 (232) 466 0124	+90 (232) 422 4924

CONTACT AND BRANCHES

	Branch	Branch					
No	Code	Name	Province	District	Branch Address	Telephone	Fax
26	82	İzmit	Kocaeli	İzmit	Hürriyet Cad. No: 169 41040 İzmit-Kocaeli	+90 (262) 324 03 31	+90 (262) 324 03 32
27	20	Kalamış	Istanbul	Kadıköy	Fenerbahçe Mah. Ahmet Mithat Efendi Cad. No: 13	+90 (216) 477 7250	+90 (216) 369 1489
28	61	Karşıyaka	İzmir	Karşıyaka	Bostanlı Mah. Girne Bulvarı No: 63/A Karşıyaka İzmir	+90 (232) 368 7085	+90 (232) 368 7021
29	77	Kayseri Çarşı	Kayseri	Melikgazi	Cumhuriyet Mah. Millet Cad. No: 22	+90 (352) 231 30 00	+90 (352) 231 30 12
30	54	Konya Büsan	Konya	Karatay	Fevzi Çakmak Mah. Kosgeb Cad. No: 3-A	+90 (332) 345 0230	+90 (332) 345 0991
31	25	Kozyatağı	Istanbul	Kadıköy	Sahtayıcedit Mah. Atatürk Cad. No: 36/A Kozyatağı	+90 (216) 477 7132	+90 (216) 369 1136
32	45	Maltepe	Istanbul	Maltepe	Cevizli Mah. Bağdat Cad. No: 444/A	+90 (216) 457 3369	+90 (216) 457 3370
33	31	Merkez	Istanbul	Şişli	Esentepe Mah. Büyükdere Cad. No: 129 A	+90 (212) 381 8555	+90 (212) 227 2452
34	48	Mersin	Mersin	Akdeniz	Uray Cad. No: 17 Şıhman İş Merkezi	+90 (324) 233 1149	+90 (324) 233 6932
35	59	Muratpaşa	Antalya	Muratpaşa	Muratpaşa Mah. Adnan Menderes Bulvarı No: 9 Muratpaşa	+90 (242) 229 1024	+90 (242) 229 1028
36	29	Necatibey	Ankara	Çankaya	Necatibey Cad. No: 23/A Kızılay	+90 (312) 205 1083	+90 (312) 229 6790
37	76	Nilüfer	Bursa	Nilüfer	Üçevler Mah. Ersan Sk. No: 7/B	+90 (224) 441 44 08	+90 (224) 441 44 28
38	22	Nişantaşı	Istanbul	Şişli	Harbiye Mah. Teşvikiye Cad. No: 49/B	+90 (212) 368 8158	+90 (212) 219 6617
39	37	Ostim	Ankara	Yenimahalle	Organize Sanayi Bölgesi, 100. Yıl Bulvarı No: 17	+90 (312) 386 0401	+90 (312) 386 0462
40	32	Özyeğin Ün.	Istanbul	Çekmeköy	Nişantepe Mah. Orman Sk. No: 28/30 Öğrenci Merkezi	+90 (216) 525 5000	+90 (216) 525 5001
41	36	Pendik	Istanbul	Pendik	Çınardere Mah. Gönenli Mehmet Efendi Cad. No: 83/1 Pendik	+90 (216) 598 1525	+90 (216) 598 1585
42	83	Salihli	Manisa	Salihli	Atatürk Mah. Belediye Cad. No: 89 /A	+90 (236) 713 49 09	+90 (236) 713 89 59
43	60	Sincan	Ankara	Sincan	Atatürk Mah. Meltem Sk. No: 43/B	+90 (312) 348 28 44	+90 (312) 348 28 30
44	92	Söke	Söke	Aydın	Konak Mah. Cumhuriyet Meydanı No: 4	+90 (256) 518 89 83	+90 (256) 518 65 34
45	24	Şişli	Istanbul	Şişli	Halaskargazi Cad. No: 207	+90 (212) 368 8122	+90 (212) 219 4254
46	75	Торкарі	Istanbul	Zeytinburnu	Maltepe Mah. Teyyareci Sami Sk. Beyaz Residans Sitesi C Blok No: 2/I	+90 (212) 638 91 61	+90 (212) 638 91 68
47	55	Ümraniye	Istanbul	Ümraniye	Alemdağ Cad. No: 372/1	+90 (216) 481 9101	+90 (216) 481 9103
48	53	Üsküdar	Istanbul	Üsküdar	Aziz Məhmut Hüdəyi Məh. Həlk Cad. No: 4-6A	+90 (216) 532 3307	+90 (216) 532 3475
49	12	Yeşilköy	Istanbul	Bakırköy	İstasyon Cad. No: 23/B Yeşilköy	+90 (212) 468 8480	+90 (212) 662 9457
50	26	Yıldız	Ankara	Çankaya	Hilal Mah. Hollanda Cad. No: 3/A	+90 (312) 405 8003	+90 (312) 442 2493

